

Research Report  
ABOUT Style

# The global branding report

2007 edition

by Stacy Baker



STYLE



**ABOUT**  
Publishing Group

# The global branding report

by Stacy Baker



ABOUT Publishing Group  
21 Noel Street  
London W1F 8GP  
United Kingdom

**ABOUT Publishing Group**

21 Noel Street

London

W1F 8GP

United Kingdom

T: +44(0)20 7434 1269

F: +44(0)20 7434 1545

e-mail: [admin@aboutpublishing-style.com](mailto:admin@aboutpublishing-style.com)

**Copyright**

© 2006 ABOUT Publishing Limited. All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of ABOUT Publishing Limited.

The authors of ABOUT Publishing Group Research Reports are drawn from a wide range of professional and academic disciplines. All the information in the reports is verified to the best of the authors' and the publisher's ability, but neither can accept responsibility for loss arising from decisions based on these reports.

# Contents

- 1 **Chapter 1: Introduction**
- 2 **Chapter 2: Executive summary – key branding trends**
- 3 **Chapter 3: Consumer trends: The 2007 consumer**
- 7 **Chapter 4: Success factors**
  - 7 Summary
  - 8 Get in touch with your consumer
    - 8 - *brand editing*
    - 9 - *less can be more*
    - 9 Service
    - 10 - *consumer-generated marketing*
- 12 **Chapter 5: New products and line extensions**
  - 12 Summary
  - 13 Line extensions
    - 14 - *which brands do best with line extensions?*
  - 14 Licensing
    - 15 - *a multitude of challenges*
    - 15 - *know your consumer, know your licensee...*
- 17 **Chapter 6: Branding checklist in 2007**
- 18 **Chapter 7: Retailers**
  - 18 Summary
  - 18 The environment
    - 18 - *department stores outpacing expectations*
  - 19 Private label
    - 20 - *the changing definition of private label*
    - 20 - *developing an in-store identity*
    - 21 - *the competition for floor space*
- 23 **Chapter 8: Fashion trends: Interviews with the experts**
  - 23 What trends are we seeing in fashion in terms of fabrics?
  - 23 How important are functional or performance fabrics in fashion apparel?
  - 23 Which style trends will dominate the runways over the course of the next year?
  - 24 Which colours will we see on top brands in the coming year?
  - 24 How would you describe the overall mood of fashion today?
  - 24 How much of fashion is dictated by designers versus consumer demand/desire?
  - 25 How are fashion brands able to attract younger customers without abandoning the core base, particularly in terms of design?
  - 25 How can brands do a better job of keeping with fashion trends, while staying true to brand messaging?
  - 25 What opportunities are still left untapped when it comes to consumers and their fashion wants/needs?

26	<b>Chapter 9: Luxury</b>
26	Summary
26	- <i>utilising the cachet of top designers</i>
27	Opportunities
27	- <i>the proliferation of accessories</i>
27	- <i>the Chinese market</i>
28	- <i>the longer-term strategy</i>
29	Success factors
29	- <i>the 'missing woman'</i>
30	- <i>the importance of value-for-money</i>
30	- <i>timely and timeless</i>
33	<b>Chapter 10: Discount</b>
33	Summary
33	The market
36	<b>Chapter 11: Plus sizes</b>
36	Summary
37	The marketplace

#### **List of tables**

Table 1	Top 10 fashion advertisements: 2006
Table 2	Top 10 fashion brands: 2006
Table 3	Falling out of favour: brands dropped from the 2005 list
Table 4	Top 5 new brands to the 2006 list
Table 5	Make your brand stand out from the competition
Table 6	Top three steps on your brand strategy checklist
Table 7	Branding strategy: top 10 'must-do's'

## Chapter 2 **Executive summary: key branding issues**

- Consumers consider fashion as part of an overall budgetary spend, so apparel purchases now compete directly with other choices from the technology, entertainment, beauty and general lifestyle categories for the discretionary dollar.
- Loyalty is elusive and fleeting. Brands today need to create distinction, freshness and excitement in order to build trust and interest. Give consumers a reason to shop.
- Your brand message should resonate with consumers at all touch points. At every point that your consumer meets your brand, you should have a strong, solid presence that reinforces your message in a way that is unique to your label. By doing this, you will round out the consumer experience and foster a sense of loyalty that only comes from being present, available and relevant to your core shopper.
- Consumer expectations are increasing 2.5 times faster than brands are able to keep up, according to a recent Brand Keys Customer Loyalty Index.
- Women walk into a store and know within seven to 12 seconds whether they will stay or leave. This fast-paced modern decision maker needs to be immediately stimulated when entering a store.
- Many women make the decision to enter the store based on what they see in your window. Is it fresh? Is it exciting? Is it actually any different to the display that she walked by last week? Stay on top of consumer interest and you will translate shopper attention into sales.
- Tweens, teens and plus-size markets are ripe for opportunity.
- Private label is expected to become as much as half of the merchandise mix over the next five years as companies look for distinctive value apparel to drive store traffic.
- Luxury is king whether you're a brand or retailer. Consumers of all channels and demographic levels want luxurious experiences from start to finish.
- 70% of purchasing decisions are emotional, says Robert Passikoff, author of *'Predicting Market Success'* (Wiley, 2006), which means there is a discrepancy between what consumers say they want and what they purchase.

less of a 'want' and more of a 'need'. Consumers will seek you out for your opinions, advice and style savvy. They want your guidance and suggestions. "Apparel brands can do a much better job of making it easy for consumers to build a wardrobe," says Davies. "Just as Amazon and other Web-based brands suggest books based on a consumer's previous purchases, apparel brands could make suggestions to consumers based on previous pieces they have bought. If a brand knows that a consumer bought a particular skirt or sweater last winter season, this winter season they could send out an e-mail suggesting they take a look at pieces in the new collection that would build on what they previously bought."

### —consumer-generated marketing

This element of service can be tailored to your particular brand. With a little knowledge, you are in a better position to make suggestions, offer targeted discounts and show people how to keep your brand relevant and current. Davies points to consumer-generated marketing, a strategy well employed in other industries, such as consumer products, but not fully utilized in fashion. "Apparel brands are so much a part of consumers' identity that it is a perfect category for inviting consumers to participate in the marketing," she says. "Converse ran a contest inviting consumers to create videos about how they felt about the Converse brand and received wonderfully creative consumer testimonies about the brand. When it is done well, consumer-generated marketing can both fuel and spread the passion for a brand." Peer-to-peer marketing capitalizes on the trust that you have for the people in your group, as well as the speed, depth and intensity of your interactions. Advice from an 'in-the-know' friend will go much further than a suggestion from a more removed source.

#### **Fashion/clothing brands are notorious for not doing any research**

It all goes back to building relationships with consumers, strong bonds built on trust in your message, expertise and lifestyle connection. "A successful brand must engage the consumer in an emotional response that will dominate rational thinking in order to develop a strong, positive, and (hopefully) loyal, bond between brand and consumer," explains Forsythe. "Consumers must perceive positive and desirable associations with the core values of a brand. For example, certain brands are associated with a certain status or signal belonging to certain groups, which enhance their value to consumers who wish to be perceived as a member of a particular group or status." This is particularly true in the luxury market, driven largely by consumers' desire to be associated with a certain sense of exclusivity.

#### **Most fashion advertising is interchangeable**

#### **Table 5: Make your brand stand out from the competition**

Robert Passikoff offers three 'must do's' for making your brand stick out among the competition:

1) Conduct some research to better understand your customers. Fashion/clothing brands are notorious for not doing any research. When they do it's usually something that someone remembered doing in 1973, so they do it again. Customers and the retail environment are tougher than ever. What you need is 20/20 FORESIGHT, not 20/20 Hindsight.

2) Take a hard look at your advertising. Most fashion advertising is interchangeable. If you cover the name, you couldn't identify the clothing if your life depended upon it. (The people who work in the industry always say that they can identify the clothing. But they're not the final and ultimate audience.)

3) Examine your media and engagement plans and find venues and co-branding opportunities that reinforce your values and bond consumers to you!

For fashion, the term has evolved further beyond the retailers' owned brands but can include those brands that the retailer has secured from third parties exclusively, such as Target and Isaac Mizrahi. For this section of the report, we will discuss the latter two definitions.

### —the changing definition of private label

#### **Many companies have done well to create a store that is also a brand**

No matter what your definition, the end result has been clear: Retailers have discovered a very clever way to improve their clothing margins and help drive consumer traffic. "It's a vertical integration and the fashion retailers have acknowledged that a successful fashion brand has to have a fashion statement and a strong brand identity," says Candace Corlett, co-founder and president, WSL Strategic Retail in New York. "They have very smartly learned to create a brand identity around private brands."

In the specialty retailer segment, many companies have done well to create a store that is also a brand, such as Chico's, Gap, Ann Taylor and Express, while other specialty shops seem to stand less for their own brand but more of a destination – like Zara and H&M.

#### **Key to the private label's success is advertising**

Still, what they share in common is that they create an identity or message that consumers want to associate with. "What these retailers have done is create a statement that makes their consumer say 'I want to live that brand. That brand expresses my lifestyle,'" says Corlett. She points to Federated Department stores and the INC brand, along with Charter Club at Macy's, brands that have consistent designs, looks and feel. The stores have also recognized that key to the private label's success is also advertising, rather than just placing merchandise on the floor and hoping it sells. Often, though, their budgets do not warrant the advertising expenditure, which is why they have the attractive margins in the first place.

#### **It's a catch-22 for retailers**

"Retailers have the skills and creativity to be as viable as national brands," says Corlett. "They've demonstrated that they know how – the big thing about the clothing retailers is that they have to understand it's not enough to put clothing on the store floor. You have to create ambiance and identity and that puts them ahead of the manufacturers of brands in other categories, so they know what needs to be done. Clearly the advertising budget is holding them back." In a way, it's a catch-22 for retailers because the reason private label is so attractive is the notion of not having to spend a lot of resources to create a strong brand.

The upside is that private labels have done a good job, both at department stores and specialty retailers, of providing INC new collections that are as interesting as the pieces coming out of the competitive set. Even department store offerings that may seem less exciting than their fashion counterparts have found a niche and proven they understand their particular customer's needs and design to her specific desires.

### —developing an in-store identity

Moving forward, the biggest opportunities in private label will come at the hands of investment in creating an ambiance and statement both in-store and on the streets. "National brands have eclipsed private label in terms of developing in-store identity," says Corlett. "Think about Ralph Lauren or Juicy Couture or Nautica in stores – there's imagery around them, signage, mannequins. You walk into the Juicy Couture section and it's clear you've entered their world. I don't see that with private label brands."



# The global report on counterfeiting: anti-counterfeiting and the apparel industry



Counterfeiting is a truly global problem. And it is a problem that appears to be spiralling out of control. Revenues generated from counterfeit product sales are estimated to have grown by more than 400% since the early 1990s, while

sales of legitimate brands grew just 50% over the same timeframe.

This exclusive report from ABOUT Style analyses the extent of the damage caused to legitimate brands in the clothing and apparel sector, and offers advice on how the problem can be addressed.

Section by section the report breaks down the key problems associated with this global menace, and outlines practical advice to companies looking to formulate effective anti-counterfeiting strategies.

Many leading apparel industry executives and influential Wall Street analysts and attorneys participated in this research, making it an invaluable resource for anyone involved in branding and its associated industries.

**Product type:** Report/Study  
**Publication date:** March 2005 **Price:** £295  
**No. pages:** 40 **Format:** PDF

## The global report on counterfeiting—provides answers to key questions such as:

### Brands

- Which brands are most at risk?
- What are the telltale signs that your brand is being copied?

### Can counterfeiters be stopped?

- What are the realistic objectives that a company can set itself?
- To what extent can increased media interest help?
- Should brands aggressively pursue prosecution or adopt a more defensive strategy?
- Does emerging technology actually help the fight against counterfeiting?
- What are the important tips that should be passed on to consumers?

### Elements of a successful anti-counterfeiting strategy

- What is the most important element for a legitimate manufacturer?
- What approach should be taken if resources are low?
- How can external agencies help?
- Is it possible to target the source of counterfeiting activity?

### Where to find counterfeiters

- Why is Thailand responsible for so much counterfeiting activity?
- Is China really cracking-down on counterfeiters?
- What are the favourite modes of transport for counterfeiters?

### Anti-counterfeiting tools and solutions

- How is technology helping anti-counterfeiting efforts?
- Are criminals as technology-savvy as the legitimate apparel companies?
- What overt and covert solutions are available to manufacturers?

## ORDER FORM

### 1 Purchase information

I would like to purchase

**The global report on counterfeiting**

Quantity	Price*	Total
<input type="text"/>	£295	<input type="text"/>

\*Reports are supplied electronically as a PDF. Please add £25 for each report supplied in print

### 2 Personal details

(Please attach your business card or complete the following in capitals)

Name (Mr/Mrs/Ms/Dr)	
Job title	
Company name	
Address	
City	
Zip/postcode	Country
Nature of business	
Tel	
Fax	
E-mail	

### 3 Payment method

I enclose a cheque for £  payable to

#### ABOUT Publishing Limited.

Customers can pay by cheque with either of the following methods: Sterling cheques drawn on a UK bank. Cheques in US dollars, euros or in any freely convertible currency drawn on the country of origin at current exchange rates.

Please charge £  to my  Visa  MasterCard

Account number
Name
Valid from
Signed
Expiry date
<input type="checkbox"/> Please send me a proforma invoice (Report(s) will be sent on receipt of payment)

The above prices do not include VAT. Customers in EU member countries may be liable to pay VAT if their Registration Number is not supplied. Please enter your EU Registration Number (VAT/TVA/BTW/MOMS/MWST/IVA/FPA) below:

### 4 Please send your order to

**ABOUT Publishing Group Limited, 21 Noel Street, London, W1F 8GP, United Kingdom**

**T: +44(0)20 7434 1269 F: +44(0)20 7434 1545**

**e-mail: sales@aboutpublishing-style.com www.aboutpublishing-style.com**



**ABOUT**  
Publishing Group

**ABOUT Publishing Group**

21 Noel Street

London

W1F 8GP

United Kingdom

T: +44(0)20 7434 1269

F: +44(0)20 7434 1545

e-mail: [admin@aboutpublishing-style.com](mailto:admin@aboutpublishing-style.com)

STYLE



**ABOUT**  
Publishing Group