

# Description of China Clothing Brand's Development and Changes of Late Years

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Aluna yue Lu

Associate Professor, China Central Academy of Fine Arts

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**Abstract** *The purpose of study is to understand of china clothing brand to have them to be competitive position in global market. Also through this study people who are in a clothing industry market from China and overseas will be able to utilize it to have competitive brand power. Analyzing of the China clothing brand with a history and process of development is done to help understand of changes through years. With the rapid development of economy in China, the textiles & clothing industry, as one of the key industries, is showing a strong growing tendency, and brand in china have been expanding oversea market. Till 2002, China has already been the world's largest supplier of textile & clothing. Nowadays, "Made in China" is going to be "Created in China", lots of Chinese clothing brands appear, and many Chinese fashion designers step onto world stage. Chinese women's clothing, men's clothing, casual clothing, sports clothing and designer's brand are developing, popular brands are also promoted through convenient e-commerce. Clothing companies are going public, acquiring overseas brands, implementing internal mergers and integration, expanding overseas market. In such a diversity era, Chinese brands not only need to be localization, but also need to confirm with the trend of international management and globalized economy.*

**Key words** *China clothing brand, China oversea market, China clothing industry, Diversity era, Global market*

## **Introduction**

As in an era of brands, commercial globalization produces amounts of brands in all fields. The foundation of the existing oldest brands such as Ruifuxiang, Neiliansheng and Qianxiangyi took place over one hundred years ago. However, the brand concept with modern meaning was recognized by Chinese people only 30 years ago. China clothing brands and local designer's brands appeared in 1990s. During 1950s to 1970s, Lenin jacket, Mao suit and cadre suit were popular all over the country because of the worship of the leaders. Western style suit became popular in 1980s after the reform and Pierre Cardin's China fashion show in 1979. Early local designers created the brands of their own name in 1990s. Some of them survived, while some of them disappeared. Nowadays, there are some mature local brands such as White Collar, Exception, Zugzug, JNBY, Jeanwest, Metersbonwe, Septwolf and Youngor, etc. which

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have correct design direction, unique brand culture and improving management. They play a leading role among China clothing brands based on their certain market shares.

Research purpose: Summing up the development of China clothing brands and adapting the general environment

Research Area:

1. Areas & category: Mainland China clothing brands, including women's clothing, men's clothing, children's clothing, casual clothing, sports clothing and designer brands.
2. Period: During 1985-2011, focusing on late 5 years.

### ***Overview of China Clothing Brands***

Chinese clothing industry development is still unbalanced despite that China is the world largest consumer and producer. Many large-scale Chinese clothing companies have advanced equipment and strong product capacity, but weak design and marketing capacity. At the time when the brand conscious is growing, the domestic companies have to promote their design and marketing capacity to deal with the fierce competition.

After China enters WTO, overseas brands keep coming into China with abundant fund and over one hundred's experience. They occupy China market easily because of fine reputation, mature operation, recognized brand culture and powerful marketing. The overseas popular brands including VERO MODA, ONLY, JACK&JONES, ZARA, MANGO, H&M and luxury brands including Louis Vuitton, Chanel, Dior, Giorgio Armani, Givenchy, Versace, etc. are sole in China market. Domestic brands keep developing in the long-term competition.

The brand conscious of clothing company is growing in recent years. Some strong and famous brands such as Shanshan, Youngor, Stepwolf, Bosidong, Metersbonwe, Rouse, etc are clothing industry leaders in scale and competitiveness. There are already 34 listing clothing companies in China including the first one Guy Laro in 1988 and the recent one Joeone in 2011. Some rich companies acquire overseas brands. JNBY, which established in 1994, opened the first overseas Franchised stores in Moscow in 2005. It keep expanding overseas and opened new Franchised stores in Tokyo(2006), Hong Kong(2006), Singapore(2007), Canada(2007), Bangkok(2007), Georgia(2009), Barcelona(2009), Seoul (2009) and New York(2010). JNBY becomes the first brand going abroad.

A more characteristic and competitive clothing industry cluster area will be further formed after some adjustments. Optimization the allocation of resources provides more favorable survival conditions and enhances the industry upgrade. To against the massive offensive from overseas brands, China clothing brands need to establish brand system, define brand image, develop new technology and strengthen brand culture.

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## Brands' Development and Case Analysis

### *Women's Clothing Brands' Development and Case Analysis*

As one branch of clothing industry, Women's clothing keeps growing steadily. According the latest figure in 2009, women's clothing occupies the biggest proportion in the total annual sales of clothing. Brands are concerned by consumers because of the trend of fashion and personality. There is almost the same growth rate of domestic clothing sales every year. As the maximum consumption of total textile and clothing products, the development of women's clothing is paid more and more attention. According the latest shop statistics, the sales of women's clothing occupy 28% of the total clothing sales, which still rank the first among all clothing.

The international brands have accelerated the occupation in China market which will undoubtedly impact domestic brands. With the continuous processing of economic integration and further improvement of domestic clothing market, China women's clothing companies need to promote the level of management and marketing, and strengthen brand management as well, which could stand out in the international women's clothing market in the future.

### *✓ Women's Clothing Brands' Case Overview and Analysis*

Brand Name: White Collar

Brand History: Beijing White Collar Fashion Co., Ltd was established in the last 6 years of 1990s and has already been the leading brand of China ready-to wear.

Its products include women's ready-to wear, women's fur clothing, accessories, shoes and bags. Its brands include White Collar, Shee's, K-uu and Gold Collar which explain understandings of fashion and meet the customers' personality demands.

Brand market State: According the market research report of Beijing shopping mall, White Collar top the ranking of women's clothing retail sales for many years.

Management: Multi-brand strategy

Sales Channels: Shopping mall, thematic shopping center, brand regular chain

Sales Methods: Brand store, thematic store, authorized agent, brand regular chain

Brand Introduction: Powerful brand publicity strategy, board **exclusive shop sales, humanized service principle** White Collar's sale has already been the top among domestic women's clothing brands in Beijing now.

### *Men's Clothing Brands' Development and Case Analysis*

The production capacity of China men's clothing companies has ranked the first in the world, but the brand competitiveness is still weak. Foreign design is copied by domestic men's clothing brand and they lack of the designers of men's clothing, the judgment of native culture and research of domestic

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fashion trends. The partially reason is that male customers' clothing needs are immature and their clothing tastes need to be improved. Men's clothing industry plays an important role in China clothing industry. It is still faced many problems in spite of its rapid development in recent years. Its brand competitiveness is much weaker than international men's clothing brands.

The dressing and mental outlook of men are the important performance for national spirit and social culture. There is a gap on men's dressing between China and the developed countries because of the difference of cultural background. International general standard of current men's dressing comes from the Western Europe, and China men's clothing takes the western clothing as leading standard. Nevertheless, China male customers can't accept it all since they don't understand the European clothing etiquette. Only a mature market of men's clothing could promote the industry to mature.

✓ *Men's Clothing Brands' Case Overview and Analysis*

Brand Name: CROQUIS

Brand History: Hangzhou JNBY Co. Ltd. was established in 1994 and its direct companies have been set up in Beijing, Shanghai, Chongqing, Shenzhen, Hangzhou, etc. It has over 100 agents and more than 400 stores all over China since 1998. It has open many Franchised stores in Russia, Japan, Hong Kong, Canada, Singapore, etc. since 2004. Its men's clothing brand CROQUIS was established in 2005.

Brand Introduction: The brand's name CROQUIS comes from French which means never stopping discovery and never losing thoughts. The target customers are urban upstart males in the age of 25-35.

Sales Channels: Shopping mall, thematic shopping center, brand regular chain

Sales Methods: Counter, Brand store, thematic store, authorized agent, brand regular chain

*Children's Clothing Brands' Development and Case Analysis*

The famous children's clothing brands in current market present various styles, the plagiarism and similar among the brands are getting less. Same as the adult's clothing, with the increasing of brand conscious, the Children's clothing develop from the product manufacturer to various forms including brand group, professional brand marketing company, brand processor, brand retailer, exclusive specialty retailer, professional buyer, professional wholesaler, design company, and custom brand company.

The concept of Children's clothing store and discount shop is planning. The online sale of Children's clothing is quite hot because of its easy mix and less demanding on the figure. The online sale will soon account for over 10% and become the main sale mode of Children's clothing. The structure of Children's clothing brand is forming over the last couple years, and it will form an echelon structure by region, grade, style and so on in 5 years. The "Listing Rush" of sports clothing company is not a sudden whim, but a necessary step in the market competition which could achieve internal-industrial integration and survival of the fittest. The same is to Children's clothing industry.

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✓ *Children's Clothing Brands' Case Overview and Analysis*

Brand Name: SOUHAT

Brand History: Beijing Jiaman Fashion Co. Ltd was established in 1992. The children's clothing brand SOUHAT was created in 1995. With the efforts for over 10 years, SOUHAT has been a well-known children's clothing brand with its top selling in Beijing and the second selling in China. There are over 200 shopping counters and stores in major cities all over China.

Sales Channels: Shopping mall, brand regular chain

Sales Methods: Counter, Brand store, authorized agent

Brand Introduction: The core brand culture of SOUHAT is virtuous whose expression is water. According the data published by Beijing Commercial Information Center, SOUHAT has been the top selling in Beijing market for 4 years, won the Gold Medal of Beijing Clothing Marketing for 2 years. In 2007, SOUHAT was the second selling in China market and the top selling of Beijing market, it was also named Beijing Famous Brand. At present, SOUHAT set up its counters and stores in over 60 high-end large-scale shopping malls in Beijing, and set up more than 200 stores in over 100 cities all over China.

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*Casual Clothing Brands' Development and Case Analysis*

In early 1990s, international casual fashion trend came into China. With the further growth of casual clothing market, the consumption of product and brand develops to high-end and high-value. A personality, fashionable and high-quality consumption environment is forming. The casual clothing market presents a tendency of larger market space and smaller market segmentation. China casual clothing companies mainly locate in Fujian, Zhejiang, Guangdong, etc. and form several industrial cluster regions. There is total 456 billion RMB in current China casual clothing market. The casual clothing brands in mainland China are quite fragmented. According to statistics, the market share of the top 10 brands is total 6.17%. The key to win the market competition is to promote brand core competitiveness through brand upgrade.

From the development mode of casual clothing companies, the small, fast and cheap business mode of Fast Fashion is rapid growing in recent years.

✓ *Casual Clothing Brands' Case Overview and Analysis*

Brand Name: YISHION

Brand History: Dongguan Dongyue Caparison Co., Ltd. was established in 1997. YISHION won the awards of both China Famous Brand and China Famous Product in 2005, which achieved breakthrough of no well-known clothing brand in Humen. The company obtained the titles of National Inspection-free Product, Guangdong Famous Product,

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Guangdong Famous Brand and Most Popular Brand.

Brand Introduction: YISHION product is mainly casual clothing including women's, men's and children's. There are over 3,000 stores all over China and has set up overseas stores in Bahrain, Hong Kong, Iran, Jordan, Kuwait, Malaysia, Oman, Qatar, Saudi Arabia, United Arab Emirates and Vietnam since 2003. The business and profitability keep growing with the development strategy of both wholesale and retail.

Sales Channels: Shopping mall, supermarket, street store, brand regular chain, online sale

Sales Methods: Counter, Brand store, authorized agent

According the sales ranking of China clothing in 2007, YISHION was the top selling on T-shirt for its 5.22% market share, which laid its peak position in domestic casual clothing industry. As one of the leading casual clothing brand, YISHION has some evitable changes in the last few years, among which are more various product and more stylish design. It is of great importance for casual clothing brand to response rapidly. The brand strength and brand image of YISHION are keep promoting. For this reason, YISHION is not much affected when many other clothing companies are in the industrial winter.

*Sports Clothing Brands' Development and Case Analysis*

Green and health lifestyle is popular in daily life today, which enhances customers' sports consciousness. People are more interested in the forms of exercise such as Yoga, Jogging, etc. which enhances the growth of sports clothing industry. America is the world biggest market of sports clothing which hold over 50% market share and followed by Europe and Asia-pacific. With the development of China sports industry, especially the holding of 2008 Olympic Games, 2010 Asian Games and 2011 Universiade, the growing demands of sports goods make china sports clothing industry develop continuously. The key breakthrough of sports clothing is in functionality and professional. The sports clothing sales keeps growing which presents a great market demand. There are some listing sports clothing companies with powerful market competitiveness such as Peak, Li-Ning, Anta, 361°, etc. However, it is important to strengthen the research of technology, high-tech fabrics and functional fabrics of China sports clothing products which have to face the international brand competition on cost control and price.

✓ *Sports Clothing Brands' Case Overview and Analysis*

Brand Name: LI-NING

Brand History: Li-Ning Co., Ltd. was established in 1990. The company has developed from a single product company of sports clothing to a specialized sporting goods company of sports clothing, sports shoes, sports equipment, etc. through last over 20 years. Today, the product structure of Li-Ning is being perfected which makes Li-Ning the

leading position in China sports goods industry. The company began launching brand globalization strategy since 1999. The company was listed in Hong Kong in 2004. Till 2008, there are 6,917 Li-Ning stores in China.

Sales Channels: Shopping mall, street store, brand regular chain

Sales Methods: Counter, Brand store, authorized agent

In 2011, the company develops new products for post-90s through reform and innovation. They redesign the brand LOGO and change the brand concept from Anything is Possible to Make the Change. With the new brand concept, the brand keeps growing.

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#### *Designer Brands' Development and Case Analysis*

China designer brands appeared in early 1990s and it is still in the beginning stage today. All the international big brands pay lots of attention on design. Design is the soul of clothing and one of the core competitiveness of clothing industry. Unlike general industrial product, designer brand has richer culture and content. Most designer brand developed from small workshop and named by the founder. It accumulates deep brand culture as time goes by. There are old brands with decades or even over a hundred years' history including Chanel and Dior in France, Prada and Armani in Italy, Calvin Klein in America. The clothing with designer's idea and personality retains its classic charm. Based on clothing industrialization, the content of industrial brand is consciously added to the brand. With the development of creation industrial concept in China clothing industry, design plays an important role again by rethinking. To be more competitive and powerful, China clothing brand has to attach great importance to design and keep promoting product's added value. Design has been the generator of China clothing industrial restructuring.

China social consumption tendency is changing from popular to personality now. People's lifestyle and daily needs are similar, while diversified and personal services are necessary. The social demand, cultural demand and economic demand determine designer brand's appearance. An original designer brand can represent a kind of lifestyle and meet the needs of those who want a high-quality taste and living. The customers of designer brand are definitely not in middle and low income group, but social elite who are thoughtful, tasteful and accomplished.

It will be a diversified symbiotic era in the coming future. The clothing market needs both the designer brand and non- designer brand to meet people's diversified demands.

#### *✓ Designers Clothing Brands' Case Overview and Analysis*

Brand Name: EXCEPTION de MIXMIND

Brand History: Guangzhou Mixmind Art & Design Co., Ltd was established in 1996. The design director Ms. Ke Ma is a very famous fashion designer who ever wan lots of awards in fashion design. In 2006, EXCEPTION de MIXMIND's sales in Beijing

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SOGO shopping mall broke 10 million RMB. For now, EXCEPTION de MIXMIND is the existing longest and most successful designer brand in China. It set up branch companies in Beijing, Shanghai, Hong Kong, Zhuhai, etc. During last 10 years since its foundation, EXCEPTION de MIXMIND is growing steadily, and distribute in 29 major cities all over China with over 70 stores. At the same time, its product is sold to France, Germany, Greek, Southeast Asia, etc. The company also develops household market in China and abroad by collaborating with Hong Kong household market leader company G. O.D. Another two new brands TEE and DUPIN belong to the company, too.

Sales Channels: Shopping mall, thematic shopping center, brand regular chain

Sales Methods: Counter, Brand store, thematic store, authorized agent, brand regular chain

The designer brand focuses on the minority market and makes a fine balance between art and market, advance-guard and chic. Rooting in traditional culture and oriental design philosophy, EXCEPTION de MIXMIND appeared in Paris Fashion Week.

### ***Analysis of China Clothing Brands' Distribution Areas, Types and Styles***

In 1980s and 1990s, the open-door policy of Chinese government encouraged rapid development of all trades and professions. Clothing companies appeared all over the country, especially in Jiangsu, Zhejiang, Guangdong, Fujian and etc. which became the pioneer of starting business. The individual and workshop grew into clothing factory, and then moved closer to the city to gain convenient transportation, broad information and human resources. They expanded from point to plane and formed industry cluster region connected with local area. In late 1990s, with Yangtze River Delta, Pearl River Delta and Surrounding Bohai Zone as center, the wave of setting up clothing companies flocked to the inland central plains. Especially in the last few years, regional characteristics, which are distinguished by product types and style, make the companies who provide similar products or services come together and form an industrial chain of profession division of labor. The process of the industry growth is inevitable and it is an important organizational form of promoting industrial structure. The process is also the only way for those developed countries to be powerful. According the concerned information, there have been over 90 textile and clothing industrial cluster region which are defined by China **National Textile and Apparel Council** since 2002. The total economy of these areas has already occupied 30% of national economic output. As the strong growth point of whole textile and clothing industry, they greatly influence the development of China textile industry. The formation of industrial chain makes the companies collaborate with each other, integrate resources and promote products quality, which expands the brands' survival and shows obvious advantages.



Analysis of China Clothing Brands' Distribution Areas

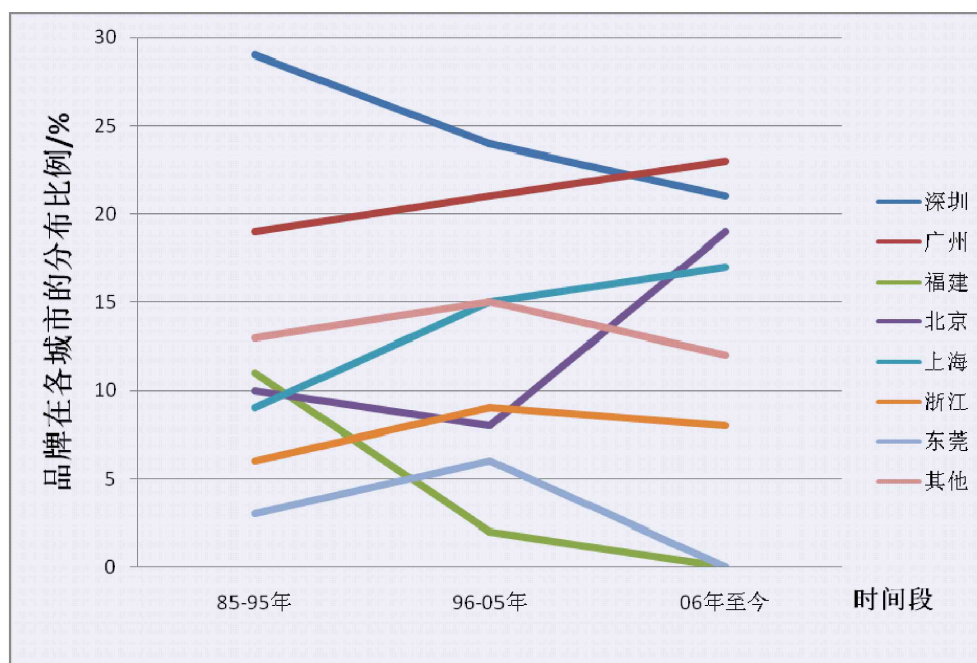


Figure 1.  
Distribution area of clothing brands.

According the above diagram, the distribution areas of clothing brands is relatively concentrated since 1985. The major cities include Shenzhen, Guangzhou, Beijing, Shanghai, etc.

From the tendency, the share of new brands in Shenzhen of Guangdong still kept a high share though they have been declined rapidly since 1985; the share of new brands in Guangzhou of Guangdong is rapidly growing based on its original high share; the share of new brands in Fujian was high in the beginning, but the share rapidly declined later and few new brands was appeared; the share of brand in Beijing and Shanghai was not too high in the beginning, but the brands develop very well in recent years and obtains higher share today; the share of brands in Dongguan of Guangdong and Hangzhou of Zhejiang reached a peak during 1996-2005. Unlike Zhejiang who always keeps a high brands share, few new brand is appeared in Dongguan of Guangdong.

Analysis of China Clothing Brands' Styles

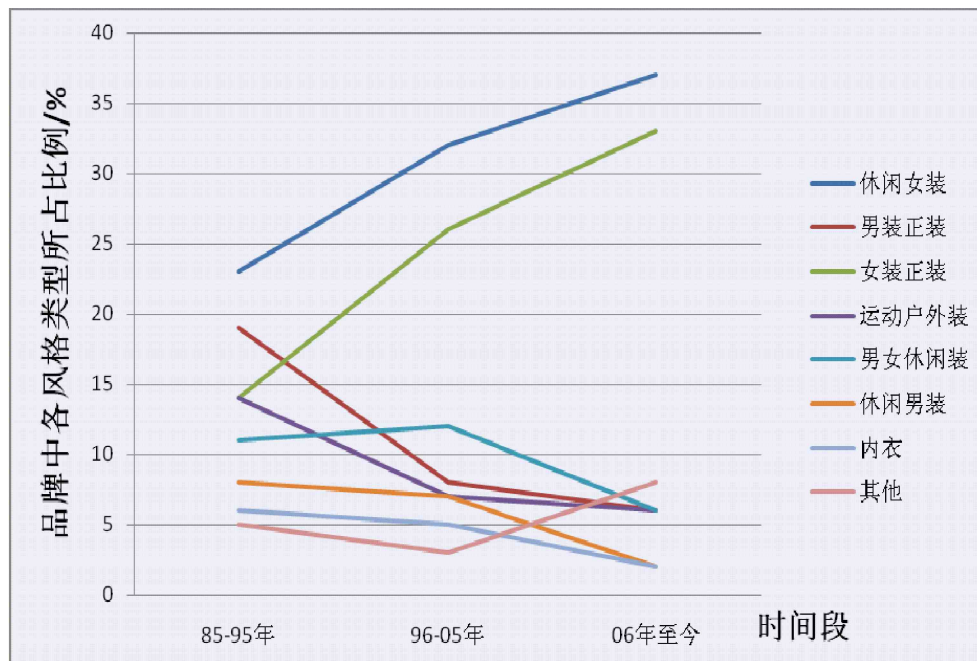


Figure 2.  
China clothing brand style

***New Developing Trends of Mainland China Clothing Brands of Late Years***

Listing companies and overseas acquisition are new trends in recent years. There are 34 listing companies today. There are amounts of middle and small scale clothing companies in China, while most of them just engage in process and manufacture which lead to a limited development. However, those brand clothing companies, which have better influence and more responsive to the trend of upgrading of domestic consumption, have better development potential.

**Clothing Brands' Listing Plan and Implement**

Some clothing companies such as Xtep, Bosideng, Mailyard and etc. have been listed in Hong Kong since 2007, which have received extensive attention from capital markets. Thanks for the economic development and the improvement of living standard, China high-grade clothing brands expect to remain the average annual growth of around 20% in the next few years, the brand clothing industry and the

companies who focus on the building of domestic marketing expect a rapid progress, too. Because of the fine demonstration of early listing clothing companies, more clothing companies will achieve their development with the aid of capital markets in the future. The capital markets not only provide stage for the brand image of the listing clothing companies, but also provide opportunities for rapid expansion and industrial consolidation through mergers and acquisitions.

### **Clothing Company's Acquisition of Europe and USA Brands**

The mergers and acquisitions among clothing companies are intensive. The shrinking of European and American high-end fashion brand markets cause the crisis of survival, so it is necessary to sale companies or brands to achieve capital. Some Chinese mature clothing brands begin to expand overseas. For example, the Youngor acquired Hong Kong Smart Apparel Group Ltd. , through the acquisition, the Youngor get 14 production bases distributing in Sri Lanka, Philippines and so on, also obtain ODM business of 20 famous brands including Nautica, Perry Ellis. China Dongxiang (Group) Co., Ltd acquired KAPPA's brand ownership in China, and Li-ning acquired Lotto's brand agency for 20 years in China. There are acquisitions among domestic companies. After acquired Flia China, Milie's and Senda, Belle achieved a shift to high-grade industry. The industrial concentration ratio is increasing, and leading companies are expanding their market share.

On the one hand, overseas marketing of Chinese clothing companies is quite tough. They have to solve the problems that how to manage the companies after acquisition, how to deal with the difference between the western culture and the eastern culture, how to manage the international team better. On the other hand, those original production companies could be acquired with more favorable capital, the R&D capabilities of China clothing companies could be improved.

### **Setting up Clothing Brands' Shop Oversea (Brands' Globalization)**

Most China clothing companies are mainly domestic-based. With the development of China local brands, some mature brands step into overseas markets. Since its foundation in 1994, JNBY has shown its strong potential by entering international market. Boarder international expansion followed the first overseas JNBY Franchised stores in Moscow. It kept expanding overseas and opened new Franchised store in Tokyo, Hong Kong, Singapore and other places. The first JNBY Franchised stores in New York opened in SOHO district in October 2010. Till now, JNBY and CROQUIS totally set up 19 Franchised store and showrooms which distribute in Japan, Thailand, Singapore, Korea, France, Spain, Russia, Georgia, Canada and America.

### ***Conclusion and Proposal***

China clothing industry is growing mature, women's clothing, men's clothing, children's clothing, casual clothing, sports clothing brands and designer brands are increasing every year. At the same time, China

clothing brands have to face the fierce domestic and international competition. The international brands are advanced in brand history, experience, sales and marketing, while China brands are still very young and need to learn from them. China clothing industry has been shifted from labor cost advantage to the innovation advantages of product development, product quality, brand and culture. At the historic stage of industrial restructuring and upgrading, it is an important issue of future China clothing industry to establish fine brand image and quality.

The marketing competition of clothing industry brings significant changes to people's daily life, but the development of clothing industry is conditioned by the uneven qualities of general practitioners. Those, who only focus on short-term benefits and ignore the sustainable development of brands, will lose competitiveness. Those, who understand and develop themselves, concern brand culture, can stand out in fierce international competition.

As a result, the brand competition is actually the competition of brand culture, the brand development is personality development. The culture of a brand is the precipitation of humanistic features including story ideas, product development, sales channels, publicity and promotion, store display, and etc. which present the cultural connotation of a brand. In such an era of brand, the key to win the marketing competition is brand building. Globalization brings information integration, market integration, inter-company merger and reorganization, achievement of the survival of the fittest. China market has to be global and face greater challenges.

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