

Overview of the Apparel Industry: the big picture

- History of the Apparel Industry
 - Pret-A-Porter



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- Textile industry
 - Fiver manufacturer
 - Yarn spinners
 - Fabric manufacturer
 - Converters
 - Dyers
 - Printers
 - Finishers
- Apparel industry
- Manufacturers
- Branded apparel
 - Created under a label and sold at wholesale for distribution to retailers who also carry other brands
 - Also sold through the brand's own specialty store, outlet or online
 - Ex: Kate Spade New York
- Private label
 - Products developed for exclusive distribution by a retailer— using their proprietary brand= Macy's INC.
 - *store brands that offer products exclusively available in their stores
- Retailers
 - National Retail Federal (NRF)
 - Ex: Nordstrom, saks, dillard's
- Vertical integration
 - When the SAME firm is responsible for multiple steps in the production or marketing of an apparel PRODUCT
- What's different today in retail stores?

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- Lifestyle is driving apparel decisions
- Apparel must be compelling
- Provide what they want... not what they need
- "good taste is expected"... a good deal is desired
- Price is the ultimate vehicle of change
 - Price/value equation much more important vs. past
- Cool stores
 - Costco
 - Target
 - IKEA
 - Urban Outfitters
 - Whole Foods
 - Apple
 - "common thread"
 - Lifestyle focused
 - Clear point of view
 - Category dominant
 - Modern/relevant business model
 - "speed to market"
- "Retailers in Transition"
 - Macy's: consolidation to one NY headquarter location
 - J.C. Penney: status of their New Aggressive Strategy
 - K-Mart: big question
 - Must create reason to exist
 - Walmart: Significant assortment improvements
 - Target: continue to drive compelling product development- December product with Neiman's
- Global trade
 - International trade
 - The exchange of goods between nations and all the issues associated with that exchange
 - Import
 - To buy goods from another country
 - Export
 - To sell goods to another country
 - Export trading companies (ETCs)
 - Serve as intermediaries between the producers of the goods and the buyer of the goods in the other countries
 - Tariff
 - A tax on imported goods
 - Quota

