

## Editorial

# Logistics in Garment Industry

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## Editorial

Transport and distribution in the right place at the right time, with the least possible cost, is the aspiration of every manufacturer. Logistics requires the following activities from manufacturers [1]:

- Designing and construction of fashion products should take dimensions of the product into account,
- The way, the size and shape of packaging,
- Factors of arranging the commercial packaging and its fitting into transport packaging,
- Utilization of cargo and storage space,
- Manipulative characteristics of products, commercial and transport packaging.

As the increasing number of apparel manufacturers concentrate their production capacities in certain regions due to large investments in machinery, the distance between production facilities and customer's increases, as well as the appropriate distribution costs. Transport and distribution are a significant business cost that sometimes goes up to 15% of total income in industrialized countries, and in garment industry goes up to 40%.

The question whether to perform transport using its own vehicles or a carrier is very closely linked with the decision about the physical distribution system. If we look at the supply chain (Figure 1), manufacturers rarely have wholesale clothing, but they place fashion products into retail outlets. Regardless of the distribution system, while transporting clothes one must pay attention to the raw material composition and the method of packaging.

The usage of distribution channels allows clothing manufacturers to increase the efficiency of placing their fashion products on the market through intermediaries of fashion marketing their products to market, their contacts, experience and specialization [2]. In practice there are a number of distribution channels (Figure 2):

- Producer-consumer distribution channel (direct channel) is considered to be the simplest channel but not the most efficient one. Sales of clothing can be done without an intermediary and the manufacturer can control all phases of sales operations.

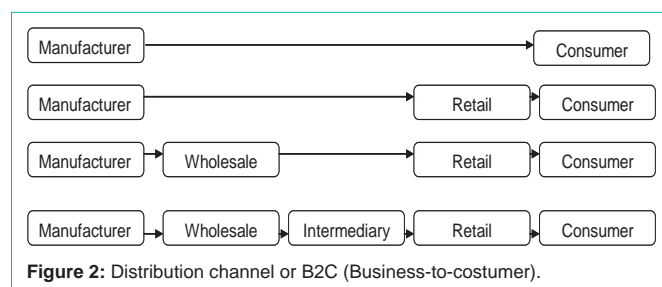
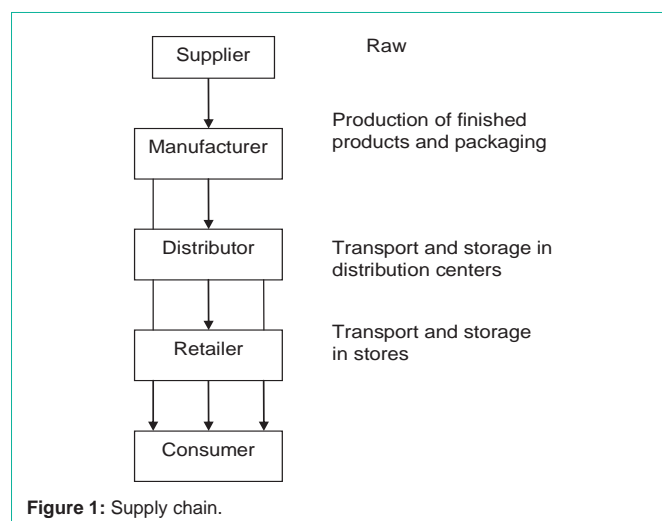
- Producer-retailer-consumer distribution channel (short channel) is typical for garment industry (where many producers sell

directly to retail chains that have their own stores). In this distribution retail channel, a consumer is served better than when a manufacturer sells directly to consumers.

- Producer-wholesale-retail-consumer distribution channel is most commonly used distribution channel. The practical value of this channel gets smaller since garment producers more often sell their goods directly to consumers.

- Producer-agents-wholesale-retail-consumer distribution channel (long channel) goes through three intermediaries. It is suitable for products with mass distribution.

The choice of distribution channels depends on the product, or collection of products. According to Kotler products that are aimed at the target consumer group (such as products from the "pret-a-porter" collection) use intensive or selective distribution, where intensive distribution is used by less famous brands of products, and selective distribution offers a choice of ways (selection) they are going to be present in a particular market [3]. Products intended exclusively for consumers of very high purchasing power (products from haute couture collections - "haute couture", designer clothes) use exclusive distribution (very limited), which puts emphasis on limiting the number of intermediaries involved in the management of products. Such exclusive distribution often happens in the moment when producers of exclusive products decide to take control



of the level of services they offer and the services offered by their intermediaries. Then it is possible to make contract on exclusive dealership that automatically enhances the brand image. Most often it is accompanied by exclusive sales (when producers sell only to one retail store in a particular geographic area to achieve an exclusive territorial agreement).

Production growth follows development and increasing usage of various analysis and predictions targeted to consumers (consumer loyalties, cross sales, setting the target price, target marketing) as well as to suppliers (the analysis of suppliers effectiveness, inventory control, product flow, predicting demand). The growing importance of logistics, together with the understanding of complex market

mechanisms and statistical methods of analysis of business data all lead to specialization of individual companies in providing exclusively logistics services [4].

#### References

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