Dimensions of Fashion Retailer Internationalisation

“A UK snapshot”

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Introduction

Three problems...

- RI literature derived from wider sources.
- RI literature generalist in approach.
  Specialist sectors = specialist demands.
  Complex markets = complex conceptualisations
- FASHION RI literature too focused?
  Considers specific cases.
  Fails to represent a distinctive research area.
Uppsala School:
• Johanson & Wiedersheim-Paul (1975)
  Incremental & chronologically evolving model.
Retail application:
• Treadgold (1991); Salmon & Tordjman (1989)
Three strategies defined by:
  Capital investment & ownership.
  Control & management structures.
  Consistency of formats, offer & marketing.
## Background

### Fashion context:
- Superficial ‘global’ approach.
- Suitability to franchising & licensing.
- Brand appeal vs. international variances.
- Diversity with the market...
  ...diversity within business models.

→ Time to reconsider the models?

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Aims:

• Build contemporary view of fashion retailer internationalisation in UK.
• Conceptualise according to existing frameworks and evident patterns.
• Identify emergent themes & issues in order to inform conceptual framing.
Method

- Build snapshot of Glasgow market.
- Classify according to existing frameworks.
- Identify contemporary practices.

- Observational data collection.
- Content analysis.
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Analysis

- 147 fashion “retailers” identified.

<table>
<thead>
<tr>
<th>Country</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>111</td>
</tr>
<tr>
<td>USA</td>
<td>14</td>
</tr>
<tr>
<td>France</td>
<td>4</td>
</tr>
<tr>
<td>Italy</td>
<td>4</td>
</tr>
<tr>
<td>Spain</td>
<td>3</td>
</tr>
<tr>
<td>Germany</td>
<td>3</td>
</tr>
<tr>
<td>Denmark</td>
<td>2</td>
</tr>
<tr>
<td>Ireland</td>
<td>2</td>
</tr>
<tr>
<td>Sweden</td>
<td>2</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1</td>
</tr>
</tbody>
</table>

- 36 ‘import’ to the UK
- 34 ‘export’ from UK (31%)
### Data

- **Breakdown of retailers by type:**

<table>
<thead>
<tr>
<th>Type</th>
<th>Foreign</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Specialist</td>
<td>6 (17%)</td>
<td>7 (21%)</td>
</tr>
<tr>
<td>Fashion Designer</td>
<td>7 (19%)</td>
<td>8 (24%)</td>
</tr>
<tr>
<td>Gnrl. Merchandise</td>
<td>3 (0.1%)</td>
<td>2 (6%)</td>
</tr>
<tr>
<td>General Fashion</td>
<td>20 (56%)</td>
<td>17 (55%)</td>
</tr>
</tbody>
</table>
### Data

- **Breakdown by foreign mkt. entry method:**

<table>
<thead>
<tr>
<th>Entry Method</th>
<th>Foreign*</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Expansion</td>
<td>29 (81%)</td>
<td>11 (32%)</td>
</tr>
<tr>
<td>Merger</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Franchise</td>
<td>6 (17%)</td>
<td>15 (44%)</td>
</tr>
<tr>
<td>Joint Venture</td>
<td>1 (3%)</td>
<td>2 (0.6%)</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mixed Methods</td>
<td>0</td>
<td>6 (18%)</td>
</tr>
</tbody>
</table>

*To UK market and this store specifically

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Initial Findings

- Classifications need refinement.
- Market entry methods simplistic.
- General Merchandisers most prolific.
- Franchising preferred UK export method.
- Internal expn. preferred UK entry method:
  - 12 of 14 US, 2 of 3 German, 3 of 3 Spanish.
- Increasing importance of mixed methods.
Conclusion / Future Research

- Need for further detailed study.
- Replication in other UK/European cities.
- Develop classifications of fashion retailer.
  - Market position.
  - Product portfolio.
  - Market entry method.
- Revise market entry categories.
- Analyse according to product sectors, nationalities, market positioning, etc...