

## Fashion and Globalization, its Influencers and Marketing

Iria Pérez Gestal

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### Abstract

*Very few would dispute the fact that we live in a global world, where local economy, politics and culture do not longer belong to and influence their immediate surroundings alone, but a large extent of the rest of the globe. This context of merging borders has entailed drastic changes in the way goods and services are produced and distributed and in how information and ideas are transmitted. Fashion, both a business and a cultural good, has not been impervious to that: on the one hand, fashion is a multi-billion dollar industry that has to survive in a more and more competitive global market and produce for a trans-continental audience; and, on the other hand, it is also an immaterial good and the way it is transmitted, shared and created changes along with society. Both fashion and globalization are complex and multidimensional phenomena, and the analysis of their connection can be approached by a wide variety of disciplines. Throughout this essay I will analyse what and how has changed in fashion with globalization, focusing on the influence economical<sup>1</sup> and cultural<sup>2</sup> globalization have had in the transmission of trends and the structure and behaviour of the industry. Firstly, fashion is one of the few cultural goods that we carry with us every day and have a role in our daily life, so the way trends are created and transmitted is affected both by changes in the diffusion of culture –as it happened with cultural globalization- and by changes in society. Secondly, fashion industry has, as every other, been affected by economic globalization. However, unlike any other industry, fashion produces ephemeral cultural goods, and so the production of clothes has also been affected by the new model of transmission of trends with cultural globalization.*

**Keywords:** Fashion, Globalization, Influencers and Marketing

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### 1.0 INTRODUCTION

For the analysis of transmission of trends I took as a frame of reference two major works on fashion sociology: *The Theory of the Leisure Class*, by Thorstein Veblen and *The Empire of Fashion*, by Gilles Lipovetsky. *The Theory of the Leisure Class*, written in 1899, defined the transmission of trends according to a vertical model, that is, innovations in fashion are created for the high society, who is then imitated by the lower classes. Clothes, he argued, were the most visible way in which the leisure class, that is, the part of society that is wealthy enough to avoid manual labouring, could flaunt their wealth: “No apparel can be considered elegant, or even decent, if it shows the effect of manual labour on the part of the wearer, in the way of soil or wear.”<sup>3</sup> According to this theory, trends are transmitted one at a time, and following the social hierarchy, from top to bottom.

Almost one century later, in 1987, Lipovetsky<sup>4</sup> questioned this model: according to him, in the more open society of the twentieth century, people did not longer imitate the upper class but their fellow man, that is, the diffusion of fashion had changed from a vertical model to an horizontal one. After the Ready to Wear revolution, the way people dress does not correspond so obviously as before to their social status, because there is no longer one aesthetic valid but many. “There is no longer one fashion, but a multiplicity of fashions equally legitimate”<sup>5</sup>. In the 21<sup>st</sup> century, Ana Martínez Barreiro discusses more recent model, arguing that “with the effect of taylorism, mass media and social mobility, innovations do no longer take elites as reference but the middle class, who are now the main characters of contemporary economic life”<sup>6</sup>. Wiswede went one step further and proposed the model of virulence<sup>7</sup>, a freer and uncontrollable transmission of culture that, like virus, propagate across borders and classes.

Secondly, in order to analyse how economic globalization has influence the production of clothes, I took the definition Martínez Barreiro made of the new economic scenario: “economy is now global and informational. It is informational because a business’ productivity and competitiveness relies on its capacity to generate, process and apply information efficiently. And it is global because the production, consumption and as well as their components (capital, labour, raw materials, management, information technology, markets) are organized globally.”<sup>8</sup> However, for

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<sup>1</sup> “Economic globalization referes to the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, flow of international capital and wide and rapid spread of technologies.” Shangquan (2000): 1

<sup>2</sup> “Cultural globalization refers to the transmission of ideas, meanings and values accross national borders” Inda & Rosaldo (2002): 3

<sup>3</sup> Veblen (2008): 175

<sup>4</sup> Lipovetsky (1990)

<sup>5</sup> Lipovetsky (1990): 119, as quoted by Martínez Barreiro (2004): 142

<sup>6</sup> Martínez Barreiro (2004): 141

<sup>7</sup> Wiswede’s work was written in German, and Martínez Barreiro (2004) translated this term to Spanish. The term I use here is my translation to English of the latter.

<sup>8</sup> Martínez Barreiro (2004): 144

American economist Charles Oman, “globalization is more usefully understood as a microeconomic phenomenon – one that is driven by the strategies and behaviour of TNCs”<sup>9</sup>. According to Piore and Sabel, the production organisation changed in the seventies, when the economic crisis led to a “second industrial divide”<sup>10</sup> and the old mass production model on assembly lines was replaced by flexible production. Oman compared both systems as follows “the common denominator of flexible organisations, relative to fordist organisations, is that they significantly reduce waste and therefore enhance productivity by reversing the logic of taylorism, i.e. by integrating thinking and doing at all levels of operation within an organisation.”<sup>11</sup> At the same time, the internationalisation of the capital that began with globalization was also starting to be done in new ways. The change manifested itself in the transfer of industrial production from the industrialised countries, resulting in a gradual emergence of a new international division of labour<sup>12</sup>. Delocalization has been analysed by numerous academics from different perspectives: neo-classical economists have generally come to the conclusion that delocalization have had favourable net effects on the economies of the developing countries, while Marxist researches have stressed the negative impact of TNCs upon the economic and social development of peripheral societies<sup>13</sup>

## 2.0 METHODOLOGY

In order to analyse how fashion has changed with globalization, I will firstly analyse how creation and transmission of trends have changed in this new scenario: who are the trend setters now and what is the path aesthetics follow to become global. To that end, I will discuss the different models sociologists have proposed in the last century, and try to raise some light to the relationship between how society has changed in the last fifty years and the changes fashion has underwent in that same period of time. Taking the work of Martínez Barreiro<sup>14</sup> and Ichiwaka<sup>15</sup> as a starting point, I will then focus on the industrial facet of fashion, specifically in the production and distribution of clothes. Firstly, I will analyse the influence that the changes in the transmission of trends had in the industry, how the structure of the business has changed and which new business models have appeared with globalization.

Secondly, I will talk, from a microeconomic perspective, about how clothes are produced and distribution in a global economy, giving special attention to the just-in-time distribution system major low-cost fashion company Zara implemented with great success at the beginning of the century and the increasing delocalization of production in the fashion business. Throughout the essay, I will illustrate the theories with examples of the industry, and compare luxury brands to mass retailers in order to give a view as global as possible on how globalization has affected this empire of the ephemeral.

Finally, I will look at the relationship between globalization and fashion in the opposite direction, concluding my work with a brief reflection on what is the role fashion plays in a changing world, and which challenges will it have to face in the years to come.

## 3.0 TRANSMISSION OF TRENDS

In the pre-globalization world, trends were transmitted vertically and from up to down, that is, fashion houses designed for the upper class, and those were later imitated by the lower classes. This “pecuniary emulation”, as Veblen put it<sup>16</sup>, is a consequence of the increasing value ownership started to have with the industrial revolution. Property, said Veblen, became “the most easily recognized evidence of a reputable degree of success. It therefore becomes the conventional basis of esteem”<sup>17</sup>. People were valued for what they have, and thus they imitated upper classes in order to be identified with them. Consequently, upper classes had to innovate again to distinguish themselves from the lower. “As fast as a person makes new acquisitions, and becomes accustomed to the resulting new standard of wealth, the new standard forthwith ceases to afford appreciably greater satisfaction than the earlier standard did.”<sup>18</sup>. In the 20<sup>th</sup> century, this dynamic started to change. Classes began to be more open and moving from the lower class to the upper was still difficult, but at least possible now, and the role of women was beginning to change in the Western world. The most illustrative example of this change is the case of Gabrielle ‘Coco’ Chanel, daughter of a salesman and a housewife, and born in an orphanage in the north of France, and who ended up creating one of the biggest

<sup>9</sup> Oman (1994) as quoted in Martinussen (1997): 120

<sup>10</sup> Piore & Sabel (1984)

<sup>11</sup> Oman (1994): 86

<sup>12</sup> Martinussen (1997): 114

<sup>13</sup> Martinussen (1997): 123, 124

<sup>14</sup> Martínez Barreiro (2004)

<sup>15</sup> Ichiwaka (2008)

<sup>16</sup> Veblen (2008)

<sup>17</sup> Veblen (2008): 28, 29

<sup>18</sup> Veblen (2008): 31

fashion brands and changing the rules of fashion forever. She dressed high society women with stripped tee shirts inspired by those worn by the sailors in France, camellias usually worn by the servants in Great Britain and pearls that were, at that time, only popular in Russia. Her designs were made for the upper class, but inspired by the lower. But perhaps the big change was that she did that with ready to wear collections, and not Haute Couture as it was the trend at that time.<sup>19</sup> However, new trends were still transmitted one at a time, in the only two collections the designers made a year. Moreover, although Chanel was inspired by the lower-class for her creations, that does not invalidate Veblen's model, because trends did not exactly flow from down to up: what was *in fashion* was still set up by what the upper classes wore, even though particular garments were inspired in the lower classes attire.

The up to down system was valid until mid 20<sup>th</sup> century. The end of Nazism and other dictatorships supposed a change in western society –making it more open and democratic- that inevitably affected the way fashion is transmitted. In this new context, said Martínez Barreiro “the diffusion of taste and fashions is done indirectly, given that power has lost the capacity to be spectacular and recognisable, being now more abstract and anonymous without losing its structural position”<sup>20</sup>. If the power is no longer so visually identifiable and, thanks to economic development, lower classes can improve their life quality without the upper losing their privileges, clothes cannot sustain their position as “basis of esteem” as strongly as before. The world was more democratic and so was fashion: in the fifties, “the ready to wear revolution began to allow everyone to wear fashionable yet inexpensive clothes”<sup>21</sup>, replacing Haute Couture as the trendsetter.

In addition, many scholars have pointed out individualism as another cause for the change in transmission of clothes. Lipovetsky calls this “the second individualist revolution”<sup>22</sup>, where the private life becomes more important than the public one, and the permissive and hedonist values have replaced the old moral based on obedience. Fashion is now not only linked to the pleasure of being seen and appreciated by others, but also to an own hedonistic pleasure: each individual can choose what fashion he or she wants to imitate, and do it for their own pleasure and as a reaffirmation of their freedom<sup>23</sup>. Moreover, images, items and people can now travel worldwide faster than ever, and the new information and communication technologies make trends able to cross borders almost instantaneously. With tools for a faster and cross-border transmission of ideas, and now that distinction between classes has blurred, the sources of inspiration can come from everywhere: firstly, the border between prêt-à-porter and street wear has disappeared, and now the lower-classes attire can be the influence for designers; and secondly, in a more democratic society, imitation can now also occur among equals, which explains the increasing, across-classes popularity of street style blogs. Thus, trends flow from top to bottom, from bottom to top and among the middle class, and they do it so constantly they overlap each other. This is what Wiswede, as quoted by Martínez Barreiro<sup>24</sup>, called “virulence”: fashion spreads like a virus, and the source of a new trend is usually untraceable. The cultural unity, be it an idea, behaviour, fashion or style, that spreads uncontrollably is named “meme”, and was first introduced by biologist Richard Dawkins in *The Selfish Gene*.

Memes replicate themselves jumping from individual to individual by endless imitation, and, like genes in the Darwinian evolution theory, they compete with each other<sup>25</sup>. This new form of transmission of trends ends with the old “season trend”, settled by fashion houses twice a year, and allows many different trends to exist at the same time having all the same value. However, this model has also been criticized by other academics like Squicciarino<sup>26</sup>, who argued that, behind the appearance of a more equal society, the classic pyramidal model still exists, and popular masses are being told what to do (or what to wear) by a constant bombarding of advertising and media stories that act like a filter of trends for the middle class. Nevertheless, although the influence of media and advertising is undeniable, it cannot be ignored that popular culture has a stronger influence than ever on major fashion houses and among the elites. Grunge, for example, inspired Heidi Slimane for his first collection as creative director at Saint Laurent<sup>27</sup>, and this year's Costume Institute gala, hosted by Vogue magazine and that takes place at the Metropolitan Museum of Art in New York, was dedicated to punk<sup>28</sup>.

All in all, although there is no general agreement on which the new model of transmission is, it is undeniable that the old vertical model is no longer valid. A more equal and individualistic society has ended with the old direct

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<sup>19</sup> Madsen (2009)

<sup>20</sup> Martínez Barreiro (2004): 143 (translated by me)

<sup>21</sup> Ichiwaka (2008): 254

<sup>22</sup> Lipovetsky (1990): 9

<sup>23</sup> Martínez Barreiro (2004): 142

<sup>24</sup> Wiswede (1971), in Martínez Barreiro (2004): 141

<sup>25</sup> Richard Dawkins (2000)

<sup>26</sup> Squicciarino (1990): 166

<sup>27</sup> The Guardian (4/3/13)

<sup>28</sup> Woman's Wear Daily [WWD] (6/05/13)

imposition of trends that now flow across classes, and globalization has made possible the fast transmission of new fashions across borders too; thus, with a wider range of trends to choose from, it is now almost impossible to be completely *demodé*.

#### 4.0 PRODUCTION AND DISTRIBUTION

In the context of a global world and with the transmission of trends being trans-borders as well, the old model of a local brand, driven by its creator and that produces for a local audience is no longer valid. Brands have to produce for a global audience and sometimes the key to their survival is to be present in markets thousands of miles away. For designer brands born one or two centuries ago and that were created to sell to a much smaller audience, to change their communication and distribution dynamics in order to reach millions of customers requires a great investment that many of them cannot afford. For that reason, many of them gathered in powerful conglomerates that provide them financial support. Almost all major designer brands are down by one of this three groups: LVMH (French), Kering, called before PPR (French) and Richemont Group (Swiss). Thus, although they sell to a global audience and foreign creators design their products, the owners of the most important luxury fashion houses are still Europeans. In addition, this concentration supposes a bigger control over creators, because the interests of a bigger business are at stake. Balenciaga, for example, was created by Spanish Cristóbal Balenciaga, who designed and owned the brand until he died in 1972. Now, Balenciaga's creative director is now Alexander Wang, an American born to Vietnamese parents, and it is own by French group Kering. Wang has also another brand with his own name, own by Kering as well. Almost all brands established one century ago and that are still on active duty today have followed the same path, except for Chanel and Hermès, whose owners are family-related to the company.

As we have seen, the production of fashion goods is strongly influenced by the way trends are transmitted. With the latter being more frenetic than ever, the product life cycle is shorter, and therefore the obsolescence of last season's products, much bigger. This new scenario has made possible the success of recent mass retailer's brands like Zara and H&M, which produce a wide variety of clothes at low prices and sell at a global scale. Their creation process is also global: "market-driven brands such as H&M can have up to 100 designers scan world trends for inspiration, and to ensure their collections will reach a global audience".<sup>29</sup> The production speed is almost as fast as the appearance of new trends, and the low price of the clothes allow the fashionable customer to follow the same dynamic, adapting their attire to the last novelties. But how did designer brands adapt to the new dynamic? Luxury fashion houses still present two Haute Couture shows a year, but now it has lost its place as the trendsetter, Haute Couture is only a marketing tool, a creative show that luxury brands use to differentiate from others, strength their identity and justify their elevated prices. At the same time, almost every design-oriented brand presents four Ready to Wear collections a year: fall, spring, pre-fall, cruise, and some do also capsule collections for special occasions. All in all, their main earnings still come from iconic pieces of the house like Chanel's 2.55 bag or No. 5 perfume when it comes to luxury houses, and from cosmetics and perfumes in all others designer brands.<sup>30</sup>

At the same time, fashion production has also been affected by economic globalization. The old taylorism system was too rigid and expensive for the new dynamics of economy, and it was replaced by flexible production. One of the key features of flexible production identified by economists Charles Oman is the continuous, incremental innovation "flexible production involves changes all along the value-adding chain. It is a dynamic and continuously evolving system, due in part to its own emphasis on continuous innovation in the production process as well as in products and product features."<sup>31</sup> This model allows fashion companies to produce more personalised products according to the needs of their customers. Inditex, a Spanish fashion holding that includes Zara and Bershka, among others, has taken this flexibility to the next level with the just in time system (JIT). Their logistical centre is connected in real time with the over 1000 stores Inditex has around the world, and every store has to report everyday which articles, colours and sizes have been more successful. Then, twice a week, these articles are restocked, and new clothes are sent according to the preferences of the customers.

This supposes an important saving in storage and maintenance (both of raw materials and of products in process and finished)<sup>32</sup> and makes financially possible for them to be up to date in fashion trends, and selling them at low prices. In addition, globalization has made possible for many fashion companies to relocate their production to developing countries like India, where the cost of labour is lower, with the aim of reducing costs and being more competitive in global economy. Although neo-liberalists economists have pointed out that this may have a positive influence in the development in these countries, facts indicate otherwise. Companies delocalize according to four

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<sup>29</sup> Ichiwaka (2004): 254

<sup>30</sup> Thomas (2008): 43

<sup>31</sup> Oman (1994): 86

<sup>32</sup> Castellano (1993): 403



criteria: a comparatively cheap, disciplined and unorganised workforce, a legal framework that is favourable for foreign investors, the opportunity costs (what other countries offer) and that the infrastructures are good enough for the running of the company<sup>33</sup>. When companies move their production to countries where labour laws are weaker, or unions are banned, they take advantage of this situation and contribute to it, impeding the developing of this places that keep giving them advantages to avoid losing the money input that their presence there supposes. This process could be inverted if companies changed their criteria, and delocalize to countries where worker's rights are taken into account, and so countries that do not do so would have to change if they want these companies not to leave their country. Finally, although delocalization is key for mass retailers because it allows them to keep low prices, some high-priced brands like Armani also produce in developing countries<sup>34</sup>. Usually, the label still reads "made in Italy" because the products are finished in Europe<sup>35</sup>.

Designer brands are, as Ichiwaka pointed out "deeply related to people's identities both at the individual and national levels." Chanel sells Parisian chic, Ralph Lauren sells the American way of life, and Armani sells Italian lifestyle. This intangible part of the clothes is what makes these brands aspirational and more expensive. If they delocalize without reducing their prices nor improving the quality of their clothes, they risk losing their identity, so fragile and hard to achieve. On the other hand, luxury brands like Hermès and Chanel keep producing their most iconic products in France and in an artisanal way. It is also more expensive, but it gives the brand an added value that allows them to compensate the expense with higher prices.

## 5.0 CONCLUSION

Fashion is, consciously or not, present every day in our lives. With the ready-to-wear revolution in the fifties, fashion contributed to make society more egalitarian, and at least the attire was not a barrier between classes any more. Fashion opened to the world, and thanks to cultural globalization, anyone can now become a reference of trends and influence and inspire the creations of the designers. But to adapt to this constant flow of trends, and the fierce competitiveness of participating in a global market, the industry has relocated their production to developing countries, where workers produce in terrible conditions. This is a big step back on the path that began sixty years ago, and as long the industry keeps taking advantage of inequalities between citizens of the world, the democratization of fashion will not be complete.

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<sup>33</sup> Martinussen (1997): 119

<sup>34</sup> BBC (21/12/10)

<sup>35</sup> EL PAÍS (27/12/09)

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