

Factors driving fashion design industry: Key success factors of Thai designers' brands

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ABSTRACT

This study investigates key success factors that drive the fashion design industry in Thailand. It emphasizes only Thai designers and their brands. It measures the success of each brand by numbers of domestic and international branches, and numbers of given “like” in Facebook. It found that the linkages between the brands and popular movie stars, the advertisement in world class fashion magazine, and window display in department stores are three key success factors. Successful designers need not to be persons in hi-society. The fashion design industry opens to everyone who has design skills and creativity.

Keywords: Fashion design, Thai designer, Thai brand, Key success factor, Economics of fashion

JEL Classification: L67, O12, O31

1. Introduction

Economic and basic needs build all business to produce products for good quality of life and challenging life's movement. Businesses offer variety of products to response basic needs of human with imagination and creativity. The inspiration of fashion has created unique products to respond every class of consumers. The strongest entrepreneur must have their own creativities that lead to success.

Fashion design industry in Thailand has been at focus since a few years. The growing industry encourages Thai government to launch a policy of "Bangkok city of fashion". Many peoples awake and make their own brand. They aim to be international brands. This calls the awareness of teenagers. Moreover, the Thai government promotes Bangkok as a regional fashion hub and shopping paradise for luxury goods. (CBS, 2010)

This creative economy policy boosts employment brings revenue to the government based on tax. It attracts potential people who want to show their own master pieces in world competition.

This study will learn from approximately 60 brands of Thai young designer about their fresh idea and uniqueness of each brand and each designer. More importantly, it will investigate key success factors of these brands considering their numbers of branches both domestic and international. In social network, it also counts the popularity of each brand by being given "like" in their fan pages in Facebook. Then it uses quantitative method to find significant factors for the success of Thai fashion brands.

2. Literature review

Wenting and Frenken (2008) said that there were quite a few industries that were more competitive than fashion industry. Jansson and Power (2010) described gaps among global brands of fashion design. The study guided that fashion design should use actors to participate in the creation of image and story that support global status of each brand. It also suggested that multi-channel branding both international and local levels would support the industry. Rajagopal (2010) studied the preferences of consumers toward fashion apparel. It discussed marketing competitiveness of fashion retailers regarding to the promotion of brand image. The results showed that brand development significantly affects the purchasing intention among consumers.

3. Methodology

This study analyses five Tobit models. Dependent variables in the models are proxies of success of the brands in the fashion design industry. Explanatory variables are factors that might drive the industry. The details of the models are as follows:

Model 1

$$\text{InterBranch} = a_{11} + b_{11} * \text{Style1} + b_{21} * \text{Style2} + b_{31} * \text{Style3} + b_{41} * \text{Style4} + b_{51} * \text{Celebrity} + b_{61} * \text{Hiso_designer} + b_{71} * \text{Hi_magazine} + b_{81} * \text{Display} + \varepsilon_1$$

Model 2

$$\text{AllBranch} = a_{12} + b_{11} * \text{Style1} + b_{22} * \text{Style2} + b_{32} * \text{Style3} + b_{42} * \text{Style4} + b_{52} * \text{Celebrity} + b_{62} * \text{Hiso_designer} + b_{72} * \text{Hi_magazine} + b_{82} * \text{Display} + \varepsilon_2$$

Model 3

$$\text{InterBranchPerYear} = a_{13} + b_{13} * \text{Style1} + b_{23} * \text{Style2} + b_{33} * \text{Style3} + b_{43} * \text{Style4} + b_{53} * \text{Celebrity} + b_{63} * \text{Hiso_designer} + b_{73} * \text{Hi_magazine} + b_{83} * \text{Display} + \varepsilon_3$$

Model 4

$$\text{AllBranchPerYear} = a_{14} + b_{14} * \text{Style1} + b_{24} * \text{Style2} + b_{34} * \text{Style3} + b_{44} * \text{Style4} + b_{54} * \text{Celebrity} + b_{64} * \text{Hiso_designer} + b_{74} * \text{Hi_magazine} + b_{84} * \text{Display} + \varepsilon_4$$

Model 5

$$\text{LikePerYear} = a_{15} + b_{15} * \text{Style1} + b_{25} * \text{Style2} + b_{35} * \text{Style3} + b_{45} * \text{Style4} + b_{55} * \text{Celebrity} + b_{65} * \text{Hiso_designer} + b_{75} * \text{Hi_magazine} + b_{85} * \text{Display} + \varepsilon_5$$

where

InterBranch	=	Numbers of branches outside Thailand of a Thai fashion designer's brand
AllBranch	=	Numbers of branches both inside and outside Thailand of a Thai fashion designer's brand

InterBranchPerYear	=	Numbers of branches outside Thailand of a Thai fashion designer's brand divided by numbers of years that the brand has been established
AllBranchPerYear	=	Numbers of branches both inside and outside Thailand of a Thai fashion designer's brand divided by numbers of years that the brand has been established
LikePerYear	=	Numbers of "Like" given in fan page in Facebook of a Thai fashion designer's brand divided by numbers of years that the fan page has been created
Style 1	=	1 for a brand with creative style
	=	0 for other styles
Style 2	=	1 for a brand with leather style
	=	0 for other styles
Style 3	=	1 for a brand with dramatic Style
	=	0 for other styles
Style 4	=	1 for a brand with sexy style
	=	0 for other styles
Celebrity	=	1 for a brand that links its products with popular movie stars
	=	0 for a brand that does not link its products with popular movie stars
Hiso_designer	=	1 for a brand with designer who is well known of his or her status in hi-society
	=	0 for a brand with designer who is an ordinary person outside the hi-society
Hi_magazine	=	1 for a brand that advertises in world class fashion magazine
	=	0 for a brand that does not advertise in world class fashion magazine
Display	=	1 for a brand that do the window display in department store
	=	0 for a brand that does not do the window display in department store

To clarify the terminology in fashion design used in the models as follows.

- 1) The creative style means a style that designers mixed colors to create new looks. The designs are colorful. They may look totally opposite to classical or conservative styles.
- 2) The leather style means a style that heavily uses leathers from varieties of animals, e.g. crocodile, cattle, stingray and ostrich, to create dresses.
- 3) The dramatic style means a style that emphasizes shining metals. It adds metallic parts into dresses to reflect lights.
- 4) The sexy style means a style that intends to show seductive parts of body. It appeals the beauty of female body in a more sexy way than other styles.
- 5) Window display means the display in a small space or small room in front of the shop especially shops in department store. Usually the space is decorated by seasonal themes. It aims to show the latest designs offered by the shop or the brand. Glass windows separate the space and the audience such that audience cannot touch products.

The study uses Tobit to analyze all the models. This is because the dependents variables are continuous but censored at zero (Suriya, 2010). It expects that there are many zero numbers in the observations, e.g. numbers of international branch. Therefore, Tobit is appropriate than Ordinary Least Squares (OLS) to estimate the effect of the explanatory variables that drives the success of the Thai brands.

4. Data

The study includes 60 brands of Thai designers (Table 1). The authors derive data from both primary and secondary sources. First, we interview some designers who own the brands. Second, we retrieve data from magazine and internet. Third, we access to Facebook and find the fan pages of the brands. We use information from these sources to fill a spreadsheet and fortunately find that they are enough for the estimation of econometric models.

The study also uses the expert opinion of one of the authors to formulate the data. Accumulated knowledge on fashion of Pattaresa Neawnan helps a lot in fine tuning the information. She lives with fashion. By her dressing in everyday life, it is undoubtful that she is one of the fashion leaders in Chiang Mai. Her observations to fashion, fashion designers and their designs fill essential data for the study.

TABLE 1. Brands of Thai designers in the study

No.	Brands	No.	Brands	No.	Brands
1.	10 / 10	21.	Misile	41.	The oddyssee
2.	27 Friday	22.	Mai anan	42.	Tipayaphong Poosanaphong
3.	Anurak	23.	Nsha ohelier	43.	Titipon
4.	Bangkok karisma	24.	Nuj novakhett	44.	Tube gallery
5.	Chai Gold Lebel	25.	Olanor	45.	Wonder anatomic
6.	Curated By Ek	26.	Painkiller	46.	WWA
7.	Happy berry	27.	Pichajak	47.	Zenithoril
8.	Disaya	28.	Piyapong	48.	Munchu
9.	Ek thang Prasert	29.	Q designand play	49.	Landmee
10.	Flynw	30.	Secret weapon	50.	Papercet Pecil
11.	Good mixer	31.	Senada theory	51.	Chocolate high
12.	Grey hound	32.	Shake appeal	52.	Danaiya
13.	Headquarter	33.	Singha life	53.	Kwankan
14.	Issue	34.	Sirivanavari	54.	Mangmoon
15.	It shappendtobeacloset	35.	Soda	55.	Rouge Rouge
16.	Kai boutique	36.	Sorapol	56.	Vickteerut
17.	Kloset red carpet	37.	Sretsis	57.	Sanshai
18.	Kai sumannagate	38.	Suphanut Suwansanya	58.	Bangkok smiths
19.	Mathematics	39.	Teerabul	59.	Amata
20.	Milin	40.	Thakoon	60.	Tutti

5. Results

This section show results of Tobit estimations for the five models. Table 2 displays key success factors for international branches of Thai designers' brands. Table 3 shows he factors for all branches both domestic and international. Table 4 takes the duration of brand establishment into account for re-estimation of international branch. Table 5 presents the same consideration as in table 3 but for all branches. Table 6 measures the success by numbers of "Like" given by fans in Facebook and take the duration of the creation of the fan pages into account.

The results show that the variable "Celebrity" which is the association of popular movie stars to the brands is significant in almost all measurements of success. It is the key success factor for fashion design industry. It indicates that fashion and movie stars are couples who cannot be apart. Advertising the designs by offering dresses to super stars is one of the best strategies for fashion designers.

World class magazine is another key success factor for fashion design industry. In the model of international branch and international branch per year, magazine is significant. International magazines are influential to customers to trace fashionable trend. Advertising the designs in international magazines introduces the designs to the world. It drives the brand to be famous and be able to set up a branch abroad

TABLE 2. Key success factors for numbers of international branch of Thai designers’ brands

Dependent Variable: InterBranch					
Variable	Coefficient	s.d.	t-stat	Prob > t	95% confidence interval
Style1Creative	13.85956	7.847502	1.77	0.084	-1.918899 29.63802
Style3Dramatic	5.702043	6.987723	0.82	0.419	-8.347715 19.7518
Style4Sexy	6.979273	10.33208	0.68	0.503	-13.79476 27.75331
Celebrity	49.85818	10.70019	4.66	0.000	28.34401 71.37234
Hiso	8.212027	5.90695	1.39	0.171	-3.664693 20.08875
Magazine	28.64137	9.88653	2.90	0.006	8.763173 48.51957
Display	-6.407117	6.010716	-1.07	0.292	-18.49247 5.678238
Constant	-14.52441	6.79537	-2.14	0.038	-28.18741 -8.614013
/sigma	14.54463	2.26794			9.984632 19.10463
LR chi2(7)			40.48		
Prob > chi2			0.0000		
Log likelihood			-103.79912		
Pseudo R ²			0.1632		

Note: Style2 “Leather” is dropped from the model.

Source: Estimation using Stata 10.

TABLE 3. Key success factors for numbers of all branches (both domestic and international branches) of Thai designers’ brands

Dependent Variable: AllBranch					
Variable	Coefficient	s.d.	t-stat	Prob > t	95% confidence interval
Style1Creative	2.441354	7.878357	0.31	0.758	-13.40786 18.29056
Style2Leather	-2.973706	11.83873	-0.25	0.803	-26.79016 20.84275
Style3Dramatic	7.988951	7.334861	1.09	0.282	-6.766887 22.74479
Style4Sexy	.1067062	11.30585	0.01	0.993	-22.63773 22.85115
Celebrity	38.64005	13.28162	2.91	0.006	11.92088 65.35922
Hiso	4.321649	6.21842	0.69	0.490	-8.188199 16.8315
Magazine	17.43708	11.86432	1.47	0.148	-6.43084 41.30501
Display	3.44258	5.958681	0.58	0.566	-8.54474 15.4299
Constant	-.4298777	6.740511	-0.06	0.949	-13.99004 13.13028
/sigma	18.27607	1.742539			14.77054 21.78161
LR chi2(8)			26.27		
Prob > chi2			0.0009		
Log likelihood			-237.84922		
Pseudo R ²			0.0523		

Source: Estimation using Stata 10

TABLE 4. Key success factors for numbers of international branch per year of Thai designers' brands

Dependent Variable: InterBranchPerYear					
Variable	Coefficient	s.d.	t-stat	Prob > t	95% confidence interval
Style1Creative	5.429928	3.459937	1.57	0.124	-1.552508 12.41236
Style3Dramatic	1.627232	2.95817	0.55	0.585	-4.342596 7.59706
Style4Sexy	-.2157609	4.673189	-0.05	0.963	-9.646638 9.215116
Celebrity	16.17124	4.339117	3.73	0.001	7.414543 24.92793
Hiso	4.095726	2.523232	1.62	0.112	-9.963622 9.187815
Magazine	9.027467	4.038236	2.24	0.031	.8779772 17.17696
Display	-3.208606	2.748263	-1.17	0.250	-8.754826 2.337614
constant	-5.908194	2.84956	-2.07	0.044	-11.65884 -.1575497
/sigma	5.829546	.9838114			3.844134 7.814957
LR chi2(7)			31.04		
Prob > chi2			0.0001		
Log likelihood			-68.562986		
Pseudo R2			0.1846		

Note: Style2 "Leather" is dropped from the model.

Source: Estimation using Stata 10.

TABLE 5. Key success factors for numbers of all branches per year of Thai designers' brands

Dependent Variable: AllBranchPerYear					
Variable	Coefficient	s.d.	t-stat	Prob > t	95% confidence interval
Style1Creative	-2663.686	5748.191	-0.46	0.646	-14358.47 9031.096
Style2Leather	578.6509	7242.419	0.08	0.937	-14156.16 15313.46
Style3Dramatic	4626.307	4996.18	0.93	0.361	-5538.497 14791.11
Style4Sexy	2039.508	6853.462	0.30	0.768	-11903.97 15982.98
Celebrity	-5931.019	8438.098	-0.70	0.487	-23098.46 11236.42
Hiso	-2762.405	3995.59	-0.69	0.494	-10891.49 5366.684
Magazine	-1268.458	7094.084	-0.18	0.859	-15701.48 13164.56
Display	7286.508	3983.833	1.83	0.076	-818.6607 15391.68
constant	-1385.669	4599.784	-0.30	0.765	-10744 7972.662
/sigma	10181.48	1153.894			7833.869 12529.1
LR chi2(8)			6.43		
Prob > chi2			0.5991		
Log likelihood			-416.36488		
Pseudo R2			0.0077		

Source: Estimation using Stata 10.

TABLE 6. Key success factors for numbers of “Like” in fan pages in Facebook per year of Thai designers’ brands

Dependent Variable: LikePerYear					
Variable	Coefficient	s.d.	t-stat	Prob > t	95% confidence interval
Style1Creative	1.185323	2.781982	0.43	0.672	-4.433004 6.803651
Style2Leather	-2.222102	3.897295	-0.57	0.572	-10.09285 5.648644
Style3Dramatic	1.103017	2.490607	0.44	0.660	-3.926866 6.1329
Style4Sexy	-1.080008	3.70915	-0.29	0.772	-8.570789 6.410773
Celebrity	13.3993	4.36397	3.07	0.004	4.586085 22.21252
Hiso	3.296949	2.116142	1.56	0.127	-.9766868 7.570585
Magazine	3.462059	3.906465	0.89	0.381	-4.427206 11.35132
Display	.1017165	2.138604	0.05	0.962	-4.217283 4.420716
constant	-.076134	2.265762	-0.03	0.973	-4.651933 4.499665
/sigma	5.970593	.6031209			4.752566 7.188621
LR chi2(8)			22.29		
Prob > chi2			0.0044		
Log likelihood			-157.08346		
Pseudo R2			0.0662		

Source: Estimation using Stata 10.

Window display is the third key success factor especially for the establishment of domestic branches (Table 5). It shows the latest fashion designs to all segments of customers. People can easily find shops of Thai designers in department stores. By window display, shops attract customers who pass by to visit them and probably buy their products.

6. Discussions

The results that reveal the effect of movie stars and celebrity on the success of fashion industry are accordant to the findings of Jansson and Power (2010). Moreover, the significance of window display is also accordant to the study of Rajagopal (2010). This study adds that world class magazine is also another key success factor. Previous studies may concern the magazine as a channel to promote brand image but they have not directly and quantitatively addressed the effect of magazine to the success of the designers.

One essential answer that this study fills the knowledge gap is the effects of the social status of successful designers. The variable “Hiso” is insignificant in all models. It shows that everyone can be designer. Not only people in hi-society that achieve the success in the fashion industry but also ordinary people with design skills and creativity can do so. Therefore, the industry opens to all classes of people.

7. Concluding remarks

This study searches for the key success factors of Thai designers' brand by using Tobit model. It quantifies three significant key success factors that drive the fashion industry. First, the association of the brands to popular movie stars is a must for the success. Second, advertisement of the designs in world class magazines opens the opportunity for the brands to international market. Last, window display in front of shops in department stores attracts and encourages domestic customers to purchase the designs. It leads the brand to expand more numbers of their domestic branches.

The study also finds that fashion design industry opens for people from all classes. Successful designers need not to be persons in hi-society. Therefore, the industry is fair and open for every individual who has design skills and creativity. The market and customers will judge the designs regardless of the social status of designers.

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