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How Does an Australian Fashion Brand Survive and Thrive Amidst

An Influx of Major International Retailers

Customer Inserts His/her Name

University Name

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3. Executive Summary

After the international financial downturn, the apparel and fashion industry has been confronting a number of critical challenges and issues. for the aim to remain competent and profitable in an industry of intense international competition and augmenting operational and material costs, decreasing production time has now become a prospect of competitive edge. The fashion industry of Australia is currently facing few the repercussions of the same global corporate scenario. The increasing significance customers put on quality and price of fashion goods, increasing manufacturing or operational costs, and increasing globalization challenges are some of the most important issues faced by Australian retailers. Quick developing industry of fashion brands is demanding fast paced action in order to cope up with the challenges. This research project has been created to learn and analyze the findings of research study conducted to acquire understanding regarding various aspects that might help Australian retails to survive and compete amidst international retailers. Therefore, the research has been conducted to obtain maximum learning and information regarding the current status of the industry as well as to interpret future prospects that might present for the local fashion brands of Australia. The aim of this research project is to explore an issue related to the survival of Australian fashion brand and how it can progress within an intensive competition faced by several big international fashion giants. In order to receive the goal of the paper, the research paper has utilized primary and secondary sources of data. Furthermore, this study has formed few critical objectives of exploring significant factors related with the present situation of Australian fashion brands or retailers and how they can survive and stay competitive to gain their business objectives and profitability. These objectives include the evaluation of impacts of outsourcing and globalization

on Australian retailers, to realize the strategic and long term competitive scenario for Australian retailers and to investigate emerging business production models (fast-fashion). These research objectives have been effectively addressed through the interview session with Mr. Waseem Malik, owner of the GBO Group. His answers gave a detailed viewpoint regarding the issue and greatly contributed to this research findings. Moreover, learning obtained from two seminars also contributed to the research findings and provided an opportunity to learn various perspectives on the Australian fashion industry. Through these data sources, along with the analysis of industry reports, news, journal articles and books helped in the generation of study outcomes. The major findings of the research included the reinforcement of the idea that globalization and outsourcing poses a significance impact on the Australian retailers and they should not overlook the prospects of these emerging factors. The findings also suggested that at present the fashion industry of Australia is facing critical challenges that demands quick actions. It is confronting with resource scarcity which is causing shifts in business models resource utilization, and supply chain processes. Customers now have become new force of sales and therefore it has become vital to focus more on customer services. Moreover, the importance of emerging business models like fast-fashion has also been emphasized in the findings and it is recommended for the Australian fashion brands to adapt to the emerging business models in order to ensure their long-term survival and success.

4. Introduction

4.1 Research Aim

This research project aims to explore a research issue: How does an Australian fashion brand survive and thrive amidst an influx of major international retailers, using primary and secondary sources of data. This research paper has been completed with an objective of exploring critical factors related with the current situation of Australian Fashion Brands and how they can survive and stay competitive among several global brands.

4.2 Objectives

This research project has the following objectives:

i.   To evaluate impacts of globalization and outsourcing on Australian retailers

ii.   To understand the long term competitive scenario for Australian retailers

iii.   To explore evolving production management and sourcing options

4.3 Rationale of the Study

The blend of rising pressure from customers and augmenting supply costs in Australia has caused an alarming situation for fashion brands. Suppliers and retailers of all sizes, confronted with less productive manufacturing alternatives and threat of reputational damage. As the future paradigm of sustainable business conduct is observed, trading with ethical norms will no longer work as a business Unique Selling Point (USP), and this is the point where brand development offers an important role in sustaining consumer loyalty. Today's fashion industry, having worth of almost trillion dollars, can be related as a microcosm for every business

enterprise. However they all have a mutual concern that they need to create profit for growth and survival amidst strong global competition.

4.4 Stakeholders of the Study

Creating a competitive business is strategically crucial development that can assist the fashion brands in achieving their sustainable competitive edge. This study is deliberated to provide analysis of the research data and findings to the Australian fashion brands who are struggling to survive in a highly competitive market with international retailers. A concise analysis of the interview session as well as empirical evaluations in seminars has provided in-depth information to the stakeholders.

5. Research Methodology

This chapter explains the methodology used to acquire the research study's objectives and aims as mentioned in Introduction part. The research aim is to evaluate the factors which can enable Australian fashion brand to survive and sustain amidst international retailers. In order to carry on with this topic, the research is conducted through qualitative analysis, beginning from a wider perspective of the Australian fashion industry and its current situation. Important to the research are the observations extracted from the academic sources and industry overviews through a global perspective. This section starts with the discussion of research methodology and the logic behind the selected methodological approach, prior to explaining the data collection mediums and process of analysis.

5.1 Research Methods

5.1.1 Qualitative Research Method

Hennink and Hutter (2010) discuss that business study or research method is a process to gather and evaluate information. There are several methods to search for data and collect information for a research. Two fundamental methods are the qualitative and quantitative methods of data collection. The qualitative approach towards research emphasizes more on theoretical explanations instead of figures in the collection and evaluation of data. In this research a deductive approach has been utilized which refers that theoretical underpinnings is leading the research analysis. Qualitative researches have an interpretative methodology, the focus is on the individuals and it deliberates to understand and explain how it forms its reality. Qualitative researches mostly receive much criticism regarding its research method which is highly subjective and complex to replicate if required. It has issues with generalization and lacks clarity.

However, the qualitative approach has been selected to conduct this research in order to understand the various factors and perceptions to explore ways for the survival of Australian fashion brand in a global competition. The research tries to find basic aspects for an efficient competitive strategy and as a qualitative research is formed to explore casual links this method will offer a wider viewpoint. The research objective is more appropriate for a qualitative research method for the aim to attain in-depth insight regarding the Australian retailers and several elements pertaining to their success that will impact and create the strategy. It is convenient to obtain comprehensive reactions in personal interviews and to inquire follow up queries if required.

Secondary sources and literature articles

A secondary source is data that is accessible on a specific point, however not majorly gathered for that research. It engages gathering information that someone else gathered in the past. These sources are any sort of information that is present in printed form as well as in several other media forms. It entails anything from annual reports, books, websites and news on the World Wide Web. For this research, an interview with the owner of GBO Group has been conducted which offered a closer look at the industry situation. In addition, I have also attended two seminars to gain better insight on the topic which has also been evaluated in this research.

5.2 Data Collection

Among the most common qualitative research procedures include the detailed interview sessions, observations and focus groups (Hennink and Hutter, 2010). The detailed interview with Waseem Malik, owner of the GBO Group has been selected since there were few particular queries for which Australian fashion brand managers' responses were required. Focus group method was not practical since it was not easy to collect all the managers in a single space for a discussion. Observations at the latest market trends and industry highlights have also been used. Interpretations and answers regarding the competitive strategy and the prospect of the industry were analyzed. The interview offered an opportunity to inquire follow-up queries. It also offered the way to observe any facial signs and body language. Moreover, a survey would not be able to offer the opportunity to analyze in detail and the managers may rebuff the idea of taking part into a survey. The research project is based largely on the secondary sources for the aim to collect information that does not come up in interviews. Parts of books and journal articles were assessed to create theoretical structure. It has been crucial to identify who made the document

and what were its aims. A methodology known as grounded theory had been used for evaluating the qualitative information that referred that there was a direct link between information gathering, evaluation and the theoretical explanations was the outcome of the investigation (McNeill, 2006). All the outcomes cannot be applicable or indiscriminate for all other fashion brands; however the majority of them can be intriguing for others working in the fashion industry.

5.3 Data Analysis

The initial analytical performance entailed mapping the broader Australian fashion and retail industry and recognizing market features. This was acquired through the evaluation of qualitative data. The Australian fashion brand and retail industry has been assessed through global perspective with the help of the interview questions that enabled me to do comparisons and observations of latest trends and competition in the global market. Qualitative data extracted from industry reports helped in the analysis of the Australian industry and to identify its future trends that must be recognized in order to understand the impact of globalization, outsourcing and emerging models of production management.

5.4 Research Limitations

It is impractical to acquire a complete elaboration of any issue. In other terms, there must be a collection between all the available secondary sources. The analysis in this project can be restricted to a limited viewpoint that has been developed after a research conducted on an individual basis. Also, the interview with the GBO owner and information extracted from attended seminars might also present specific details about the topic. The interpretation of the

source meaning may vary between original writer and the reader. As is the situation with any study, readers require assuming the offered outcomes within the background of limitations. In addition, the procedure of posing and resolving specific research queries normally creates more queries that require to be investigated with the help of further studies. Most essentially with regard to the existing research study, readers require to remember that this project considered only credible sources of data and the degree to which the research results can be generalized surely needs further exploration in the subject.

6. Research Results

6.1 Impact of Globalization & Outsourcing on Australian Retailers

The primary research analysis exposed that globalization and outsourcing are mostly employed explain the existing world as high-technology global village. With the advent of communication technologies, global media networks, freely accessible and public information mediums, logistics and transportations makes several individuals assume that this world is highly different than it was ever before. Marketing techniques, through public and free media, persistently floods corporate world with information regarding outsourcing and globalization, and makes several businesses feel claustrophobic. As per the news on the World Wide Web and television, the earth as become so shrunk and people so linked by mutual interests and mutual destinations that several of people of anxious regarding individual roles in such a little world (Bulajic and Domazet, 2012).

Declarations by the owner of the GBO Group Waseem Malik revealed that global retailers speeding up to enter Australian market believe the assertion of few big Australian

retailers that industry situations are tough and buyers are leaving traditional stores for online shopping. It is adverse strategic planning by conventional Australian retailers that has made these options for new global retailers. They have been inefficient in recognizing the changing situations that demand a focused business approach to attract certain areas of the industry. Instead, they remain to attempt to satisfy everyone. Whereas new retailers such as H&M, Zara, Topshop and Uniglo are stepping into the Australian fashion industry for the first time, renowned retailers such as Nana Judy, David Jones, Myer or Harvey Normal have been striving to remain competitive in the market. Moreover, spaces of retail segments are confronting huge voids, not able to find new occupants who are interested to take the chance of working in rapidly changing and challenging future (Bulajic and Domazet, 2012). The following diagram (Figure 1) shows the impacts of globalization which have been identified by the GPO Group owner during his interview:

Figure 1: Impacts of Globalization in Retail Industry

Reduction in Tarrif & Non-tarrif barriers to business

Reduction in transportation costs

Increased demands for international products

Globalization in Retail Business

Reduced cost of communication

Local markets open up to global competition

Overseas entrants into the market

A latest survey by the BDO, an accounting agency, showed that Australian retailers are making slower revenues as compared to their international counterparts. They research of 19 Australian retailers (listed in share markets) discovered that sales growth was nearly 4 percent till December 2013. This contrasted with 5 percent for the international group of retailers who were compared for the study. But, Australian retailers had increased gross margins of nearly 43 percent as contrasted with merely 35 percent for the international retailers (Bulajic and Domazet, 2012). This may be because international groups are investing more on their marketing strategies in order to integrate and gain competitive edge over the local brands. The survey conducted by

BDO also revealed that Australian retailers were quite behind their competitors in grabbing the budding online marketing opportunities. Therefore, local fashion brands have also been suffering from aggressive competition from international retailers which had more appealing online opportunities.

During the seminars, it has also been discovered that Australian fashion firms are mostly dwarfed by the sheer volume of trade placed by the European and American fashion giants. As an example, Zara produces around 450 million apparels per year in China that makes more than half a million in a day (Bulajic and Domazet, 2012). The GBO Group expressed that after the Australian fashion brands were compelled to shut down their 15 retail shops because of excessive production cost in Australia, Kordahi bought Ambassador Clothing (owns retail brands Nic Green and Zambelli). It refers that this initiative can provide a niche service to the local brands and enables them to survive in today's rapidly changing business without having to preserve excessive levels of stock. They can also present their business clients adaptable options for their fashion requirements particularly when accompanied with the volume potentials they already have along with strategic production associates. This will facilitate customers to orders as per their requirement and re-order-allowing the supply chain and demand to be further cost-efficient.

He further highlighted that operating any business effectively these days is related to the reduction in costs, specifically resource costs like inventory as lower as possible. Currently, firms may be holding a limited inventory of over thousand items, however in all the incorrect sizes. There is a need to reduce the cost by almost 80 percent and it is certainly a substantial saving for any business, as expressed by Mr. Malik. He emphasized on the idea that it is important to work in smart ways, rather than only working hard.

The influence of Australia's economy is predicted to resemble the forms of alignments witnessed during early 1980 era having a reduction in employment rates, in bigger firms as well (Mahajan, 2006). However, the average inferences for Australia were not as destructive as suggested by numerous surveys on the subject. The Australian economy has been capable to bear short term employment reductions related with structural alignments and the push for increased productivity. After the sharp increase in joblessness during the early period of 1990s-linked with the current structural alignment and a quick cyclical recession-development has bounced back and remained robust and unemployment has decreased progressively (Mahajan, 2006).

The retailers of Australia have always had restricted opportunities for marketing their products through online stores. Beyond providing products accessible to overseas retailers through AU or eBay, there has not been a convenient method to get items in front of a huge consumer base. As a consequence, a mass majority of organizations here never created the infrastructure needed to market their brands globally. In spite of these situations, it is still practical to diverse the reach into other segments for the Australian retailers. The following elements have been identified after a comprehensive analysis of the industry trend and news reports (Simonson, 2005). These elements will help the Australian retailers to recognize budding opportunities and to work in the direction of getting better and competitive amidst international retailers (Rosen, 2002).

Take account of the International Context

Over the past years, the online retail industry of Australia has developed exponentially. As a consequence, it has left local retailers delighted as they remain to get their items in front of massive audience throughout the country (Simonson, 2005). Nevertheless, retailers are starting to reach a point of diffusion and are looking for creative ways and opportunities. In any other country, retailers enjoy more options. Several of these industries even have opportunities that

facilitate retailers to note and distribute their brands all across the globe. For instance, in the United States, retailers have accessibility to two of the most influential services: eBay and FBA (Fulfillment by Amazon) (Rosen, 2002). While these online services are not presently accessible to retailers in Australia, it is important to know the opportunities for Australian retailers to grab cross-border opportunities. The primary phase in the process of augmenting the potential consumer base in global markets is to be to initiate industry seller accounts within a selected area. After opening the seller account, it will be much easier to streamline the procedure of accomplishing international orders (Bulajic and Domazet, 2012).

Moreover, the Australian retailers should not overlook globalization. Almost 15 of the global leading retailers function the international business to diverse their evolving markets. The overseas retailers should discover the competitive edges (McNeill, 2006). The effective global retailers should realize their potential consumer base and regard how to combat the rivals from various countries. When the overseas retailers enter the global markets, the overseas retailers face extremely fierce competition. The overseas retailers might gain better options of finances and bigger than domestic markets. Nevertheless, the domestic markets are capable to understand consumers' habits and trends to cope up with the domestic distributors and states conveniently. Even though, the domestic markets might have reduced development at the domestic markets, the retailers will establish the popular product brand that multinational firm might hard to combat. As a result, the international retailers have to keep improving the brands in order to successfully compete against the domestic rivals and other rivals from other nations (McNeill, 2006). This means, that Australian retailers like Nana Judy should concentrate more on globalization and its impact in order to establish a strong consumer base and to remain competitive in the global scenario.

Impact on Fashion Industry

The most prominent components of fashion industry are clothing, textile, footwear market and apparel. It also involves housing, food, automobiles, perfumery, beauty brands and music. According to Rosen (2002), one important differentiating aspect of fashion industry is its potential to differentiate between various social segments or otherwise known as social differentiation. As an example, the trendiest products are always quite expensive and are bought by upper social class whereas the middle strata go for inexpensive products. This made it crucial for fashion brands to make economical products to acquire the selling targets. The improvements in new fashion in the industry were relied on the economies of scale. This is deliberated to acquire new fashion trends to all market areas at suitable times and right costs for decreasing the total costs of production (Arnold, 2009). The demand for decreasing production prices has caused the tendency among the established countries to outsource production to establishing countries where the production will be economical, like many Asian countries. This is badly impacted the domestic business in developed countries like Australia and violates the principle of economies of scale. The domestic markets got impact adversely due to this outsourcing of production and several of them were not capable to survive in the industry. For example, creating a t-shirt brand in China where there is no minimum wage rule is present instead of making it in Australia for decreasing the cost of production. In this situation, accomplishing higher profit margins in Australia is highly complex as compared to that in China (Arnold, 2009).

According to Brinkkemper (2012), globalization has shifted this reality however by decreasing the communication and transportation costs and thus raising the accessibility of consumers to new trends all across the globe. This has also augmented the pace of production in fashion industry as compared to the previous phases. The contemporary communication techniques like

online forums have facilitated the development and expansion of innovation technological advancements, which as enlarged the efficiency of production in all countries. Globalization has therefore resulted in higher exchange of innovative concepts and information related to the accessibility of textile production and fabrics, which has also caused a rise in the product demands (Mahajan, 2006).

Currently, the globalization and its opportunities have increased the interest among retailers, and the industry offers retailers the new horizon of purchasing functions. Furthermore, globalization links all the markets around the world (Dillon, 2011). Countries throughout the world gain advantages from globalization as globalization enables the retailers' source overseas. For the aim to diverse industry at a quick pace, the effective retailers will be prudent to investigate new market areas. In the developing nation, several retailers discover a good quality and price to expand their international business (Debrah and Smith, 2003). Lately, the retailers in clothing industry paid attention on Asian markets for development. For example, H&M (Hennes & Mauritz), the second biggest clothing brand in Europe and Zara targeted the massive Asian marketplace (Dillon, 2011). Such brands have also been integrating in Australia in order to gain maximum advantage of globalization. Therefore, it becomes apparent for Australian retailers to venture new ways of become competitive enough to survive and thrive among these big international retailers.

6.2 Long-term Competitive Scenario

The analysis of Australian fashion industry trends and outlook has offered a detailed knowledge about the industry's current condition as well as future prospects. It has been observed that fashion industry has faced dramatic shifts during the past 2-3 decades. Certainly the industry

finds itself currently at a crossroad. It is facing scarcity of resources which is causing changes in supply chain and business models, wastage of new sources, consumers have become new sales medium and country's legislation is getting tougher. Still some businesses try to predict their industry outlook in coming years. Drastic shifts are inevitable in corporate world, and Australia's fashion industry is no exception. It will face some severe challenges in operating businesses if it continues to work as in previous years (Entwistle and Wissinger, 2013).

Interview with the owner of GBO Group, Waseem Malik revealed further insights about the Australian fashion industry's existing critical condition and what future it might have during the coming years. According to his experience and industry insight, under compulsion from global competition, expensive production and real estate woes, and the fashion industry of Australia is confronting a crisis. However, he expressed that there are positive signs amidst the obscurity. Even though Australia is the single developed economy that did not face a deep downturn as a consequence of the international financial recession, currently, the fashion industry of Australia is confronting tough times, impacting developed retail chains, autonomous luxury and designers' boutiques equally. Among them mostly are women wear brands Bettina Liano, Ojay, they also went to liquidation twice within two years; along with premium retail brands like Lisa Ho and Kirrily Johnston. Both of these brands were compelled to shut down in 2013(Choi, 2014). Few others including George Gross & Harry, Colette Dinnigan and Marine Skillings also had to shut their outlets, where as Belinda International, Little Joe Woman and Grab Jeans were narrowly saved by managements. Kit Willow and Alannah Hill recently left their eponyms names under controversial situations. In addition, things remain difficult for Ksubi, an offbeat street wear brand, which conquered liquidators during 2010 and besieged Billabong (a surf giant) which has been surviving to exist since 2008. He further emphasized on the critical condition and stated

that Australia's two huge departmental outlets David Jones and Myer are facing controversies regarding their merger of $3 billion (Entwistle and Wissinger, 2013).

After 2009, sales of retail brands in Australia's local clothing, accessories and footwear market have reduced and it is predicted that revenue will be comparatively even during the coming years. However, Mr. Malik expressed that this is not to say that Australians are not investing. He mentioned that Roy Morgan, a research company reported that during the last year, the country invested around $3.4 billion (increased from the previous year which was almost $2.4 billion) shopping for online fashion. This brought us to investigate further about the prospects of the industry (Choi, 2014).

It was further analyzed through industry reports and observations that competitive global pricing, expensive production and real estate woes are among the primary difficulties for local fashion brands. Australian nationals Ryan Lobo and New York's women wear brand Tome's owner Ramon Martin expressed that they could not have established their brands in Australia (Choi, 2014). According to these individuals, there are so many restrictions on production, price and fabric. What is more important that the impending emergence of multinational outlets Uniqlo, H&M or Cos has not improved issues. However, according to the manager of Think Consulting and ex- brand manager of an international retail brand offering women wear, Supré, Australia, Catherine Taouk expressed that domestic retailers are not merely victims of condition and it was merely a time factor prior these fast-fashion outlets emerged and domestic retailer brands should have accounted for it, through price, strategy or product. Corporate predictions are important (English, 2010). In addition, she also mentioned that customer service also required enhancement and there is a requirement to interpret the service perception of retailers like Apple and Nespresso.

According to a report published by DB Consulting (Lindgren, 2010), today's online Australian customers are shrewd, knowledgeable and have accessibility to several options than ever before. Therefore, Australian designer brands will have to create a unique viewpoint that international customer finds attractive. If they are interpreting or duplicating, they will definitely fail. May be some of the brands who have failed were not offering the customers with the most exclusive, attractive or original products. The brands that mostly succeed in an international competition will be those having exclusive identity and that persistently innovate, while remaining genuine to their niches.

According to Williams, Laing and Frost (2013) in their book *Fashion, Design and Events,* one of Australia's thriving swim weal brand Zimmermann's director Nicky Zimmermann stated that times had shifted substantially after she co-created the brand during 1991 along with her sister. It was easier to commit mistakes and discover lessons. The disparity now is that there is no space for mistakes or an ineffective collection. She further added that a fashion firm has to be international. She attributed her success to a noticeable Australian art with international attraction as it helped her in succeeding within a competitive market. This means that an international appearance is critical for the next decades of Australian fashion brands and requires to be modified according to current situation. The global scenario has changed and the client base is international and if the Australian brands determine their objectives appropriate for export considering shipping costs, pricing, and so on, it will simpler to thrive that operation in cycle with their business and will enable them to create more stability and strategic sustainability (English, 2010).

Furthermore, for several Australian fashion products, e-commerce is also a hugely untapped feature, a cause for attention as Australian clients continue to shift online and global e-tailers

such as Matches Fashion and Net a Porter count Australia as one of the largest potential market segments (Gwilt and Rissanen, 2012). However, it is not all gloom and doom. There are few Australian fashion retailers and brands adapting to the existing scenario with creative new product ideas and ranges as well as business models. For instance, 2XU, a Melbourne originated sportswear outlet has established a distribution channel in more than 50 nations and recently, stepped into an association with a private capital investment supported by LVMH, L Capital Asia 2, in which the investment attained 40 % of the organization. In the meantime, another Melbourne based firm Chris Kyyetos' Sneakerboy has enticed consumers for its extremely covetable collection of sneakers and creative digital retail business model that combines the ambience of physical outlet with the competencies of the online shopping (Schmidt, 2013).

The analysis has also revealed that shopping habits of customers are also shifting substantially. Customers may be hugely purchasing online and trying to consider value for their investment, however they are still interested to pay increased prices for brands that fulfill their specific experiences. People prefer to shop where they find satisfaction to several experience based needs, like psychological, social or possession convenience. While there has been a rise in online shopping that has directed to a drop in the demand for specific conventional brands there is still an increasing and progressive interest in expert retail areas.

There is a wider international shopping perception, which has directed to extreme competition between brands. Buyers can find and access brands at whatever time they wish. However, this globalization has also directed to networks that offer retailers accessibility to further cost-efficient, credible and favorable products and elements. Ultimately, product life cycles become shorter, encouraged by more quickly shifting needs of customers. It has also been observed that

these shifts are distracting conventional brands such as David Jones and Myers that have the accountability to offer persistent outcomes to shareholders (Raustiala and Sprigman, 2012).

If it is envisioned that a conventional retail business which engages a huge physical area near a huge population, covered with a massive range of products. The outlet is open on regular timing and its employees are acquainted to offer nominal service adequate to speed up the sale of accessible floor stock. Then there are the issues: it is highly ineffective and expensive, having stock merely waiting for those who may stroll in to buy products in opening hours. The store does not present the optimum levels of product details or service that contemporary buyers look for. And it is not able to present the insight of product choice and data that discerning customers need. In order to be effective in current market condition, conventional retailers require doing more effective strategic planning, and adequately positioning their businesses to match market area they might target. Big brands such are more effective in aiming customers and depend less on a common business approach as compared to several huge Australian retailers. Furthermore, several conventional retailers are currently working under the old anticipation that they can offer everything to every individual, hoping and waiting for several consumers to support their insufficient provisions. However, more effective brands like Carla Zampatti, H&M and Zara as an example are far more updated in their strategic planning (The Australian, 2012).

6.3 Evolving Production Management Model

In the attended seminars, there was an explanation about the significance of emerging production models used by fashion brands today to increase cost-efficiency as well as competiveness. To further analyze the topic, research has been done to understand and highlight key areas of the

evolving model and its effectiveness for today's Australian fashion brands. The research study of several reports appears to reveal a shift towards typologies of vendors that may demonstrate various organizational models as contrasted to the conventional clothing retailers. In these type of models, business units can be find that perform as the point of reference for operations of industrial activities like sourcing, product design or quality check of fabric material; in addition, the vendor may implement various production management approaches which, in personal perspective, can offer a role in the capacity of retailers for creativity and may not collide with what used to be regarded as the conventional models.

This can to some degree be acquired by utilizing technological improvements that make it practical to work in a more quick and efficient manner. In this way, the retailer can perform on the framework of the point of sales, as an example by shifting the display window much more often or through creating up the array on the basis of different seasons. This situation is largely witnessed in various big stores. As an alternative, the range of the products may be determined for quick planning for 2-3 week cycles, for example Swedish H&M and Spanish Zara (Barnes and Greenwood, 2006). That means that the creation of point of sales ranges appears to be associated to the various production management models implemented by the vendor. More particularly, the selection of a given model of production as contrasted to another appears to have at last two crucial inferences. First, it is intriguing to observe that for the retailer the implementation of a specific model is related to a number of shifts in the business structure. For instance, in such a difficult structure with an active competitive framework, the kind of organizational structure that was applicable previously may no longer acquire business objectives. In the seminar discussion, it was highlighted that the technical features are of vital significance, as there are direct connections within the structures of production between technical

resolutions and business solutions; moreover, the various production typologies have reactions on other areas of business management. These were researched through various theoretical perspectives which in particular researched the connection between contextual change and innovative forms of production models in the clothing sector (Cachon and Swinney, 2011).

Fast fashion has been the most booming business models that present the fashionable apparels at reasonable prices (Caro and Gallien, 2007). Through an operational perspective, fast fashion needs a highly reactive supply chain that can help a product range that is frequently shifting. Through the basic rules are simple, the effective implementation of the fast fashion production models have several aspects to consider. In many researches, it was also focused that contextual complexity mostly directs to subdividing the business system into subsystems of the management/contextual configuration (such as in this study, organizational departments are considered like product design, point of sale management and service outsourcing). It is also focused that such a condition typically increases the issue of how the various organizational departments, which perform as subsystems of the international organizational mechanism, can be suitably integrated (Caro and Gallien, 2007). However, what this research focused is more simply related with the above described implications, how best to handle the supply chains through fast fashion business model.

The retailer holds a major responsibility within the supply chain with respect to relations with suppliers. That is to express, in personal perspective the decision of the distributor to make use of domestic (local) suppliers, and of a supply chain on an international level (expanded supply chain) other than incorporating vertically in few areas within the operations, may in some case bear a link to create innovation (Cheng and Choi, 2010). As per this viewpoint, few researches

have discussed the advantages and disadvantages of an international as contrasted to a domestic supply chain. They have highlighted that this disparity is always associated to trade-off between global supply chain (economic benefits of the source) and domestic supply chain (a time reduction to market however at increased prices). It is recommended that occasionally the retailer has significant opportunity to shift suppliers, whereas in other instances, as a consequence of the strength of exchange procedures, propensities towards mutual adjustment and mutual direction may establish within the supply chain, directing to conditions of interdependency and incorporation among the triggers (Cheng and Choi, 2010).

It has also been focused by several researches (Christopher, Peck. and Lowson, 2004) that resource to a comprehensive supply chain may be obstructed by logistics management issues contends that buying decisions are mostly carried out without complete insight of the actual costs of the several options, whereas the rational mistake, lies in the reality that the economically most beneficial source may have an important influence on revenue negatively as well as lost of sales (Choi, 2013). The retailers' potential to acquire high gross limits and levels of services whereas having unsold stocks to the least possible standards obtains from clarity in demand forecasting, so that the benefit of an international supply chain with respect of lower price has to be determined against the lessening in the costs of logistics, as well as the reduction in lost sales and loss in the amount of sold merchandize at discounted rates that could obtain from selection of a faster domestic supply chain.

According to the research conducted on the concept (Mullins and Komisar, 2009), the two important components in the explanation of fast fashion thus includes rapid changes in product ranges and quick responses. These are specifically crucial from a supply chain and operations viewpoint. An imperative benefit of operating at the product level is that it offers the liberty to

launch products continuously in the store, not merely twice in a year. This involves that the usage of all resources including factories, designers, distribution, can be harmonized better gradually, preventing unwanted peaks twice in a year. Response durations and costs can therefore be decreased (Mullins and Komisar, 2009). The frequent changes in product ranges is also critical for fashion products, as discussed in the seminar, that enables the brand to stay up to date with the changing demands of the market and the consumer. Certainly, a retail brand like H&M purchases products on a continuous basis across the season to organize fashion accuracy. Thus, retailers of fast fashion combine the dexterity of supply chain to react instantly, and persistent production launches to appeal fashion cautious and variety seeking people. These are the major features that have been highlighted in the interview discussion and seminar about evolving business model of fast fashion. The players of fast fashion depend much less on wholesale mediums and collection marketing. As a consequence, they are capable to conceptualize, make and distribute innovative products actively throughout the season (Okonkwo, 2007).

7. Conclusions & Recommendations

In the current high street fashion trend competition, apparel brands are implementing measures to survive and compete for the aim to grab and sustain market share. This paper has analyzed and presented research outcomes to propose solutions for the Australian fashion brand to survive and thrive amidst international retailers. Being a highly instable and seasonal industry, fashion is always susceptible to fade-out. Every season demands a new style, design, fashion or trend which becomes a craze therefore fading out the past fashion trend. The brands that sustain the pace of a rapidly changing market and innovatively manage to exist, while those failed, become wiped out.

Globalization has created the manner that offers retail Australian fashion industry options linked with the nations throughout the world and expand the evolving markets quite well. This fad shifts the society, like culture, economic, and technology. The business of globalization becomes highly admired in the society, and the people start to observe the global products and brands. The retail market compete each other in the international arenas. Thus, the retail market's growth and prospect is impacted by the globalization, and confront the international competition. The Australian fashion retailers should offer more focus on the larger industry and competition and should consider the impacts of globalization.

The study also explained that the fashion industry of Australia has conventionally characterized by serious competition and limited product life cycle. Latest reports and researches also emphasized on the augmenting significance of retailing. Fashion brands have started to consider a major role in the arrangement of supply chain networks and being workers who perform internationally either with respect to resource or market seeking. At this point, several issues takes place due to the disparity between conventional Australian retailers systems, which have

been presented into this research project including the new sourcing and business models as well as buyer-seller associations. The study has presented a significant analysis on the impact of the latest business models and it's effective for the survival and growth of Australian retailers.

Even though the current condition of Australian retailers is critical, however the situation is shifting. Existing and new forces joining on retailers are triggering a revolution of business models. The gloomy side of supply chain management should not be ignored by the retailers and they will have to adapt to emerging production models or they will lose important revenue. As described in this research, the recent fashion industry business model, the fast fashion, has observed a revolutionary success with firms implementing the quick response technique. Fast fashion is related to fresh trends, limited product life cycles and more rapid and reasonable production procedures. The idea mainly offers the market areas of people who wish to purchase fashionable apparels at a comparatively reduced price.

Under intense international retail brands, Australian retailers should adapt to such models in order to boost their probability of being successful and create their individual position. Several aspects have helped the evolution and effectiveness of fast fashion business model. The majority of fast fashion brands focus their production spots close to the reach of customers so as to acquire fast response to consumer demands. It is imperative to establish a fast and precise. Therefore, it is also recommended Australian retailers to focus on customer demand and try to offer them quick response. In addition, a competent system of distribution is also important for the aim to have rapid product provision. The objective of every fashion brand should be to raise their sales and obtain competitive edge through augmenting the range and product turnover rate. Moreover, after implementing the fast fashion business models, Australian brands should be capable to predict innovative fashion fads and to recognize potentially admired product designs.

They should stock limited amounts of products, generating an appealing context which can encourage customers' purchase decision.

Australian retailers also need to depend on a rapid and quick supply chain. Few big players in the industry, like H&M, Gap, Forever 21, Zara or Mango manage to complete consumer demands through implementing rapid response techniques at a reasonable price. These firms have established adaptable supply chain networks that assist them in designing, producing, and begin delivering products within a matter of few weeks. Similarly, Australia retailers require to utilize their resources optimally though implementing such models. In a nut shell, it is greatly becoming more complex to survive in an industry where there is massive international retailers working and giving a tough time to its local counterparts. Australian fashion brands need to implement innovative business models to improve supply chains and hence become capable to offer reduced prices to the consumers. Competition has become intense, global and extremely potential for establishing loyal consumer bases. Since, thriving international retailers moving to Australian understand this and realizing exactly what their consumers' demands and when, prior to targeting them which enables them to create irresistible attraction for their customers. This is what Australian retailers need to focus and implement on.

Appendix

Questionnaire with Waseem Malik, owner of the GBO Group

1. What is the current status of Australia's fashion industry?

2. What are the most important factors influencing the retail and brand market?

3. What is the difference between past and present trends of fashion industry?

4. How important is globalization for the fashion industry of Australia and what are its impacts?

5. What major initiatives have been taken to improve the fashion business in Australia?

6. What is the value of outsourcing for current retail business in Australia?

7. In your opinion, what prospects are there for Australia fashion brands to remain competitive?

8. What are the core competencies required to make a local brand cost-efficient and competent in today's market?

9. What are the emerging production management models in global fashion industry and how Australian fashion retail brands can those brands?

10. How product or procedural innovation impacts the buyer-seller link?

11. What are the important options for sourcing in current fashion business?

12. What can be strategic competencies for Australian fashion brands to survive and thrive in current international business scenario?

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