

A Proposal for a Global Market Entry Strategy into the Korean Apparel Industry based on the Italian Fashion Industry -Use of Foreign Exhibitions and Showrooms-

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이태리 패션산업을 근거로 본 한국 의류산업의 해외진출을 위한 제언 -박람회 및 쇼룸의 활용-

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Abstract

The purpose of this study was to propose an efficient and feasible global market entry strategy for the Korean apparel industry by analyzing the Italian fashion industry. In particular, the study investigated the role of foreign exhibitions and showrooms supported and organized by Italian fashion organizations. The methodology for this study was to analyze industrial reports, review previous studies and conduct in-depth interviews with 23 industry experts in Italy, Korea and LA. The results indicated that the most prominent factor in the Italian fashion industry was the fashion cluster, which is a strong and organic network of diverse fashion related areas. No matter the size of the enterprise, firms can get practical, prompt and efficient support from diverse associations. The network operated by the associations provides strong support to each firm by organizing collections and exhibitions, and providing promotional activities. Showrooms and agents are another supportive "gate keeper", directly related to an enterprise's sales. However, Korean fashion firms did not have enough information or knowledge for foreign exhibitions, nor did they make aggressive promotional efforts in the global market. Despite the many fashion-related associations exist in Korea, their programs are too focused on visible accomplishments and are too oriented on "big company" and "big voice", rather than many "small firms". In conclusion, the Korean fashion industry-particularly the fashion industry in Seoul has strong potential to become the center of the global fashion market in the future. However, the fashion support system that can act as the channel to promote firms and to meet global buyers needs to be supplemented. To feasibly create this system, government or industry associations should develop a strong and generous support system and network, and they must recognize the need for small firms to exist.

Key Words: Fashion clusters, Support program, Italian fashion industry, Foreign exhibitions, Showroom; 패션클러스터, 지원프로그램, 이태리 패션산업, 해외박람회, 쇼룸

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I. Introduction

The fashion industry experienced globalization more rapidly than any other sector. This is because each production stage is separable, so that any country can participate in any production stage, no matter what their level of economic development. In recent years, there have been several global trends in the fashion industry. First, firms tend to develop a differential strategy by forming and communicating their culture with customers; it is very difficult to convey a product as superior to its competitors through just its physical features or just brand names. Customers tend to buy an entire concept of a product, not just the tangible features. Companies want to create images that can fit customers' needs. Tangible fashion products are easily copied, but the intangible meaning attached to it is not copied by competitors well. For instance, designers may expand their business fields to hotels, furniture, or restaurants that express their businesses' images. Another trend is the development of scientific and creative processes for the entire merchandising system-fashion information collection, planning, distribution, and selling, etc. For instance, fast fashion global companies such as ZARA, MANGO, or H&M can exploit their markets by satisfying customers' needs with a wide variety of fresh merchandise and a low-cost mass production system("Crescere con l' Italian style", 2008).

The fashion industry in Korea has played a critical role in economic development since the 1960s. However, global competitive advantages of Korean fashion industry have weakened continuously because competitiveness has been oriented too much on price. China, Vietnam, and other countries with low labor costs have been more competitive. Furthermore, domestic markets have experienced intense competition because a large number of competitive global fashion firms have entered the Korean markets.

The present study aims to propose a practical and feasible program to successfully launch the Korean fashion industry in global markets by comparing the Italian and Korean fashion industries. Korean and Italian fashion industries have many commonalities. The fashion industries in both countries are com-

posed of a large number of small or mid-size firms, and the fashion industry has been important to each country's national economy. However, the Italian fashion industry has been more competitive in the global market, especially since 2000. Textile exports from Italy have increased continuously, with 34% growth during 2000-2004(WTO, 2007); it also comprised 25% of the EU market("International trade", 2007). On the other hand, textile exports from Korea have decreased continuously since 2000, with a 19% withdrawal during same period (WTO, 2007).

There have been many previous research studies on global competitiveness of the fashion industry in academia or by governmental research institutes. However, most of the studies focused on abstract and macro-level factors, which had limitations in that individual firms cannot adopt or apply them to their firms promptly. The purpose of this study is to propose practical and directly adoptable programs to fashion firms by collecting field interview data from Korean and Italian fashion experts.

II. Background Information

1. Competitive Advantages of Fashion Industry

There have been several previous research studies on global competitiveness in the fashion industry by academia and industrial reports. In academia, many researchers adopted Porter's diamond model. According to Porter(1990), the competitiveness of a nation or a region in a specific industry are determined by internal and external factors. Internal factors are derived from factor conditions, demand conditions, related and supporting industries, firm strategy/structure, and industry competition and rivalry. On the other hand, external factors are opportunity and the role of government.

Porter(1998) also emphasized local competitiveness within the context of a global economy, and identified clusters as having a prominent role. Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions in a particular field. The presence of clusters suggests that

most competitive advantages lie outside a given company or even outside its industry. Clusters often include firms in downstream industries (that is, channels or customers); producers of complementary products; specialized infrastructure providers; government and other institutions providing specialized training, education, information, research, and technical support; and standards-setting agencies. Porter maintained that clusters can influence competition in three ways: (1) They can increase the productivity of the companies in the cluster; (2) They can drive innovation in the field; and (3) They can stimulate new businesses in the field.

He pointed out that the Italian footwear industry and fashion cluster have extraordinary strength because they have multiple cross-firm linkages and synergies. In general, the Korean apparel industry, especially the competitiveness of the Dongdaemoon market, is the result of fashion clusters because the supply of fabric, design, assembly, and selling can be done in one location. Therefore, it is meaningful to compare the Italian and Korean fashion industries. Park (1994) also applied Porter's Diamond model to analyze the competitiveness of the Italian fashion industry.

Other factors determining competitiveness in the fashion industry are cost-related factors (especially labor costs), value-added factors (quality, design power, brand assets, wide variety/small lot production), location proximity from production to market, a strong network, and technological innovation.

Godley (1997) maintained that location proximity between production and market, and the development of production systems are especially important for mass production items. Noton and Condotta (1997)

emphasized that a strategic network system can exploit the advantages of traditional vertical integration. In particular, reliability among the members of the supply network makes it possible to decrease information costs in a geographically dispersed fashion industry. Technological innovation such as CAD/CAM, Telematics and the EDI system in Italy, RFID, etc. can increase the competitiveness of fashion firms (Son, 2005). Kim (1999) emphasized the importance of transaction costs and determined that flexibility was the most significant factor at the firm level in an extremely uncertain fashion environment.

2. Fashion Support Systems

1) The Role of Showrooms

A showroom is where manufacturers' sales representatives show samples of an apparel line to prospective buyers. In France it is called a *Salon des presentation* (presentation room). In high fashion salons, fashions are shown on models; in medium- to lower-priced apparel showrooms, clothes are displayed on hangers (Frings, 2005). Showrooms can be permanent or temporary. Permanent showrooms may be located in buildings in fashion centers, in apparel marts, in buildings adjacent to marts, or as part of a company's headquarters or production facilities. During market weeks, temporary show rooms or booths are used by companies that do not have a permanent showroom (Burns & Bryant, 2002). There are two types of showrooms, depending on the type of sales being performed—the corporate showroom and the multiline sales representative (Table 1). Each type of showroom has advantages and disadvantages. A corporate show-

Table 1. Comparisons of show rooms by type

Type of selling	Advantages for the manufacturer	Disadvantages for the manufacturer
Corporate showroom	<ul style="list-style-type: none"> · Control over image of showroom possible · Staff can devote 100 percent of time to line 	<ul style="list-style-type: none"> · Capital investment necessary · Lease agreements may vary from mart to mart · In addition to meet commission, there may be other promotion expenses
Multiline sales representative	<ul style="list-style-type: none"> · No initial capital investments needed · Established reps know local accounts · Buyers are exposed to related but noncompeting lines in the same showroom 	<ul style="list-style-type: none"> · Determining right fit between sales rep and line may be difficult · Rep may not devote adequate time to the line · Lack of control over image of the showroom

From Burns, L. D. & Bryant, N. O. (2002). *The business of fashion*. NY: Fairchild Pub.

room has control over the showroom and the sales representatives, but it requires capital investment and other fixed costs. On the other hand, multi-line sales representatives allow flexibility because they do not require an initial capital investment. However, it can induce problems because of a lack of control over sales representatives or the image of showroom.

In recent years, as showrooms are recognized as important channels for contacting buyers, many countries aggressively utilize showrooms. For instance, the Chinese textile association has organized 'Textile clubs' with European firms and has proposed opening showrooms(Hong, 2002).

The Swedish textile industries also operate 1500 optimum-sized showrooms, at the Textile & Mode Center(TMC), which is connected to the fashion exhibit held in Zurich. The purpose of the showroom is to satisfy buyers' particular needs. Firms rent the space as showrooms and meeting rooms; it is transformed to 40,000m² spaces during exhibitions. The first barrier that Korean firms experience in exporting is obtaining the buyers' lists, because they are working with numerous firms of various sizes, ranging from big to very small fashion firms. Therefore, it is suggested that TMC's information can be used to get a buyers' list(Lee, 2006). Other industries, such as electronics, furniture or interiors, recognize showroom as 'space marketing' and actively utilize it in order to communicate a company's image, brand concept,

and, ultimately, to add value(Hong, 2007).

2) *The Role of Sales Representatives or Agents*

The job functions of sales representatives in showrooms are diverse-selling, support/expansion of selling, and non-selling(Table 2). Although the selling function that includes showing lines to buyers, negotiating terms of sales and writing orders is directly related to increased sales volume, supportive and non-selling roles are also critically important in terms of communicating brand concepts and culture to customers and satisfying customers needs. Thus, providing market trends and/or product information to retail buyers can be a useful support function. Making travel arrangements, keeping account books, writing reports, etc. are also very useful support functions for retail buyers. The flexibility and reliability shown by a sales rep is extremely important to completing contracts with buyers and to building long-term relationships. In Italy, there are 22,000 sales agents who connect designers and buyers, and 80% of them are males(Jung, 2007). The agents are can play the role of gatekeeper too.

3) *Fashion Collections, Exhibitions and Trade Fairs*

The fashion collection is the most persuasive and influential marketing tool for promoting fashion merchandise. It communicates the brand image to mass

Table 2. Job functions of sales representatives

	Functions of sales representatives
Selling	<ul style="list-style-type: none"> · Showing lines to retail buyers and demonstrating product features · Negotiating terms of sale · Writing orders for merchandise
Support and expand selling function	<ul style="list-style-type: none"> · Advising retail buyers regarding trends related to the target customer · Providing retailers with product and merchandising information · Training buyers and/or salespeople to promote and advertise the merchandise · Ordering and re-ordering merchandise for retailers to guarantee sufficient inventory · Dealing with complaints from retail customers regarding merchandise orders · Promoting customer relations
Non-selling	<ul style="list-style-type: none"> · Making travel arrangements · Writing reports for the company · Keeping account books · Attending sales meetings · Participating in market week activities, such as fashion shows · Attending to showroom or trade booth management and maintenance

From Burns, L. D. & Bryant, N. O. (2002). *The business of fashion*. NY: Fairchild Pub.

customers and it is where real buying is done(Guerin, 1987). The world's three largest collections-Milan, Paris, and New York-and others, such as the Tokyo and Hong Kong collections, play this role. Fashion exhibitions and trade fairs are also practical and efficient channels for connecting sellers and buyers in a global context, especially for small or mid-size manufacturers. There are more than 5,000 fashion shows and fashion fairs held=all over the world(<http://www.fibre2fashion.com>). As the world economy globalizes and with global sourcing a more feasible strategic tool, the number of international fashion exhibitions and trade fairs has rapidly increased.

3. The Italian Fashion Cluster as a Support System

Porter's(1998) cluster concept and diamond model can be applied to explain fashion clusters and the competitiveness of the Italian fashion industry. Italian fashions are characterized as 'diverse', coming from diverse and specialized fashion in specialized location within one country. Each location exhibits a unique character and concept. Very different historical backgrounds and supporting structures make it possible. The 'related and supporting industries', as one of the components of the diamond model, play a critical role. Italian associations or federations include fashion, a wide variety of design organizations, and other industries play a very importing supporting role. Other systems such as showrooms, PR services, consultants, education, etc. work together in a very cooperative and efficient way.

1) Italian Fashion Associations and Fashion Events

According to Scarso(1996), Confindustria(the Italian manufacturers' association) represents almost all Italian industrial enterprises. The association is represented by territorial organizations throughout the country(e.g. Assolombarda in Milan) and industry associations(Federchimica, Federmeccanica etc.). There are many associations that support fashion firms in very practical ways. Three major associations are SMI (Sistema Moda Italia-The Italian Textile), CONFIN-

DUSTRIA and CONFARTIGIANATO. SMI is the industry association representing all of the final fashion products, covering 80% of the entire Italian Textile-Clothing industrial system, which consists of about 2,000 members. CONFARTIGIANATO consists of relatively big and diverse area firms(employees of 150) and a fashion-related committee is part of it. CONFINDUSTRIA is composed of 9,250 small, often family-owned(less than 40 employees) firms; most fashion firms are members of this association. In 2003, SMI will represent 100% of the sector, by means of a merger with Associazione Tessile Italiana and with Tessili Vari, which currently encompass the remaining 20%(Bucci, 2002). These associations are especially supportive to their fashion enterprise members, assisting them with participating in fashion collections and trade fairs all over the world. The associations provide financial support and=all manner of information and education regarding fashion fairs. For instance, airline, transportation, insurance and packing are all related sectors that are members of the association. These companies provide all types of benefits to each other. Therefore, Italian fashion firms experience few or no barriers when going to international fashion fairs, so they=can be very active and positive while participating in the event.

2) Showrooms in Italian Fashion Industry

Milan has a wide and varied range of multi-brand showrooms that are very professional and are also able to advise and steer projects toward interesting areas of the market. Showrooms in Milan can provide the right contacts to potential buyers, who go there specifically to discover promising talents, emerging brands and designers, and, perhaps, to ask for exclusive rights over their closest competitors(Bucci, 2002).

The showrooms of Milan are among the largest forces of the Milan fashion industry. There are now 758 showrooms in Milan<Table 3>, which remains the largest in the world. They are open permanently, all year round. They see customers, and take their orders, several times a month. The efforts of the Camera Nazionale della Moda Italian were rewarded by the industry's operators for coordinating sale

Table 3. The composition of fashion organizations in Milan

Type of Activity	No. of place	Value (%)	Type of Activity	No. of place	Value (%)
Showroom	758	50.6%	Service	73	4.9%
Firm	159	10.6%	Consultancy	72	4.8%
PR Agencies	140	9.3%	PR Offices	55	3.7%
Boutique	109	7.3%	Federations	29	1.9%
Modeling Agencies	78	5.2%	Location	26	1.7%

From Bucci, A. (2002). *Moda a Milano: Stile a impresa nella citta che cambia*. Milano: Collana AIM.

campaigns and standardizing the business calendar. This proved they believed in the project of pushing collections preview, increasingly adhering to the event. In this period of July 1-20, there are 200 showrooms for about 400 brands("Italy show rooms", 2008).

4. The Korean Fashion Industry

1) Korean Fashion Associations and Fashion Events

There are currently 30 Korean fashion-related associations listed in the KOFOTI and on major fashion sites; 8 are directly related to fashion, 18 are fiber and textile associations, and 4 are research institutes. The major activities are different for each association, but there are also common activities provided, such as information sharing and proposing policy. In recent years, organizing fashion and textile collection exhibitions has become one of the activities common to these associations. However, among the 30 associations, only 12 have an English-version internet site, which implies a lack of globalization.

Seven fashion collections or exhibitions are organized by Korean fashion associations; five of them are held in Korea. There are some variations in terms of the number of buyers that visit or the amount of orders placed. However, according to the empirical study on the Seoul Collection, which is the largest, there were serious problems in terms of timing, space allocation, merchandise selection, and a shared concept by its members("Half integration of Seoul collection", 2004; Han & Lee, 2008; "Seoul collection, 3 problems: Who the show is for", 2007; Suh, 2002). Therefore, the original purpose of collections and exhibits cannot be established because too few buyers visit collections and showrooms/booths, so these cannot be where the real buying is done. Further-

more, the promotion is focused on domestic media rather than on a global market. The major reason is Korea, or even Seoul, is not yet an attractive place to buyers because of its reputation, a lack of merchandise and a lack of promotion.

According to KOTRA, there are 279 overseas exhibitions; only 21 Korean group booths were created for these exhibitions. Individual fashion firms participated in only 123 exhibits(Table 4). Although orders are not always received through a first participation, fashion firms should have a long-term perspective and invest so as to communicate a brand image to global buyers.

One successful case of utilizing overseas exhibits is Young-Poong Filltex Co. Through participation in many exhibitions, the firm can create a strong impression and gain the trust of worldwide customers; those things will make customers want to place orders. The whole process(decision, investment, manufacture, release) takes only one month, three times faster than large enterprises(Suh, 2002).

The Korean government or the city of Seoul has a large budget for the fashion and textile industries(Han & Lee, 2008). The Korean Ministry of Commerce, Industry and Energy has 75,400mil for the textile and fashion industries. However, in order to spend the budget efficiently, the real analysis needs to be done to find who the customers are, both in the present and in the near future, and to consider the channel to contact buyers.

2) Showrooms in Korea

One type of showroom in Korea is the temporary showroom or booth, open during Seoul collections or other trade fairs. But these were analyzed as ineffective in terms of meeting foreign buyers. There are two other types operated by ODM/OEM exporters

Table 4. World fashion exhibits and Korean firms' participation

Products		Apparel & Accessories			Textile Fabrics			Footwear			Leather, Furs		
Countries		total	A	B	total	A	B	total	A	B	total	A	B
North America	United States	41	5	16	11	5	8	9	.	6	8	.	5
	Canada	4	.	2	.	.	.	.	.	.	2	.	2
	total	45	5	18	11	5	8	9	.	6	10	.	7
South America	Mexico	3	.	1	1	.	1	2	.	.	.	.	.
	Others	3	.	1	2	.	1	.	.	.	1.	.	.
	total	6	.	1	3	.	2	2	.	.	1	.	.
Europe	England	5	.	.	2	.	.	1	.	.	.	.	.
	Italy	3	.	.	2	.	.	1	.	.	1	.	1
	France	7	1	5	6	4	6	.	.	.	.	.	.
	others	25	1	3	24	1	9	14	1	2	19	.	13
	total	40	2	8	34	5	15	16	1	2	20	.	14
Asia	Japan	5	.	5	1	.	.	.	.	.	.	.	.
	China	6	.	4	11	1	9	4	.	2	9	.	6
	Hong Kong	5	1	3	2	1	1	2	.	1	2	.	1
	others	5	.	2	19	.	10	5	.	4	4	.	4
	total	21	1	14	33	2	20	11	.	7	15	.	11
Oceania	New Zealand	2	.	.	.	.	.	.	.	.	.	.	.
Grand total		114	8	31	81	12	45	38	1	15	46	0	32

A: Number of Separate Korean booths built

B: Number of Korean individual firm's that built booths

Number of exhibitions held overseas for fashion and related textiles are collapsed by regions

From Exhibition. (2007). *Korea Trade-Investment Promotion Agency*. Retrieved July 15, 2008, from <http://www.gep.or.kr>

and by domestic promotion firms. The former shows the firm's capability by showing previous products and the latter gets orders from local brand manufacturers. Neither of them would play a role in showrooms in global markets. They show only physical products rather than firm's images and look-a-like inventory. Therefore showrooms in Korea cannot be places to meet global buyers or promote brand images. In order to reach foreign buyers, fashion manufacturers should go to global fashion centers during buying seasons and develop channels to introduce merchandise to global buyers.

III. Methods

1. Research Questions

Research questions for this research are as follows:

- 1) To identify the role of fashion collections and showrooms as a meeting channel between buyers and manufacturers in Italy and Korea;

- 2) To analyze the buyers' use of market information sources;
- 3) To compare the supportive program of fashion associations in Italy and Korea.

2. Data Collections and Analysis

For data collection, in-depth interviews with 23 industry experts (buyers, exporters, showroom managers, and associations) were conducted in Italy, Korea and the US (Table 5). Interviews were recorded or written by researchers. 11 buyers, showroom managers and brand owners were interviewed in Italy because they were considered to be major experts in each area; the association presidents of LA in the US were interviewed as known experts for the Korean fashion industry or the US-Korean apparel market. Interview protocols have three versions: buyers/showroom managers, manufacturers/exporters, the LA associations. Interview protocols were first written in Korean and translated into Italian to conduct in Italy and trans-

Table 5. Demographic variables of interviewees

	firm No.	Role (Nationality, years in career)		firm No.	Role (Nationality, years in career)
Italy	1	buyer for high-end merchandise (Italy, 8)	Korea	12	kids clothing exporter (Korea, 20)
	2	buyer for department store of US (USA, 38)		13	fur garment exporter (Korea, 11)
	3	buyer of Japanese buying office (Japan, 25)		14	underwear exporter (Korea, 30)
	4	buyer of Switzerland (Germany, 25)		15	women's apparel exporter (Korea, 14)
	5	buyer of Florence (Italy, 15)		16	casual apparel exporter (Korea, 15)
	6	buyer for multi-shop in Korea (Korea, 10)		17	women's apparel exporter (Korea, 8)
	7	showroom manager (Italy, 8)		18	buyer of Netherlands (Germany, 12)
	8	showroom manager (Italy, 10)		19	showroom manager (Korea, 2)
	9	Italian brand owner		20	former fur garment exporter (Korea, 20)
	10	Italian women's apparel manufacturer		US	21	KOTRA LA director
11	Italian fur garment manufacturer	22	California Fashion Foundation (USA, LA)		
		23	fashion Business Inc. (USA, LA)		

Note: Some information is missing in case she/he was reluctant to be identified

lated into English for others. Interview questions for buyers included the background information of buyers (years in career as buyer, company or brand name they work for, items they buy, type of retailer they work for) and buying practices (annual budget for buying, type of contract, buying channels, reasons for buying in a specific country, problems in buying, fashion information source). For Korean exporters, questions covered basic information (sales volume, years in business, weight of exports, type of exports, product types), selling practices (export channels, type of buyer contract, export strategy, number of participations for foreign exhibits, ownership of showroom) and their perception toward fashion associations. For the LA associations in the US, questions were asked about the role of associations and supportive programs.

Interviews for each version were categorized by content analysis.

IV. Results and Discussion

1. Role of Fashion Collections and Showrooms as a Buying Channel

All of the buyers mentioned that major buying channels for placing orders in Italy were showrooms, showroom agents, and exhibition showrooms. The next most frequently used channel is direct contact with companies. They use the same channels in other

European countries, too. Buyers feel time pressure because on-time delivery to the market is critical in the fashion business. Therefore concentrated buying locations and schedules make it possible for them to finish their job in a limited time each season. Interviews with showroom managers in Italy mentioned that they are willing to accept Korean merchandise if it has value, but they do not have any information for it.

However, the Korean exporters do not recognize fashion exhibits as feasible solutions for meeting buyers or expanding markets. They only go to exhibits to get fashion trend information. They were very pessimistic about exhibition showrooms or booths. Showrooms in Korea have not been a channel to meet buyers, in any real sense. Fur garment exporter (No.12) and Monte Milano (No.14) have actively participated in the show. Monte Milano in particular is very aggressive in participating in exhibitions and has accomplished actual sales thru the show. Monte Milano now employs a sales rep in the US market and has a showroom in LA, which has, itself, been evaluated as very successful.

"In Italy, I come and see several exhibitions and then visit multi-brand and mono brand showrooms each season. I use same channels in other countries. I come to Italy because of the product quality, creativity and for all the commercial aspects, and for the assistance from all the companies I work for." (No.1)

"I usually order products in showrooms. It seems it is effective to finish my job in a time limit. I come to Italy to buy

designer collections not available in the USA. And I don't experience any problems in buying in Italy."(No.2)

"In Italy, I employ agents and visit showrooms. I used to go and see fashion collection and place an order after I see it. In France and in Belgium, I use same channels."(No. 4)

"In Italy and in France, I employ Showroom agents, visit brand showroom and exhibition showroom. In London I use Brand showroom. In Seoul, I used to buy from distributor, wholesaler."(No.6)

"We opened a showroom in Seoul one and a half years ago. The purpose was to provide foreign buyers with domestic designer brand products and also to get orders from local buyers. Many foreign buyers had made calls. But it has not been successful yet."(No.19)

"I make kid's apparel. Factory is in China. I go to fashion exhibits on regular basis. But I just see fashion trend there. I meet buyers thru local export agent or other industry people introduce foreign buyers to me. I don't think I can get orders there. It is because I do business by OEM or ODM."(No.12)

"Now we are making ODM for domestic market and Europe. I am considering opening a booth in MAGIC show in the future if I can have enough budgets to make my own brand. But I don't have capability yet. I don't think it is easy. I feel Korean brand products should have limitations because most of national brand copied foreign designs."(No. 16).

"We go to fur exhibits in Hong Kong and Beijing. We have booth and get orders there. So far, we are satisfied with the result. For domestic market, we make ODM, but at the exhibit, we do orders for ODM and our brand."(No.13)

"Last year we first participated in MAGIC show in Las Vegas. We were lucky to get orders from Nordstrom. After that, the buyer visited Korea twice. We gained confidence. So this March, we opened office/showroom and distribution center in LA and employ three sales reps in Atlanta, Chicago and LA. Finding the right sales rep is the most crucial for success. This year we plan to join 8 exhibits in US. We actually received orders, find sales rep and open account. Our company's president is very aggressive in that aspect."(No. 15)

"I think Korean apparel manufacturers must sell images and concepts not just products. In order to do this they should see and understand markets, life styles, and consumers. Also, they should be exposed to buyers and actively go to the market center. They should not wait buyers in their office. We, KOTRA LA, have a plan to prepare multi-line showroom in California Market Center and the government may support financially. Most of fashion firms are small, so they may not be able to have individual showroom. We also have a plan to link LA JAVA market to SEOUL. We tried twice doing it with Dongdaemun market since last year, but Korean manufacturers were not cooperative. So I feel it

is more feasible to have a plan with manufacturers in Seoul, not just Dongdaemun. California market is not just for US but for Latin American market too. I am sure it should be good opportunity to expand market and it will be much better with FTA."(No.21)

2. Buyers' use of Market Information Sources

Buyers collect information about global products and suppliers through diverse sources. They mention international and web magazines, journals(ex. WWD), fashion information providers(ex. WGSN), exhibitions, market research, and other industry people. This implies that fashion firms must actively provide information through these channels.

"I used to get market information from the Web and international magazines and newspapers."(No.1)

"WWD(Women's Wear Daily - a fashion-industry trade journal) type journal is very useful to get the information. Also other Italian designer is useful source."(No.2)

"I regularly go to exhibits and do market research."(No.3)

"I usually gather market information mostly from other people in the fashion business. For instance other buyers, agents, etc are good sources."(No.4)

"Many buyers will [respond] that they are getting the information from the internet, fashion media, and trend reports, etc. However in our case, we are thinking much of customers'(trendsetter, fashionista, and fashion press) needs and demand."(No.5)

"I used to go shopping, fairs, fashion shows to get information. Also I read magazines and fashion journals. Other professional providers, such as market research agency (Dutch GFK), WWW.WGSN.COM(company subscription) are my source."(No.17)

3. Supportive Program by Associations

Italian fashion firms perceive associations very differently from Korea. All of the Italian fashion firms belong to at least one association and they are very satisfied with the diverse support programs provided, whereas most Korean firms expressed a very negative attitude. The difference comes from whether or not the member can get real, direct, prompt, and practical benefits from the association. This implies

that the first step for operating a fashion-related organization in Korea that is valuable and cost effective is to change the members' negative stereotype. The next step is to provide very practical and useful, supportive programs to a large number of 'small' firms, not just 'big' ones.

"The association, CONFINDUSTRIA provides all the information I need, such as global market trends, labor issue regulations, tax rules, environmental regulations, tariff information for import and export in each country, IT, machinery info, etc. Also the association proposes many projects, such as domestic and foreign exhibits, market visits, etc. They provide some financial benefits or get refund after exhibits, and all the detailed information too. All members can even get discount from a transportation company(DHL), phone bills and tax deductions. Besides they give consulting for taxes, new tech, import, etc., and provide regular meetings with other industry people, workshops, and conferences. Basically, they come and solve all the problems, which can be called 'customized service'."(No.9)

"The associations provide guarantee my loan when I buy machines. They have some kind of category in terms of credibility and give financial assistance. In November, I will go to Hong Kong, Taiwan, Korea, which is sponsored by the project 'Centro Estero Camera di Commercio Veneto'. They prepare all the buyers' list and schedules for it. The cost for this project is not much. Also when I have problems in labor issue, they come and solve it. I feel I get help just by one phone call. Membership fee is 1,200 Euro. But it worths."(No.10)

"We are member of API and AIP, which is relevant to fur products. We pay 1,000 euro per year and 155 euro per month. We must participated in many exhibits and the association provide all the information and support program such as education, paper work, transportation, market info etc."(No. 11)

"I don't know what associations exist in Korea. I have no concern at all. I heard that most of associations exist for few number of big companies. The president should have political interests. I don't think the membership fee is not worth."(No.12)

"I am a member of two associations because I was forced to join. I do not get any financial or non-financial benefits. I don't think most of them provide any."(No. 14)

"Sometimes I get some brochure from several associations. I guess it was about exhibits or collections. But I did not pay attention to it. Being a member is just spending money."(No. 20)

"We actively participating foreign exhibits. We could get information about exhibits from Fur Association. We are pretty satisfied with it."(No.13)

"We do not support fashion firms. Each firm should be creative to develop their own business model. We don't get any money from government. 350 members' fee and donation are our budget. We just make 'VOICE' for the fashion industry in California. If we get money from government, we might be controlled and cannot be against the government if we have to."(No.22)

"FBI provides all information and training program whatever the industry need. They are very practical and useful. For instance, we got grant from Microsoft and we retrained layoff employees with computer pattern making. They do have hardware but they lost job because of recent software. We have 3 lectures with different topic per week."(No.23)

V. Conclusions

Buyers' major channels for placing orders in Italy are showrooms, showroom agents, and exhibition showrooms. They have similar practices in other countries. Buyers should buy in a concentrated buying location and schedule because they must finish their job in a limited time each season. However, Korean exporters are not active in participating in fashion exhibits or perceive them as feasible solutions to meet buyers or to expand markets.

Buyers collect information about global products and suppliers through diverse sources such as web and international magazines, fashion information providers, exhibitions, market research, and other industry people. Italian fashion firms are very active in using these channels whereas the Korean firms are not.

Italian fashion associations are perceived as very supportive, whereas Korean associations are rejected by Korean firms. Almost all Italian fashion firms are members of at least one association and they are very satisfied with the diverse support programs provided, whereas most Korean firms expressed very negative attitudes. This difference affects diverse aspects of helping fashion firms to enter the global market or of forming a cooperative industry culture.

Based on the research findings, several suggestions are made. First of all, Korean fashion firms should be more aggressive and cooperative in exploit-

ing new markets in a global context. A very practical and efficient way might be through fashion exhibits and showroom. However, Korean fashion firms must go into global market centers and increase their opportunities to meet global buyers. Korea, or Seoul, is not yet attractive enough to make a global buyer take a trip to Korea. Therefore, Korean firms must go into global market centers or overseas fashion exhibits. Numerous opportunities, in terms of fashion exhibits or showrooms, already exist.

Second, Korean fashion-related associations should make an effort to change Korean firms' negative perceptions toward 'the association' into a positive one. Practical and useful programs should be provided to firms and they must be promoted by aggressive communication to make this change. In addition, their activities should be toward a large number of 'small' firms rather than only 'big' ones. As Italian fashion associations do, their activities should be focused on the economic improvement of all of their members. The government must be cooperative with associations without imposing control powers.

There are several limitations to this research. First of all, this research is based on interviews with only 23 experts in three locations and they were selected by personal contact. Therefore the findings cannot be generalized. Second, this research is to propose practical strategic suggestions and is more fieldwork-oriented, rather than being based on a solid theoretical framework. Furthermore, this research is based on qualitative data that may provide rich interpretations but is not an organized research framework.

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요 약

본 연구의 목적은 이태리와 한국의 패션지원프로그램 중 패션박람회와 쇼룸의 역할을 분석하여 한국 패션산업의 경쟁력을 제고할 수 있는 실용적이고 즉시 적용 가능한 정책을 제안하고자 하는 것이다. 자료 수집을 위해 이태리와 한국, 그리고 미국 로스앤젤레스에 에서 패션실무를 담당하고 있는 23명을 대상으로 심층 인터뷰조사 하였고 인터뷰내용을 주요 항목별로 분류하였다. 연구결과는 다음과 같다. 첫째, 이태리 패션산업의 경쟁력 원천은 패션협회를 중심으로 한 패션지원프로그램이며 이는 패션관련 산업 전반에 걸친 매우 협력적이며 유기적인 관계에 근거한다. 즉, 기업의 규모의 크기와 관계없이 다양한 협회를 중심으로 매우 즉각적인 맞춤형의 지원을 받고 있었다. 예를 들면 해외전시회 참여, 컬렉션, 프로모션활동 등에 필요한 모든 사항이 협회 회원사에게 지원되고 있었고 또 이태리 기업은 이러한 지원활동에 매우 만족하고 있었다. 그 외 쇼룸과 에이전트도 이러한 시스템에서 부가가치를 높이는 중요한 역할을 하고 있었다. 반면 한국 기업은 바이어와의 판로개척에 매우 소극적이어서 해외전시회 참여율이 매우 낮았고 전시회 참여를 위한 충분한 정보나 지식을 가지고 있지 못했다. 또한 국내의 쇼룸은 아직 활성화되지 못하여 바이어를 통한 수주경로가 되지 못하고 있었고 해외쇼룸의 이용 또한 매우 드물었다. 협회에 대하여도 매우 부정적인 인식을 가지고 있었고 특히 소수의 대기업을 위한 조직이라고 인식하고 있었다. 결론적으로 한국 패션산업은 잠재력은 있으나 해외전시회나 해외패션센터의 쇼룸 등을 활용해 해외바이어를 만날 수 있는 기회를 적극적으로 모색해야 할 것이며 이를 위해 이태리 패션산업처럼 협회 등을 통한 다양한 관련 산업과의 유기적 협력관계가 이루어져야 할 것이다.