

# Countering Imports

Bolstered by vigorous personal consumption, the apparel industry as a whole enjoyed good business in 1990. Imported brand-name goods won the popularity contest with consumers again as in 1989. However, there are growing signs that the industry's heavy reliance on imported brands is beginning to change. Department stores are taking the initiative in launching new strategies to counter imported brand-name goods.

Until now, Japan's big apparel makers have paid fees to make foreign brand-name goods under license and market them through department stores. Now, they are opening direct sales outlets in Tokyo's Aoyama district and other fashion centers, and in some cases have even bought out famous overseas makers themselves. The key words are diversification and globalization.

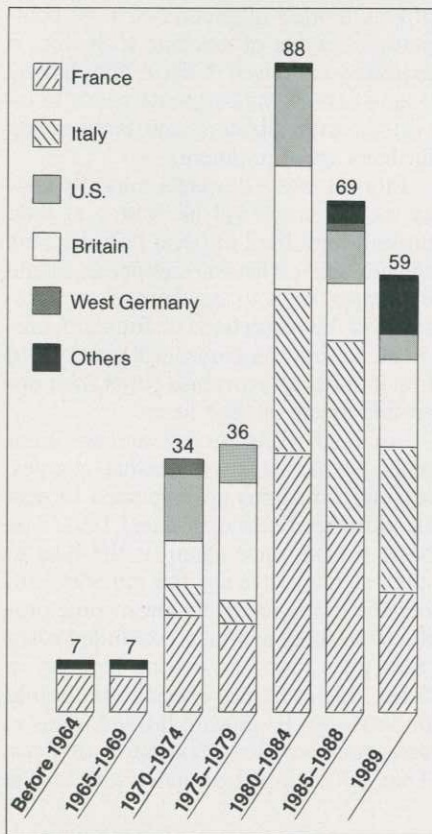


Imported brand-name goods were still popular in 1990, but the apparel industry is becoming less reliant on them.



Domestic apparel makers are attaching new importance to their own brands, and the "feminine" look is expected to continue dominating the market.

## Number of License-manufactured Brands



Source: *Sen'i Joho* magazine, Textile Industry Rationalization Agency

Changes are also afoot in the import of famous overseas brands and the marketing strategy of the Japanese subsidiaries of overseas apparel makers. The Japanese subsidiary of Yves Saint-Laurent, for instance, used to market license-produced YSL brand goods. Now it is focusing on marketing direct imports, which are sold side by side with license-manufactured clothes.

Until recently, the Japanese subsidiaries of overseas apparel makers primarily concerned themselves with quality control for license-manufactured products and with coordinating their parent company's advance into East Asia. Now these traditional activities have also become more sophisticated, with subsidiaries moving aggressively to preserve the uniform image of their brands and to enhance their reputation by restricting the number of sub-licensees and standardizing shop layouts to unify their store image.

Meanwhile, department stores and apparel makers are working to revitalize the sales floor space allocated to expensive brand-name goods. This reflects the new importance both the department stores and apparel makers have begun to attach to their own brand goods, and in a sense is part of a movement to take a second look at the original role of sales floor space,

that is, to offer a variety of goods in a reasonable price range. The goal is to remedy the distorted use of sales floor space caused by the invasion of expensive imported brand goods.

In 1991, business will again be at the mercy of trends in personal consumption. However, the sharp increase in demand seen in 1990 cannot be expected to continue into 1991. With a labor shortage at sewing factories and sales counters combining with higher distribution costs, the earnings growth of apparel makers is likely to slow in 1991.

As for fashion trends, the feminine look using dresses made of long-filament polyester fiber fabrics will be the mainstream in 1991, signaling no conspicuous change from 1990's fundamental fashion trends. However, increased leisure time should spur high growth in sales of casual wear for resorts and the golf links.

Last year brought a boom in "ecology colors," using nearly neutral tints. The 1991 spring-summer collections introduced a range of bright and clear tints as the "new ecology colors." These new colors should liven up the streets of Japan in 1991.

(Kyoko Ueda, economist)