

Quadrant II – Notes

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Unit 1: Fashion Trend Forecasting

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Notes :

Fashion Forecasting

Fashion forecasting is a global career that focuses on upcoming trends. A fashion forecaster predicts the colors, fabrics, textures, materials, prints, graphics, beauty/grooming, accessories, footwear, street style, and other styles that will be presented on the runway and in the stores for the upcoming seasons. The concept applies to not one, but all levels of the fashion industry including haute couture, ready-to-wear, mass market, and street wear. Fashion trend forecasting is an overall process that focuses on other industries such as automobiles, medicine, food and beverages, literature, and home furnishings. Fashion forecasters are responsible for attracting consumers and helping retail businesses and designers sell their brands. Today, fashion industry workers rely on the Internet to retrieve information on new looks, colors, celebrity wardrobes, and designer collections.

The fashion forecasting process includes the basic steps of understanding the vision of the business and profile of target customers, collecting information about available merchandise, preparing information, determining trends, and choosing merchandise appropriate for the company and target customer. Color and style are two of the important objects to forecast for most buyers and merchandisers.

Types of Forecasting

Long Term Forecasting

Long-term forecasting is the process of analyzing and evaluating trends that can be identified by scanning a variety of sources for information. It is a fashion which lasts over two years.[4] When scanning the market and the consumers, fashion forecasters must follow demographics of certain areas, both urban and suburban, as well as examine the impact on retail and its consumers due to the economy, political system, environment, and culture. Long-term forecasting seeks to identify: major changes in international and domestic demographics, shifts in the fashion industry along with market structures, consumer expectations, values, and impulsion to buy, new developments in technology and science, and shifts in the economic, political, and cultural alliances between certain countries. There are many specialized marketing consultants that focus on long-term forecasting and attend trade shows and other events that notify the industry on what is to come. Any changes in demographics and psychographics that are to affect the consumers needs and which will influence a company's business and particular niche market are determined.

Short Term Forecasting

Short-term forecasting focuses on current events both domestically and internationally as well as pop culture in order to identify possible trends that can be communicated to the customer through the seasonal color palette, fabric, and silhouette stories. It gives fashion a modern twist to a classic look that intrigues our eyes. Some important areas to follow when scanning the environment are: current events, art, sports, science and technology. Short-term forecasting can also be considered fad forecasting.

The Fashion Forecasting Process

a) Trend forecasting businesses

French companies based in Paris have traditionally dominated fashion forecasting. Although a number of larger ones are still based in Paris, many with satellite offices around the world, a number of new niche forecasters have emerged offering their own specialties of product and services.

Some better-known trend forecasters include:

.SachaPacha

.Peclers Trend Union

.Line Creative Partners

.Au Studio Promostyl

.Promostyl

Forecasting is more than just attending runway shows and picking out potential trends that can be knocked off at lower prices (although that is part of it). It is a process that spans shifts in color and styles, changes in lifestyles and buying patterns and different ways of doing business. What appears to be near random activity is in fact a process of negotiation between the fashion industry and the consumer, and between the various segments in the supply side chain.

b) Consumer research

Manufacturers and retailers may ask consumers directly about their buying preferences. Consumer reactions are compiled and tabulated to find preferences for certain garments or accessories, colors or sizes and so on, or products to fit specific consumer tastes.

Surveys, by telephone or mail are conducted by publication and market research companies for manufacturers and retailers. These surveys include questions about income, life-style, fashion preference and shopping habits. Customers are usually selected by the market research firm to meet with manufacturers or retailers. In-store informal interview can help researchers obtain information by simply asking customers what they would like to buy, what styles they like that are currently available and what merchandise they want, but cannot find. Because of their close contact with their customers, owners of small stores can often do this most effectively. The apparel supply chain has one purpose, i.e. to provide an appealing and desirable product to satisfy customer needs, wants or aspirations. When successful, the connection results in a sale, because this connection is the purpose of the process. Every forecast begins with the customer, by observing the customer's adjustments to the marketplace and in the unexpected ways the customer adjusts the marketplace to his lifestyle and preferences. Consumer research figures are important in decisions about product development, brand marketing and retailing.

c) Colour Forecasting

Stimulating sales is the driving force behind color forecasting. Color grabs the customers' attention, makes an emotional connection and leads them to the product. Even when the basic product stays the same, changing the color gives a sense of something new. Color consultants help companies decide on the right color story to sell the product. Some consultants specialize in advising on color. Others develop color forecasts as part of their overall product development function. Some large companies have departments dedicated to setting color directions for multiple lines. Professional color organizations bring together experts to

collaborate on forecasts for industries like women's wear, men's wear, children's wear and residential and non-residential interiors.

d) Textile Development

Frequently, the development of a completely new product is the result of a particular functional need, but often it is driven by the benefits offered by a new fabric. Specialist forecasters make the point that the technology is changing the range of product, as through the ranges of benefits that designers can build into garment product through the textiles used in construction.

Fabrics range from slick surfaces like leather and futuristic plastic to softer surfaces like cashmere, from flat weaves to heavy textures like boucle and from the solid structure of flannel to the web-like open structure of crochet. Clothing has been called "the second skin" in recognition of its intimate connection with a person's physical and psychological comfort (Horn, 1975). So it is not surprising that news about which fabrics are "in" or "out" plays such a prominent role in forecasting fashion. Newness in fabrics comes from the introduction of new fibers, the manipulation of yarn and fabric structures, variation in pattern and prints and innovative finishing processes. These innovations are introduced in trade shows and exhibitions held in the fashion capitals of the world.

e) The Range of shows

The fashion shows: The word here is its widest possible interpretation to refer to the range of organised textile and fashion garment trade shows, operating over the 16 months preceding season. Trade shows, whether yarn, fabric or product have a basic function, which is to sell products.

Visitors vary according to the nature of the show. A yarn show will attract a range of people including fabric manufacturers, some retail buyers and designers. The fabric show performs a more balanced role with great emphasis on then sales of the fabric, but with more retail designers and buyers attending, as the product on the show has a greater relevance to garment design. Garment design shows are much more diverse, ranging from the products trade shows through to the high profile Ready -to-wear Designer shows like London Fashion week and then the exclusive Couture shows.

Continuing this sequence, specialist product trade shows are held after the fabric shows.

These shows are segmented according to broad sector like men's wear or women's wear, and by specialist product categories, like sports wear or lingerie. These shows are a good indicator of color, fabric, styling and new products.

f) Sales Forecasting

Forecasting is relatively easy, straightforward and accurate for products with long lifetime and steady sales. However, the fashion apparel business is one of the most volatile, because it creates products that are new, highly seasonal or have short lifetimes. In such situations forecasts become increasingly inaccurate. Errors in sales forecasting result in two kinds of losses:

- . Markdowns, when retailers have unwanted goods remaining at the end of a selling period, such goods then must be sold, even at a loss.
- . Lost sales on more popular items because of stockouts (merchandise not available in stock at the time when consumers request it).

Companies have been slow to recognize the changing market environment and adapt forecasting practices to decrease the uncertainty about product demand. Sales forecasting impacts every apparel executive's work life, whether they help develop the analysis, read and act on the reports or merely react to the result of over- or under-estimating sales. For this reason, apparel executives need a basic understanding of the traditional approaches to sales forecasting and the leading-edge technologies making real-time marketing a reality in the apparel industry.

Eventually, a manufacturer and retailer researches his own sales record. Rising sales statistics show what fashion trends are developing and declining sales show what styles have passed their peak.

Overall sales show, that as style is not meeting consumer needs for quality or fit , its time to drop it from the line and move on to new styles.

Introducing Innovation

While attention is showered on the most exciting and extreme runway fashions, the mechanisms of fashion change work in the background to create patterns familiar to the most experienced fashion watchers. When an innovation arrives on the scene, individuals consider it for adoption. The cumulative effect of those decisions can be tracked in sales and visually on the street. In fashion terms, the innovation may be the invention of a new fiber or a new finish.

g) Cultural Indicators

In the apparel field, companies need an early warning system so that specific product categories can be fine-tuned to trends within a market segment. While timing is important, an agile and responsive company will be able to capitalize on trends whenever they are spotted;

sometimes just as a glimmer far in the future and sometimes as a phenomenon in the building stage. Waning trends are another signal. When some avocation, interest or lifestyle loses cultural power, it is a good time to survey the information landscape for the next big thing.

h) Final Stage of forecasting

The 'Fashion look' for the season is therefore the result of a process of development that combines the evolved views of textiles and product trade show, forecasters, designers buyers and ready to wear shows. Like collage, the final picture emerges after various layers have come together. Even though these shows have an impact on some last minute high street fashion buys, their major impact is mainly on reflecting the final views on trends close to the season. Crucially, the media coverage of the shows is another important dimension in the trend development process, as it highlights fashion trends that fashion editors believe will be strong for the forthcoming season. Such 'authoritative' coverage of the media, focusing attention on aspects of fashion, including the 'must-have' looks, colors and products influences the consumers' acceptance of hot trends for a season.

Forecasting fashion in the Indian scenario

The phenomenon of fashion moving from the ramp to the road seems to have started happening in India. Over the last one year, fashion has been highly visible, at least on the streets of metros. Western winds of fashion are reaching metros like Mumbai and New Delhi virtually overnight. We also see new categories added to customer wardrobes like clubwear, travel gear and loungewear. This indicates a segmentation of the customers' wardrobe. This also means that there are new brands and labels, although not heavily advertised, easing into the market riding on the trend of new segments. We expect this trend to rise further, mainly because fashion as a market allows brands to be created mainly on the product look. The biggest achievements are not from increasing efficiency, but by risk management. This would mean that by riding on fashion trend one would fetch maximum benefits. However, there is no agency today, which brands or retailers can follow for fashion forecast of domestic market. We still have to follow international forecasts and thereby miss out on lot of opportunities.

The role of a fashion forecaster

Fashion forecasters predict which silhouettes colours, textures, fabrics, graphics, prints, footwear, accessories, etc. will be the forthcoming trends on the runway and in retail stores from season to season. They do this by examining new and emerging trends across all industries, to see how they may influence future fashion trends. This includes new

developments across the creative industries. Of course, they'll also take into consideration what's happening in the world and any cultural shifts.

There are two types of fashion forecasting: short- and long-term. Short-term forecasting, known as fad forecasting, focuses on what trends will emerge across the next 1-2 years, while long-term forecasting looks much further into the future (typically 5-10 years). The latter also contributes to development of the fashion businesses' strategies, brand image, extending products lines and securing new business.

The internet plays a big role in fashion forecasting. Forecasters will research upcoming designer and celebrity collections and new looks popular on sites like Instagram. Ultimately, a fashion forecasters' responsibility lies in assisting designers and retailers to attract more customers and sell their brands.

Why is fashion forecasting important?

There aren't many areas of business that don't use forecasting, as it plays a huge role in dictating brand direction and the creation of new products or services. Fashion is one of the most crowded, and therefore competitive, industries there is – there are thousands of brands and retailers all battling to have consumers wear their products. Staying on top of what's hot, and what's not, is vital to retaining attention and custom.

The modern consumer goes through clothes quickly and wants to be able to copy the trends they see. Subsequently, trends come and go much quicker than ever before. Forecasting needs to provide designers and retailers with fresh ideas constantly, otherwise they fall behind the competition.

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