

Encouraging Fashion Entrepreneurship in Singapore

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Abstract

This article focuses on entrepreneurship in the fashion industry in Singapore, especially in the business of apparel fashion designing and retailing. The objective of this article is to examine the factors that contribute to the success of fashion entrepreneurship in Singapore. It considers the support given to the fashion entrepreneur, the fashion schools in Singapore, the difficulties encountered in starting and running such a business, and the success factors in fashion entrepreneurship. The article concludes that the limited domestic market and lack of capital are the major difficulties designers encounter in starting a fashion business in Singapore. However, support by the Singapore government and the fashion schools has increased over the years. Talent, availability of capital and hard work seem to be the deciding factors that determine the success of a fashion business.

Keywords: Fashion Entrepreneurship, Singapore

Introduction

Fashion business includes all the industries and services connected with fashion: design, manufacturing, distribution, retailing, advertising, publishing and consulting; in other words, any business concerned with fashion goods or services (Stone, 1990). In a narrower sense, fashion business deals with the business engaged in designing and retailing, that is, selling the finished products to the consumers.

Fashion can be viewed as an art or a science. It is an art because so much creativity is required in its products. Unlike most other businesses where conformity is the norm, fashion nurtures innovation and creativity in those who have chosen to work in this industry to help bring out the culture of people. Fashion is also a science because modern fashion manufacturing requires technology to be mass productive. Almost all stages of clothing from design to delivery depend on technology.

Although fashion is a highly personal business, it is still a public business. Clothing design has always been about the designer's ideas. However, one cannot examine the personal element in fashion without also considering the customer because the making of clothes is very much a public business. The fashion business must always cater to the mass market, which is growing in expectations.

Fashion Entrepreneurship in Singapore

Singapore produced its first local design a decade ago. At that time, local design was relatively unknown to the public who preferred imported merchandise or tailored fashion wear. Since the 1990s, local fashion has become more widely recognised by Singaporeans.

The fashion shows organised by the Economic Development Board (EDE) help immensely in projecting Singapore designers as professionals in this industry and giving them the needed coverage in the media. Subsequently, shopping centres like Tangs, Hemispheres (the once hip haven for local designers in Orchard Road, started by Mr Perry Lin) and others support local designs by making fashion wear easily available to the public. As more recognition is now given to local designs, many famous local fashion designers like Mr Thomas Wee, Ms Esther Tay and others take the lead to set up their own fashion boutiques in Singapore. For example, Mr Perry Lin first embarked on childrenswear before venturing into womenswear, creating the label Cultivation (*The Straits Times*, 6 October 1992). In 1986, Mr Joey Chang started Javy Fashions in Park Mall, with Ms Amy Wang's designs.

Despite such moves, it is felt that Singapore designers can have stronger visibility as a group rather than as individuals setting up boutiques on their own. The fashion entrepreneurial spirit among local fashion designers should be encouraged even more.

Support for Fashion Entrepreneurship

Financial assistance and trade incentives, administered through the EDB and the Trade Development Board (TDB) help to finance local fashion entrepreneurs. Developmental assistance through the Design Venture Programme and the Materials Technology Centre helps in meeting the developmental needs of fashion entrepreneurs in areas of finance, technology, computerisation, productivity, business development, and human resource development.

EDB plays an active role in encouraging the apparel industry in Singapore to develop beyond manufacturing to broader activities like design, marketing and retailing of branded in-house labels. TDB's development plan is to turn Singapore into a major centre for fashion in this region. What is important is not where fashion is born but where it is traded. Singapore, with her well-developed communications network, financial and transportation infrastructure, is most ideal as the base of operation for the fashion industry. This has led to the opening of the \$6.5 million Saga fashion speciality shop at Park Mall, Penang Road, in June 1992. This speciality store is a platform for Asian contemporary fashion where Asian fashion designers meet in a convenient one-stop location to promote fashion wear. This, however, gives only limited support to fashion entrepreneurship in the sense that local fashion designers are still not encouraged to design apparels and sell them through their own boutiques. Nevertheless, this has resulted in wider publicity of fashion

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and instilled fashion consciousness in the minds of the public. With more Singaporeans becoming more fashion conscious, local fashion designers will be encouraged to come up with more designs and set up their own boutiques. Fashion entrepreneurship is becoming more encouraged in this way.

Currently, Fashion Connections promotes this region's fashion on a regular basis. The annual fashion extravaganza, held primarily to promote Singapore and Asean fashion, includes the Asean Clothing and Design Contest and the ASEAN Fashion Design Show. Such events were first held in 1988, jointly organised by TDB, the Textile and Garment Manufacturers' Association of Singapore and supported by EDB.

Fashion Schools in Singapore

To further enhance fashion entrepreneurship, three premier fashion schools in Singapore, the Nanyang Academy of Fine Arts (NAFA), La Salle International Fashion School (LIFS) and Temasek Polytechnic provide the required academic support.

Nanyang Academy of Fine Arts (NAFA)

NAFA provides a few courses on fashion: a three-year full-time diploma course on fashion design, a two-year part-time certificate course on fashion design, a two-year part-time certificate course on tailoring and a 2-year part-time certificate course on fashion merchandising. The fashion merchandising certificate course is particularly useful to those who have a basic knowledge of fashion and are interested in fashion business while the other courses emphasise more on fashion designing but they also have fashion merchandising as an elective subject so that students can learn both design and marketing. This useful combination suits students who wish to start their own fashion business in the future. In the fashion merchandising elective subject, students learn the operational aspects of retail business such as human resource, retail security, customer service techniques, basic skills of mark-up, mark-down percentage, inventory calculations, advertising functions, introduction to apparel production as well as organisational structure, store planning and promotional activities.

La Salle International Fashion School

Set up in 1990, this school offers two- and three-year diploma courses in fashion designing and fashion merchandising. In September 1992, a new software system, the Pattern Aided Design or PAD system, was introduced in the school. This system offers cheaper and speedier pattern design, grading and marking. It is advanced, user friendly, cost effective and functions as a modern tool to enhance the creative process in fashion design.

Temasek Polytechnic

Temasek Polytechnic started a new media design course in August 1992. Designed by professionals from the London Institute, this three-year design course covers areas like advertising, promotion, publicity, printing, publishing, and multimedia. The London Institute is a well-known federation comprising higher learning institutions, which specialise in art and design. Their professionals aim to establish more link-ups with schools and institutions in this region. Students who have completed this course can gain admission into one of the Institute's colleges where they can work towards a degree in two years' time.

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Factors Favourable for Fashion Entrepreneurship

Although the domestic market in Singapore is small with a population of about three million, there are several factors that are favourable in Singapore for the fashion industry.

Economic State

The strong Singapore economy and high-income level among Singaporeans means more people can afford to buy luxury items. Local designers' products can, therefore, become popular items especially among the young who like to purchase branded goods.

Fashion-conscious Singaporeans

Singaporeans are becoming more fashion conscious. Being in an affluent society, Singaporeans go beyond basic necessities as they can afford to buy quality products. Local fashion products are marketed at a high price here and this signals a more premium quality, which many Singaporeans are willing to pay for.

Receptiveness to New Ideas

As Singapore has an open economy, which relies on the export and import of goods and services, Singaporeans are more open to new ideas. This is reflected in the way Singaporeans dress, especially the young.

Governmental Support

Over the years, the Singapore government has gradually recognised the significance and potential of the fashion industry. In fact, the government has expressed its aim of making Singapore a fashion centre comparable to that of Hong Kong. To this end, Temasek Polytechnic provides diploma courses for fashion design. Furthermore, the Singapore government also provides subsidies for other private fashion schools.

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Tourist Haven in the Orient

According to the World Tourism Organisation, Singapore is the 10th biggest tourism earner in the world. In terms of popularity as a tourist destination, Singapore was ranked 19th with 6.6 million international tourist arrivals in 1995, 5.2 per cent more than in 1994 (*The Straits Times*, 21 March 1996). With a wider array of work provided by our local designers, Singapore will be even more attractive to tourists as a place to spend their money, although the 1998 economic crunch in the region somewhat affected retail business.

Cheaper Local Fashion Products

Compared with foreign branded design, our local designers' products are affordable, yet of high quality. There is, thus, scope for a growing market for local fashion products in the competitive fashion industry.

Factors Unfavourable for Fashion Entrepreneurship

Singapore can never become a fashion centre unless more young and creative designers join the industry, which constantly requires new blood to bring out the vibrancy of the fashion industry. It is always prestigious to be a fashion entrepreneur who can carve out a niche in this competitive fashion industry. However, there are factors, which can stifle this daring attempt to break out on one's own.

Size of the Domestic Market

The issue of poor prospect concerns the small size of the fashion market in Singapore. Compared to other fashion-oriented countries like France, Italy and America, Singapore's small domestic market means that only a moderate level of sales can be expected. Also, quite a number of established local designers have dominated the local fashion market, which is already flooded with many big time foreign designers who enjoy international reputations. It is, therefore, quite difficult for potential young designers to enter the market unless there are sufficient channels for young designers to display their designs. The opportunity cost of setting up a fashion business in Singapore can be quite high as to discourage fashion entrepreneurship.

Exporting to overseas markets is the only way to get around this problem. This was what Ms Esther Tay did by successfully anchoring herself to the Japanese market. However, in order to do that, the designer must first be established in the local market and have the financial capability to expand overseas.

Conservatism

Although Singaporeans can be influenced by western culture because of our open economy, we are still very much oriental in our values and tastes. Cer-

tainly sexy clothing is given much thought before any Singaporean attempts to try it out.

Support For Local Designers

Although the government and the fashion schools are all out to support local fashion designers, the support compared to that offered by other fashion-oriented countries is still insufficient. This can result in lower quality of designs and the inability of local designers to compete with foreign designers.

Also, big retailers would rather carry labels of established designers. This cuts off a viable option for many aspiring designers who want to design their own labels but lack the financial resources to display them.

The Richness of a Singapore Culture

Unlike other countries such as France and Italy, which have years of cultural history, Singapore has less than 40 years of culture since her independence. This probably explains why our local designers have yet to design clothes that can reflect the Singapore culture. However, given some more years down the road, when the Singapore culture will be rich enough, our local designers may one day be able to create designs that truly reflect the uniqueness of the Singapore culture.

Lack of Capital and Resources

Start-up capital usually comes from the family, friends and associates, as banks are often reluctant to finance designers who are fresh from school and have no proven track record. Very often, even talented designers are content to work for established designers and certain departmental stores. For example, Metro offers a chance for young designers to work under its department where the designs produced do not carry the designers' name as the work of all designers is marketed under one brand only.

Besides high shop rentals, there are labour and material costs to consider. As one designer, Mr David Wang, puts it, "The cost of everything is rising, except the price of the clothes!"

Limited resources can also hinder expansion plans. Others face the problem of getting the materials required in their designs as some of these materials are available only overseas and there are extra costs incurred in acquiring them, especially with currency devaluation in this region's economic crunch. The lack of skilled and dedicated labour also adds to the problem of resources.

Limited Publicity

Potential customers may not be aware of new designs because local designers do not advertise much. This problem is worsened if local designers have lim-

ited financial resources to even rent a shop in prime shopping areas in the city to display their designs. Businesses located in the Orchard area require a higher start-up capital due to extensive refurbishing for an uptown image and high rent. For example, shop rental in the Orchard area is easily \$25 to \$55 per square foot; in neighbouring Suntec City Mall, it is about \$8 to \$25 psf; and in the suburbs, it is as low as \$2 to \$4 psf, although these have been lowered with the economic crunch in the region.

It is equally problematic if local designers do not have the contacts in the fashion world. Although winning a designer's award will significantly raise the visibility of new designers and their work, it is by no means an easy task.

The only viable option is to have good contacts with the local press and fashion journalists. When the press comments favourably on a young designer's work, it generates a positive impact on the perception of potential customers.

Academic Support

Almost all the courses offered in Singapore's fashion schools are diploma and certificate courses and only some are degree courses. This is unlike the fashion schools in England and France, which offer more professional courses. A degree course on fashion can help to enhance the professional status of the graduates in this field as well as to widen their knowledge of fashion. A linkup with the London Institute in Temasek Polytechnic can certainly make available more degree courses in future.

Success Factors in Fashion Entrepreneurship

To succeed in fashion entrepreneurship in Singapore, young fashion designers must carefully consider the following factors.

Satisfying Market Needs

In order to satisfy customer needs, extensive market research into the latest trends in the local fashion market must be carried out so that new designs that differentiate from others can be created as fast as trends change to meet the needs of customers and to capitalise on opportunity. Designs must also be suitable for Singapore's climate and cater to the taste of Singaporeans although designs can be very much affected by overseas design.

Customer Goodwill

Having good relations with customers is guaranteed business in the long run. Goodwill enhances the reputation of the business and brings more business. To gain customer goodwill, one must focus on quality and service.

Capital

Without sufficient capital, it is almost impossible to upgrade the quality of the clothes designed and satisfy market needs. One simply cannot acquire quality materials or have sufficient skilled labour to produce quality work. Financial skill is also important in managing capital properly. This includes the ability to decide how best to acquire funds at minimal cost, to forecast funding needs, to prepare budgets, to be familiar with sources of financing, and to manage cash flow.

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Know-how

Know-how is the expertise in starting a fashion business and includes specific know-how associated with the design of an outfit to general business skills. A fashion entrepreneur needs not only a basic knowledge of fashion but also keen interest and talent in this field. Talent means the ability to design one's own distinctive style - a style that can be differentiated from others. Some of the more successful designers are self-taught, yet they can still succeed because they are talented. Their ability to conceptualise a design and translate it into something wearable is an inborn talent that cannot be taught in fashion schools. Indeed, this is a crucial factor in attracting and retaining customers who can easily recognise quality that comes from talent.

Other skills can be learned from books and previous experience. Through books and education, one can acquire in-depth knowledge of fashion and business management. Business management skills range from purchasing quality materials at the best price to ensure good internal control of the business to motivating staff, marketing and selecting a strategic location for the boutique. Previous work experience in the same or related field can also help in acquiring such knowledge. In fact, most famous local designers have limited education on fashion, as they are mostly talented self-taught fashion entrepreneurs who have learned through experience.

A young designer needs to have years of experience before he or she can establish a foothold in the fashion business. Experience is best gained by working for established designers or clothes retailers. However, valuable experience can only be gained if young designers are given a chance by their bosses to express their creativity in their designs as well as to learn the finer points of managing a fashion business.

Risk Taking

A successful fashion entrepreneur is often willing to take risks to achieve his or her goals. One has to overcome the prevailing "kiasuism" to strike out and learn from mistakes. Mr Joey Chang of Javz Fashions is one such risk taker who dared to start a boutique instead of seeking employment with his business administration degree.

Publicity

A certain level of publicity is necessary to create customer awareness of the designer and his or her clothes. Publicity is usually generated by organising fashion shows in hotels or restaurants. These are good exposure grounds for the works of designers. Interviews by newspapers and fashion magazines can also help. Participating in fashion design competitions generates free publicity for the designer and the winner will certainly benefit the most from the publicity. Lastly, knowing the right people helps because the fashion world is dominated by influential people who can help a newcomer cope with the problems and fit into the fashion world comfortably.

Sacrifice and Commitment

Starting a new venture requires major sacrifices in one's lifestyle, family and standard of living. For instance, the success of Leslie Loong Boutique is based on the commitment of its staff who often work very long hours.

Total dedication and perseverance are important as in any other business. This is where self-confidence matters. Generally, successful entrepreneurs have faith in themselves and their products. They have an internal locus of control, as they do not believe that success or failure is governed by fate or luck or external forces. This is very important if they are to successfully convince others of their work or ideas. As one designer puts it, "if you yourself do not believe that your work is good, who will?"

Visionary Leader

A visionary leader not only has leadership qualities but also patience and quick thinking. The ability to think on one's feet and get things done quickly is Mr Perry Lin's secret of success. On the other hand, patience is also in his success formula. These two seemingly contradictory factors can be explained by the fact that a successful entrepreneur is both a doer and a visionary. He is a doer when he strives to achieve results quickly. However, he is also a visionary when he takes a longer-term view and has the patience to mark time till that happens.

Sense of Humour

Being in business is a serious matter but the ability to retain one's sense of perspective and to know oneself makes it possible for an entrepreneur to laugh so as to help ease tension and manoeuvre out of unfavourable situations. Humour can help one to maintain good customer relationships and lead employees effectively.

Flexibility

Flexibility means the ability to modify behaviour to meet changing conditions and the willingness to stray from the original plan when it becomes evi-

dent there is a better way of achieving the objective. Besides flexibility in managing the business, a successful designer also needs to compromise on his or her design. One should not insist on designs that score high on creativity but low on marketability simply because it makes sense to realise that few will dare to wear it. Thus, there must be a balance between creativity and commercial viability in design if the designer hopes to survive in fashion business.

If a designer wants to be successful, he or she has to be versatile in today's world and make clothes to cater to everyone. Even the Singapore Young Fashion Designers Contest recognises the importance of this factor as it bases its judgment on originality and commercial viability of the clothes designed.

Quality

To maintain a competitive edge, designers must set high standards in their designs. This is important in an intensely competitive fashion business where only the best can survive, especially in Singapore where affluent customers will not compromise on standards. Indeed, high quality work is essential to win customers' confidence and trust and to ensure repeat business. No designer can, therefore, afford to rest on his or her laurels.

Recommendations

The following are some strategies for young designers to succeed in fashion entrepreneurship in Singapore.

Practical Experience

In the fashion industry, experience counts. By working under some established local designers, new entrants into this field can gain enriching experience such as how to cater to the needs of the customers and communicate effectively with them. These cannot be learned from theory alone. As an example, a famous local designer, Mr David Wang, once held two design-oriented jobs before starting out on his own. Through this, he learnt how to run a business.

Seeking the Services of Professionals

Designers may wish to engage the services of professionals such as financial accountants and marketing experts to help them plan and run their business. A financial accountant can help to plan the business in a way that will reduce cost and maximise profits. Marketing professionals can help to gauge market sentiment and channel the right products to meet the needs of customers more effectively. Ultimately, whether this can be done depends on the availability of financial resources. However, the engagement of professional services is important, as a designer may be talented in designing but not in running a business.

Expanding Overseas or Finding a Market Niche

As Singapore is a small market for fashion business, designers must expand overseas. This can also help to enhance the image of Singapore fashion both in Singapore and in other countries.

Even for fashion designers who choose to compete in the domestic market, they must find a market niche for their designs, that is, to cater to the customers' needs in that segment. For example, cheap and good is a blockbuster concept in today's skin-flint market where young working girls want trendy basics that cost no more than their lunch. THIS Fashion caters to this by selling mix-and-match clothes at rock-bottom prices (*The Straits Times*, 12 April 1998) . Designers must therefore perceive fashion trends and be flexible in order to meet changing conditions at home and abroad.

Acquiring Skills

Designers need to have good interpersonal skills as they have to liaise not only with their employees but also with outside parties such as fashion journalists, suppliers and bankers.

Furthermore, designers must possess good management skills in problem solving, decision-making, personnel administration, negotiation, planning and project management. Such skills can often be acquired by attending management courses.

Advertising

The importance of advertising must be emphasised. American labels are so successful simply because of the way they market their clothes. Even when their economy was in the slump, they could still convince people to buy. It is amazing what advertising can do for a fashion business. Due to the lack of funds available to designers, advertising may not be a feasible solution. However, designers can pool their resources together and advertise their designs collectively similar to what Econ minimarts do in retail business.

Conclusion

The fashion industry in Singapore is braced for a change. The early problems can be overcome with now greater government support (especially taking arts education in Singapore to a higher plane with a proposed new arts institute on campus) and greater consumer awareness of fashion and a Singapore culture. With more graduates in the field of fashion, this industry will gain the attention of entrepreneurs who will then contribute more actively in the glamorous world of fashion designing and retailing.

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