UK FASHION CLOTHING MARKET

By [Name]

Course

Professor’s name

Institution

Location of institution

UK fashion clothing market

The UK fashion clothing industry has evolved since its beginning, and the market has also evolved with the changes and trends. The fashion clothing industry involves various segments of product lines; men’s clothing, children’s clothing, women’s clothing, and clothing for specific weather and climate. The industry has rapidly grown due to the nature of the product line, that is, a human basic need. However, currently various factors in the market have influenced the way business is carried out in terms of consumer behaviour, sales, distribution, and other business aspects surrounding the market. The factors include exchange rate fluctuations, recession, eco-fashion, online retail, UK aging population increase, and the attitude of the male population towards fashion.

Key changes and trends in the fashion clothing market

*Exchange rate*

The fashion clothing market is a sector of the economy that did not get immune to the effects of the Brexit vote on the local currency and exchange rates between foreign currencies against the local currency. The retailers have been exposed to the impact of the declining strength of the sterling pound; decrease in the profit margins and increasing costs of production especially for International fashion clothing businesses. Due to the decline in the strength of the pound, the fashion clothing retailers have had to spend more on their supply chains and distribution channels; hence affecting the final market price of their products. The consumers on the other hand, have found it difficult to shop at the high prices stated by the retailers and thus a general decline in business and revenue from the sector. Therefore, the result has been price wars between different retailers across the country with the main challenge to retailers being the use of price discounts to increase their sales volume. For instance, fashion retailers in the UK such as Marks & Spencer, and Fat Face have had to use forums such as Black Fridays where sales are driven by discounted prices on clothing items on sale. In 2017, the approximated expenditure on Black Friday was 7%, based on statistics conducted by the Barclaycard.

*Recession*

The Brexit vote is also a primary contributor to the recession in the economy. This factor is a change in the fashion clothing market because it has directly influenced the purchasing power of the consumers and the behaviour of retailers in the industry. The UK economy has been affected in different sectors by the Brexit vote, including the uncertainty created about foreign transactions in future. Therefore, some fashion clothing retailers have opted for other distribution channels and supply chains in fear of possible tariffs on imports. On the other hand, the consumers have had to check on their budgets and expenditures by maximizing on food expenses, housing, healthcare, and travelling while avoiding expenditure on fashion clothing. The rate of purchases on fashion clothing has also reduced due to this economic cycle. In the past, approximately 30% of the income made by the cohort between 25 years and 30 years was spent on fashion clothing. However, this has decreased significantly to tentatively 20% over the last one year and is projected to further decline when Brexit takes effect in March 2019 (Statista.com).

*Eco-fashion*

Eco-fashion is a trend in the fashion clothing market that has existed since early 1990’s. However, the change has become more intense in the recent past with major developments in sustainability in fashion clothing. Eco fashion involves manufacturing, supply, and distribution of fashion clothing to the market while considering the effects on the environment. Common fibres used in the fashion clothing industry include cotton, nylon, polyester, and wool. Modern designers have however upgraded in the production methods to use fibres that are not harmful to the environment, or at least maintain environment protection during production processes using the mentioned fibres. For instance, major fashion clothing designers in the UK have resorted to use organic cotton and bamboo fibre in their processes: The Hemp Trading company, Ecoluxe London, among others. Organic cotton is safe for the environment because it utilizes few pesticides and less chemicals during its growing. However, as much as most designers have recommended the use of bamboo fibre in the fashion clothing production, there still exist speculations that conversion of the fibre to fine cloth pollutes the environment through emission of harmful chemicals to the environment. Due to the high costs of eco-fashion compared to the old system of production, the price of fashion clothing has been on a steady rise too.

*Online fashion clothing retail*

Online retail in the fashion clothing market has been on a steady rise with increase in the use of the internet, and the growing population of smartphone users around the globe and for the UK in this case. The market has had several developments among retailers who have opted to sell and distribute their products using online sales platforms due to the convenience achieved in terms of costs of distribution, and marketing. Various platforms have been formed such as, whereby many different suppliers and retailers create online accounts on the platform which act as the online stores and display platforms of the variety fashion clothing. Consumers have also preferred purchasing fashion clothing items on online platforms because they get access to variety in terms of prices, quality, colour, fabrics, and sizes. Additionally, consumers save on costs that would otherwise be incurred on transportation to fashion clothing stores and shops across the country by simply conducting their orders and purchases at the comfort of their homes and work places. Sales made using online retail in the UK fashion clothing market make about 30% of the total sales made, and this percentage is expected to increase rapidly in the next few years.

*Male attitude towards fashion and aging population*

Increase in the aging population in the UK has caused a major change in the type of fashion clothing produced for both men and women. The number of people above 40 years in the UK is more than 70,000,000 and is projected to increase in the next few years (UK Office for National Statistics). An aging population has a different taste in fashion compared to a young population. A young population demands diversity in fashion clothing due to existence of different tastes and needs whereas an aging population demand almost the same taste of fashion. Additionally, an aging population spends little on fashion clothing; hence adverse effects on sales made by retailers, manufacturers, and other stakeholders in the industry. In the UK, the fashion clothing retailers have made average sales on most of the trendy clothing among the youth and also low sales on clothing worn by an aging cohort due to low frequency of purchases from the target market.

Males in the UK have also developed an attitude towards fashion which impacts negatively on the fashion clothing business. Attitude determines whether or not a consumer will purchase a product and also the frequency of their actions. There exists a general notion that fashion clothing is meant for women rather than men according to the UK journal of fashion marketing and management, Vol 10, No 2. Therefore, males have generally reduced their spending on fashion clothing and simply resorted to normal clothing. The frequency at which males change their fashion clothing wardrobe in the UK is estimated to be at most twice in a year according to a survey conducted by the journal of fashion survey. Out of a group of ten males, only two are interested in fashion clothing. The fashion clothing retailers dealing in men’s clothing have been affected greatly with this development in the UK, that is, they have experienced average sales and low profit margins. In 2017, fashion clothing retailers made an average of £20 billion in sales from men’s fashion clothing, which is 2% lower than sales made in the previous year and 2015 (Statista.com).

Strategies for changes in the fashion clothing market

*Cost leadership*

Cost leadership is a business strategy which ensures that the business controls the costs on production, distribution, and supply while maintaining the quality of the product and meeting the demands of the market at the same time. Given the current market changes: recession and exchange rate fluctuations, the costs of production have escalated; hence the need to reduce them. Cost leadership can be done through use of shorter supply chains and cutting down on the number of distribution stores across UK and instead replace them with online retailing. Supply chain costs increase with the length of the chain. Transacting directly with distribution stores and shops will reduce the costs that would otherwise be incurred on agents and sales representatives. Temporary closure of some distribution stores will reduce costs incurred on wages and salaries for the employees hired in the particular centres, rent costs, operational costs and maintenance costs. Therefore, the business will not be adversely affected by recession and exchange rate fluctuations. Losses and low profit margins will be compensated with savings made by evading costs. Closure of distribution stores should not only be done within the boundaries of UK but also in the International market. In fact, closing stores in foreign countries reduces the risk of low profit margins due to currency weakness.

*Product differentiation*

Product differentiation is a strategy that will help attract consumers to the business by availing unique fashion clothing compared to the competitors. Given the inflation of retail prices due to tough economic times, consumers need to be convinced to purchase products. Specifically, a retailer needs to give consumers a major reason as to why they should purchase fashion clothing from them. Product differentiation can be achieved through introduction of fashion clothing customization, whereby the retailer uses the internet to develop an online platform whereby the customers can place orders by describing the exact specifications of their desired products, then the retailer can design them based on the received instructions and avail them on due date. Introduction of custom prints on t-shirts, sweat shirts, letterman jackets, among other clothing will also be part of the product differentiation strategy. The market currently lacks this feature and only a few firms and retailers have ventured in to the business; hence the presence of the market gap already gives this strategy an upper hand against competitors. Modern fashion clothing consumers have a preference to customized products because they define their taste and fully satisfy their needs. Customers will have a reason to purchase from the retailer. Therefore, the retailer will acquire a large customer base, and since consumers are willing to pay extra for customized products, the retailer ill also achieve high profit margins from increased sales.

*Product promotion*

Product promotion is a strategy that will help the retailer counter changes in the market due to recession in the economy. Price promotion can be done through using Black Fridays, flash sales, and discounts for special occasions such as state holidays and anniversaries for the retailer’s business. Black Fridays can be scheduled four times a year; in every last month in each quarter. Flash sales can be scheduled at the end of the year during November and December and at random dates. Flash sales can be conducted on specific fashion clothing with a large market and those with a low market. In the UK, women’s clothing sells more than men’s fashion clothing. Therefore, conducting flash sales on both achieves two things for the retailer; more sales and profits and increase in men’s fashion clothing marketability. Males’ attitude towards fashion might possibly have been influenced by the cost of fashion; therefore, opportunities such as flash sales will attract them and change their attitude gradually. Black Fridays also have the same impact as flash sales to the consumers, and especially for state holidays whereby the public gets the general feeling that the retailer embraces nationalism among other aspects of the state’s concern. Creation of this kind of impression to the consumers give the retailer competitive advantage and at the same time wins them an audience and a customer base. With this strategy, the retailer can survive the harsh effect of recession and fluctuating exchange rates.

*Adjusting to slow fashion*

Eco fashion is a current practice in the fashion clothing market whereby both the retailers and consumers want to maintain sustainability and product quality simultaneously. This change has been influenced by the concerns on the level of pollution caused by fashion clothing industry. An average UK citizen throws away approximately 30 kilograms of clothing which pollute the environment. As much as eco fashion is the solution to this problem, it is also more expensive than the old methods of production. Eco fashion utilizes fibres such as bamboo fibre mand organic cotton. These fibres are fairly expensive; hence a retailer will have to incur high costs in production so as to be in line with sustainable development goals such as protection of the environment. Slow fashion is a strategy that helps reduce the costs incurred with achieving sustainability. Slow fashion involves the production and sale of vintage clothes and redesigning old clothes according to new fashion trends. The current market, especially the youth are interested in vintage fashion. Therefore, while reducing the costs of sustainability, the retailer will still achieve a customer base increase from the young population. Redesigning old clothes is a major alternative of throwing them away to pollute the environment: the retailer will save on costs of production and also maximize on efforts of saving the environment hence achieving sustainability.

*Brand identity*

Brand identity development is a strategy that targets the aging population, which is currently higher than the young population. An aging population is less concerned with fashion clothing therefore a strategy to remind them that they still need to look stylish and elegant will produce results for the retailer. For instance, product slogans such as ‘age with elegance and style’, ‘age is golden, just as style and fashion’, among other will lure the aging population back to the market to purchase fashion clothing. Brand identity will be created through product awareness and campaigns. The retailer will achieve increased repeat purchases of adult fashion clothing due to the brand slogans. This strategy is a long-term strategy because awareness and initiative by the consumers are aspects that take some time to produce results. However, after the retailer has acquired significant audience, it will be easy for the retailer to convert the audience acquired into customers.

*Establishment of online retail websites*

This strategy will ensure that the retailer adjusts accordingly to the changes in the market, where consumers prefer digital trade to offline trading. An online retail website will enable the retailer access a wide coverage because it will be connected to social media platforms. Product promotion and advertisement will also be easy to conduct through data trafficking using online ads on the fashion clothing available. Therefore, the retailer will achieve minimal costs in production and product distribution because the client pays a certain amount for every delivery made to their doorsteps. In case this is impossible, the retailer can develop partnerships will online retail platforms such as the Amazon and Alibaba, which already have an established market across the world. The retailer will benefit from these partnerships by acquiring a worldwide audience and access, and at the same time reduce costs of website development, operation, and maintenance.

References

Apparel retailers estimated revenue 2017| UK Statistic. [Online] Available at: <https://www.statista.com/statistics/app/> [Accessed 01/07/2018]

Bakewell, C. 2006. UK Generation Y male fashion consciousness| Journal of Fashion Marketing and Management: *An international Journal* 10, No 2. [Online] Available at: <https://www.emeraldinsight.com/pdf/> [Accessed 01/07/2018]

Overview of the UK population- Office for National Statistics. [Online] Available at: <https://www.ons.gov.uk/mar2017/> [Accessed 01/07/2018]