

A/ Assignment recap

- An analytical report examining the current situation of the Global and Vietnamese fashion industry
- The workings of the industry across the fashion value and supply chains
- Opportunities and challenges in the current fashion industry and how this affects enterprises operating in Vietnam

Suggested structure

I. Overview

II. Global fashion industry

1. Fashion business models
2. Market level pyramid
3. Fashion value chain and supply chain
4. Consumer markets
5. Opportunities and challenges

III. Vietnamese fashion industry

1. Vietnam within the global supply chain
2. Vietnam's fashion consumption
3. TOWS analysis

IV. Conclusion

B/ Key term definition

Fashion value chain

- The fashion value chain refers to the entire process of creating and delivering a fashion product from the initial design to the final consumer.
- Involves various stages such as design, production, sourcing of materials, manufacturing, distribution, retail, and consumption.

Note: Know the **difference** between fashion **value chain** and fashion **supply chain**. While the fashion supply chain is more narrowly focused on the physical processes of production and distribution, the fashion value chain takes a broader perspective, considering the entire lifecycle of a fashion product and the strategic elements that add value and differentiate the product in the market.

Fashion supply countries

Countries providing various elements within the fashion industry, including textiles, apparel, and accessories from the sourcing of raw materials to the manufacturing of products.

Fashion consumer countries

Nations or regions where there is a significant and influential consumer base for fashion products. These are places where people actively engage in purchasing and consuming fashion items, contributing to the demand for clothing, accessories, and other fashion-related goods.

Fashion business models

- How fashion businesses operate, generate revenue, and interact with consumers and other stakeholders. Fashion business models can vary widely based on factors such as the target market, product type, distribution channels, and brand positioning.
- Common business models in the fashion industry:
 - Retail: Macy's, Nordstrom
 - E-commerce: Amazon, ASOS, Net-a-Porter
 - Fast fashion: H&M, Zara
 - Luxury: LV, Dior, Hermes
 - Subscription: Stitch Fix, Rent the Runway
 - Brick and Click: Target, Uniqlo
 - Sustainable fashion: Patagonia, Eileen Fisher
 - Resale and secondhand: The RealReal, Poshmark, ThreadUp

Market level pyramid

- A framework used to categorize and understand the various segments or levels within the fashion industry based on factors such as price, brand positioning, target audience, and product quality.
- Typical levels include:
 - Haute Couture: Chanel, Dior, Givenchy, Valentino
 - Designer Fashion/Luxury Fashion: Gucci, Prada, Versace, Balenciaga
 - Premium or Bridge Fashion: Michael Kors, Tory Burch, Coach, Kate Spade, Ted Baker
 - High Street Fashion: Gap, Old Navy, Banana Republic, J.Crew, Mango
 - Fast Fashion: Zara, H&M, Forever 21, Topshop
 - Value or Discount Retailers: Walmart, Target, Primark

PESTLE

An acronym that represents a framework used in strategic analysis and business management to assess and understand the **macro-environmental factors** that can impact an organization or industry.

- **P - Political:** The impact of government policies, regulations, and political stability on an organization or industry. It includes factors such as government stability, taxation policies, trade regulations, and political ideologies that can affect business operations.
- **E - Economic:** Economic conditions and trends that can influence an organization. This includes factors like inflation rates, exchange rates, interest rates, economic growth or recession, and consumer spending patterns. Understanding the economic environment is crucial for making financial decisions.
- **S - Sociocultural:** Societal and cultural influences on business. This includes demographics, cultural norms and values, social trends, lifestyle changes, and consumer behavior. Companies need to adapt to evolving sociocultural factors to meet customer preferences and expectations.
- **T - Technological:** The impact of technology on the organization or industry. It includes advancements in technology, innovation trends, research and development, and the rate of technological change. Staying up-to-date with technological developments is crucial for competitiveness.

- **L - Legal:** Laws, regulations, and legal issues that can affect business operations. This includes labor laws, environmental regulations, intellectual property rights, and industry-specific regulations.
- **E - Environmental:** The impact of environmental issues and sustainability on the organization or industry. This includes factors related to climate change, environmental regulations, sustainability practices, and the organization's carbon footprint.

TOWS analysis

A strategic planning tool that builds upon the SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) to develop specific strategies for an organization.

- **SO Strategies** (Strengths-Opportunities): These strategies leverage the organization's strengths to capitalize on external opportunities. For example, using a strong brand reputation to enter a new market.
- **WO Strategies** (Weaknesses-Opportunities): These strategies involve addressing internal weaknesses to exploit external opportunities. For instance, improving workforce skills to take advantage of emerging technologies.
- **ST Strategies** (Strengths-Threats): These strategies aim to use internal strengths to mitigate external threats. This might include using strong financial resources to weather economic downturns.
- **WT Strategies** (Weaknesses-Threats): These strategies focus on minimizing both internal weaknesses and external threats. For example, cost-cutting measures during a period of economic recession.

