Research on Laws of European, American and Japan Fashion Brands Life Cycle

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Abstract. Just as products have their life cycle, so do brands. The life cycle of apparel brands include the stage of emergence and formation, the stage of rapid growth, the stage of slow development or recession, and the stage of recycling. The development of life cycle of European, American and Japanese apparel brands presents many distinctive characteristics, but there are also many commonalities. Mastering the laws of development of life cycle of these brands and learning the experience and lessons from individual cases will help local apparel brands to formulate reasonable brand strategies based on the status quo and prevent problems in the early stages, thus to realize their dreams of becoming century-old brands.

Introduction

With the development of social economy, the improvement of living standards and the enhancement of consumers’ brand awareness, more and more apparel companies have realized that the market competition today is essentially brand competition, and that only by relying on brands, can they develop sustainable competition advantages. As we all know, products have their life cycle, so do brands and their own laws of growth. How to understand the characteristics of marketing activities of brands and master the laws of its life cycle is the key for an apparel enterprise to manage the brand.

Definition and Stages of Brand Life Cycle

In broad sense, brand life cycle includes the brand legal life cycle and the brand market life cycle. The former refers to the effective use period of a brand protected by law after its registration through prescribed legal procedures. The latter refers to the whole process of a brand from entering the market to withdrawing from the market as a product or an enterprise enters the market. In narrow sense, brand life cycle refers specifically to the brand market life cycle. Changes happen rapidly in the information age. With the changes of the external market environment, the adjustment of the enterprise environment and the influence of the product itself or other factors, it has become a common phenomenon that a brand may appear, grow and disappear. Such laws of market life cycle of a brand, which are different from that of the product it represents, are called the brand life cycle (BLC).

Studies on the relevant literature of the brand life cycle show that there are three main ways to divide the stages of brand life cycle, as shown in Table 1:

British scholar John Phillip Jones made an in-depth empirical study on the traditional brand life cycle theory, in which he found some defects: brand development does not completely follow the law of recession after maturity. It turns out that the life cycle of apparel brands does not enter the period of recession with the recession of a certain product, but will form a fan-shaped life cycle with the adjustment of brand strategies.
Table 1. Three Theories about the Division of the Stages of the Brand Life Cycle.

<table>
<thead>
<tr>
<th>Type(s)</th>
<th>Stage division method(s)</th>
<th>Representative scholar(s)</th>
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<tbody>
<tr>
<td>Product-based brand life cycle theory</td>
<td>period of introduction, period of growth, period of maturity, period of recession</td>
<td>Philip Kotler (1967)</td>
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<td>Consumer cognition-based life cycle theory</td>
<td>period of brand introduction (period of emergence and formation), period of brand awareness, period of brand popularity (period of maintenance and period of improvement), period of brand withdrawal</td>
<td>Pan Chengyun (2000) Bai Yu, Chen Jianhua (2002)</td>
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<td>period of brand awareness, period of good brand reputation, period of brand loyalty, period of brand transfer</td>
<td>Huang Jiatao, Hu Jin (2004)</td>
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Summary of the Laws of Development of Apparel Brands in Various Countries

According to the development history of apparel industry in Europe, America, Japan and other countries, typical brands established in each stage are selected to study the brand life cycle, and the characteristics of the laws of life cycle of apparel brands in various countries are summarized as follows.

Characteristics of the Laws of Life Cycle of European Apparel Brands

Most of the world’s well-known and influential European brands emerged in the early days of industrial development. With their long history and continuous innovation, they have gained many loyal customers and a stable market position. After EU countries established their status in the world’s fashion industry in the 1970s, a large number of brands emerged and have seen rapid development.

European brands have entered and established themselves in the market with their outstanding and unique product designs, including CHANEL, GUCCI, DIOR and other brands that were established in the early stage, as well as Dolce & Gabbana, Versace, Christian Lacroix, Guess and other brands that emerged later. At the same time, the local market’s strong interest in these uniquely positioned designer brands also provides a strong guarantee for these brands to establish themselves in the market.

The rapid growth of European brands is inseparable from large-scale international market expansion and the brand promotion strategies. For example, GUCCI, founded in 1923, has undergone a large-scale market expansion for the 20 years since 1953, and has used the effect of Hollywood celebrities for promotion, quickly developing itself into an international top fashion brand. Valentino, founded in 1960, has also undergone a large-scale international market expansion for 20 years since 1980. With extensive promotions by fashion media and participation in national fashion shows, it soon established its market position as an international fashion brand. The international status of the European fashion industry makes the market expansion of these brands easier.

The European brands created in the early stage entered their first recession after establishment for 50–60 years, which was mainly due to out-of-control management caused by aging or death of the brand founders, internal contradictions of family business and rapid expansion of the market.

The recycling of European brands began with the adjustment and repositioning of the organizational structure of the enterprise management, including the replacement of product design directors and brand management directors, the market trend gradually toward self-operation management, and the new positioning for meeting new demands. For example, after GUCCI was
readjusted, the director developed 4p for the company: public relations, quality, positioning and philosophy.

Today, in Europe, emerging brands are easy to establish and there are more ways to update them. For example, Dolce & Gabbana, created in 1985, has quickly become one of the world’s first-line fashion brands by customizing clothing for Madonna and cooperating with strong brands across industries.

Characteristics of the Laws of Life Cycle of American Apparel Brands

The well-known apparel brands in America mainly emerged in the stage of industrial growth after World War II. Under the support of industrial protection policies, French brands were unable to enter the US market. A large number of American brands developed and quickly established their market position with technological innovation and marketing innovation. After America established its status in the world’s fashion industry in the 1980s, a large number of brands emerged, especially many design fashion brands, which further consolidated the status of the American fashion industry.

American apparel brands that were created in the early 19th and 20th centuries, such as LEVIS, emerged by their unique designs of products, and due to the influence of the American leisure culture, and practicality of the products was the main direction of designs. Brands that emerged after World War II, such as GAP and ESPRIT, have become successful due to their accurate market positioning and successful marketing strategies. After the World War II, apart from the ready-to-wear brands for the general public, there emerged also many unique fashion brands such as ANNA SUI, Calvin Klein and DKNY, and as America established its status in the world’s fashion industry, these fashion brands quickly won the recognition of the world market.

The rapid growth of American brands stems from the upgrade of products, brands and markets. Product diversification, product innovation, product line extension and international market development are the main strategies for the stage of brand growth. For example, LEVIS, which emerged in 1853, launched new products such as light blue jeans, wheat-colored jeans, washed jeans and ripped jeans during its period of brand growth. Each of its new products was able to usher the trend, which has also helped to establish its position as a leader in the industry. GAP, which was created in 1969, has become the No.1 brand in the global apparel retailing by applying high-tech technology to sales terminal management and improving service quality and efficiency. GUESS, founded in 1981, has extended its sexy and avant-garde brand style to a variety of fashion fields such as perfumes, bags and watches, while at the same time, expanding the international market, ultimately achieving a rapid growth of the brand.

The main reason for American brands entering the period of recession is that they are aging and unable to adapt to the changes in the market. After the 1990s, the American market has changed rapidly. Both the long-established brands and the emerging brands have entered the period of recession due to their incapability to make response. After a short period of recession, American brands often can recover and enter the stage of recycling with repositioning, renewal of brand image, and adjustments of business models.

There have been more choices for creating a new brand. Unique brand style designs and innovative brand business models have become the main driving force for the creation and rapid growth of emerging brands. For example, established in 1996, Under Armour entered the market with the innovative category of tight-fitting sports underwear. Promoted from gyms, the brand has quickly become the No.1 sports equipment brand in the gym due to its special business models. Later, it expanded its products to other categories of sports clothing, turning itself into another sportswear brand that is popular all over the world.

Characteristics of the Laws of Life Cycle of Japanese Apparel Brands

Japan’s well-known apparel brands emerged mainly in the 1960s and 1970s, which include both ready-to-wear brands for the general public and fashion brands borrowing from those of other countries. After Japan established its status in the world’s fashion industry in the 1990s, these brands have more stable market positions, and today, they are still the mainstream brands in the market.
Ready-to-wear brands that emerged in the early stage, such as UNIQLO, have used innovative business models to find a balance between better quality and lower prices, truly meeting the needs of mass consumers in clothing, and thus establishing themselves in the market. Fashion brands that emerged in the early stage, such as Issey Miyake, were established in the European market with innovative product designs, and later, their popularity was improved. The rich fashion resources and great fashion demand of Europe have provided a good environment for the rapid growth of these brands.

The upgrade of Japanese apparel brands is attributed to the large-scale market expansion and the stable brand management strategies of Japanese apparel brands in the 1990s. As a result, the status of Japanese apparel brands and even the Japanese fashion industry have been comprehensively promoted in the international market.

The apparel brands established in the early stage gradually entered the period of slow development or the period of recession after 2000, mainly because they failed to adjust their enterprise strategies in time when faced with new market demand and competitive environment. Since the brands of fast fashion, ZARA for example, entered the market, the market demand and competition structure have undergone tremendous changes. UNIQLO, a brand positioned in the casual style, has entered the stage of slow development. However, the brand quickly adjusted its operating strategies, re-winning market recognition by innovating its categories, launching styles under designer cooperation and carrying out a large number of promotion activities.

Emerging apparel brands have established themselves in the market with their distinctive product styles and brand positioning. After Japan established its status in the world’s fashion industry in the 1990s, these brands have been quickly recognized in the international market, especially in the Asian market.

Revelation: The Laws of Development of the Brand Life Cycle

The brands have been divided into stages according to their development characteristics. After dividing the stages and analyzing the brands of apparel industry in each country, it is found that the life cycle of the apparel brand can be roughly divided into the stage of emergence and formation, the stage of rapid growth, the stage of slow development or recession, and the stage of recycling. The stage of emergence and formation is not only a stage in which a brand seeks direction and clear positioning, but also a stage in which it accumulates. The brands established in the early stages of the development of the apparel industry in various countries often began with a store. After the store gradually develops a clearer style and positioning, gains its recognition, improves its popularity and increases its profits, it will accumulate sufficient funds and rich market experience for the next stage of development. The emergence and formation period of brands established in the early stage lasts for a longer time, about 20~30 years. Therefore, in this stage, the brands can not only accumulate funds, but also solidify their enterprise foundation. The apparel brands emerging after the countries established their international status in the fashion industry were often carefully planned and positioned before they started to operate. For these emerging brands, the emergence and formation stage is the stage in which the brands convey their positioning, establish their popularity and open the market. Due to the reserve of funds in the early stage, brand promotion is often vigorously carried out in this stage. The time for the brand to open its market has been shortened a lot. This stage often lasts for 3-5 years, but such brands often lack the impetus for the second stage of brand development.

The stage of rapid growth is the stage of rapid growth of brand tangible assets and intangible assets. Market expansion is the main strategy to promote the rapid growth of apparel brands. However, the influence of market expansion on promoting the growth of a brand depends on the development momentum of the brand itself after the first stage, which is just like the vitality of people. According to structuralism, market expansion is a change in the external structure of a brand. How much influence it have depends on the characteristics of the internal structure of the brand. If the complexity of the internal structure of the brand can adapt to the changes of the external structure, and the momentum of brand development is sufficient, then the strategy of market
expansion will certainly promote the rapid growth of the brand. Otherwise, it will not. Throughout history, apparel brands that have experienced an emergence period of 20 to 30 years or even longer tend to have sufficient development momentum. They are quick to establish international market popularity, open up the international market and establish market position, and they have a very stable market position. Industry leaders today are mostly such brands. Of course, some emerging brands also have a very good development and impose great pressure on old brands, such as ZARA. As mentioned above, the main reason for the lack of development momentum of emerging brands at this stage is that they do not have a complex internal structure. Therefore, in the formulation of strategies for rapid growth, such brands must quickly improve their internal organizational structure and system and accumulate experience and lessons from brand management, so as to prevent the imbalance between internal and external structure and the tearing down of the brand. Since the development of China’s apparel industry, there have been short-lived brands, and this is the main reason. In addition, according to experience, the status of the country or city in which the brand is located in the world’s fashion industry will also affect brand growth.

No brand wants to experience the stage of slow development or recession, but it is inevitable. According to the cases, there are many reasons why an apparel brand develops slowly or enter the period of recession. The internal reasons mainly come from three aspects. First, the founder, the main manager or the chief designer of the brand, is getting old, and therefore the brand becomes outdated and loses its vitality; second, internal contradictions of the family business cause brand divisions; third, excessive expansion of the external market leads to out-of-control management. The external causes are mainly market changes, competitive pressures, inability of the brand to adapt to the new market and to meet the new demand, and the gradually weakening brand advantages, which have slowed down brand development and even caused recession. Apparel brands should be alert to the factors that may cause brand recession even when they are in good development.

The stage of recycling is the stage in which the brand reshapes to regain a new life. The first strategy of this stage is to reposition and adjust the internal and external structure of the brand. Repositioning is not a negation of the original positioning, but an adjustment of the original positioning based on the new market characteristics. By replacing the key personnel such as managers or designers, adjusting the brand lines and brand structures, and formulating new market operation and management methods, a brand can finally find its new competitive advantages and vitality. Shortening the period of recession and quickly entering the stage of recycling will be conducive to the protection of brand equity.

Apparel brands must be clear about their stage of brand development and master the laws of brand life cycle, so as to be prepared for danger and prevent problems before they happen!

References