

Positioning The Caribbean To Win: Penetrating The International Fashion Market



Liza Miller

Managing Director, estuary PR Limited

CEO, Kaj Designs Limited

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Introduction

- Fashion is driven by design
- Often the predominant thought is of the creative side only
- It is critical to consider the business and marketing of fashion
- In general, 95% of fashion businesses fail
- In the Caribbean, there is a pool of creative talent however, weaknesses and challenges hinder success



Building Caribbean Success

To achieve success:

1. Well defined target market(s)
2. Strong & consistent brand image
3. Clear management/ decision making structure
4. Winning value proposition
5. Ability to change/adapt
6. Consumer focused approach

**Key to success =
POSITIONING!!!**

Fast Fashion vs. Luxury Fashion

What is Fast Fashion?

- A.k.a cheap chic, “value” fashion, throwaway fast fashion
- Low-cost clothing that mimics current, high-cost, luxury fashion trends
- Products go to market in 2 to 3 weeks
- Turnover of stock is high
- Low production costs & profit margins
- Mass market approach – profit hinges on volume of sales

Fast Fashion vs. Luxury Fashion



Fast Fashion Market Trends

- Zara, H&M, Uniqlo, GAP, Forever 21
- UK fast fashion market demonstrated a growth rate of 8% (McKinsey&Company, Sep 2014)
- Pressure on the supply chain has led to unethical production practices
- Environmentally unsustainable
- Low profit margins vulnerable to rising material, transport & labour costs

Tons of Textile Waste



IN FACT,
THE AVERAGE AMERICAN
TRASHES
NEARLY
65 LBS
OF TEXTILES
EACH YEAR.

According to the EPA, **13.1 million tons of textiles are trashed each year**, and only 15% – or 2 million tons – are recovered for reuse or recycling.

Nearly half of us (48%, to be precise) still trash perfectly reusable textiles.

78% OF PEOPLE DID NOT KNOW THAT **11 MILLION TONS** OF TEXTILES ARE TRASHED EACH YEAR.



JUST 1 POUND
OF TEXTILES
EMITS MORE THAN
7 POUNDS OF CO₂.



**7 lbs
CO₂**

**Textile waste creates pollution
and wastes precious resources.**



THE AVERAGE T-SHIRT
**WASTES
700 GALLONS
OF WATER**
DURING MANUFACTURING.



That's 140 water cooler jugs!



**IF ALL 300 MILLION AMERICANS RECYCLED JUST 1 MORE
T-SHIRT, WE WOULD RECOVER 210 BILLION GALLONS OF WATER
AND KEEP 1 MILLION LBS OF CO₂ OUT OF OUR ATMOSPHERE.**

Fast Fashion vs. Luxury Fashion

What is Luxury Fashion?

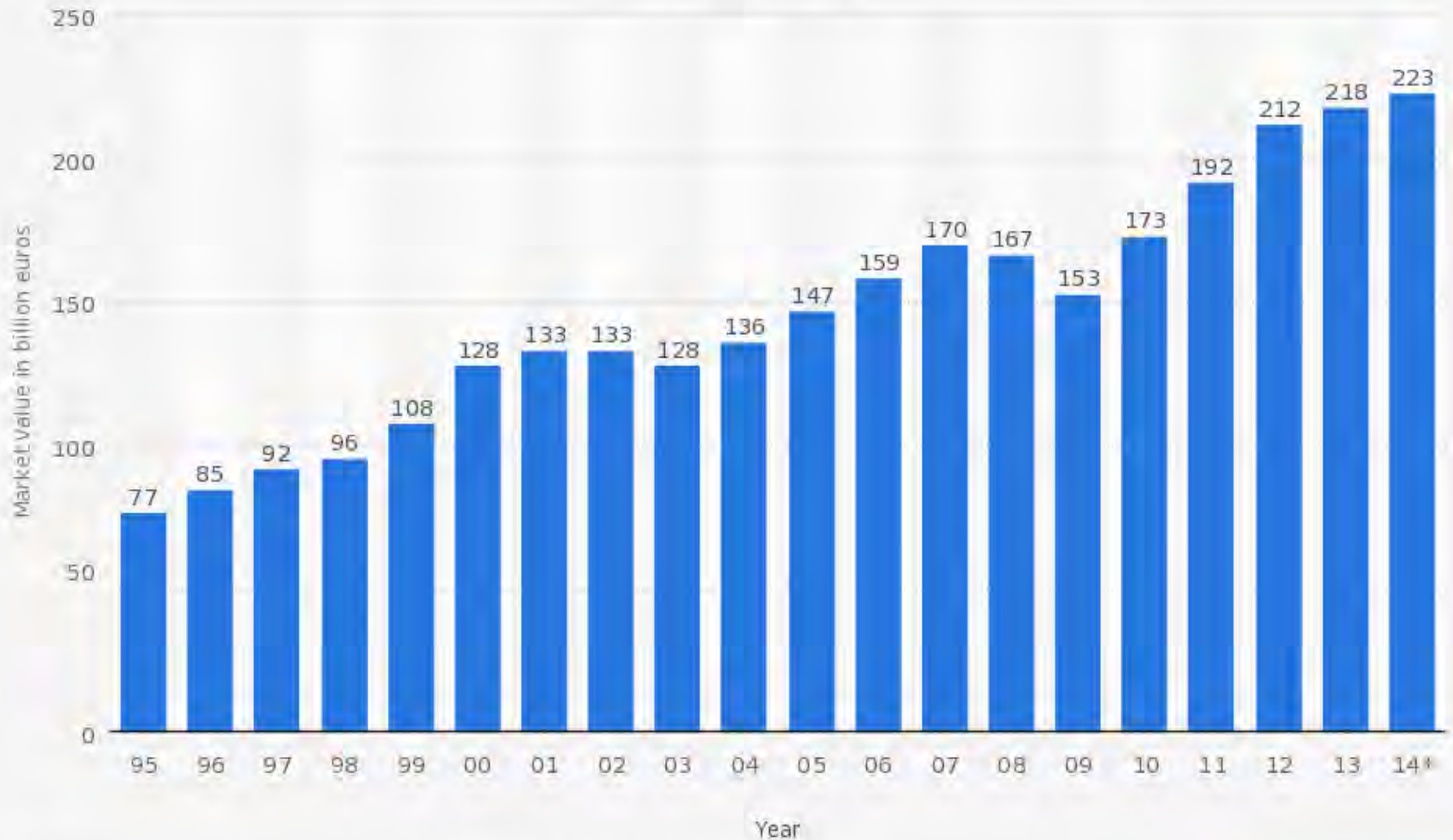
- Authenticity in design
- High quality production and inputs
- Exclusive product & experience with premium packaging
- Introduced seasonally at fashion weeks in luxury market hubs
- Respect for artisans & the environment
- Higher price points with higher profit margins

Fast Fashion vs. Luxury Fashion

Luxury Fashion Market Trends

- Luxury goods market is growing steadily
- 3.4% CAGR from 2014 to 2020 (Transparency Market Research, 2015)
- Projected value of € 340.41bn globally by 2020 (Transparency Market Research, 2015)
- USA is the largest luxury market followed by Japan, Italy and France
- Focus on new-cash rich middle class of emerging markets

Value of the personal luxury goods market worldwide from 1995 to 2014 (in billion euros)



Sources:
Bain & Company, Altgamma
© Statista 2015

Additional Information
Worldwide; Bain & Company

Fast Fashion vs. Luxury Fashion



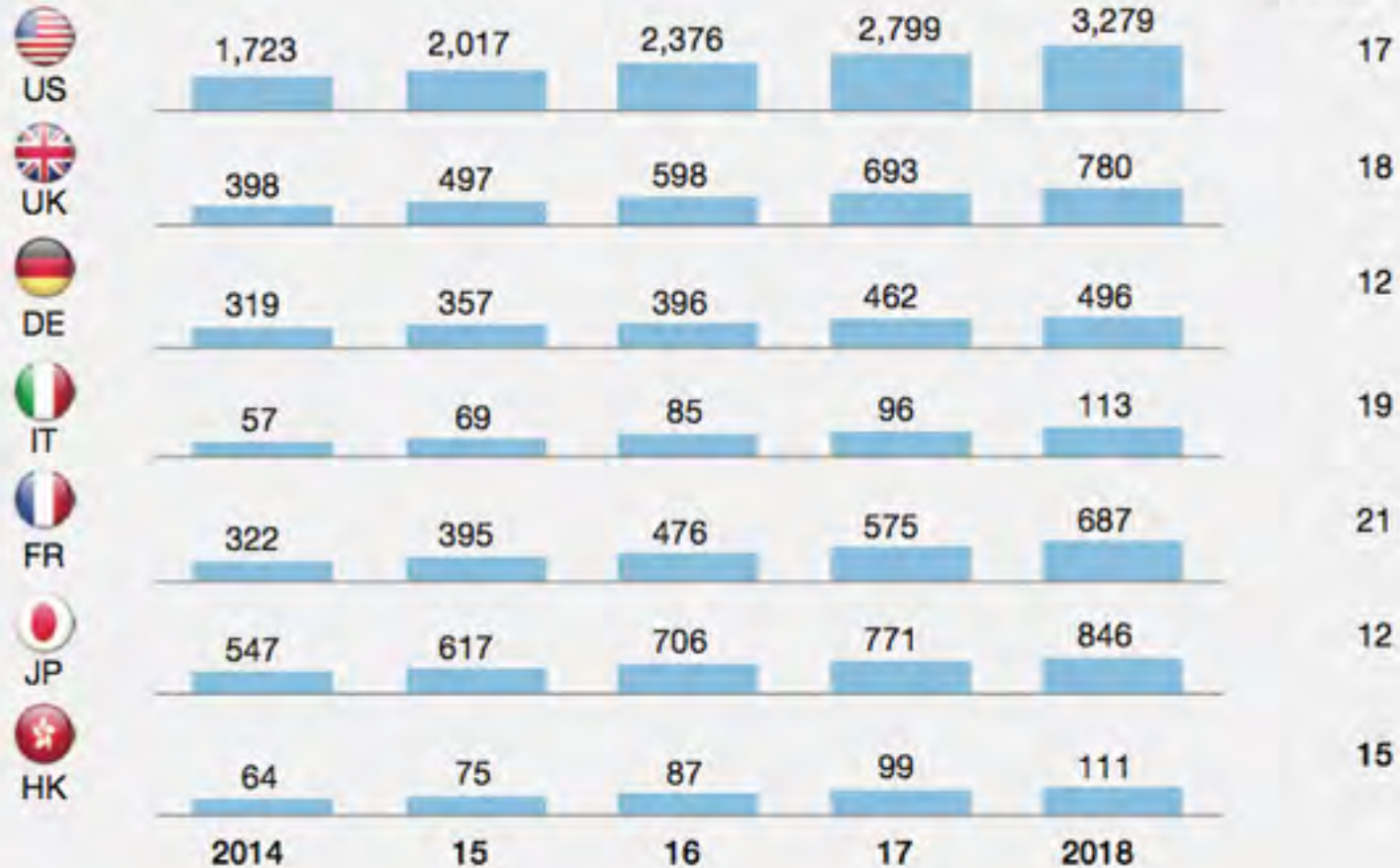
Luxury Fashion Market Trends

- Online luxury fashion market is booming
- 2014: Online personal luxury goods market valued at €12.2bn globally (Statista)
- Online sales of women's luxury fashion expected to grow by 18% in the UK, 17% in the USA & 70% in China from 2015 to 2018 (McKinsey, 2015)

Online luxury fashion market development

Market size online luxury fashion
EUR mn

CAGR
2014-2018
In Percent



Caribbean Strategic Approach

Competing in the Fast Fashion market:

- High design demand to stay on trend
- Demand to meet mass production quotas
- Maintain competitive pricing
- Ensure environmental sustainability & ethical production practices
- Face rising material, transport and labour costs

Caribbean Strategic Approach

Competing in the Luxury Fashion market:

Winning Value Proposition

Exclusive high quality product

Impeccably produced

Finest inputs

Luxuriously unique Caribbean aesthetic & experience

Ethical, environmentally sustainable & socially aware production practices

Manufactured in the Caribbean

What have our efforts to penetrate the international fashion market achieved?

Oscar de la Renta – Dominican Republic

Stella Jean – Haiti

Clarrise Hieraix – Guadeloupe

Positioning The Caribbean To Win

Positioning The Caribbean To Win

Our greatest hindrance to succeeding is our lack of cultural confidence.

We must believe in ourselves and our creative talents.

One of the greatest investments that we can make is growing capacity in the areas of the business administration and marketing of fashion.



Thank you...

Liza Miller

Managing Director

estuary PR Limited

liza@estuaryPR.com

www.estuaryPR.com



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