



STITCHING UP SALES

New York, London, Paris... Melbourne? Does Australian fashion cut it on the world's catwalk? A look at how you can make the world wear what you're designing.

STORY ADELINE TEOH

If the words 'Australian fashion' conjure up images of beachwear and surf brands, your thoughts wouldn't be far from where our reputation lies worldwide. Labels such as Billabong, swimwear business Seafolly and aussieBum are considered global rather than Australian, and lead the world in summer styles.

Other brands are designer-led with names such as Collette Dinnigan and Akira Isogawa leading the pack, and the designers behind popular brands like Sass & Bide and Ksubi becoming darlings of the celebrity world when they entered the scene.

"People overseas see us as quirky, unique and different with a relaxed lifestyle, which is why swimwear and resortwear does well," describes Ashan Winslow, founder and director of Australian Fashion Exchange (AFX).

Paula Rogers, industry liaison at The Council of Textile and Fashion Industries of Australia (TFIA), agrees. She says: "Australia does swimwear as good as, if not better than, anyone else. We're good at lifestyle products and surf brands; people see that as part of our culture."

NEW EXPORTERS

For emerging designers selling to that image, leveraging that reputation is an advantage, but for others, doing business overseas needs to come back to the basics.

"Research is the key: understand your product and customer and where will it be best positioned and received," suggests Winslow. This research should take into account cultural barriers and adaptations in different countries, for example, climate may dictate aspects such as the type of fabric to be used.

He advises that designers must understand the costs involved, including packing, shipping, insurance, delivery time frames and duty when quoting the wholesale price, to arrive at an appealing retail price with the required margin. "Sometimes smaller labels may need to sacrifice margin to create opportunity," he adds.

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Pricing is also important when it comes to adding the duties and taxes you may encounter in various international markets, says Rogers: "All those duty considerations will define the cost to market and affect whether you can compete."

She suggests that fashion businesses interested in exporting should start selling online. "One of the benefits of online is you get



■ CASE STUDY

HOLSTER FASHION

If the shoe fits, wear it all summer. That's one message you could take from Holster Fashion's products. "We wanted an alternative to a leather shoe, one a lady could wear on the beach all day, walk through the water in and then throw on a dress and go out to dinner in the same pair. We stumbled across jelly material and started making our own designs," says Holster co-founder Ben Nothling. With wife Natalie Miller, Nothling has created a brand they want to become a household name.

A chance meeting at a job interview brought them together. Six months later they were holidaying in Indonesia, when they decided to start a trade in surfboard bags and shell belts. "She was just about to start a business degree and I had just finished mine and we saw some potential to import products," explains Nothling. "We sold 500 shell belts in two weeks, so we imported more and started importing leather shoes, and then started designing some."

Discovering the jelly material then gave them a selling proposition distributors found hard to resist. First it was a New Zealand distributor, then their fame spread throughout the Pacific after exhibiting at a trade show. Now, the offers won't stop. "Distributors come to us and say 'we want to sell your shoes in Germany' then bang, they're up there with Ipanemas or Havanas," says Nothling.

The Noosa-based brand is proud of its origins, marketing the product with references to the popular beachside area, he says: "People in Asia, Europe and the Middle East especially love that." But while Holster design product and run their operations from Queensland, they manufacture in Asia, predominantly China, because of the volumes required. "Last season we did about 230,000 pairs and this season we'll do about 500,000."

The success of the brand unfortunately has a downside: copycats. Currently it deals with infringements legally, but Holster has also looked into patents as well as enhancing product development. "Every season we have new designs and because they're all made in moulds it costs a lot of money to copy," explains Nothling. "We invest a lot of money in our new designs, just to stay ahead of the pack."

Also impressive is how they've made business into an art form, with media coverage—"UK Grazia named us 'find of the week' for summer"—transforming into sales, and sales turning into future designs: "Every market is very different, and we design for the markets. Something might be huge in Europe and the UK, but slow in Japan. We don't look at other brands or what's on the catwalk, it's just from our experience," says Nothling. "A lot of people think it's glamorous, but there's a lot of hard work. We work a year in advance sometimes. We're always developing."

to understand what that market wants at a low cost, it's a soft entry. It's not going to give you full market penetration, but it'll give you a taste."

Making connections in the industry will also help in that regard, she adds. "Invest your time to meet people in that market at every level you can. Talk to industry bodies, talk to as many people as you can not about selling your product, but about understanding the market."

Both the AFX and TFIA have cluster programs that help emerging designers band together to leverage collective bargaining power, for example to share contributions to expensive operations such as running a photo shoot, or pitching in money to set up an e-tail website.

EXISTING EXPORTERS

While choosing an agent to represent a label is a popular method of going global, Rogers says there are other ways to be successful in an overseas market. "I would be more inclined to be more hands-on and carefully select some trade shows where I felt that the buyers I want to target would be there. Or I'd look at the market and do hard market research, going to the country and having a good look around," she says.

Travel is a good idea, agrees Winslow, who says those already exporting should look at consolidating existing relationships and establishing a point of contact for overseas customers. "The ongoing relationship with stores will ensure longevity; it is no good making a sale and hoping that this will last forever. Communication and relationship building will ensure that stores will pick your range over another competitor in many cases."

He further suggests increasing your production capacity in line with increasing your marketing at this stage to grow the brand.

ADVANCED EXPORTERS

As a relative minnow on the world's catwalk, the Australian fashion industry needs as much help as it can get to gain maturity in the sector. There is therefore a strong call for more advanced exporters to mentor the emerging designers. AFX and TFIA both have programs that encourage this type of interaction and community building. ▶

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NON-FASHION EXPORTERS

Fashion has often been associated with the media and entertainment industry, with everything from costumes and styling, to red carpet gowns and what celebrities are wearing, sitting hand in hand with the sector. In addition to this, event management,

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either through actual fashion events like festivals and runway launches, or other key events, from Mardi Gras to venue openings, has a significant fashion focus that provides other industries, like tourism, with leverage points.

Rogers also suggests that fashion has a connection with agriculture through the need for quality fabric, which then ties

it to food and the sustainability of both resources. Other sectors such as consumer technology and interior design have also used fashion to sell concepts and products.

BARRIERS

Market differences are the biggest barriers to fashion exporters, says Rogers. Differences in import regulations and legislation around the world, sizing and seasons add to complications for Australian businesses. Not to mention the very different local market: “The challenge for our designers here is that we don’t have a very big domestic market,” Rogers adds. “Most designers will never make a lot of money in this market, they will make more money from export, but we don’t really have a stepping stone for designers to do that.”

Intellectual property (IP) protection is also a challenge in some markets. The costs, procedures and effectiveness of IP enforcement vary significantly from country to country, according to Eunika Janus, IP Australia’s project manager for Fashion Rules. “Some jurisdictions are committed to strong and effective IP systems, though the costs of enforcement can be high. The effectiveness of infringement actions has traditionally been weaker in some Asian countries, however, the situation is improving as governments start to recognise the benefits of a strong IP system,” she reports.

Janus adds that copyright and registered trade marks can also be protected at the border—“many countries allow for notices



□ HOT PROPERTY

Copying and counterfeiting are common problems faced by the fashion industry, both in Australia and overseas. Before showing or selling products in foreign markets, designers should consider the types of intellectual property (IP) rights that may be available to protect their label and their designs.

IP rights can be valuable assets; they can be sold or licensed, as well as deter potential copycats and help a designer take action against infringers.

IP rights can apply to a range of assets in a designer’s portfolio, which could include:

- Copyright for artistic works such as original prints and patterns or handmade works of artistic craftsmanship;
- Trade marks for distinctive signs distinguishing one designer’s products from another including names, logos, slogans, colours, three-dimensional shapes and aspects of packaging;
- Registered designs for the appearance of items like garments, shoes and accessories;
- Patents for inventions and innovations such as new and different types of fabric.

Trade marks, designs and patents are rights that are registrable for a fee. Applications must first be examined to ensure that they meet certain criteria e.g. a registered design must be new and

distinctive. Copyright, by contrast, is automatic and free in most countries but only applies to specific types of works.

It is important to be aware that IP rights are country-specific, which means that trade marks, designs or patents should be registered in each foreign market in which a designer operates. Note there are some differences in the scope and length of protection between different countries.

The total cost for a designer of registering IP rights in a number of countries can be high, although applications for some rights can be filed using international conventions that allow one application to be filed in a number of contracting countries, a more cost effective option for designers that export their garments to a large number of foreign markets.

Designers should also consider the nature of the item they wish to protect: for designs following a short-lived trend, costs of obtaining registered designs protection could outweigh long-term benefits.

Before filing, search the internet and foreign IP registers to check that foreign designers haven’t already registered or are not already using the relevant name or design in their particular country. Applications for IP rights should be filed as soon as a designer decides to enter or export into a foreign market. For patents and designs, applications should be filed before selling or marketing the products anywhere in the world.

—Eunika Janus, Fashion Rules project manager, IP Australia

to be lodged with their customs authorities, which can seize counterfeit goods that are imported into the country"—a powerful enforcement tool.

THE FUTURE

Winslow believes there'll be a tendency toward Australian Made products to offer designers a quality-led unique selling proposition in an otherwise price competitive market. Other movements he highlights include green and sustainable design, and building a community in the sector. "Trying to be community focused and supporting projects for the better of the country and the future of our planet and its communities is important," he says.

Add labour ethics to the mix and it seems fashion has gone grassroots. "In the future, sustainability will be front and centre with labour ethics, and environmental issues, finding ways to be greener through organic fabric, fair trade, and recycled product," predicts Rogers. "It's not about brand any more, consumers are wising up to brands. What people are looking for now is to step back from brands and be more credible about what they wear." **DB**

FASHION RESOURCES

Australian Fashion Exchange: www.australianfashionexchange.com.au

Council of Textile and Fashion Industries of Australia: www.tfia.com.au

Design Victoria put together a booklet to help those in the design industry go global. Download or request a hard copy of *The Case for Export* at www.designvic.com/Knowledge/Publications/TheCaseForExport.aspx. They also developed *Transform Your Design Business* (designvic.com/grants), an online guide that helps designers navigate the grants space and write strong applications for them.

The Ethical Fashion Show will be held from September 25–28, 2010 at the Paris Fashion and Design Centre. See www.ethicalfashionshow.com for more information about it.

Fashion Rules is a comprehensive guide created by IP Australia specifically covering IP in the fashion industry. Check it out at www.ipfashionrules.gov.au

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