

CAN LUXURY BRANDS SUSTAIN IN THE TIMES OF FAST FASHION?

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ABSTRACT

We've been witnessing a swift change within the marketing strategies of high -end fashion brands, once called the posh brands are now collaborating with the designers of fast fashion, expanding seasons and going all bent to appeal to masses that's paradoxical in itself.

One can see an equivalent consumer mixing-matching their outfit with Gucci bags, Zara jeans and Louis Vuitton shoes, etc.

Once distinguished flagship boutiques of luxury brands are now to be found on equivalent streets as any fast fashion chain.

Differentiating themselves is becoming extremely important for luxury companies, as they need to witness great changes from their consumers. Indeed, luxury companies are now considering mass brands as a threat.

With this competition going and therefore the purchasing power parity on the increase, will luxury brands be ready to stand out with their "rarity", while appealing to the masses and drawing great profits.

Key words: Art, Artists, Brands, brands, chains, Consumers, Designers, Fashion, Fast Fashion, Independent Designers, Industry, Luxury, LuxuryFashion, Marketing, Seasons, Supply

Introduction

This research proposal aims to know and analyse how the style trends have hit the industry and have manipulated the numbers for both fast and luxury fashion brands.

The size of the style industry is growing at a very great rate but our focus here would be on what

proportion have both these fast and luxury fashion brands have contributed individually, and which of those two have taken what proportion of each other's share.

Background

Fashion is the armour to survive the reality of everyday life ~ Bill Cunningham.

People are spending more on clothing like never before, the dimensions of the worldwide apparel business is growing. The fast apparel industry has been booming and brought the market by a storm. Fast fashion is affordable, fashionable and available only a couple of weeks after similar designs from runway shows.

Scarcity, exclusivity, premium prices, handmade quality, exclusive locations, innovation, strong brand image and name and uniqueness are some key words for luxury products (Hines & Bruce, 2007, Okonkwo, 2007). Luxury brands aren't only selling products, but their strategy is additionally to make and sell a dream that supports their brand values (Dubois & Paternault, 1995; Kapferer & Bastein, 2009). On the contrary, fast fashion is trendy, cheap, disposable, and targets a younger customer.

Fast fashion may be a business concept focused on reducing processes within the buying cycle also as reducing lead times. Fast fashion is about producing new products quickly and following trends (Plunkett, 2010). Luxury brands are today adapting to the fast fashion brands (Okonkwo, 2007). Today luxury brands have more collections, they need diffusion lines, sometimes produced on a better scale and that they have created new supply chain models. (Plunkett, 2010).

Purpose & Research Question

Fast fashion is on the rise; the expansion rates aren't slowing down (H&M, N.D.a). Fast fashion brands are effectively working with interpreting runway shows and thereafter swiftly selling the products in their stores, the industry has provoked a change among customer's expectations.

Clearly the demand is high for fast fashion, but what proportion does it affect the luxury segment? How do luxury brands adapt and therefore the way they work with protecting their brand value and identity? What proportion can they adapt until their business model becomes flawed?

The purpose of this study is to get , analyze and study how briskly fashion brands and luxury brands are connected. From an economic standpoint it's rational to pay less for a trouser. But how can luxury brands differentiate themselves and make people buy their expensive products?

Why do luxury brands today have online shops, collaborations and diffusion lines? It feels almost like luxury fashion brands have begun to suffer, brands might lose their value and identity if they adapt an excessive amount of.

Against this background, the best goal is to supply insight into a topic with limited academic attention and to elucidate what both luxury and fast fashion is.

With this background, problem discussion and purpose the research questions will be: “ Can Luxury Brands sustain in the times of Fast Fashion?”

Theoretical Framework

Fashion & Fashion Industry

Fashion is best defined simply because the style or sorts of clothing and accessories worn at any given time by groups of individuals . apparel industry , multibillion-dollar global enterprise dedicated to the business of creating and selling clothes. Some observers distinguish between the style industry (which makes “high fashion”) and therefore the garment industry (which makes ordinary clothes or “mass fashion”), but by the 1970s the boundaries between them had blurred.

There may appear to be differences between the expensive designer fashions shown on the runways of Paris or NY and therefore the mass-produced sportswear and street styles sold in malls and markets round the world. However, the style industry encompasses the planning , manufacturing, distribution, marketing, retailing, advertising, and promotion of all kinds of apparel (men’s, women’s, and children’s) from the foremost rarefied and expensive high fashion (literally, “high sewing”) and designer fashions to ordinary everyday clothing—from couture ball gowns to casual sweatpants. Sometimes the broader term “fashion industries” is employed to refer to myriad industries and services that employ many people internationally.

The fashion industry consists of 4 levels: the assembly of raw materials, principally fibres and textiles but also leather and fur; the assembly of fashion goods by designers, manufacturers, contractors, and others; retail sales; and various sorts of advertising and promotion. These levels contain many separate but interdependent sectors, all of which are dedicated to the goal of satisfying consumer demand for attire under conditions that enable participants within the industry to work at a profit.

Luxury Fashion

The word “luxury” comes from the Latin word “luxuria” meaning “extra of life” (Danziger,

2005). consistent with the Oxford Latin Dictionary (1992) the word “luxus”, which is that the root of “luxury” means “extravagant living”. Luxurious items are objects of desire and supply pleasure (Wiedman, Hennigs, & Siebels, 2007). Luxury brands are the highest category of prestigious brands (Vigneron & Johnson, 2004) and consumers gain prestige when buying a luxury item, this is often called “conspicuous consumption” (O’Cass & McEwen, 2004). Wealth, exclusivity and power are other words luxury is related to (Brun et al., 2008; Dubois & Gilles, 1994).

Luxury brands are identified with top quality , exclusive, high prices, status and offer high levels of symbolic and emotional values (Tynan, McKechnie, & Chhuon, 2009). Luxury brands have characteristics like global recognition, core competence, top quality , innovation, powerful advertising, strong specialise in in-store presentation and excellent service (Li, Li & Kambele, 2012). (Philip Laudén, 2016, “Faster Faster Cheaper Cheaper”)

Fast Fashion

Fast fashion may be a business strategy, the fast apparel industry uses comparative advantages of manufacturing in developing countries and selling in industrialised countries (Hines & Bruce, 2007). Companies attempt to satisfy consumers' demand by reducing involved processes within the buying cycle and lead times for delivering the style goods.

The novelty is that the drive that makes demand among the consumers and retailers have implemented the fast fashion strategy so as to satisfy and work as efficiently and effectively. Retailers have moved from creating seasonal collections to creating smaller collections more frequently (Barnes & Lea- Greenwood, 2006), (Philip Laudén, 2016, “Faster Faster Cheaper Cheaper”).

Consumers

An individual’s motives for purchasing luxury clothing aren't simply tied to a group of social perspectives of displaying status, success and prestige, but also depend upon the financial, functional and individual value dimensions.

Before luxury consumers were easier to satisfy and understand. Today luxury consumers aren't easy to place within the same box, within the past it had been possible to segment the posh consumers, but not today.

Luxury consumers won't be very loyal and head-to-toe wearing their favourite designer, but today they need their own style needs and focus less on the name. The people that consume

luxury brands have more knowledge today about materials and about how and where the products are made. It's easier for today's consumers to know how different brands work with marketing and strengthening their brand identity so as to draw in more people. Today it's easier to urge information about product comparisons, reviews and publicity accessed information from the brand (Okonkwo, 2007).

Fast fashion consumers want to possess a good sort of choices with trendy clothing for an inexpensive price. They need current fashion, available quickly after the new trends, they need low prices with matching quality and patronise attractive stores (Walters, 2006). The target group for fast fashion is between 16-24 years old and that they are normally female customers. Female customers buy clothing more often and typically spend more. Fast fashion customers visit the stores frequently to not miss out the newest trends and this is often because fast fashion isn't mass-produced, companies prefer having smaller stocks and not replenishing the things so as to draw in people and make their products more unique (Barnes & Lea-Greenwood, 2006).

Brands

Brands are today playing a crucial part in marketing strategies, thanks to constantly growing competition on the international market. Brands aren't trademarks, they're complex intangibles. One definition of brands is that it's a group of unique, strong and positive mental associations held by the customer that increase the perceived value of a product or service.

Another definition is that brands suggest the simplest choice and furthermore some people see brands as something customers will recognize and react to (Kapferer, 2004). The brand image is vital for a brand; consumers are buying a particular brand for various reasons. The brand image is subjective and consumers attach certain emotional perceptions to specific brands (Dobni & Zinkhan, 1990).

Discussion

Is Fast Fashion a threat to Luxury Fashion?

Luxury brands are working upon innovating new designs and presenting them within the fashion shows for pre ordering. "Designer fashion; that's, something made by a creator who puts care and thought into what he or she is creating. It means carefully crafted designs made attentive to detail and aesthetic sensibility". TBF, 2012 what is happening is that fast fashion companies get those designs before they hit the ground and replicate them with lower quality and far lower cost .

The effect of fast fashion is negative while the effect of luxury fashion brands is positive on

them. If we glance at the history of luxury fashion, we discover it is restricted with rules and regulations which are close to change within the current time by different luxury brands to stop the harm coming in their market.

“In a radical rethink of the style calendar, Burberry will combine its men’s and women’s shows together in two annual runway events, with ‘seasonless’ collections available to shop immediately after the shows” (Amed Imran, and Kate Abnett ,2016).

President of Gucci, Robert Polet said in 2005 that the posh brands are being educated by the fast fashion brands, which offer products very quickly creating a fast shopping rhythm (Hines & Bruce, 2007).

Fast fashion brands industry has developed retail tactics and eliminated the luxurious appeal, they have had a high expansion and rapid climb in recent years with high turnover sales and an honest profitability.

One might ask why, but it's due to the fast fashion brand asset value. the availability chain and having production sometimes closer to locations and therefore the individual consumer’s styling and fashion interest have both contributed to the success of fast fashion brands (Okonkwo, 2007).

The strategies or tactics fast fashion brands have used are “fast design turnover”, this is often a business model that emphasizes on creating new designs that reach the stores every few weeks rather than during the normal fashion seasons.

This strategy also helps companies to sell their products quickly and not having to place them on sale and this helps increase the turnover and revenues. “Limited-edition products” is another strategy fast fashion brands use to not get overstocked, but also so as to supply something unique, individual, customized and trendy.

The “Brand communication” is additionally important for fast fashion companies; many companies do advertising in magazines like Vogue. The thought of using fashion magazines is to make an expensive feel. When customers see fast fashion next to luxury fashion it affects them, it helps customers to simply accept the fast fashion brands. Before only luxury brands had “celebrity products and brand endorsement”, but today fast fashion brands use celebrities so as to make a trickle-down effect (the trend starts from the famous people and moves down). Today it's possible for an example seeing celebrities posting wearing Zara and H&M, which they in fact get purchased.

Before luxury brands had their own expensive prime locations in cities, but today it's hard to seek out an area where fast fashion brands aren't mixed alongside luxury brands, this is often called "prestige retail location". Finally, there's also "co-branding with luxury fashion designers", today it's possible to shop for collaborations between luxury brands and fast fashion brands, to extend their brand status and image fast fashion brands attempt to do collaborations with known and revered brands, this is often a recent strategy because a few of years back this was an unthinkable tactic (Okonkwo, 2007).

There are shifts within the luxury industry. Today, brands like Chanel, Prada and Versace work with pre-collections before most collections to adapt to customer demand. Gucci and Dior have created capsule-collections and cruise collections that are launched before main collections. The time period of luxury products is becoming shorter, before luxury products lasted a lifetime, but since the 20th century luxury products have begun to become disposable, this is often thanks to the fast apparel industry. The lifetime cycle has become shorter for luxury products while the turnover is higher (Okonkwo, 2007).

Escada has introduced mini-collections that are inspired by trends. Salvatore Ferragamo uses a technology so as to scale back the time-to-market for designs with around 20% and that they also use a centralized inventory management production system that has made inventories lower and more rapid stock-turns. The brand Etro works by separating their products in colors and themes and altering the design and colours monthly (Walters, 2006).

Some luxury brands are today outsourcing their production, everything isn't produced in Italy and France for an example anymore, but more commonly in China (Plunkett, 2010).

Luxury brands today have diffusion lines, which are a less expensive sub-brand. Compared to most brands, diffusion lines are often mass-produced and designed for a younger customer. They cost around half the maximum amount because of the path, the profit margins are one-fifth compared to forty-five percent of the most lines (Plunkett, 2010).

Analysis of the Survey

A short quiz was conducted in concern with the research, sample size included 20 participants, aged 17-50 years from varying professions.

What might be interpreted from the responses is that Fast Fashion has definitely picked up pace but it's also made the difference between street and luxury fashion very clear.

No matter how well the fast apparel industry strategies to extend its revenue, luxury fashion isn't

losing its charm and customers any time soon.

For sure there has been a race that has started between the two, hence one can witness an increased number of seasons and fashion shows and production units of some really popular luxury brands.

When asked about what they think has been changing, the responses were pretty similar. Most of them stated that the industry is now being driven by what the consumers want, definitely designers are the guts and soul of the style world but the buyers now are considerably a neighborhood of it.

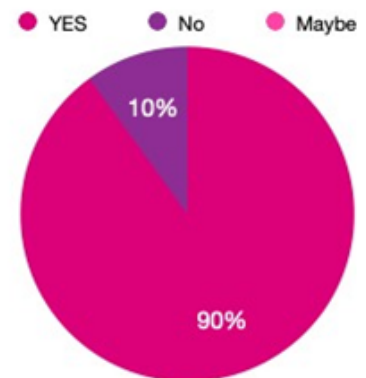
The respondents further stated that trends also manipulate the designs, ongoing movements also contribute within the art, for instance Gender fluidity, now the designs are somewhat no more gender-specific.

What my respondents highlighted was the marketing and supply chains. It has been quite interesting to understand that the consumers are educated and informed on what they are being fed with. The responses directed towards how brilliantly a marketing strategy of any brand is capable of adjusting numbers.

The responses can be presented in the following manner.

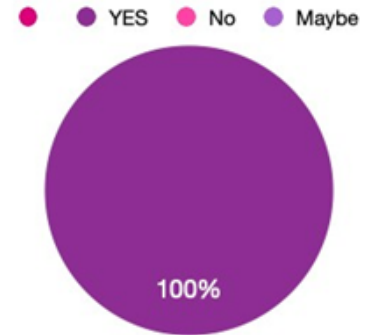
Survey Summary

Questions	YES	No	Maybe
Can we say that the globalisation, purchasing power parity, internet and many such phenomenas have affected the way people perceive, buy or accept fashion?	18	2	0



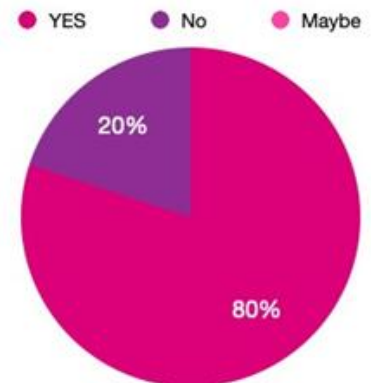
Survey Summary

Questions	YES	No	Maybe
Has the accessibility to luxury fashion also increased in recent times?	20	0	0



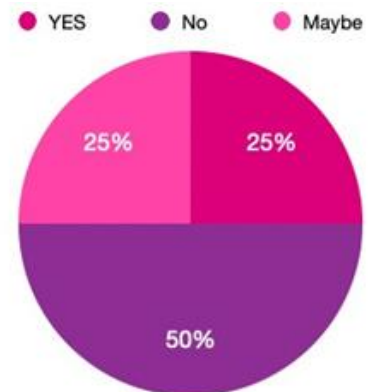
Survey Summary

Questions	YES	No	Maybe
Did the fast fashion brands really initiate some fascinating trends in fashion or the trends fasten the marketing for such brands?	16	4	0



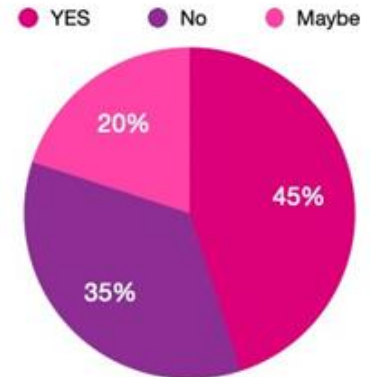
Survey Summary

Questions	YES	No	Maybe
Can we say "luxury brands" have lost their charm and status in the fashion world, as recent trends have really made a very strong place for fast fashion players.	5	10	5



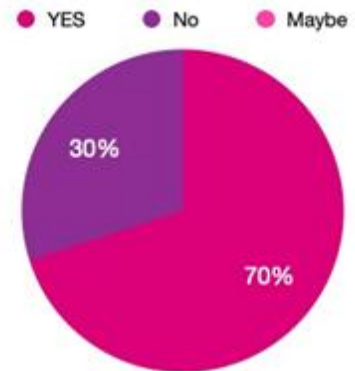
Survey Summary

Questions	YES	No	Maybe
Can fast fashion really compete with the classic luxury brands and manipulate numbers?	9	7	4



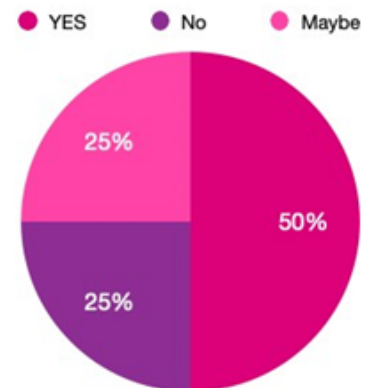
Survey Summary

Questions	YES	No	Maybe
Do you see high end street fashion as a strong competitor against Luxury fashion ?	14	6	0



Survey Summary

Questions	YES	No	Maybe
Do you believe that luxury fashion can never be challenged as the market is gradually growing and more and more people want to have that status of owning luxurious pieces.	10	5	5



Conclusion

The research question of this thesis was: "Can luxury fashion sustain in the times of Fast Fashion?" Clearly luxury brands and independent designers have adapted and are suffering from the increase of fast fashion. It's forced many luxury brands to vary their business models, but

what proportion is feasible to vary before you destroy your own business model and lose your brand value and identity?

It's tough to answer, but it looks like bigger and traditional luxury brands are affected more and had to adapt to quite independent luxury brands and designers. Luxury brands have adapted to the fast apparel industry. The fast mannequin has changed luxury companies. The posh industry as an entire has been suffering from the fast fashion industry; some luxury brands are affected but others. It's very difficult for fast fashion brands to make uniqueness, identity and value for their products, but it's also a threat for the posh industry if they might.

Therefore, it's important for luxury brands and independent designers to still protect and specialise in creating uniqueness, identity and value. Beauty lies within the imperfection.

Luxury fashion will remain so. While fast fashion and luxury brands do compete to an extent, their lines will never permanently merge or blur. High end fashion brands don't have to move towards fast fashion because their materials, labor, and therefore the time it takes to form them leads to timeless products. Wearing designer clothes may be a status that the majority of people wish to get. That's one reason why fast fashion will always likely mimic designer brands.

Designer brands are the blueprint for fast fashion brands, except they're the originals and are made up of quality material. Their design, sourcing, and production process also differs significantly from fast fashion's overproduced garments. Because of this, and therefore the resulting status that designer clothes hold in our culture, luxury brands will always remain the leaders in fashion.

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