

Inside the Fashion Business

Text and Readings

3rd Edition

Jeannette A. Jarnow
Beatrice Judelle
Miriam Guerreiro



Third Edition

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Text and Readings

Jeannette A. Jarnow

Edwin Goodman Professor,
Fashion Merchandising,
Fashion Institute of Technology

Beatrice Judelle

Research Consultant

Miriam Guerreiro

To the readers whose acceptance of the first two editions encouraged us to undertake this new and revised version.

Preface

Fashion changes. So does the fashion business. Thus we present a new and revised edition of *Inside the Fashion Business*, a book that addresses itself to the career-oriented student of fashion.

If one is to progress in any segment of the fashion business, it is essential to have a knowledge of the workings and interrelationships of the many different industries and services that comprise the business. By providing a comprehensive and up-to-date treatment of the complex of enterprises involved in the design, production, and distribution of men's, women's, and children's apparel and accessories, we hope to provide an understanding of the widely varied career opportunities in the fashion field and to help fashion business aspirants achieve faster career advancement.

In addition to the organized factual material in the chapters, the book contains a series of articles that discusses the inner workings of the industry as perceived through the eyes of recognized authorities and leaders in the field. Some of these readings have been expressly written for this book; others consist of speeches that have been given at important business meetings; still others are reprints of articles that have appeared in business periodicals. Those readings that have been repeated from previous editions are considered to be classics in the field. The basis for selection has not been the newness alone of a speech or article, but its ability to illuminate an important aspect of the business of fashion.

ORGANIZATION AND CONTENT

The plan that we have followed is simple. Each chapter deals with a specific segment of the fashion business. Within each chapter is an organized body of factual information, which is followed by a collection of readings that relates to and illustrates the subject matter of the text. Then, to facilitate further research into the field, each chapter has a bibliography, a list of trade associations, and a list of trade periodicals appropriate to its subject. Each chapter concludes with a series of suggested student-learning experiences that require review, interpretation, and application of knowledge. A fashion business language guide follows the final chapter.

A brief summary of the chapters is given below:

Chapter 1 (The Business of Fashion: An Introduction) provides an overview of the fashion industry and introduces the reader to career opportunities.

Chapter 2 (Principles of Fashion) discusses the socioeconomics of fashion, the principles governing its origins and movements, and the implications of these factors for fashion merchandisers.

Chapter 3 (The Materials of Fashion) discusses the industries that provide the raw materials of fashion, such as fibers, fabrics, leathers, and furs; their

scope, their production, and their distribution; and how they affect and are affected by fashion.

Chapter 4 (Women's Apparel and Accessories—U. S. A.) deals with the development and operations of the domestic industries that produce women's and children's apparel and accessories, and discusses the growth in importance of American designers.

Chapter 5 (The Menswear Industry) explains the workings of the industry that produces menswear and how it has changed and is continuing to change in response to the present-day fashion awareness of men.

Chapter 6 (U. S. Imports and Foreign Fashion Producers) is concerned with the increased penetration by foreign sources into the U. S. market and the nature of these foreign sources of supply.

Chapter 7 (The Retailers of Fashion) analyzes the development and functioning of each important type of fashion retailer on the American scene, and examines the future position of each.

Chapter 8 (Auxiliary Fashion Enterprises) covers the service enterprises that contribute to the effective functioning of the fashion business, such as news media, fashion advisory and information services, advertising and publicity agencies, and resident buying offices, among others.

Chapter 9 (Looking Ahead) presents viewpoints and projections by industry authorities of the changes expected in the 1990s and beyond.

ACKNOWLEDGMENTS

Each of us wishes to stress that this book reflects the thoughts of many other people as well. We are grateful to the business leaders who shared their knowledge and experience with us, to those who wrote articles especially for this book, and to the publications and organizations that granted reprint permissions for readings. Also, we thank the faculty members, students, and library staff of the Fashion Institute of Technology for their continuing support and suggestions, and many friends in the academic and fashion worlds who gave advice and counsel. These people helped us shape the previous editions and encouraged and guided us in this new work.

Jeannette A. Jarnow
Beatrice Judelle
Miriam Guerreiro

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Chapter 1

The Business of Fashion: An Introduction

Fashion in the United States today is a serious business, and its makings—the design, production, and distribution of fashion merchandise—form the basis of a highly complex, multi-billion dollar industry. This was not always the case.

As recently as the beginning of this century, small owner-operated shops prevailed, both in the manufacture and the retailing of fashionable apparel, and their efforts were directed toward the privileged few who could afford to cultivate fashion itself. Today, the business that began in the hands of small entrepreneurs has become a huge, many-faceted industry, whose output is measured in many billions of dollars. It employs the greatly diversified skills and talents of millions of people, offers a multitudinous variety of products, absorbs a considerable portion of consumer spending, and has a major impact on our country's economy. It is, moreover, a business of curious and exciting contrasts; on one hand the rarified air of Paris couture salons presenting a collection of exorbitantly-priced made-to-order designer originals and on the other, giant factories that mass produce and distribute endless quantities of blue jeans to towns and cities across the country. It is also international in nature, since the United States both imports and exports fashion merchandise.

This first chapter presents to the reader an overall view of the United States fashion business, its scope and economic importance. It also introduces the reader to the person who occupies the key position in the entire group of enterprises that comprise this business: the consumer. The reading that follows the text describes the variety of career opportunities and the qualifications for entry level positions.

Subsequent chapters will discuss in detail the various industries that are concerned with the production and distribution of fashion merchandise: raw materials, apparel and accessories production, foreign sources, retailing, and auxiliary enterprises.

DEVELOPMENT OF MARKETS FOR FASHION

The growth of the fashion business in the United States directly reflects the vast social and economic changes that have taken place in this country's lifetime. As one noted social commentator has expressed it, "Few societies in history have been as fashion conscious as the American, and there have been few in which styles and clothes changed so often. Students of human society know that changing fashions are an index of social change within a society."¹

These changes have created a mass market for fashionable apparel and a broadening of the fashion field, such as was impossible to conceive in the days when the few well-to-do had their garments custom made, when women of moderate income did what they could on a home sewing machine, and

¹ Max Lerner, *America As a Civilization*, Simon and Schuster, New York, 1957, pp. 646-647.

when poorer people had so pitifully little to spend that a woolen shawl was likely to serve as a hat, coat, scarf, and gloves for all occasions. The same influences have made themselves felt in other parts of the world, but it is in the United States that the trend has been most marked. It is here that the development of mass markets, mass production methods, and mass distribution of fashion merchandise has been most rapid. In the process, American design talent has been developed; fashion schools have been established to teach design and the many other attributes required to produce, publicize, and distribute fashion merchandise in quantity. It is to this country that manufacturers and retailers of other countries turn for the know-how of making and selling fashionable ready-to-wear merchandise.

SCOPE OF THE FASHION INDUSTRY

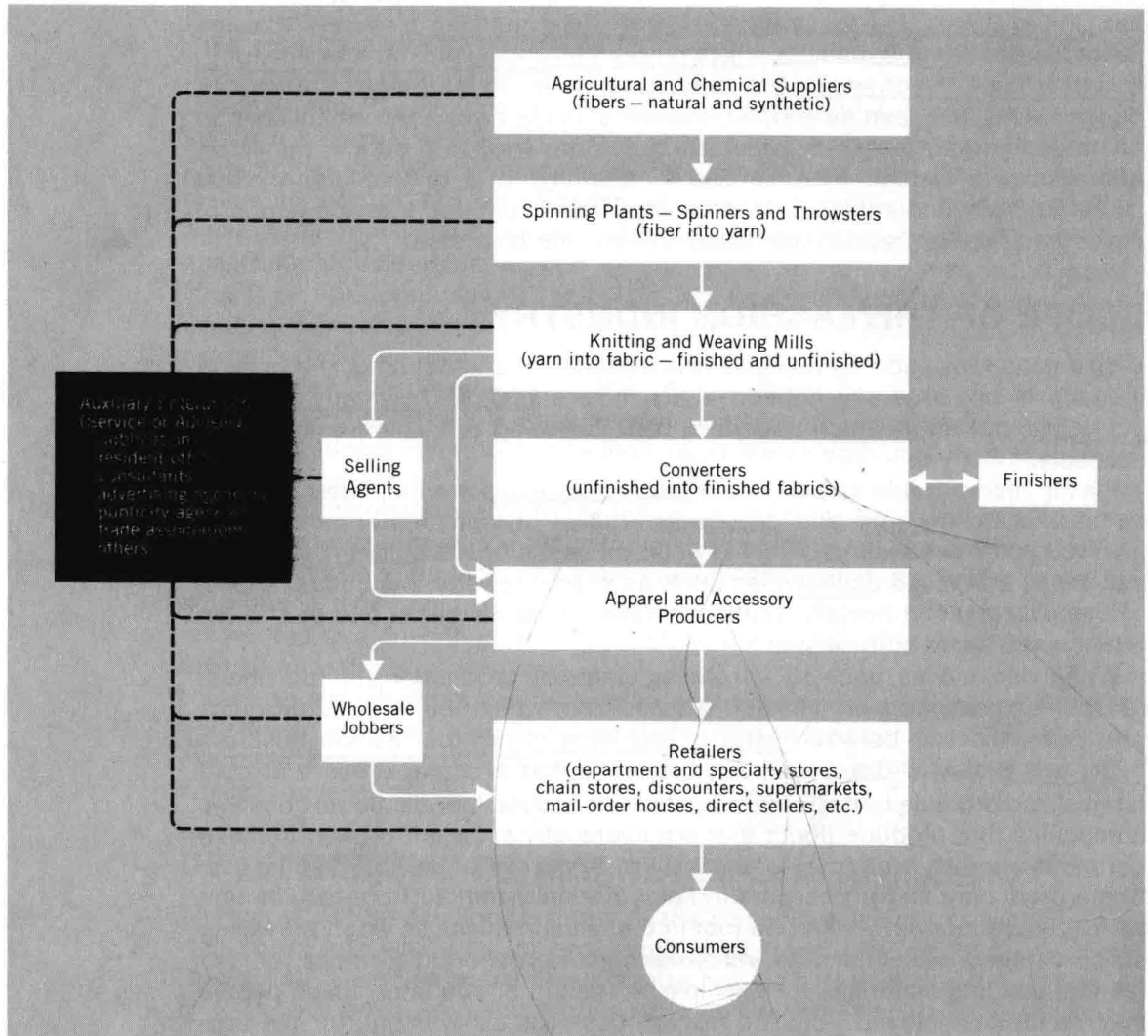
Unlike industries such as tobacco or automobile manufacturing, the fashion industry is not a clearly defined entity. It is a complex of many different industries, not all of which appear to have anything of fashion among their products.

Plainly recognizable as part of the fashion business are industries devoted to the making of inner and outerwear articles of women's apparel; those involved in the production of men's wear; those that make children's apparel; and those that make accessories such as scarfs, jewelry, handbags, shoes, gloves, wallets, and hosiery. Some of these industries serve one sex or the other; some serve both sexes.

When one moves back to an earlier stage of production, to the fibers, fabrics, leathers, furs, metals, and plastics from which the finished products are made, the line between what is and what is not the fashion business becomes harder to draw. Some textile mills that produce dress and coat fabrics also produce bed sheets, carpets, or industrial fabrics. Some chemical companies that produce fibers that are eventually spun and woven to make garments are also producers of explosives, fertilizers, and photographic film. Some producers and processors in fields normally remote from fashion find themselves temporarily with one foot in the fashion business when prevailing styles demand such items as industrial zippers, decorative chains, quilted fabrics, padding materials, for example. A season or two later, these people may be as far removed from the fashion business as ever but, for the time being, they too are part of it.

The fashion business also includes different types of retailers, such as stores that sell apparel and accessories, and mail-order catalogs from which many consumer purchases are made. It includes businesses that neither produce nor sell merchandise but render advice, assistance, or information to those that do.

In this last category are consumer publications that disseminate news of fashion, ranging from the daily newspaper to magazines devoted primarily to fashion, such as *Vogue*, *Harper's Bazaar*, or *Gentlemen's Quarterly*. Also

Fashion Industry Flow Chart

included in this category are trade periodicals that carry news of fashion and information on production and distribution techniques to retailers, apparel manufacturers, and textile mills. It includes also publicists and advertising specialists, fashion consultants, and buying offices that represent retail stores in the vast wholesale centers.

All these and more are part of the business—farms and mills and factories, union labor and white-collar workers, tycoons, and creative artists. All play their parts in the business of fashion.

In every segment of the fashion business, moreover, there is wide diversity as to the kinds and sizes of firms operating in the field. There are giant firms, both national and international; there are also small companies with local or regional distribution; there are even craft shops and shops with such small and specialized clienteles that they are run by owner-managers who function almost single-handed. There are privately and publicly owned corporations, partnerships, single proprietorships. There are conglomerates who own fashion-producing companies, along with such diverse other enterprises as publishing, entertainment, oil wells, paper factories, and professional athletic teams. All have one crucial need in common, however, and that is the need to understand what their ultimate customer, the consumer, will buy. Only those who can anticipate the wants of their customers, as well as the new developments in fashion, can survive.

ECONOMIC IMPORTANCE

The fashion business plays an important role in our economy. In 1979 Americans spent over \$100 billion for clothing, shoes, and accessories—an amount that constituted \$1 in every \$16 that they spent. The outlay for this purpose ran above that for furniture and household equipment and was on a par with consumer spending for motor vehicles.² A further index of the importance of fashion goods is reflected in department store figures. Typically, the sales of men's, women's, and children's apparel and accessories account for well above half the total volume of such stores.

Another indication of the industry's importance is the number of jobs it creates in every state of our country. Of the millions of people employed in manufacturing industries in the United States, 12 percent are employed either in those industries that produce apparel for men, women, and children, or in the textile industries that produce the materials from which the garments are made. Apparel production alone employs more people than the entire printing and publishing field and more than the automobile producing industry. Additional millions are employed in producing such items as furs and leather garments, shoes, handbags, and jewelry, and in staffing the retail organizations that distribute these goods.³ When all this is added together, the fashion industry becomes the largest U.S. employer in all manufacturing.

THE MARKETING CONCEPT

The fashion industries, like most other consumer goods industries in the United States today, have a productive capacity far beyond what the public

² *Survey of Current Business*, U.S. Department of Commerce, July 1980, and authors' estimates.

³ The U.S. Department of Labor, Bureau of Labor Statistics, compiles monthly and annual figures on employment. Those relating to broad categories of industry are reported monthly in the *Survey of Current Business*, p. S-14. The ratio above is based on the 1979 reports, from the issues published in that year.