

Global Fashion Business

Chapter 16

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Key Concepts

Meaning of the terms *market*, *market center*, *mart*, and *trade show*

Locations and activities of markets, marts, and trade shows in the United States.

Locations and activities of foreign fashion markets

Trends in U.S. and foreign fashion markets

Means of importing for retailers and manufacturers

The role of offshore production in product development

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Market Terminology

Market: Place where goods are offered for sale and sold at wholesale prices

Domestic Market: Market in one's own country

Foreign Market: Markets outside one's own country

Market Center: A city where fashion is offered and sold wholesale

Mart: A building or complex of buildings that houses a wholesale market

Market Week: When market center, mart producers, and designers gather to exhibit their new lines

Trade Shows: Periodic exhibits scheduled throughout the year in regional market centers & some marts

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The Role of Sales Representatives

- Hired by manufacturers to handle accounts between New York buying trips and help those who did not travel to New York at all.
- Starting out selling in hotel rooms slowly led to the development of regional market centers



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The Role of Marts

- The Chicago Merchandise Mart had little competition until the 1960s, when other cities began to build marts, and regional markets took a giant step forward in their development.
- In 1964, the California Mart opened in Los Angeles. That same year, the dazzling Dallas Market Center opened and began servicing the western half of the country.
- Throughout the 1970s, Atlanta, Seattle, Miami, Denver, Pittsburgh, Minneapolis, and Charlotte, North Carolina, became important regional market centers.
- Sales reps employed by large producers operate out of corporate showrooms in a fashion mart



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Services: Publicity

- Regional Markets and Marts serve as ongoing publicity program to draw interesting and exciting exhibitors.
- Market Centers and Marts work to also attract buyers.
- The fashion shows are the highlight of market week, showcasing the work of many designers.



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The New York Market

- Advantages of the New York Market:
- New York City is the fashion capital of the United States.
- Many national organizations are headquartered there, providing support services to buyers.
- New York is the home of the fashion publishing industry; the Fashion Institute of Technology, and the Metropolitan Museum of Art.
- Buyers can shop every category in the industry at any price point.



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Regional Market Centers

- California Markets:
 - Los Angeles
 - San Francisco
- Dallas Market
- Miami Market



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Foreign Fashion Markets

- France: Paris Couture & French Ready-to-Wear
- Italy: Italian Couture & Italian Ready-to-Wear
- Great Britain: British Couture & British Ready-to-Wear
- Germany & Scandinavia: Fragrance, Leather, & Jewelry
- Canada: The North American Fur and Fashion exhibition
- The Americas and Caribbean Basin: Handbags, Belts, Small Leather Goods
- Japan: Ready-to-Wear & Designer
- China: Shoes, Leather, Fur
- Hong Kong: Beauty, Leather, Designer
- India: Designer & Couture
- Australia: Wool (UGGS)

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Importing by Retailers

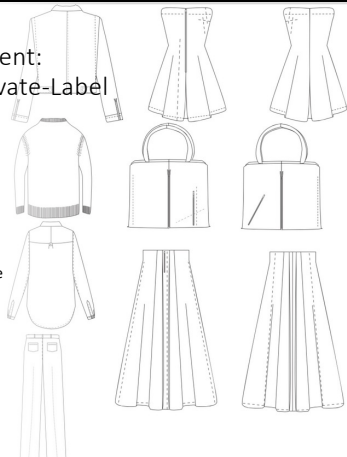
- Global Sourcing – The process of shopping for and purchasing imported goods.
- Retailers are the primary importers of foreign goods in the fashion industry
- Although manufacturers also seek global sourcing
- Anyone who intends to buy goods from a foreign country needs a thorough knowledge of its local laws and regulations
- Buyers must be up-to-date on U.S. import and export regulations



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Product Development: Specification & Private-Label Buying

- Private-Label Buying: If the retailer agrees the manufacturer may design private-label merchandise for the retailer.
- Specification Buying: A type of purchasing done to the store's standards rather than the manufacturer's standards.



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International Trading Law

- The trade relationship between any two nations affects the relationship of each party with its other trading partners as well.
- *Counterfeit goods* are inferior imitations passed off as the genuine article
- *The black market* is where illicit goods or commodities that are in violation of official regulations are traded.
- *Gray market goods* are those that were not intended for sale in the country in which they are being sold



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Penetration of the U.S. Market by Foreign Investors

- Foreign investors have long been interested in buying into American textile and apparel manufacturing companies.
- Many retail operations have been foreign owned for some time, and there is even more activity in this sector than in manufacturing.
- H&M, Zara, TopShop, and UNIQLO are all examples of foreign owned retailers with U.S. success.



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