

# ragtrader

Australia's top-selling fashion business magazine

27 August 2004

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Australia's intimate apparel brands are making huge in-roads into overseas markets.

ISSN 0728-0904



\$3.95 incl. GST

PRINT POST APPROVED PP255003/04917

## Just Group mad for Dotti



**EXPANSION-IST** specialty retail giant, the Just Group, has acquired the Dotti fashion retail business for around \$5 million.

Immediate plans call for the creation of a new look for Dotti stores and product. The chain will still primarily cater to the teen girl market with high fashion garments and accessories.

Just Group CEO, Howard McDonald (pictured) told *Ragtrader* that in the long term, in line with acquisition intentions he revealed pre-listing, the company planned to expand the 10-strong Dotti chain to between 50 and 100 stores.

"We think we are capable of this, but we want to understand the business first [before rolling out more stores]. We will spend this summer and winter (2004/2005) re-calibrating stores and stock so that progressively, a new look will



The Just Group has acquired the Dotti high fashion retail chain for around \$5 million.

evolve," he said.

McDonald said the Just Group had been eyeing the teenage girls' apparel segment "for about a year".

"We have been enjoying a very strong business with Jay Jays with mixed fashion in this [teenage] segment, but wanted something with a bit more attitude that was girls only," he said.

McDonald said he had no plans to buy additional chains

in the teenage girls' apparel category but revealed he was "always looking for [acquisitions in] other segments".

He anticipates "sound returns" on the Dotti acquisi-

tion from 2006 as new stores are rolled out.

The Just Group, which operates 690 stores in Australia and New Zealand, across brands including Just Jeans, Jay Jays, Portmans and Jacqui E, was floated on the Australian Stock Exchange on May 7, 2004.

Prior to listing, McDonald revealed plans to reach the 1,000-store mark through expansion and acquisition over the next four years.

The group will open its first Peter Alexander stand-alone store in the Melbourne Central shopping centre in October, with four more to follow in Melbourne and Sydney over the next 12 months.

Gemma Hornett

## Polo swimwear dispute

THE JURY is out on which Sydney-based apparel company will win the licence to distribute Polo Ralph Lauren women's swimwear in Australia.

As *Ragtrader* went to press, US lawyers were deciding whether the licence should be awarded to the OrotonGroup or to Neilson-Ide — two companies eager to stake their claims on the US lifestyle brand.

The OrotonGroup owns the licence for Polo Ralph Lauren womenswear, menswear and the brand's retail chain in Australia. Other designer brands in the company's stable are Oroton, Morrissey and Marcs.

However, Neilson-Ide distributes niche women's swimwear brands (La Blanca, Seffa, Anne Klein, Carole Woir and Maxine of Hollywood) owned by Los Angeles-based Apparel Ventures — the company which holds the global licence for Ralph Lauren women's swimwear.

"The issue is, who should be selling the Polo swimwear

here. Should it be the people who have the licence to sell Polo here (the OrotonGroup) or not? We don't know whether that agreement encompasses swimwear," said Neilson-Ide director, Greg Neilson. "Apparel Ventures ditched Nautica (swimwear) 18 months ago and went with Polo on the basis they would be allowed to sell it globally. We are the [Australian] distributors for Apparel Ventures and I would like the Polo licence. At the moment I am sitting on the sidelines waiting for a result."

Neilson flew out to LA earlier this week to meet with lawyers dealing with the case and was hopeful he could inform *Ragtrader* of a decision on the issue, on his return. OrotonGroup managing director, Ross Lane, was not available for comment.

A limited range of Ralph Lauren women's swimwear is already available in David Jones, which currently buys from the brand's New York headquarters.

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# Backing the brand

**Belinda Smart** investigates recent developments in branding and re-branding at an apparel retail level, many of which strive to reflect a company's core values and to reinvigorate customer loyalty.

**T**he concept of branding in fashion is hardly new. In the early 20th century, Coco Chanel claimed that rather than designing clothes to suit a lifestyle, she endeavoured to create a 'lifestyle'.

She packaged that lifestyle in the image of iconic collections, which created the Chanel brand identity, marking one of the first instances of fashion marketing. "Fashion and lifestyle — the two are almost ubiquitous," says Anouk Darling, strategic director of branding consultancy firm, Moon Design, based in Redfern, Sydney.

"This has been led by designers themselves transcending the realms of 'just fashion'. Ralph Lauren comes to the forefront; his flagship stores represent actual homes and lifestyles and everything within them can be purchased."

Branding now plays a central role in the heavily saturated fashion sector. Since the 1990s, new developments in manufacturing have allowed fashion retailers to imitate competitors' designs, while the standardisation of the retail offering across stores and regions has resulted in an increasingly uniform fashion retail market. These two factors mean that the pressure for fashion brands to differentiate themselves is immense and branding is key. However, branding has grown to encompass much more than aspirational or 'lifestyle' factors.



A new study, *The Secret to a Fashion Advantage is Brand Orientation*, outlines this position. The document, authored by Dr Kerrie Bridson (pictured) of Melbourne's Monash University and Dr Jody Evans of The

University of Melbourne, is based on the premise that 'brand orientation' is the degree to which an organisation values and understands brands. Brand orientation covers four main areas: distinctiveness, functionality, value adding and symbolic. The study contends that if an organisation has a strong brand orientation, then its practices will be uniformly targeted towards building brand capabilities through interaction with target consumers.

Crucially then, while the essence of fashion will always hinge on the allure of 'the look' of

the product itself, an organisation with a strong brand orientation stands a greater chance of integrating 'the look' of the product with its values, beliefs, behaviours and practices.

One way fashion retailers have sought to differentiate themselves and develop a sustainable competitive advantage is through branding not only its products, but the total store experience.

"There are many mainstream fashion brands that need to rely on clever marketing to create brand appeal, those that do it well maximise all the customer contact points and translate it right back to the store experience, the merchandising, ambience, lighting [etc]," says Darling. "In some instances shopping centres are leading the way. The [new] Westfield Bondi Junction is an example of this — they are very aware of the theatre needed to create a memorable shopping experience and to stand out in the fashion precinct offering."

Bridson and Evans found that value capabilities again, focus on distinguishing the brand from competitors through the addition of service facilities, quality differences or a distinctive store experience not offered by competitors. "Such capabilities are evident in the Colorado casual apparel brand in Australia, which adds value through the provision of tailoring services and an enhanced store experience using music and scent."



Looking at JAG, a cornerstone brand of the Colorado Group, correctly positioning the retail offering was the final stage of a process that began with understanding the brand's core values. The JAG brand could not move forward without fundamental organisational restructuring. Sam Cooper (pictured), the label's general manager, says when The Colorado Group bought the business three-and-a-half years ago, it owned a number of different brands — DKNY Australia, Adele Palmer JAG Junior. The organisation took the decision to divest itself of the other non-core brands and to concentrate on JAG.

Cooper says the strategy hinged on reassessing the label's core values. "What we established is that the history and the heritage [of JAG] is all aligned to jeans culture and that's what made the brand famous. We think

there's sustainability in that." The organisation then turned its attention to the product itself, creating designs that epitomised the brand's core focus on jeans culture.

"It then got to the stage where we said 'well this is all fantastic', and we're actually seeing some sustainability in the strategy of aligning ourselves to jeans culture, it's made sense and we're starting to execute properly," says Cooper. "However the stores are no longer reflective of that, and because we are a retailer, the store is really the most immersive point to be able to get in touch with a brand."

JAG saw the establishment of Westfield Bondi Junction (WBJ) as the perfect opportunity for the creation of a new concept store. Sydney brand consultancy firm, Landini Associ-



ates, was then appointed to streamline the brand's visual cohesiveness. Creative director, Mark Landini, (pictured), says re-fitting the store enabled JAG to create a distinctive "visual language".

"Firstly we've brought the jeans right to the front of the store, whereas previously, they were right at the back, and created a visual language that [JAG customers] can own." This visual language is manifested through polished concrete floors, display systems using straps or 'scarecrows', the use of industrial felt to contrast with the denim and leather floor rugs, which echo the leather used in the JAG jeans.

Now the strategy, product and store aesthetics have been firmly established, Landini says future exercises to raise brand awareness may extend into more subliminal areas. It's not just about recognising a brand — a really successful brand also endows consumers, and the retailers themselves, with a sense of ownership, he says. "We're also interested in getting involved with activities outside the market, in youth culture, in music and art and bringing them back into JAG so that the music played in the store is recognisably JAG music."



The Sportscraft brand has been under-going a similar, 'from the ground up' re-orientation. Apparel Group purchased the Sportscraft brand in 2000. Under previous ownership, the brand had been losing market share. Andrew Michael (pictured), CEO of Apparel Group says that the organisation has aimed to rejuvenate what he describes as "a great Australian brand". Its first priority has been the repositioning of the product by concentrating on modern styling, fabrics, quality and fit.

"Sportscraft for over 50 years has been a dominant department store brand. Thus we



decided very early to focus our distribution through the two leading department stores [David Jones and Myer] and revisit standalone stores at a future point in time," explains Michael.

The group is currently in the early stages of devising a product-focused advertising strategy aimed at delivering an immediate increase in sales. It is also considering options in terms of positional or image-based marketing to change current perceptions of the Sportscraft brand.

When rebranding an established label or retailer, a perceptual change is central and specific strategies may apply. The recent transition from Grace Brothers to Myer in NSW is a case in point. Myer corporate affairs manager, John Gillman, says the rebranding had been proposed on various occasions since Myer and Grace Brothers merged in the 1980s.

Gillman explains that the rebranding was about much more than simply a name change. Knowing your target customer is key. In Myer's case, "the target customer is a woman between 25 and 49 years old, who likes to shop and is always looking for new brands, interested in newness," he says.

During the past twelve months, the organisation has divested itself of a large number of underperforming brands, replacing them with top national and international. The Myer



Swimwear giant, Seafolly, is another case in point. When Moon Design first became involved with the company, Seafolly was generally perceived as not being contemporary or relevant. Moon created a new campaign featuring Kristy Hinze as the face of the brand, a model who had enormous appeal with the target customer, women 18-35 years old. This created demand for the brand and resulted in growth and Seafolly being able to create key channel partners.

"Now our job is to position Seafolly as a trans-seasonal lifestyle brand, to support the brands product extensions into apparel and accessories. We have worked closely with Seafolly by running strategy workshops that helped define their audiences, set objectives for extending their channels of distribution and maximising presence at point-of-sale," says Darling.

Moon Design has also recently been given the brief to re-vamp Trent Nathan, another iconic Australian brand that has fallen off the radar of late.

The brief was to encourage customers to look at Trent Nathan with fresh eyes.

"The campaign we've created for Trent Nathan is really about getting people 'to take another look' and in doing so, getting them to re-think what they know about the brand, which initiates the process of changing brand perception and positioning the brand back within a relevant set. The ultimate take-out is for it to be considered an aspirational uni-sex fashion/lifestyle brand," Darling explains.

Mark Landini says that the aspirational value of a brand is key, particularly with high-end product. "The more high-end and expensive it becomes, the more one has to deal with the realm of fantasy. It becomes about aspiration. If you're building a brand you're also building a dream. Look at denim. You can go and buy a pair of jeans for \$40 but Tsubi jeans retail for \$400 a pop and people buy them. They are a high-quality product but it's also about positioning that product in the mind's eye of the consumer."

Desirability is clearly a fundamental tenet of fashion branding. But the brand also needs to be resistant to imitation and market saturation. According to Bridson and Evans, when customers perceive the brand to be valuable and unique, it becomes a valued asset that can impact other selling forums and merchandise, which may be difficult for competitors to replicate.

While advances in technology have made the replication of fashion retailers merchandise relatively easy, distinctive capabilities, such as the development of fashion house brands and extending the store brand name to merchandise, may be more

difficult to imitate.

So which comes first, the brand or the product? "The brand is all encompassing, it has longevity and should be based on solid principles that withstand significant changes — market divergence, product diversification and changes in the competitive environment," says Darling. "The product has a shorter life-cycle, it needs to be responsive and adapt to changes in consumer demands, changes in technologies, new innovations and changes in the competitive landscape".

Brand orientation may be a helpful model in creating brands that can cope with such changes, because it means the brand must be effectively integrated with other tangible and intangible resources which form the basis for the organisation's core processes, including supply chain, logistics and recruitment. The brand needs to transcend the product and extend to all areas of an organisation's activities. The more integrated these are, the greater chance the brand has of achieving iconic and lasting status.

While desire for a product creates an incentive to buy, it cannot sustain brands in the market during times of economic hardship. As Darling explains, "ultimately you have to create a desire for the brand that has longevity."

Above: The Myer badge replaced Grace Bros in NSW and ACT earlier this year as part of the company's brand streamlining process.

Left: Swimwear label, Seafolly, is being positioned as a trans-seasonal lifestyle brand by Sydney agency, Moon Design.

**"If you're building a brand you're also building a dream."**

brand as a whole has also been streamlined. "We have narrowed the Myer brand down to four primary areas of focus: women's, men's, cosmetics, soft home furnishings. It was not so focused before. Grace Brothers was perceived more as a home store. With Myer branding the focus on apparel has become much stronger," explains Gillman.

In some cases, restructuring is not a part of the solution. Simply raising a target consumer's awareness of and desire for a brand is what's required. Van Heusen is a high volume, middle-priced men's shirt brand, which had no real emotional connection with Australian consumers. Moon Design was charged with creating a marketing strategy for the label which would both pique consumers' interest and drive sales. The strategy involved an creating an air of sophistication and aspiration, enabling the brand to capture a broader market, and a lasting brand salience. "Ultimately this new recognition and positioning came through our use of colour in the advertising communications," says Darling. "The advertising had immediate cut-through because of the vibrancy, giving immediate recognition, but also offering a different image of Van Heusen — more fashionable and appealing."



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