

C/ Detailed guideline

I. Overview (briefly state out all of your points that will be discussed later in the paper)

A quick introduction about the scale and impact of the current global fashion market

- The fashion industry has been developing enormously... creating impact on cultures and society...
- Global fashion revenue:
<https://www.statista.com/forecasts/821415/value-of-the-global-apparel-market>
- Number of workers in the fashion industry:
<https://www.globallivingwage.org/industries/garment-textile/#:~:text=The%20garment%20and%20textile%20industry,a%20stepping%20stone%20to%20development.>

Some points worth discussing (you don't have to discuss everything in the fashion system, pick some that are most appealing to you and give some good analysis)

- There are various business models in the global fashion market at different market levels, contributing to the complicated supply chain system and countless fashion choices for customers
- How business models are shifting after the pandemic
- Technology gains enormous attentions with AI, metaverse, NFTs and further digital application in the fashion industry
- The cultural and social impact of fashion elevated by social media, fashion trends, influencers, K-pop (in both positive and negative way)
- Vietnamese fashion is also growing to join the global discussion

II. The global fashion industry

1. Fashion business models

Give definition of a business model

Some common fashion business models in the fashion industry

Discuss conventional and new business models, analyze this change and the impact of new business models to consumerism and other business models

- Conventional business models are: retail store, luxury fashion, fast fashion
- New business models: e-commerce, subscription
- Give reason for the change: the pandemic, convenience, the new generation (Z) is more tech-savvy
- The impact:
 - Retailers have pressure to go online
 - Consumerism speed is getting faster thanks to the convenience (the skyrocket development of SHEIN)
 - Change the consuming habits

- Conscious Spending
- Decluttering and Wardrobe Management
- Consumers Look For Online Reviews and Social Proof
- Personalization Is Preferred

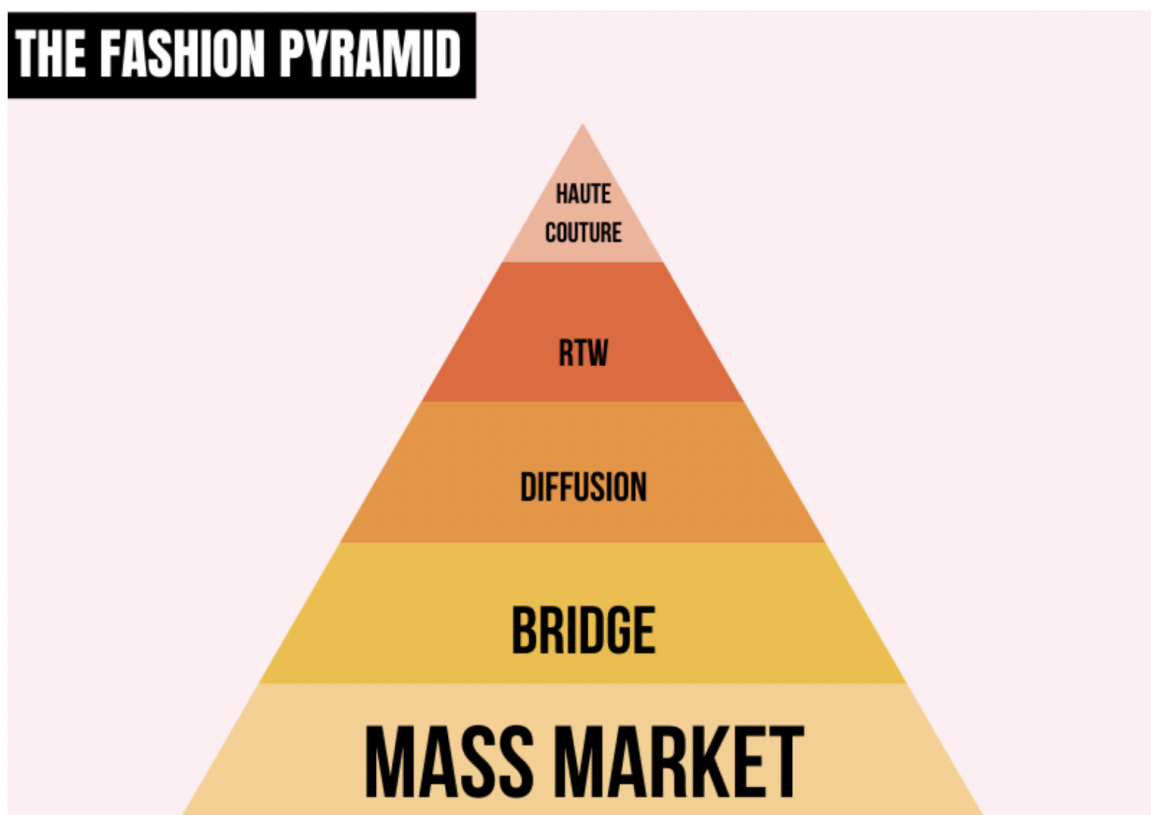
ALL REASONS MUST BE BACKED UP WITH CREDIBLE RESEARCHES


2. Market level pyramid

Give definition of the market level pyramid

Visually map out all market levels, their definitions with some examples for each level

Example



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Define haute couture:

<https://www.businessoffashion.com/education/fashion-az/haute-couture> + name some brands (Chanel, Dior, Givenchy, Valentino)

Do the same with other market levels

Analysis:

- Haute couture and luxury fashion are trend setter so fast fashion and mid market brands must follow
- Fashion brands in different markets communicate differently to the customers: luxury fashion focuses on legacy and high social status, lower segments take advantage of the production speed, number of new items produced and low cost

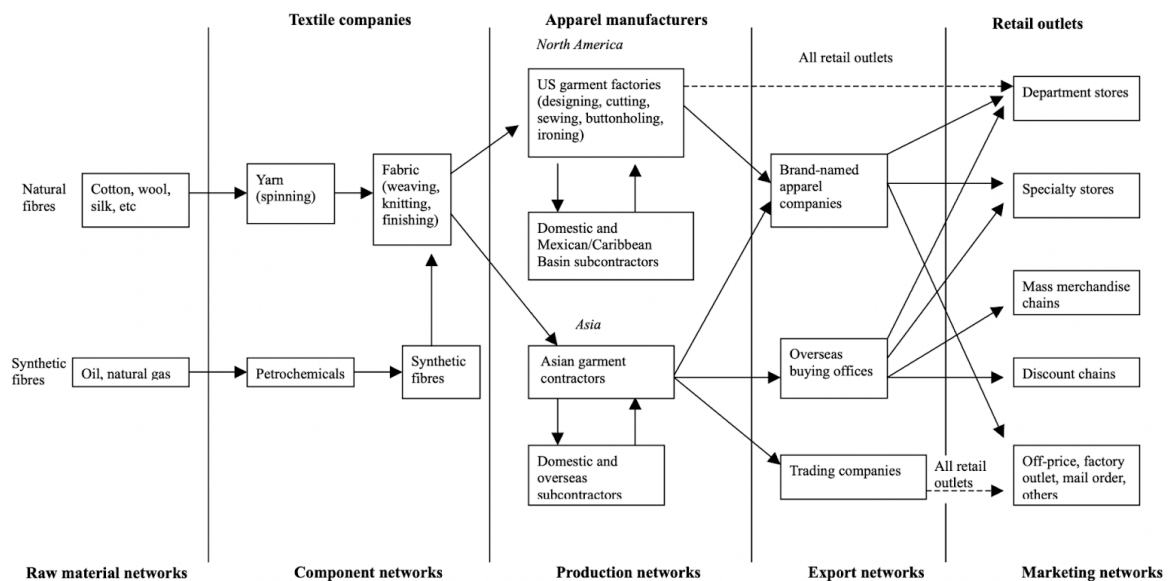
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3. Fashion value chain and supply chain

Value chain

Define fashion value chain: the series of activities and processes involved in the creation, production, distribution, and consumption of fashion products, from their initial design to their ultimate sale and use.

Give a visual for fashion value chain (from a research paper)



Appelbaum R and Gereffi G (1994) Power and profits in the apparel commodity chain, in Edna Bonacich et al. (eds), *Global Production: the Apparel Industry in the Pacific Rim* (Philadelphia, PA, Temple University Press, 1994), pp. 42-64

Example:

Analysis: main components of the value chain, for giant players such as Nike, H&M and Zara, each stage is done in different countries, most of them are developing countries to save cost. This leads to a highly complex global fashion supply chain.

Supply chain: Analyze main segments of the supply chain

- Raw materials: what are the most commonly used materials in the fashion industry (cotton, wool, nylon, polyester) and which countries are key exporters?
- Show statistics in charts or tables

Example

- Leading cotton exporters
<https://www.statista.com/statistics/191895/leading-cotton-exporting-countries/>
- Manufacturing: key players are China, Bangladesh and Vietnam (these countries are the key importers of raw materials), these countries offer low-cost production.
<https://www.statista.com/statistics/191896/leading-cotton-importing-countries/>
- Distribution and consumerism: top consuming countries are the United States, China, the United Kingdoms and Japan, people in these countries have high income to spend on fashion products
<https://www.statista.com/forecasts/758683/revenue-of-the-apparel-market-worldwide-by-country>
- Optional: discuss how macro factors may have impact on the supply chain (the pandemic for example) to add more depth to the report.

ALL REASONS MUST BE BACKED UP WITH CREDIBLE RESEARCHES

4. *Global consumer market*

Analyze dominant consumer markets (annual revenue, number of employments, opportunities for developments, etc). (60-80 words for each market)

North America

- The biggest apparel, fashion and beauty products consuming region in the world
- massive market for fashion businesses from all market segment
- <https://www.statista.com/forecasts/758683/revenue-of-the-apparel-market-worldwide-by-country>

Europe

- The home of a lot of haute couture fashion houses
- Culture of consuming high-quality fashion
- Sustainable apparel and wearable technology are also welcomed
- <https://www.cbi.eu/market-information/apparel/what-demand>

China

- The second biggest fashion market in the world
- <https://www.statista.com/forecasts/758683/revenue-of-the-apparel-market-worldwide-by-country>
- An attractive market for luxury fashion houses

- Fast fashion is growing massively in this country with the development of SHEIN

Middle East

- This market is worth \$50 billion with Dubai as the most valuable fashion capital
- The most valuable luxury fashion customers are from this region even though they are not appearing at fashion shows

India

- Another large market thanks to its huge population, promising for both luxury and mass fashion
- <https://www.statista.com/forecasts/758683/revenue-of-the-apparel-market-worldwide-by-country>

5. Opportunities and challenges

Opportunities

- Technology and metaverse:
 - How is the metaverse used by fashion brands and its impact on future consumerism? How technology is used to make online shopping, virtual fitting, buying process more convenient?
 - Digital Ownership and NFTs: Non-fungible tokens (NFTs) are being used to represent ownership of digital fashion items within the metaverse. This concept of digital ownership may reshape how consumers perceive and value virtual fashion, similar to physical fashion items.
 - Virtual Try-Ons: Virtual fitting rooms and try-on experiences in the metaverse enable consumers to virtually try on clothing and accessories before making a purchase. This technology provides a more engaging and accurate way to shop for fashion online.
 - Virtual Fashion Shows and Events: Fashion brands are hosting virtual fashion shows and events in the metaverse, allowing consumers to attend and experience them from the comfort of their homes. This not only broadens the reach of such events but also enhances the immersive and interactive aspects of fashion presentations.

Example:

- Virtual influencers: Lil Miquela, Janky & Guggimon, bee_nfluencer, Body by Ralph. Fashion brands do collaborations with virtual influencers to promote their products.
- Sustainable fashion:
 - <https://www.statista.com/statistics/1305641/ethical-fashion-market-value/>
 - Ethical fashion is gaining more recognition, especially after the pandemic. However, the competition with fast fashion is still challenging.

Challenges

- Macro factors
 - Post COVID, inflation making all resources more expensive (energy, fibers, labor, transportation cost)
 - Economic recession: people are less willing to spend on fashion

III. Vietnamese fashion industry

1. Vietnam within the global supply chain

- Vietnam is considered one of the most competitive manufacturers in the world, with a total export value of 44 billion USD in 2022 (show chart).
<https://www.statista.com/statistics/986023/vietnam-export-value-textiles-garments/>
- Analyze the reason why Vietnam is chosen by a lot of giant fashion brands
 - Politically stable
 - Free trade agreements Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Vietnam-EU FTA (EVFTA) push Vietnam's competitive edge
 - Low labor cost (show Vietnamese average garment workers' income in Vietnam)
 - China is applying policy to reduce fashion exporting
 - Near China geographically, which means it is convenient to move all processes from China to Vietnam

ALL REASONS MUST BE BACKED UP WITH CREDIBLE RESEARCHES

2. Vietnam's Fashion Consumption

- Vietnamese economic development reflected through total GDP, GDP per capita, annual economic growth rate. Based on the average income (<30 mil VND per month), affordable casual or lifestyle fashion brands' products are frequently used. Popular players are Viet Tien, Biti's, Canifa, Adidas, Nike, Zara, H&M and Uniqlo.
<https://www.worldbank.org/en/country/vietnam/overview>
<https://www.statista.com/statistics/1227952/vietnam-household-income-distribution/#:~:text=As%20surveyed%20by%20Infocus%20Me-%20kong,of%20under%204%2C990%2C000%20Vietnamese%20dong.>
- The growing demand for well-designed and high-quality fashion products: show how fashion trends and social media influence the way young people dress + the emerging of local brands (Fanci, Lalune, T-redx, Moi Dien) + Celebrating the Local Pride fashion show by Style Republic
- Vietnam is an emerging market for luxury goods: The number of Ultra High Net Worth Individuals (UHNWIs) in Vietnam almost doubled between 2017 and 2022 + fairly young demographics who are willing to spend on luxury fashion.
<https://vneconomy.vn/vietnams-ultra-rich-individuals-double-over-past-five-years.htm>
Do extra research to examine luxury fashion brands are planning to open stores in Vietnam

3. TOWS analysis

- SO
 - Vietnam possesses a youthful and well-trained workforce available at competitive labor costs, making it well-positioned to leverage the growing influx of Foreign Direct Investment (FDI) in conjunction with the efficacy of Free Trade Agreements (FTAs).
 - The extensive 3,260-kilometer coastline spanning from the northern to the southern region plays a pivotal role in facilitating the growth of maritime transportation.
- ST
 - Vietnam's favorable demographic profile, often referred to as the "golden population ratio," is expected to persist until approximately 2040 or 2050, according to Cu Nguyen and Nhung Tran in 2013. Therefore, Vietnam cannot exclusively depend on its role as a manufacturer in the long term. However, there is a positive trend in which Vietnamese workers are becoming increasingly educated and skilled, enabling them to excel in more professional work environments and earn higher incomes. This shift can play a significant role in addressing the challenge of over-reliance on manufacturing.
- WO
 - The Vietnamese textiles and garments industry currently faces a technology gap when it comes to meeting the requirements of Free Trade Agreements (FTAs). To address this gap, Vietnam is actively seeking technology transfer from advanced economies like Germany and Japan. This transfer of technology is aimed at enhancing and improving the quality of the manufacturing processes in the industry.
<https://vir.com.vn/textile-garment-thrives-with-technology-71742.html>
- WT
 - Through investments in technology development, Vietnam's textiles industry has the potential to reduce its reliance on manual labor. This shift toward automation and advanced technology can enhance efficiency. However, to fully participate in more advanced segments of the supply chain, education and skill development are essential to empower workers with the capabilities required for these advanced roles.
 - Vietnam is still heavily dependent on importing raw materials from other countries, leading to passive response to customers' orders. The plan of developing textile factories further is still being considered.

IV. Conclusion

Paraphrase all main ideas from the overview in 100 words.

Credible sources to do research

- Academic Journals and Databases (Google Scholar, RMIT library, Statista, Euromonitor)
- Fashion publications like "Vogue," "Harper's Bazaar," "WWD" (Women's Wear Daily), "Business of Fashion"
- Credible publications like The New York Times, BBC News, Reuters, The Guardian, The Washington Post, NPR (National Public Radio), Associated Press (AP), CNN, The Economist, Forbes, Bloomberg, National Geographic, The Wall Street Journal
- Websites of industry organizations such as the Council of Fashion Designers of America (CFDA), the British Fashion Council (BFC), and the Fashion Design Council of India (FDCI)
- Fashion Books
- Government and NGO Reports
- Fashion brands' websites

