

## **New Direction for the Fashion Business in the Age of Globalization**

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### **Abstract**

The purpose of this paper is to suggest a Korean fashion industry in response to both the internal and external changes in the age of globalization, provide recommendations for the globalization of the Korean fashion industry, and discuss the establishment of the Asian fashion business society through international cooperation and activation of the fashion business in the 21st century focusing on the Korean fashion business.

This paper will discuss the new phase of the Asian fashion business network. Professionals for the Asian fashion business is needed. The ultimate purpose of the fashion business in the age of globalization is that an affluent human life culture can contribute toward the cultural heritage of mankind.

### **I. Introduction**

It is the time when world focuses on Northeast Asia because of the South and North summit meeting, political changes and recession of Japan, co-hosting of the 2002 World Cup Games in Korea and Japan and China's entry into the WTO.

The advent of the information society in the 21st century meant that only those with the best national competitiveness can survive.

The Korean textile industry is in a difficult situation, threatened by both the developing nations and advanced industrialized nations. Thus, Korea proclaimed that the fashion industry as a strategic industry.

In particular, the public and private sectors collaborated in Korea and Japan, and they entered

Asia's fashion business as co-hosts of the 2002 World Cup Games.

The objective of this study is to discuss the new direction for the fashion business in accordance with the globalization age focusing on the developmental direction of the Korean fashion industry leading to the development of the Asian fashion business and to establish an academic society through international and educational cooperation.

### **II. Internal and External Environmental Change in the Global Age**

Fashion has always been a part of our daily lives, but it has now come to lead our society.

The reasons are as follows;

① The coming of the Digital Age has changed

our perceptions of space(cyber), time, speed, and ways of communication.

- ② Economic structure has changed into Regionalism such as EU and NAFTA. Global economy activates autonomous management, networking between companies and e-business. The fashion industry is operated by flexible, autonomous management and a broad networking system<sup>1)</sup>.
- ③ Korea and Japan will co-host the 2002 World Cup Games in Korea and Japan centering the world's attention in this region.
- ④ The situation of the Korean peninsula holding the South and North summit meeting in 2000 and China's entrance into the WTO have powerful effects on the world economy.
- ⑤ The generation, which is adept to new changes above are named "feeling the N generation" in Korea, and "the Twin generation" in the United States<sup>2)</sup>.
- ⑥ These new generations are quite conscientious about the environment and they have

started using new high technological materials.

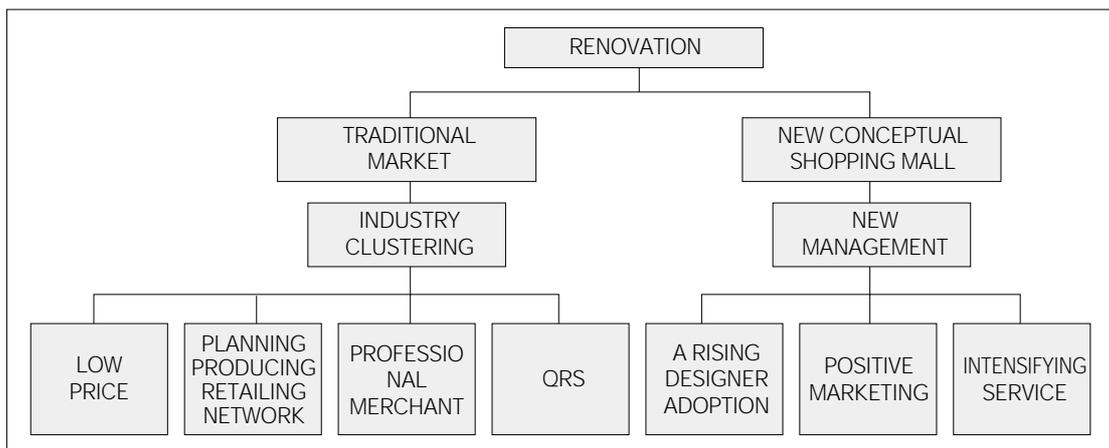
### III. The Present Condition of the Korean Fashion Industry

#### 1. The Small Scale of the Korean Fashion Industry

The Korean textile industry is the 5th largest among the textile exporters in the world following China, Italy, Germany and the US.

The scale of the Korean textile and fashion industry is briefly summarized in the figure below;

Textile exports : \$17.4 billion	█	(in 2000)
Textile trade-earning : \$13.7 billion	█	
Fashion industry exports : \$0.3-0.6 billion		(only 3% of textile exports)
Fashion companies : about 830 companies		
The number of workers : around 21,000		
The number of designer, merchandiser : about 5,000 persons <sup>3)</sup>		



<Figure 1> The Factors of Dongdaemun Market's Success

## 2. The Present Condition of the Korean Fashion Industry

The Korean fashion industry raised its head in the middle of the 1970s with the birth of national brand names, and grew rapidly after the Seoul Olympics in 1988.

After 1994, as the per capita GNP reached USD 10,000, the trend of excessive consumption became prevalent throughout Korea.

As the sensitive new-generation grew up, a decline in national brand names in women's wear and a rise in fashion-speciality companies such as MINE and DECO was witnesses.

At the end of the 20th century, a number of important changes in the fashion industry were evident: men's casual wear became popular; new distribution channels sprung up such as shopping mall, home shopping, discount shops, and super markets; and the arrival of foreign distribution companies.

\* World-wide distribution centers :

Dongdaemoon Market, Namdaemoon Market  
Dongdaemoon Market

- Shopping malls: Migliore, Freya Town, Doosan Tower
- Wholesale business and retail business
- Low-price for quality
- O.R.S.: possible production within 2 days
- Shibuya 109, Parco 4th store in Japan

\* The success factors of Dongdaemoon Market is shown in <Figure 1>.

The bipolarization of consumption between the rich and the poor appeared after the financial crisis of 1997 also known as the "IMF" crisis.

The upper 5% of consumers prefer high-priced, imported brand goods sold in famous department stores.

The others(middle class) prefer goods found in Dongdaemoon Market, Namdaemoon Market and discount shops. Although there were imported high-priced clothing, people preferred domestically produced blue jeans and two-piece suits by famous Korean brand names<sup>4)</sup>.

## IV. A New Phase of the Korean Fashion Industry

### 1. Original Design

Famous domestic design houses such as Lee Young Hee, Jin Taeok, Troa Cho, and Moon Young Hee have participated in overseas collections, but they are still showing poor marketing.

Although efforts were made to organize Preview in Seoul and Seoul Fashion Week, the result has not been successful.

### 2. Renovation of Management

Ever since the financial crisis, we have seen an increase in corporate restructuring and outsourcing. A successful example of outsourcing can be seen in the utilization of promotion companies.

\* Promotion Co. (cf. Free Lancer)<sup>5)</sup>:

A small apparel company has undertaken planning and production. At the same time, it does outsourcing depending on seasonal items, spot production on demand, and items such as knit, fur and leather that require professional treatment.

In addition to flexible networking between domestic and overseas companies, management has evolved from production solely for the purpose of production to production that meets

consumer demands. It has increased its overseas activities by moving production plants to China, Vietnam, Indonesia and North Korea.

Some recent examples of successful Korean brand names are GALAXY, BEAN POLE, FUBU, MINE, DECO and GIORDANO (to name a few).

### **3. Technology in the Age of Material Competition**

In the age of material competition, high quality materials enable high value-added commodities. Thus, development of new fabrics, functional, environmentally friendly materials and dyeing technology is more important than ever<sup>6)</sup>. Linking up-stream with down-stream and flexible networks with each other are critical.

On the other hand, focusing on pattern development is important. However, we still suffer from weak patternmaking skills and lack of a standard physique.

### **4. Changes in Life Style**

The advent of the new generation and the increase in the number of people, who defer marriage or opt not to marry, has increased the consumption of clothing. Also, preference for casual wear due to home offices has spread in men's and women's wear. It appears that more and more people like to be casual and comfortable.

The concept of leisure is diffused throughout our lives, and it also affects our taste of clothing. Many people are interested in sports for health and beauty. On the other hand, star marketing is quite strong due to the stars' popularity among the youth.

### **5. The Korean Fashion Industry Depends on Training Professionals<sup>7)</sup>**

Fashion education in universities has many problems. Most of the universities throughout the country have fashion-related departments, but they focus on design of art wear, and their curriculum is not connected to the production field. Thus, training professionals who can contribute to the Korean fashion industry is needed.

### **6. Milano Project<sup>8)9)</sup>**

This national project was designed to develop the textile industry in the Daegu area and has received a total of 680 billion won (about \$508 million) for 1999-2003 including the structuring of the Fashion Apparel Valley. However, its success is unclear due to various conditions. The particular factors for the unclarity of success can be attributed to the fact that Daegu is not the center of the fashion apparel industry nor of culture which make it impossible for industrial centralization and the market like Seoul are non-existent.

## **V. The Globalization of the Korean Fashion Business**

### **1. Co-Hosting the 2002 World Cup Games in Korea and Japan**

Asian fashion business should become globalized at this historic moment in co-hosting the 2002 World Cup Games. Tradition, culture, and industry must be unified in order to present ourselves in the stage to the 6 billion worldwide.

## 2. Developing Asian Fashion

Though the origin of Western culture has been said to be 「The light originated from the Orient.」, I would like to say that 「The light originated from the Asia.」 in the future.

People in the Roman Empire exchanged their gold for China's silk. The Renaissance and the Industrial Revolution proceeded from silk and cotton, which is calico(sara a).

In the fashion industry, history has changed and the new fashion is now established in Asia.

Abolishment of MFA in 2005, China's entry into WTO, and rapid economic growth will have a tremendous influence not only on Korea and Japan but also the world economy.

Asia's population of 3.46 billion comprises 60.5% of the world population, and the Chinese occupy 20%. In addition, 10% of the Chinese population is in the high-income bracket.

The apparel market in Asia is about USD 150 billion and has an active economic structure with a splendid cultural tradition. Therefore, I would like to propose to establish an Asian fashion center named, BESETO, which would connect Beijing, Seoul and Tokyo in Northeast Asia.

The short history in wearing western clothes relative to the West makes it evident that we cannot make western clothes as well as they can. Therefore, this is the reason we have to develop 'Asian fashion'

In developing Asian fashion, first, we have to create original design of traditional culture and modernism. In other words, we should try to develop originality of fashion from Asian climate, regional traits, body shape and beauty-consciousness. Our traditional costume has pursued natural beauty and unconstructed design

because we prefer the surface beauty of cloth and skin to the form beauty of silhouette.

Second, we should promote the birth of Asian fashion with movie, popular song, fashion, animation, sports and popular culture. Korean movie star, Yun Jin Kim was featured on the cover of Newsweek in 2001 with the title 'Asiawood'. They described the cooperative film-making efforts of Asian nations such as Korea, Japan, and Taiwan as 'Asiawood' named after Hollywood<sup>10</sup>).

The star marketing through popular culture will become shortcut in developing Asian fashion

Third, FABI Exhibition of The Korean Society of Fashion Business can be a model of industrial-educational cooperation and Asian fashion. So we have designated a theme of the Exhibition as LOVE(情), Love of Humanity, Opportunity of Fashion Business, Value of fashion, Emotion of Asian.

## 3. Direction of the Asian Fashion Business

- ① I would like to suggest the globalization of the Asian fashion business through an active network of Korea · Japan · China based on cooperation and outsourcing of fabrics, design, production, distribution, and technology development.  
Building trust<sup>11</sup>) and creating the stage for original Asian fashion are called for.
- ② We need to organize The Asian Society of Fashion Business.
- ③ A cooperative system between industry and institute through mutual exchanges of research and development, information supply and training professionals for the Asian fashion business is needed.

## VI. Conclusion

The conclusion of this paper is as follows;

Building 'TRUST' within the fashion business is needed.

e-Business<sup>12)</sup>, which is appropriate for the global and digital age, should be a strategic model for the fashion business.

We should co-host the Society of Korea/Japan Fashion Business and International Fashion Business Conference during the 2002 World Cup Games co-hosted by Korea and Japan.

I suggest organizing The Asian Society of Fashion Business and I hope the 2002 co-hosting conference of the Society of Korea/Japan Fashion Business in Seoul will produce fruitful results realizing 'industrial- educational cooperation' and 'the Asian fashion network'.

Professionals for the Asian fashion business is needed.

The ultimate purpose of the fashion business in the age of globalization is that an affluent human life culture can contribute toward the cultural heritage of mankind.

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