

APPAREL AND ACCESSORIES

## Global fashion industry complicates “made-in” claims: Fashionbi

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*Brunello Cucinelli makes its garments in Italy with Mongolian cashmere. Image credit: Brunello Cucinelli*

By SARAH JONES

Country of origin is a key positioning tactic for luxury products, but growing globalization in the fashion industry is making it more difficult to differentiate the geographic source of goods.

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Many nations such as Italy only require part of a good's manufacturing process to take place in their country before the product is eligible for a "made in" label. According to a report from Fashionbi, this potential for ambiguity coupled with consumers' increasing attention to the supply chain behind their purchases are pushing brands to be more transparent.

"People tend to believe that if a brand has a French, Italian, American, etc. name it means that all the products of this brand are made in France, Italy, the USA, etc. and the brands are spending millions on marketing campaigns to maintain such perception, while in today's reality, very few companies can be 100 percent transparent with the location of production and origin of materials," said Yana Bushmeleva, chief operating officer at **Fashionbi**, Milan.

"In the majority of cases the country of brand origin doesn't coincide with the country of production," she said. "And the reasons are quite obvious. The companies are looking for higher margins by placing the production in 'cheaper' regions.

"At the same time, today's customers become more educated and concerned about a sustainable aspect of the industry in general. Hence, fashion companies should take into consideration such requests for transparency in order to develop the business in the long-term perspective."

Country of origin

Fashionbi's "**Mystery of 'Made-in' in Fashion**" report notes that rather than accepting what is told to them by brands, consumers today conduct their own research into brands' production processes.

Consumers are also becoming more aware of the social and environmental impact of their clothing.

Today, China is the world's largest apparel exporter, with Bangladesh following in second place. Bangladesh has the lowest paid fashion producers, who earn about \$2 per day of work.

There has been a race to the bottom as labels attempt to cut costs in their production, a strategy that has been aided by globalization. While manufacturing in developing economies does provide local jobs, the work conditions are often unhealthy.

In addition to the human cost of fashion, consumers are also weighing the ecological impact of their purchases.

Globally, consumers buy 80 billion articles of clothing per year, leading to lots of waste as consumers throw away garments to make space for the new. The industry is also the number two polluter.

For luxury brands, whose images are tied to nations such as Italy or France, production may still involve raw materials sourced from other countries. For instance, Brunello Cucinelli sources cashmere from Mongolia, while Loro Piana uses Peruvian vicua wool.



*Loro Piana gets its vicua from Peru. Image credit: Loro Piana*

In jewelry, Tiffany & Co. gets its diamonds from mines in locales such as Botswana, Canada, Russia and Sierra Leone. With consumers concerned about the social implications of mining, Tiffany's marketing stresses that its diamonds are sourced in a responsible and environmentally friendly manner.

Certain regions and nations are perceived to be superior at production of certain goods. For instance, Italy produces 45 percent of the clothing in the European Union, with brands such as Giorgio Armani, Brioni and Salvatore Ferragamo calling it home.

Meanwhile, Switzerland is often associated with high-end watchmaking such as the timepieces produced by Patek Philippe or Jaeger-LeCoultre.

Fashionbi looked at the labels on a number of luxury products, and found that while some brands produced solely in their country of origin, others have diversified their manufacturing. For instance, France's Saint Laurent had garments made in France as well as Italy and Japan.

For luxury brands, producing outside their native country can be a means to elevate a product by association. For instance, both Ralph Lauren and Marc Jacobs have produced handbag styles in Italy, drawing on the country's strong reputation in leather goods.

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"For sure for true luxury brands, the 'made in' is the pillar of the brand and true luxury customers are paying for high-quality materials and craftsmanship," Ms. Bushmeleva said. "And as you may notice, such companies often reminds us of the excellence of the product via special campaigns, for example 'Brunello Cucinelli - Behind the Brand' or 'The Beauty of Gesture' by Herms.'"

#### **Consumer clarity**

While Fashionbi suggests that brands opt for a level of transparency surrounding their products, it notes that there are a number of different approaches taken by brands. The amount of disclosure brands can range from giving consumers a complete understanding of the making of a garment to making little reference to production aside from the required "made in" label.

Most luxury brands air on the side of transparency, using details about their production as a marketing tactic.

British fashion label Mulberry not only built up its image of craftsmanship and quality, but also of intimacy and family.

"Meet Our Family" is the fashion brand's campaign to build more of a connection with fans and consumers by showing its intimate company atmosphere. The video brings users behind the scenes at Mulberry's Somerset factories, where the ethos of the brand begins ([see story](#)).

Italian fashion label Valentino similarly highlighted the craftsmanship behind its designs ahead of its Haute Couture show to demonstrate the quality of its products.

Luxury brands often take time to connect with consumers by revealing the craftsmanship behind-the-scenes to show the real caliber of their products. Valentino is using this strategy by giving its seamstresses a platform to discuss the passion that goes into making couture items ahead of its Haute Couture presentation on Jan. 24 in Paris ([see story](#)).

"This is a strategic choice of the company," Ms. Bushmeleva said. "The brands already mark the products with 'made in' on the product's label but somehow skip this information when it comes to PR and marketing. For example, at the online stores many companies put 'imported' or just skip this information at all.

"At the same time, there are new players on the market like Arket or Oliver Cabell, who decided to be transparent with the clients.

"If the brand can benefit from the product geography, it's worth it to build a communication strategy around it or, like in case of Arket, the brand can conquer the trust of the customers by disclosing the information, even if the product doesn't come from the 'luxurious place.'"