THE UNIVERSITY OF SYDNEY
Faculty of Economics and Business

Discipline of International Business

Unlikely Marriages: An Examination of Customer-Visible Partnerships Between Prestige Brands and Mass-Market Distributors

APPENDICES AND CASE BOOK

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APPENDICES
PARTICIPANT INFORMATION STATEMENT
Research Project

Project Title: Unlikely Marriages: Fashion Designers and Strategic Decision-Making

(1) **What is the study about?**

The study is exploring strategic decision-making by fashion designers. It is particularly interested in partnerships between fashion designers and retailers. These partnerships are of interest as traditional strategy and marketing literature would suggest that the lack of common sources of competitiveness and similar brand identities would indicate their inappropriateness. How the unrelated parties develop the idea of a partnership, envisage meeting unmet/unexpressed consumer needs, negotiate a structure and secure resources are specific activities of interest to the study.

(2) **Who is carrying out the study?**

The study is being conducted by Julia Fetherston and will inform her Honours Thesis at The University of Sydney under the supervision of Dr Richard Seymour. The thesis is to be conducted in the Discipline of International Business.

(3) **What does the study involve?**

The study will seek to increase understanding of the motivations, structures and strategies underlying partnerships between fashion designers and retailers. The study will further understanding on why firms enter such alliances, how they are structured and where they fit into overall business strategy.

To develop this understanding, in-depth interviews will be conducted. Permission will be sought from the parties, enabling the collection of documentation and interview data (and if permission is given, the recording of those interviews). Data collected will be collated and analysed before being written up as case studies and conclusions drawn from the findings. All data will be held securely, with confidentiality assured (see also point 6 below).
(4) How much time will the study take?

The time for each interview is expected to average 40-60 minutes.

(5) Can I withdraw from the study?

Being in this study is completely voluntary - you are not obliged to participate. If you do choose to participate, you can withdraw at any time without prejudice.

(6) Will anyone else know the results?

All aspects of the study, including results, will be strictly confidential and only the researchers will have access to information. The study will be published, but individual participants and organisations will not be identifiable in such reports. The interviews will be recorded and a copy of the transcript will be available to the interviewee for correction.

(7) Will the study benefit me?

While we intend that this research study furthers knowledge of strategic decision-making by fashion designers and may improve understanding of the phenomenon, it may not be of direct benefit to you.

(8) Can I tell other people about the study?

Yes.

(9) What if I require further information?

When you have read this information, Julia Fetherston will discuss it with you further and answer any questions you may have. If you would like to know more at any stage, please feel free to contact Julia Fetherston on 0402 841 451 or by email on jfet7220@mail.usyd.edu.au.

(10) What if I have a complaint or concerns?

Any person with concerns or complaints about the conduct of a research study can contact the Senior Ethics Officer, Ethics Administration, University of Sydney on +61 2 9351 4811 (Telephone); +61 2 9351 6706 (Facsimile) or gbriody@usyd.edu.au (Email).

This information sheet is for you to keep
APPENDIX 2: PARTICIPANT CONSENT FORM

PARTICIPANT CONSENT FORM

I, __________________________________________________________, give consent to my participation in the research project -
Name (please print)

Unlikely Marriages: An Examination of Customer-Visible Corporate Partnerships Between Luxury Brands and Generic Distributors

In giving my consent I acknowledge that:

1. The procedures required for the project and the time involved have been explained to me, and any questions I have about the project have been answered to my satisfaction.
2. I have read the Participant Information Statement and have been given the opportunity to discuss the information and my involvement in the project with the researcher(s).
3. I understand that I can withdraw from the study at any time, without affecting my relationship with the researcher(s) now or in the future.
4. I understand that my involvement is strictly confidential and no information about me or my company will be used in any way that reveals my, or my company’s, identity.
5. I understand that being in this study is completely voluntary – I am not under any obligation to consent.
6. I consent to the audio recording of the interview.
7. I understand that I can stop the interview at any time if I do not wish to continue. Any information I may have given to the interviewer up to this point will be destroyed.

Signed:

Name: ..................................................................................................................

Date:

Project Title: Unlikely Marriages: An Examination of Customer-Visible Corporate Partnerships Between Prestige Brands and Mass-Market Distributors

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**APPENDIX 3: STAGE 1 INTERVIEW OUTLINE**

**Title**: Unlikely Marriages: An Examination of Customer-Visible Partnerships Between Prestige Brands and Mass-Market Distributors

**Researcher**: Julia Fetherston (under the supervision of Richard Seymour)

The interview questions are semi-structured and open-ended, and revolve around the formation and management of prestige-mass-market partnerships. The following questions give examples of the questions to be put to informants. It is expected, however, that only a subset of these questions will be asked in any interview.

**Phase One: The story**
- Can you tell me the story of how the idea of Gail Sorronda for Target came about?
- How do you feel about having done a mass-market collaboration / do you consider it a success?
- What impact has it had on your main business?
- What do you think Target’s agenda was in pursuing this partnership?

**Phase Two: Supplementary questions**
- What did you think about / who did you talk to in deciding whether to undertake a mass-market partnership?
- Can you tell me what the financial structure of the deal was?
- Once you went ahead, what was the division of responsibilities between your firm and the partner firm?
- To what extent was the partnership integrated into the rest of your firm’s activities?
- What effect do you feel it has had on the Gail Sorronda name in the fashion marketplace?
- Would you advise other young designers to do something similar?
APPENDIX 4: STAGE 2 INTERVIEW OUTLINE

Title: Unlikely Marriages: An Examination of Customer-Visible Partnerships Between Prestige Brands and Mass-Market Distributors

Researcher: Julia Fetherston (under the supervision of Richard Seymour)

Four broad questions were asked. The interview questions were semi-structured and open-ended, and revolve around the formation and management of prestige-mass-market partnerships.

1. Tell me the story of the case that you have read, picking out the most salient features.
   1.1 What aspects of the story surprised you?
   1.2 What isn’t the designer telling you in this narrative?
   1.3 On balance, was this partnership a success or a failure for the designer?

2. What would you field of expertise suggest about the wisdom or otherwise of undertaking a PMMP from the designer’s perspective?

3. Despite a considerable amount of the literature cautioning against PMMPs, they are increasingly popular. How would you account for that disconnect between theory and practice?

4. In making sense of these partnerships, is there anything we haven’t talked about that we should be considering?
APPENDIX 5: INSTRUCTIONS FOR STAGE 2 PARTICIPANTS

NB: The text referred to in this appendix is reproduced in Chapter 4 of this thesis

UNLIKELY MARRIAGES: AN EXAMINATION OF CUSTOMER-VISIBLE PARTNERSHIPS BETWEEN PRESTIGE BRANDS AND MASS-MARKET DISTRIBUTORS: INSTRUCTIONS FOR PARTICIPANTS

Introduction to the study

This research project investigates the growing phenomenon of product partnerships between luxury fashion houses (prestige partners) and lower-end retailers with a traditionally generic product base (mass-market partners); for instance “Stella McCartney for Target” or “Karl Lagerfeld for H&M”. It is being conducted by Julia Fetherston under the supervision of Dr Richard Seymour and will form part of her Honours thesis. The broad research question is: Why and how do players in industries characterised by largely undifferentiated products form customer-visible partnerships with prestige brands to secure competitive advantage? Some collaborations create enormous value while others have failed to do so. This project will explore the motivations, structures and strategies underlying these partnerships. The stage of the research in which you are participating asks experts to examine a case study of one such partnership.

Instructions for interviewees

The text below tells the story of a co-branded product collaboration between a boutique fashion designer (Designer X) and a mass-market retailer e.g. Target Australia, H&M, Target US (Retailer Y). This story has been constructed from interviews conducted with the designer and is in her own words, except where minor alterations have been made to improve sense. The collaboration involved a limited-release collection of womenswear, swimwear and accessories.
1. In advance of our interview, please read the text in hard copy and familiarise yourself with the story.

2. Please markup a hard copy of the text, identifying the three most significant elements. I would like to take a copy of the marked-up text at the conclusion of our interview.

3. During the interview, you will be asked to first retell the salient features of the story. You will then be asked to bring your expertise to bear on the events described.

4. If you have any questions or concerns prior to or after our interview, please feel free to contact Julia Fetherston via email at ifet7320@mail.usyd.edu.au or on 0402 841 451.

The interview will be audio-recorded, unless you request otherwise. The interview will take 50-55 minutes.
CASE BOOK
CASE 1: TRANSCRIPT OF INTERVIEW WITH DESIGNER X

INTERVIEW: 27 July 2008

Key:

JF = (interviewer)

DX = (respondent)

JF: The first thing I wanted to ask you is, can you just introduce yourself a bit and tell me how you came to be in a career in fashion?

DX: OK, well, it's not like a pinpointed moment. It's something that I think evolved, and I was studying...well at one point I was studying built environment and one of the electives was sculpture and I just liked the idea of using my hands and having that sort of tangible sort of...even just the humble feeling of touch involved in the development of an idea. And I was selling, like working in retail. I was also selling accessories at the time just for fun for some extra money and I was doing some styling too. I was also doing some modelling for some extra work too, like money and stuff. And I just enjoyed the fashion sort of, fashion side of things and the creative process behind it. So it was just a natural gravitation that I thought, when the new course came up at QUT, I would apply for. I had a year of built environment and interior design left and then I crossed over because I got in. And, yeah, it was something that I haven’t hesitated on since. So, yeah, I think that’s probably why. It was the sort of thing that I was doing part-time or just in my spare time that I wanted to capitalise on and I did enjoy it and that’s the most important thing at the end of the day.

JF: Oh, that’s awesome! And can you tell me – this is one of the things I’m fascinated about – what’s the story of how Designer X for Retailer Y came about?

DX: Well, it came about because, ooh...all of this stuff’s kind of confidential and stuff isn’t it? How does it relate?

JF: No-one will know who you are.
DX: Oh ok. But they’ll know that you dealt with an Australian designer for Retailer Y?

JF: No.

DX: No? OK.

JF: No. They won’t know you, or the retailer or which country.

DX: Oh ok. Yeah, well, cause I’ve got a close relationship with Ursula at Chic management and Kathy Ward. I haven’t actually...they kind of came along. Ursula’s been like a mentor, more of a business and a fashion or sort of creative backdrop mentor. But I met her first in Brisbane when she - and I just kept in contact with her since when I won Stardust with my graduate collection at QUT, which enabled me to show at Australian Fashion Week in a group show for free. Ursula remembered me from a meeting I had and she said that I could – oh, sorry I’m just distracted by them – but she said that I could, oh well she just kind of had an interest in what I was doing and always asked if I ever needed advice or if I needed any help. And she put me up with Chic as well but I never actually took advantage of that and I never, like, it was just something – I don’t know – that’s never been my focus and I never wanted to move to Sydney to do that. I always felt that my vocation was to be creative and have more ownership over my creative output, because I believe you’re a bit of a puppet when you’re on that sort of reverse side of creative outcomes. But anyway, regardless, Ursula pitched me to Retailer Y. I think she does have a close...Ursula’s quite special because she actually has mentored quite a lot of influential people in the industry. She actually really inspired F.E Young who owns Style Council and she’s also been...there’s kind of like a layer of creative people in Australia that all know each other and then there’s this new sort of like layer which is the new generation and you can actually see even those thin layers in between – it’s really weird. Cause, even though I’m from Brisbane, maybe that gives me that perspective because I’ve got that distance, and I’m not so absorbed in those relationships so much – do you know what I mean?

JF: Yeah, absolutely.

DX: Yeah I’ve got that distance to see things. And anyway, F.E has said that Ursula’s kind of inspired her a lot too and she also pitched me and she’s taken me under her wing. And I do believe my work would have been there on it’s own merit but, and the client has to agree. Retailer Y would have had to agree to take me on board. And they did take...the concept for that was two young
designers and Logy Bay? had one, and Loreal, Walmark awards, so and I was a finalist in that too. So we were quite different yet at that same time we were from that similar generation of designers and so it was...I think Retailer Y’s trying a few different things and, yeah, it was that.

JF: So, the way it worked is that, Ursula went to Retailer Y and said, ‘We’ve got this designer’?

DX: No, she went to Style Council, and Style Council looks after Retailer Y – that’s their client. So, yeah, that’s how it works.

JF: And so they talked Retailer Y into doing it or you think Retailer Y...

DX: It would have been pitched. And that’s how all the designers are pitched I think. I’m sure, yeah. I think it’s, yeah that’s how a lot of things have been working.

JF: So through a third party?

DX: Well, not necessarily. But yeah, it’s – I don’t know – I can only speak for myself, but I know that Ursula also helps other designers in the industry as well. And just as much as artist group does. And it’s kind of like that liaison, there’re sales agents and then there’s like creative agencies who look after designers as well. And that’s their job to kind of mentor their growth, and make money out of them too. It’s a commercial entity at the end of the day too. It’s closing that sort of bridge between those.

JF: And, what impact do you think has doing that collection and having those kind of relationships had on your main business?

DX: To tell you the truth, I don’t really think it’s had a massive difference. In a way I think maybe it’s reached more people on name value and maybe more people have been introduced to the concept. It’s actually been...it actually was a really good, experience for me. As much as I was cringing through a lot if it cause it was going against the grain and you were kind of forced...well not forced but you were dropped into something that’s kind of like the next strider of consumerism.

JF: Yeah.
DX: And so yeah, especially when you are a boutique label. If you’re a good designer then you should be able to cross-pollinate in some ways and that really challenged me and it was a really honest and abrasive sort of experience, but really rewarding for me and my growth as a designer. I noticed - which was really cool - the pieces that people really responded to sales-wise were the things that I most assimilate...sort of link my labels closely to like the more interesting silhouettes. And where I feel like I had to dumb things down, and the things that I really did diffuse, and the things that were probably the furthest from my label – they were the things that were sitting on the shelves the longest. They were the last ones to go. So that was really encouraging. I think people underestimate the intelligence of the consumer, and I was. And I think maybe even retailers do, and maybe even sales agents. Well, I guess, it may be – it sounds terrible - but from that sort of experience which is a completely different extreme to what I was used to, being able to see people respond to things that I’m most excited about is really cool.

JF: Yeah, I read in an article you said that you’re surprised about how brave shoppers are in terms of buying your products. So how do you feel about having done it? Do you think of it as a success?

- Um, a story for you?

DX: Well, I guess I don’t know the actual figures that sort of unravel from it. People have said things about other labels I’ve been involved in and whether it’s been good or bad and all that, but I’m going to separate all that stuff from the fact that Retailer Y were happy. Retailer Y have actually gotten back to me recently and asked if I wanted to...well, there’s this other competition which is a global one and it’s like, called Mango.

JF: Mmm

DX: And the Mango competition is on the sort of ethics scale of the competition compared to Retailer Y. But they’ve introduced me to it. And even the fact that they’ve done that means they probably – oh no it wasn’t, it was Style Council that did that sorry – so the fact that they put me forward for that is encouraging and just being able to get feedback for the things that I’ve been picked up on. Even by just going into a shop. I go into the shops and see how people are reacting to things and it was a bit, it was distressing I must admit. Like, seeing a stack of my clothes sort of...but that’s also a department store thing too.

JF: What do you mean?
DX: Seeing a whole stack of my clothes just on this rack and some of them falling off, like it’s off the rack and some of it on the floor or... you know, merchandising is quite a big deal and I think there’s a product then there’s a way things are presented as well – that’s just as important. But at the same time that’s the catch when you go into something like that. You’ve just gotta let things go and that’s just...that’s cool. That’s for the masses and...yeah.

JF: So how did the division of responsibilities work? Did you just...Retailer Y said ‘Here’s your label time, design the collection and then we’ll produce and distribute it’?

DX: They left it as an open brief so yeah it was really good. I didn’t expect them to do that so it was, it was my...of course there were time frames that I had to adhere to, and I had to design my own personal collection inside the Retailer Y collection, and I had all the other responsibilities attached to that - almost like this. But I didn’t have to deal with production. I had to go through a sampling process and make sure everything was right with the production company that were taking care of it. But -- it was all pretty flexible, it was really up to me to sort of mark out my parameters as to how much I was willing to do with it, and if I wanted to do more. Actually, they gave me a certain amount of outfits and I exceeded that and they accepted more than... Like, ____’s collection was actually smaller than mine by quite a bit so that’s why mine was probably...in the stores it seemed like a bit more, but that’s because they signed off for more outfits and I did also do quite a few accessories too. So that was interesting as well, having them agree to things.

(laughter)

JF: So that surprised you?

DX: Well, I don’t know. I even...I was...it’s really funny. They agreed to another design which I wasn’t convinced on and then I pulled it from the – even though it meant I lost and I didn’t get paid as much – but I guess didn’t want to agree on putting things out there I’m not happy with. So it wasn’t all about making more money out of that project. It was also about being happy with what I was projecting. Cause I knew that it was going out to a lot of people who had never encountered my label before.

JF: Yeah. So, how – when you say you didn’t get paid as much – how was the deal like...what was the structure?
DX: Oh, I can’t tell you that sort of stuff. I don’t think that’s...

JF: No that’s totally fine. But you were happy to make that trade between not getting paid as much and...

DX: Yeah. I was still probably getting paid more already because I had designed more outfits anyway. So it wasn’t even about being greedy or anything. I just, I could have designed forever. It was just, I had a timeframe and it was like ‘Ok, that’s it now’.

JF: When you say that sometimes things caused you to cringe or it was distressing has it had, on reflection, an impact on you personally? On the way you think about your work?

DX: That cringe factor and all those things – they apply to my main line as well. That’s what most designers go through regardless – you’re your own...your worst critic. I think it was just compounded more because there’s such a focus on designers doing things like this. And you get a lot more publicity and there’s just that extra bit more pressure to meet the requirements.

JF: And who - with that pressure – who other than Ursula gave you advice or who did you talk to about whether or not to do it?

DX: Yeah, I never...I hardly ever say no. I’m always kind of...I’m really curious. If I don’t...if I haven’t experienced it, then I’m not gonna take someone’s opinions and words as my own. So, I just did it because I was like well, ‘why not?’ And if it’s good enough for everyone else - for other designers that I do respect - then I don’t see why it’s not for me. I actually felt like it was probably a bit above and beyond my... it was a bit of a big jump from my label. Some labels are just...well I don’t know actually. You can’t presume what they think. (this whole next bit was a bit confusing...) But even just talking like you can see how some things that are maybe just a big deal...but I did treat it as a big deal but, yeah I treat everything like that. It’s just that I have a kind of emotional connection to what I do. It’s not just, yeah, well that’s just sort of my creative process.

JF: So, talking about your work more generally, you feel like it’s really important that you connect with the work that you’re doing on an emotional level?
DX: Yeah, definitely. It’s sort of externalising something that is internal. And I think that’s why I think my collections have a continuity – because they are different chapters from my book. And I guess, yeah, they’re not like a cut and paste collection. Even though you can’t help but appropriate things that you have seen or experienced or whatever. But the idea of a collection to me is that it should have an overarching feeling, you know?

JF: Mmm. And how do you separate that out from also having to run a business?

DX: Yeah, that I think came second.

JF: Yeah.

DX: Yeah I think you do what you love and then you’re treading water to ____ it? Now I’ve gotten somewhere!

(laughter)

DX: Yeah, and then you’re like ‘Ok, well now I have to actually, I have to make this float’. And I’m still learning that, and I definitely, I even know in the last 6 months things have changed quite a bit particularly because I want to go overseas. I always felt - because I was overseas for a few months a couple of years ago – that I always wanted to go back; that I wanted to go back with intention and a reason. I wanted to go back with a product as well that I was...that would inspire me to the next sort of level. You can’t just go about and do this sort of thing – I had to put my mind to it and I had to go when I was ready. Because I’ve kind of developed the business infrastructure I feel more confident in being able to take...like, I feel like it’s not big enough to be too scary or too stressful, you know what I mean?

JF: Yeah.

DX: It’s got that sort of malleable feeling at the moment, where it is breathing and it is growing but I’m still young enough and I can still be called stupid enough to go without being condemned.

(laughter)
JF: And the business side of your label, do you run it mostly yourself or do you have a lot of support?

DX: Yeah, yeah, I run it...yeah I definitely direct where it’s going and I am learning a lot with my accountant – although he’s learning a lot as well cause he hasn’t dealt with a fashion label before.

JF: Oh, that’s cool.

DX: So, yeah, it’s kind of...it’s really funny actually, it’s so weird. But we have learnt quite a lot from each other and there’s still a lot more to go, and I’m actually even telling him how I want things. It’s different. Before I felt so ignorant that I couldn’t even ask for the way things worked. Now I think definitely that knowing how things work is more empowering and it took a few people to really make me like look at my business and the actual business side of it to really wake me up, and things can run away with you especially when you’re running on a sort of emotional level – you do what you want and you don’t really think about the flipside of it. So now that...yeah, I’ve definitely got a lot more control over the business, and that’s only gonna get stronger.

JF: So, something like your Retailer Y collection, when you were thinking about it, did you think to yourself ‘this is a really good creative opportunity’ or ‘this is a sensible business decision’? Or both of those things?

DX: Definitely a good business decision cause, yeah it was...it did help a lot.

JF: Sure.

DX: Definitely I thought....oh...I kind of liked the fact that there is some extreme opinions about something like that too, because it’s kind of a bit exciting. I’m not really a personality that is agreeable and I kind of liked the fact that there was a bit of tension about the whole Retailer Y thing. And so yeah, that’s probably...it was many things.

JF: And so how did your...how did the customers for your label respond to you doing something like that?
DX: Yeah I think they well...I think they responded well. My sales have gone up since. Some people say that they don’t rely on it, but mine did, and my...not many people talk to me about it in the shop. I think some people come and they don’t realise I’m the designer a lot of the time too and so...

JF: Oh, when they come into the shop?

DX: Yeah. And that’s when they open up, when they don’t know that I’m a designer. So that’s been really good for me cause you get to hear them and they’re not self-conscious about it and you get that sort of honest perspective which is cool. But yeah, people are a bit more shy talking about it unless they’re my friends but all my friends are really supportive.

JF: That must be confronting, when people come into the shop and offer their thoughts without knowing it’s your work.

DX: It is a bit, and it’s even funnier when people come in with things that they’ve copied!

(laughter)

JF: And that’s happened?

DX: Yeah, with an accessory it actually happened. And I was like ‘Oh, did you buy it from here?’ and she was like ‘Oh no I made it myself!’ and I was like ‘Ohh, great!’ That sort of stuff’s funny. Yeah I don’t know. There’s all sorts of things.

JF: And were you concerned that your line for Retailer Y would have that kind of effect; that people would say ‘Oh, I like the main line but I don’t need to buy it because I can get something very similar with the same name at Retailer Y’?

DX: Not really. I think it was kind of...I think they probably saw Retailer Y...well people that probably couldn’t afford my stock would go and get something at Retailer Y. It just stretched it out a bit more. My friend who I went to uni with, his mum bought stuff and she’s from the country amd
she just really loves her piece and that was really cool. And then you’ll like have...one of the new girls that I’ve got - who’s working at the shop now - she came into the shop yesterday with one of her Retailer Y pieces and I didn’t know that she’d bought it and she’s obviously still a fan of the label so...I was curious to see what or how it was going to affect it but because I had designed things that were quite independent of the rest of my label – they’re new designs but under the same umbrella of feelings and concepts - but they’re new designs. So it really didn’t affect...and I was really conscious of making it more playful and fun and then my winter more serious and mature. So yeah, I made sure I made that division.

JF: So you made sure that even just the quality of clothes and the types of product was quite different?

DX: Yeah, but there was still an echo – like I’ve got my sterling silver cat ears but then I did the fabric ones and I’ve done love-heart necklaces before.

JF: Oh, interesting!

DX: Yeah, but that was just while I was at uni studying and I saw that was one of my first things that I sold and...

JF: Oh!

DX: So it was kind of fun to then see it on that scale like I would never have thought. Then it’s kind of like those sorts of things that I was...yeah, kind of laughing about on the inside! And I’d never done swimwear before so that was a new experience for me.

JF: Oh really?

DX: Yeah, I tried to do things that I’d never done before so then, that too was – cause they could facilitate that – like, they had people who could help me do these things. So I used it as a learning experience too and I took full advantage of that.

JF: So what kind of support did they give you?
DX: Well we’d go to fittings and there’d be people who work and specialise in swimwear and they’d tell me about what was possible and I’d tell them ’I’m not happy with that fit’. It was just being able to work with people - a lot of different people - and it was all about surviving in that. Cause my relationship with my pattern makers had been so limited previously. And then having to showcase your work in front of a group of people – that was also really scary cause it reminded me of back at uni when you’d just be freaking out just in front of a classroom of your peers alone.

JF: Oh, wow.

DX: So it was back to being almost to being judged a bit as well, but even though you shouldn’t but because it’s such an insular process that having to do that was really weird and that kind of made me nervous, but I’m glad I have cause it was such a good thing to have done, just for me I think. I think everyone takes something different out of it.

JF: And did you have to make what you felt were sacrifices or compromises?

DX: Well maybe the sacrifice was that I couldn’t spend more time on my main line as I would have probably liked to, but I think overall…and you know, overall it was good. It was hard, it made me stronger I think. And it made me believe ‘Oh, if I can do that in my third year of my label then anything was possible’. I only graduated a couple of years prior to that so it was kind of cool. Because I would never have thought...

JF: And, can I ask you what your plans are now? What are you going to do over the next 12 months?

DX: I don’t know. I know that I’m going to do...well I’m going to do Rendezvous which is a Paris Street show which I’ve done before. This time I’ll be a bit more prepared and I’m going to meet with a sales agent in Paris. She’s apparently really good. She actually looked after Comme des Garcons when they first came to like Paris and she introduced them. She’s an American but she’s based in Paris and she’s been around for a long time. So she doesn’t look after them anymore. She’s looking after sort of younger, progressive labels at the moment, so it’s…it’ll be interesting. Even if I don’t end up with her – which, you know, would be cool – you’ve gotta meet the people, gotta see if it works or if you aren’t the sort of label she’d be after. But being able to have contact with people like that is just gonna make such a big impression. I mean, and it’s gonna tunnel or hopefully point me in the right direction. But it’s all about learning and so you’ve got time to be as fearless as possible.
So those people like Ursula and the sales agent – how do they fit in to the work that you’re doing?

Well Ursula’s always gonna be there. She’s kind of...if I’m a bit upset about something that’s written about me or just a concern about something like the business or whatever, she’ll always be there to listen and she’s just kind of like a mentor and that’s great and she’s like that for a lot of people. She’s not gonna be able to...she’s always encouraged me to go overseas and I’ve always compulsively talked about it. But I’ve had to get ready and I’ve had to prepare myself to feel like I was going over at the right time. And when is the right time as well? I could wait...it’s a bit presumptuous to say ‘I’m going over...’ and it just sounds like ‘Ohh, like, der, like ohh Paris’...you know, why not Afghanistan or whatever?

It just seems so obvious, but at the same time, why not see what’s going and why not – I don’t know – just be sort of amongst the jugular of it and just see what happens, just throw your cards up in the air and see how they land. That’s all I can ask. I’m not ready to - I could move interstate and make life a lot easier; I wouldn’t have to travel backwards and forwards and all that – but I kind of like the fact that I’ve got that distance now and I just want to keep my work and all that sort of separate a bit. I don’t know why but for some reason I do.

To keep it in perspective...

Yeah, I don’t know but it just works better that way. Yeah, that’s what I wanna do and then so I thought I might as well go somewhere where I don’t completely understand what’s going on. It’s like my little internship with the world. And you know, I never know where I might go after that. And I prepare to be nomadic as well. As much as I say ‘I’m gonna go to Paris’, I’m not going to stay there the entire time. I want to travel and see Barcelona and...

See all of it!
DX: ...I’ll go to Morocco too. And I’d love to even go to India and see what’s possible and I’ve got a friend whose based in Paris and he’s got a textile company in India and so there’s so many cool things but they’re out of reach in a way when I’m not even in the remote vicinity of the contacts and it’s just being able to see it. I may come back and whatever but at least - I don’t know - just whatever!

DX: But I’ll still continue selling as is and that’s why a sales agent and that is important back in Australia because that’s where the majority of my sales will be made and that’s still gotta continue developing and I’ve got my shop and that’s also gotta continue on. So I’ve got faith in the growth – in my sort of local growth – I know it’ll take time but I do have faith in it. I just wanna see what’s going on out overseas, that’s all. And that’s what’s kind of cool about Australia. The world is not influenced by what Australia does but Australia’s influenced by almost everyone else in the world. We’re, you know, we’re kind of relatively new in the scheme of things and that’s probably why they have product testing and that here in Australia because...

JF: Yeah.

DX: ...It’s like a new slate. And there’s water completely around it and so we’re pretty isolated from the rest but at the same time we’re kind of up to speed with what’s going on but we just don’t have that backdrop of that sort of cultural identity and that point of difference. Even though we do, but you know what I mean like that...time.

JF: Yeah.

DX: So, I think that’s what’s kind of cool. You can kind of lift the veil to the world at your own time.
DX: You know...yeah...

JF: So, how would you feel about doing something like a project with Mango?

DX: Oh well, I can’t expect that I will be doing it but I’d be really happy if I was. But if I don’t, then at least I tried.

(laughter)

DX: I’m willing to give everything a go, really. Well...almost. I’m not desperate!

(laughter)

JF: So what would you definitely not ever consider even if it was ___?

DX: Um...like, topless?

(laughter)

JF: So if you were to have your time over again from the beginning of your label to now, do you have things that you’d do differently?

DX: No...not really. You have to learn things in their own due time. If I knew everything, then it wouldn’t make it fun, it wouldn’t make it stressful. And I love getting out of, out of stress. I find that really fun. That’s why you go into each collection, because it’s absolutely hysterical the amount of stress you put yourself under but once everyone’s seen the outcome it’s so much fun being delivered from that hell.

(laughter)
JF: That’s hilarious. I’m not sure that’s the healthiest approach but OK!

DX: It’s not! I do have a lot of demons and that’s what’s…I find like a bit of fashion and a bit of designing kind of like counselling in a way. I used to always talk to counsellors as a kid, and then I remember going into uni and I’d speak to a counsellor and she’d be like – this was a wake-up point – she’d be like ‘other people have other problems a lot worse than yours’…

(laughter)

DX: …and I was like ‘True…’. It’s kind of nice to be able to divulge everything to this person…just some person. They were just like a sponge and they don’t talk and it was a vault. Whereas in fashion in the design of a concept, it goes into an actual externalised object and no-one really needs to know what you’re thinking at that time, but that’s what you produced from that feeling and that little session. And I know it sounds weird and it’s completely self-absorbed and slightly creepy but you know what it’s like? It’s kind of exorcising something out of you each time you go through a new collection.

JF: Wow. So that’s quite a scary process?

DX: Well…it’s confronting sometimes. But by the way I talk about it, it makes it sound like ‘Oh my god, wow. That must be really dimensional what you’re doing.’ and my mates all sat there going like ‘Yeah that’s really like…it’s a dress, it’s a skirt’ It’s very freaky and you know…oh, I don’t know. But it’s my version of the truth and it’s my…it’s all you can do! Everyone’s got a different way of expressing something and whether it’s a visual artist or a graffiti…you know, or a musician. That’s what I love about music too, it’s…it’s just like, there’s a sound like the beauty in the sound but there’s a beauty in how honest they are. Like, when you get a poet in amongst music, that’s just really letting your guard down and that’s really quite beautiful too. And then that can be from that extreme to pop culture or popular culture and mass consumerism and then what’s really curious is that I’ve kind of bridged that gap. I’ve had a taste of it by doing that Retailer Y thing. You know, that was kind of yeah, that was weird. But at the same time I’m glad I’ve done it because...

JF: So what was weird about it?

DX: Well it was weird, because what it is essentially about…is essentially about making money for like, a big company. And that’s like, a record artist signing a deal or…you know?
JF: Yeah.

DX: I don’t know, I keep meandering on really but…there’re so many sides to the story and what’s really right or what’s really wrong? Basically you just, you act upon response and look, I don’t think I process – I do think a lot – but I don’t process everything so then it’s like this stammering sort of thing. If it feels right or if it feels like I wanna know what it’s about then I’ll go forward. I won’t over-process cause that’s gonna then hold me back. I’d probably reflect more so afterwards, because I kind of like the experience – I like feeling a bit awkward.

JF: So, if you don’t mind me asking – it’s a kind of personal question – that process of design being quite a catharsis process for you and you finding your own voice in that design...

(Laughter)

DX: That sounds funny!

JF: How do you balance that against the fact that you yourself have to make money to live?

DX: Well, you just have to. It’s the reality. It’s the way people live. I want nice things too so I probably am a bit materialistic.

(laughter)

DX: I’d rather save up and get something really beautiful. Oh actually, I’m not a consumer in a big consumer sort of sense. So, I believe in beauty and all that and I really appreciate beautiful things but it doesn’t mean I’m just gonna buy...do you know what I mean?

JF: Yeah.
DX: So yeah, you do things out of need as well as out of necessity as well as out of want. Everyone does things for of a lot of reasons. Some people do things for the love, some people do things for the love of it. Whereas some of us just do it for all of it. So, I don’t know. It’s definitely not for clear reasons. It’s a gradient of responses and it does not go in one way – it’s multi-dimensional.

JF: So, that question of your creativity and then your need to be able to support yourself...

DX: Yeah, it’s a complete collision and it can also work completely together. It’s like wishing and I’d be lying if I said it was one or the other cause it’s not that for anyone really.

JF: Yeah.

DX: It’s just in different proportions, just as much as sexuality is.

(laughter)

JF: So things like your Retailer Y line, do you feel like they were as beautiful as you could have made them?

DX: No. No, definitely not. I could definitely have done better. I could always do better. But it’s like, that’s always the stance at the time. And that’s why I say things are like chapters in your book; they’re always evolving. It’s always telling a story. It’s a work in progress – everything. You can’t say ‘Oh, I’ve gotta fix that’. You’ve gotta develop from that in a way.

JF: So what was the most important thing you feel like you’ve learned out of that process?

DX: Oh, definitely that people are cooler than I thought they were. They buy things that I actually love and so you can’t dumb people down cause they actually are responsive. They responded to the things that I love more so than the things that I was just like ‘oh, I’ve gotta do this cause I’ve gotta clean these people’. Like, I just did all the things that I wanted to do and just...you know what I mean? And I did kind of compromise a bit cause I thought ‘I’ve just gotta kind of, yeah, test the parameters’ and I did. It was a good litmus test for me to see that but Australia’s a different
market to Europe and that’s why it would be cool to do something like the Mango thing cause my label was received differently in different places. Even when I read blogs and stuff I’m getting responses in places where I haven’t even...where I don’t even sell my stuff. It’s weird! And they responded to things that I really like. I was looking at my more commercial collections and it’s funny - that’s what I want to hear – what this lady in Paris has to say, because she has that experience and she responded to a particular collection that I know was quite commercial and that’s what she liked. And then I read this blog and I really liked the layout of the blog and they responded to the collections that I was really excited about. So then you just wonder ‘is it like a universal thing? Is it that sort of intuitive thing...a thing that transcends space and place? Or is it that 10-degree separation each different place you go to? It’s kind of like saying that there’s obviously people more interested in...you know, it’s like the difference between Berlin and Paris is that Berlin’s the kind of tomboy version of the feminine Paris but it’s still on queue with that progressive sort of...you know?

JF: So what have been some of the different reactions you’ve had in different geographies?

DX: Well in my agency in Berlin I noticed that I’m influenced by different things. So when I went to Berlin and when I was doing a lot of my development in Melbourne – cause I was working for a pattern maker there, my collection was a lot more tomboyish but sexy and less frilly and a bit more aggressive and, and that did better – well I think not ‘did better’ but people in the UK and in Germany, they – just from what I’m reading – they liked that collection a lot more where as in Australia my more feminine, more sexy, more fun sort of collections are the ones people respond to and understand more. So, I don’t know. But then, who knows? And then, I’ve got things which a stock assistant will buy that I really responded to and other people who I totally respect and they responded to the same things that I responded to so it’s interesting. The only way you’ll know is you just have to stick your neck out there every now and then and see what...you just have to see it first hand and read and learn.

End of recording
INTERVIEW: 20 October 2008

Key:

JF = (interviewer)

BR = (respondent)

JF This interview is being conducted on October 20 with Professor BR at his office at [leading Australian University]. Professor BR if I could ask you the first thing to do is just introduce yourself and tell me a little about your background.

BR Okay, my names BR. I’m a professor of marketing at the University of Sydney. I’ve been in that role since November of 2001. I completed a PHD at the...after a brief career in retailing men’s apparel in southeast Florida. I’ve been in Australia for 12 years and I’ve been an Australian citizen for 7 years.

JF And have you had an opportunity to read the case?

BR Yep.

JF One of the things that I’m interested in looking at is the way in which people re-read the stories and business cases. So I wonder if you could re-tell the story to me as you read it, picking out what you think are some of the most salient features.

BR This looks like a case that’s been in the history books of kind of marketing for quite some time in different contexts where the previously well known high end or upmarket brand
switches from selective distribution or is considering switching from selective distribution involving retailers that are also similarly positioned to a more mass merchant. What we would call intensive distribution strategy where the brand will be offered to a wider range of people at a lower price point.

JF So having said that you think this is a relatively common story, was there anything about it that surprised you?

BR Not, well, in this particular situation had I looked at the specific examples that are given, I would be surprised to see those brands in those retail outlets. Usually what will happen for a upmarket prestige fashion brand to pursue that kind of strategy is it’s a brand that is slowly gradually losing its cache and losing its ability to be successful with the more upmarket speciality retailers and so decides to kind of cash in and say rather than dying a slow death to use a metaphor, lets kill the brand at a much faster rate but lets make a lot of money in high volume sales, and I kind of think, I always get stuck on, there’s a fashion brand that comes to mind as kind of the first brand to do this and I have one of the ties and I just, I can’t think of it, it will come to be me in the context of the interview.

JF Pierre Cardin?

BR That’s it. That’s it. Pierre Cardin. I can never think of that. But that was really one of the first brands where we saw this and now of course you know, you see Pierre Cardin down in you know, the, you know, shops that are selling souvenirs for goodness sake, or Paddies Market. I mean it’s fallen that far. But that was one of the first brands. But again, I would argue that Pierre Cardin had already begun to lose its ability to compete and the upper end of the market, so why not cash it out.

JF One of the things I think though that is perhaps a bit distinct about these sorts of partnerships is that they tend to be a one off, capsule collection, which means that there’s no ongoing revenue stream for the brand, and also that designer continues to produce their main line. Which begs the question in that case why, what would motivate a high end designer to undertake a partnership like that?

BR Well volume sales, there going to sell more units per unit of time and they’re going to make a lot of money per unit of time. Now you mentioned I think an interesting point and that is if, you know, these are kind of a classic scenario where if you were teaching marketing students and you were to say, now what happens if you have a upmarket
brand positioned high price, you’d spend a lot of money in mass media over the years, so there's a lot of time and a lot of money went into creating that. If you pursue more intensive channels of distribution what will happen to that brand, and of course, I think they get it, oh yeah, gosh, if I saw it in a place like, you know, K Mart, gee, it would probably take away from the brand a little bit, right, of course it would. So is there a way then to have you cake and eat it to and the text book example is to say a creation of a sub-brand, a way of taking the brand and the entire product line in which the brand has used and say, effectively we’re going to divide that product line into different price points, and we’re going to use something that gets attached to the original brand as a sub-brand that effectively tells the consumer, this is the low price point end of that brand. This is the high price point. A classic example would be Levis. You don’t think of Levis blue jeans as I suppose a luxury brand the way you would some others. But it was clearly for quite a long time positioned at the high end of the market and it was sold only in speciality shops. Initially what they did is they signed a deal with, it was I think before Wal-Mart, I think it might have been K Mart, and what often happens is your original retail partners will have a backlash. They’re not going to compete against a mass merchant who can have distribution centres, volume discounts. They’re going to get priced out of the market and so Levis was really hurt. They dramatically expanded their product line so that they’re actually selling suits. If you can imagine you could have bought a Levis, kind of a business suit, business slacks, all that stuff, and so at the same time they’d invested all this money in order to expand the product line, their source of revenue from their previous channel partners was drying up and there was a backlash and so the second time, Levis went to the strategy, they learned their lesson, and this is where the coloured tags, the signature Levis tag in the back of the jeans began changing colours, and so you had your silver tab, your orange tab and your red tab. The red tab was the original that retained its status as kind of the upper end speciality shop, maybe high end department stores got that, and then you had silver tab was your cheapest part of the line, that would go to a K Mart or a Target or a Wal-Mart, and then the yellow tag had a middle kind of place point positioning, and they got away with that because now the speciality shops that were selling, these were the buttoned down flies in the blue jeans, they knew they weren’t facing any direct competition and they knew the consumers got it. The consumers understood the difference between a red tag and an orange tag and a silver tag.

But even if that’s true, when you have these partnerships like Stella McCartney for Target or Carl Lagerfeld for H&M, because they’re co-branded that means that the designers brand you use like necessarily caught up with how consumers perceive the mass market retailer as well. Should that be a concern?

Well obviously if you’re Target your delighted if there’s a brand association. The question is what does that do for Stella McCartney? It over time will damage the brand and this is why I talked about having your cake and eating it too is that, yes, you’ll make a
lot of money quickly, but you kind of lose the cake in the bargain, and again, this is where if there’s an effort made to say, yes this is Stella McCartney, but this is a speciality line of products. We’re going to communicate that it’s distinct from the regular line, then you can get away with protecting the core brand and consumers get it. I get it. This is Stella McCartney but its not really Stella McCartney or this is the silver tab version of Stella McCartney that I can get for a lower price point. But of course, if I want the real thing, it’s been sub-branded or separated in promotions in such a way that I get the distinction.

BR Well, why would, I guess the question in the case, first of all I would argue that Carl Lagerfeld is Pierre Cardin in the making in the sense that its already losing a bit of the cache in the, and I’m not an expert on this, it was years ago when I sold men’s clothing, which you can probably tell by looking at me now, but I would argue that maybe different than Stella McCartney who I perceive as being a brand that’s not necessarily on decline. But why would a designer have to use exactly the same brand to engage in these kinds of arrangements. Clearly if it were brand X designed by Stella McCartney wouldn’t that make it clear that, yes, this is a top designer, okay, that’s clear. But it’s also clear that this is brand X and not the regular Stella McCartney line and that this has been made especially for mass merchant discount retailer Y. That, if you’re primary concern was about protecting the fashion brand that would be a safer way of doing it. Now, does that make it valuable for the mass merchant, the discount retailer? Yeah, it probably does, and you know, what’s the balance there? Well, I don’t know. It depends on how much money is being made and what kind of volume is being discussed as to whether; I mean, well, this is, at the end of the day, what are we talking about? We’re talking about what is the long term value of the brand, right, and what is the equivalent short term cash out, right? Even a very valuable brand with an extraordinary amount of brand equity at the upper end of the fashion market got its price. You can say your going to make X amount of money in this short period of time if that amount of money, future value over the life of that brand, this is where the finance people come into play, could very well be worth it. God, it’s a good brand but for that amount of money right now, we’ll kill it. So it’s all about short time, long term brands. Brands tend to be more long term things, and clearly when you move into the context of a discount retailer you’ll kill that quickly. You know, goodness, the volume you could be talking about could be enormous.

JF But one of the things that the case points out is that the designer earns a fixed fee upfront so it doesn’t really matter that much what the volume is.
BR Well, yeah, but the fixed fee will be based on the retailers assessment of volume so the magnitude of the fixed fee could be, I mean, if I’m Stella McCartney I gotta think, what’s this brand likely to be worth in the long run and if that fixed fee is worth a significant percentage of the projectory of that brand over time then why not, and the fixed fee of course will be based on what the retailer wants to get out of it.

JF Yeah, I mean the fixed fee for the Stella McCartney for Target partnership was 1.3 million Australian dollars which is the context of a couture fashion brand doesn’t seem like very much which makes me think that perhaps there’s some other motivation for the designers to do partnerships like this.

BR Well, it’s hard to see how it won’t damage the brand to the extent that the brand gets associated with a retailer that is not, doesn’t have the same positioning. I mean, you know, again if you’re teaching you know, kind of retailing or channel strategy 101, you’d suggest that the positioning of the brand and the positioning of the retailer ought to be similar. In this case its not. So it’s not obvious to me what the alternative motive would be for the designer other than to say, I can make a lot of money, I can make a lot of money quickly and although it may damage my brand, it’s such a large amount of money that I’m going to do it. And again, remember this was one of the first things that I said initially, there’s nothing that stops Stella McCartney from developing a new brand that people clearly associate with her, there’s plenty of ways that she could brand it to where people know, okay, this is it. In which case, that’s the old, that’s gone from upmarket to mass market and now here’s the new upmarket brand. By the way, it may be another; a better example might be Armani. We have Georgio Armani, Mani; I think is the low end.

JF Oh and Armani Exchange.

BR And Armani Exchange. So you can actually do the different price points positioning of different parts of the product line using variations on the brand name. You don’t need silver tags or orange tags and red tags to do the same thing, yeah.

JF One of the things that distinct about diffusion lines as compared to say doing a capsule collection for a mass-market retailer, is firstly there’s still only one brand name and that’s there’s still, the distribution is still completely controlled by the designer, where as one of the things that this designer says in the case is that she wasn’t very happy with the way in which the merchandising was done which both surprised and distressed her.
BR Yeah.

JF Which makes you think on the one hand that perhaps that loss of control is not a good trade-off for the brand.

BR Well, usually if a luxury brand is dealing with a mass merchandiser and the mass merchandiser definitely really wants to have this brand in the store, usually the owner of the brand has considerable power to get what they want. To have it merchandised a certain way. On the other hand, your big retailers, big chains, are also going to have a fair bit of power, so it really just comes down to, you know, who’s got power in the channel, and again, lots of times a mass merchandiser like a K Mart or a Target, you know, they’re going to do business their own way. But you’d be, I mean, we don’t know what the negotiations were, we weren’t there, we don’t know if you say in the case that there’s a violation of expectations, how did those expectations come to be. Was this explicitly discussed or not. So, you know, I don’t know, you can’t get enough there to know whether or not agreements were made about merchandising arrangements or not.

JF I think it’s also though that isn’t that question that because you have, there’s a loss of control for the designer that that introduces another dimension of risk for doing these.

BR Well, but you could have a loss of control in any retail category. It’s not just that, well, these were being mass merchants. They were capable of offering large contracts. Retailers do what’s good for retail ownership and to a lesser extent for their customers. They’re not glorified sales forces for the manufacture’s brands that they represent. So the idea that this was an inherently going to be a new kind of problem that the brand didn’t necessarily face before, I don’t know that that’s necessarily true. I’m certain that that for example, DJ’s would also have considerable clout to say, you know, we’re going to merchandise your brand and sell it and do whatever we want with it, depending on what our needs are.

JF Yeah, and I think that certainly is a risk that they face in that kind of context. But I think is that one of the reasons why luxury brands, particularly since the 1980’s, have moved really heavily towards vertical integration.

BR Well, you get control; certainly, I mean that’s one of the benefits. The downside is that designing clothing and retailing clothing ain’t very similar as businesses and one is labour, well, I suppose the designing is labour intensive as well, but certainly not the
manufacturing compared to retailing which is inherently kind of a labour intensive business.

JF Sure.

BR But yeah, vertical integration gives you greater control over the brand, surely.

JF So one of the things then that I think is quite surprising and quite interesting about these is that despite those kind of myriad of risks and motivations that are maybe rational or not, this kind of collaboration as Stella McCartney for Target or Carl Lagerfeld for H&M, is just getting more and more popular as a kind of feature on the fashion landscape. Why do you think that might be?

BR Well, I think in general more people can afford more luxury. There was a time when you had to be rich to have luxury. Now, I don’t know that that’s, you know, the case anymore. So to my mind you develop a brand and you cash it out quickly and if you get the right price for it, fine, start again, create a new fashion brand that everybody wants. Of course creating brands isn’t that easy but to me it’s a simple case of saying I want my money now and I’ll take it. It’s hard to imagine its good for the fashion brand, certainly good for the retailer and helps the retailer to kind of upmarket its image. But there's also nothing from stopping a designer from starting a new line or creating a new brand and doing the same thing and reintroducing. I mean you’d think it would be safer to already have that in place. To me it would be safer to go the other way around which is to develop the high end brand and then to take a sub-brand variant of the high end brand and say, this is the version that goes to the Targets and the K Marts and Wal-Marts of the world. It seems harder if there isn’t already an upmarket or luxury brand that’s already been positioning. It seems to me it would be harder for Stella McCartney to say, okay, now I’m going to come out again and its going to be called something else, you know, Paul’s girl, I don’t know what you call it, and don’t worry, I’m going to have success again at the upper end of the market. I mean to me that’s you know, that’s a bit of risk.

JF Yeah and I think that’s why there's a kind of fascinating asymmetry where this is a partnership that is all upside and very low risk for the mass market partner.

BR That’s right.
But in a purely rational sense its quite high risk for the design partner, particularly because there’s no chance of ongoing revenue.

Yeah, if, to me that translates into 1.3 million wasn’t enough. Fine, they negotiated; they did a bad job of estimating the present and long term value of that brand. Well, that’s just bad negotiation. But to me there’s nothing inherently rational or irrational. Lets say 1.3 million is about all that brand was going to be worth over time. Who are we to say that, and again you have to remember the future revenue that that brand could have generated, well, yeah, but 1.3 million could be invested now and also be earning money. So, you know, you can’t say future dollars and present dollars are the same. So, I think its one thing to say, gosh, that was bad negotiation, that figure wasn’t high enough, fine, that’s just bad negotiation. But if you’re talking about the overall strategy is being kind of inherently irrational or inherently geared to the mass merchant and against the fashion designer, I’m not quite sure that I agree with that.

One of the things that designers often say in public about having done a collection like this is they like the idea of democratising fashion and they like the idea that people can afford their product at all price.

Yeah, yeah.

Do you think that that is just romanticism or something that they genuinely do believe?

Well, you know, I’d don’t know about those comments. I haven’t seen them. I don’t know exactly what’s being said there but to me the question would be, yes, but don’t you want those reasonably well off people still buying the expensive stuff to. If you’re talking about not having to make that trade off then you better differentiate what’s being sold at the speciality shops versus the department stores versus the discount stores. If you really believe that, well, then fine, just do the thing for the discount stores. But again, how long can a fashion designer; K Mart doesn’t want somebody that’s being doing this for 10 years. It no longer suits their needs. They want something that used to be high end and is now suddenly available to the mass market. So, yeah, it would be interesting to see exactly what they mean with those quotes.

So what to your mind is an example of a brand that’s cashed itself out, like?
BR  Oh, well, we mentioned Pierre Cardin. I mean that’s a, its interesting because I saw Pierre Cardin I believe in Myer, shopping for suits,

JF  Yeah.

BR and I saw a lot of brands at Myer and my feeling was that the irony to me now is that Myer’s reputation was hurt because this previous high end brand had no sunk so low that to see it in Myer, I just thought, well, you guys don’t have your act together. I don’t knows who doing your buying but I can go to DJ’s and get, you know, YSL’s, Studio Italia, you know, a much better mid level brands than that. So that would be one, yeah, I’m not sure about Carl Lagerfeld, its not clear to me that this isn’t the beginning of the end for that brand and this will accelerate it or something like this accelerates that. But it’s not clear to me that that wasn’t happening already. I’m just trying to think, other kind of fashion brands that have cashed. I mean YSL did to some extent, cash out quite some time ago, but they’ve at least maintained the kind of department store level distribution. But you know, why, I first of all used to say the whole name back in my day, and it was, you know, I worked in a speciality store and YSL was you know, one of the main brands only it was Yves Saint Laurent, but I mean you had to say it with a French accent even if it was south Florida, Yeah.

JF Two of the designers or the brands that have done this in the last year though are say like Roberto Cavali and then who both like kind of very high end, quite avant garde designers who’s high end brand doesn’t seem to be at any risk and who certainly don’t struggle for profitability in that end of the market. So, knowing that, what would make them trade down and deliver this kind of one off collaboration?

BR Well, again, from a business perspective you would darn sure want to protect that brand and you’d really be concerned about any kind of mass merchandiser discount kind of store carrying that brand. So again, it gets back to how well do you differentiate that part of the product line that will be a one off deal with pick your mass merchant, insert here, and to basically what your signalling to are your relatively affluent customers that don’t worry. Theirs is no confusion in the marketplace between what I’m doing for K Mart and what you’re paying 8 times for at a speciality shop downtown on, you know, pick a street downtown, there are many of them, you know, I mean that’s the thing. It’s really the potential confusion in the marketplace for saying I don’t want anybody confusing what I bought here for this price for their buying there for that price.

JF One of the things that some people point to as a problem is that these kinds of
collections enjoy really variable success rates and that often resulting in very high rates of return to stores and significant discounting which doesn't matter that much for the mass market retailer. They're in a commodity business, but it is a pretty bad look for the designer. Someone said that they think Stella McCartney for Target has destroyed the Stella McCartney brand in Australia.

BR Yeah, I think its been destroyed or badly hurt as a high end upmarket prestige fashion brand, yeah, I don't think, but again, you could get away, I mean to me the gamble is, there, is, okay, does she think then that she can relaunch a brand that's clearly associated with her that is a different brand and relaunch at the upper end of the market, and that's a risk compared to for example, saying, alright, I want that deal with Target, 1.3 million dollars, tomorrow sounds pretty good to me, but what I will do is slightly alter the brand. The way for example Armani has done to create different price points, so that its communicated clearly, you know, in fact, there's something called an endorse brand, and these are brands where you see a 2 part brand where is something by something.

JF Yeah.

BR Why not Paul’s Girl by Stella McCartney. Okay, I get it, its Stella McCartney, she designed it, I got that, but I also know that its not, you know, what I pay $1700 for downtown. It’s the $170 version of that.

JF Like Marc but not Jacobs.

BR Yeah, exactly, yeah, yep.

JF And so you, what you’d say then is in terms of if you were to give advice to someone about this the choice of whether or not to do it would rest on how well otherwise you could differentiate your main line from the collection for the mass market retailer.

BR Well, first of all I would say valuate your brand, alright. Not only what’s it currently worth but what it is likely to generate over time and say, okay, every brand has its price. No matter what that brand is somebody forks up enough wheelbarrows full of money and says I’ll give this to you now if you sell that in my 850 discount stores all over the world, every brand has its price. Then to say, if the price being offered, the one off
payment, is below that assessed value, then you would say, okay, maybe I still say yes, to the extent that I can differentiate that part of the product line that will go to the mass merchant from the part of the product line where my brand and my long term future success lies and to the extent, and again, to me this all has to come down to negotiation. Something something by Stella McCartney. Maybe you know, that was proposed at some point, you don’t know, I don’t know, and K Mart said, or sorry Target said, no, no, no, its got to be exactly the same brand name, oh, well if you want exactly the same brand name, its going to cost you 3 x Y not Y because you’re costing me a long term asset. You’ve got to pay me more to get that. So that would be me the second thing and again this all comes down to negotiation.

JF  One of the things that this designer says is that she was motivated pretty much just by curiosity. She did a capsule collection for a High Street retailer because and she says exactly this, she says, because why not, I just thought it would be interesting.

BR  Yeah.

JF  And this interest is motivated just by that kind of creative curiosity. Do you think that’s part of it?

BR  Well, you know, lots of people in business would like to do neat stuff but you know, you’re supposed to try to do so at a profit. So yeah, if profits no motive, yeah, go ahead, do tons of neat stuff, kill off your brand assets, you know, great. You know, but presumably there’s some kind of private ownership involved here and so you ought to think about the business implications of what you’re doing. I mean I happen to a big fan of doing something you love for your job and not always putting profit as top motive. I actually think it’s a good recipe for happiness. But for goodness sake, I mean you can’t just do anything you like for the heck of it and say, well, I don’t really care what the long term financial, well, actually maybe Stella McCartney can, but to those of us who are not offspring of Beatles, you know, you may want to think about what the financial implications are, and to me, that kind of reasoning says, I didn’t care about money or I don’t care about the long term value of the brand, you know, none of this matters, well, yeah, okay, fine. But at some point I think financial outcomes have something to do with it, yeah.

JF  So if you were to think about what would motivate people to undertake a partnership like this, what would you look to?
BR I want cash now. I want a big boat of cash now. I’ve got this brand, it’s valuable, but that money will come over time and at some point I’m happy to cash out and take a load of money now, and first of all there’s no guarantee that the brand will be killed. I mean we think it will but there’s no guarantee of that, and if they’ve negotiated well and they have an understanding of the kind of long term value of the brand and they can get a significant percentage of what that total dollar value is upfront, why not.

JF So you just look to that rationalist trade off?

BR Well, again, assuming that we’re talking about somebody that has a curiosity in financial outcomes. I mean, goodness, if I could lose money indefinitely then I would tons of neat stuff for business and I probably wouldn’t care about any of this stuff. But, you know, most people are not in that luxurious position.

JF And you think appeal of a guaranteed injection of cash now is probably what’s driving the popularity of this as a more widespread phenomenon?

BR Oh, yeah, I mean I think that’s, and to me we’re talking about fashion, but to me this exact kind of trade off is affects a number of industries whenever you have a brand involved. So you look at, I think this is an appropriate example, talking about Stella McCartney for goodness sake, lets go back and look at the history of recorded music and look at a band like the Beatles that were fantastically over exposed, worked to death, treated like dogs, they made boat loads of money and they didn’t keep any of it but everybody else made lots of money, right. On the other hand, at some point, the whole thing imploded and that was the end of it. So you can go with that kind of model, lets put them on TV, lets get them out there, lets, you know, they’re everywhere, they tour constantly and you make boat loads of money, but you don’t tend to have a band that lasts 25, 35 years or you can kind of go the other rout where you basically say we’re going to protect the brand. We’re going to protect the music. We’re not going to get over exposed. Very limited appearances and you can kind of make your money over 25, 30 years like a band like U2. Now that’s, what’s the analogy, well, it is about distribution, right. What are we talking about; we’re talking about intensive distribution of recorded music and a recorded music act versus more selective distribution. We’re not talking about retailers per se but the concepts the same and to me there’s no right or wrong answer. Do you cash out right away, well, if you don’t care about the brand and profit is your motive and you think the payout figure is worth what the long term value would be, why not? You know, my guess is that a lot of the fashion designers or brands that choose the quick pay
out are effectively saying, I don’t know how good I’m going to be 10 years from now and I think the designers or whatever industry the brand is, the ones that say, no, no, I’m going to pursue selective distribution and I’m not going make all the money I could in the short run, I think they’re people that by in large either say, (a), I like what I’m doing and I’m not trying to maximise the amount of money I can make, or (b), I think I’m really good and I think 10 years from now I’m still going to be pretty good and if I cash out now I may give up that in the long run.

JF So those are probably brands from my mind like Prada and probably like [unclear 35:00], that have become hugely profitable just by really jealous protection of brand integrity.

BR Yeah, although Prada, I think they are now co-branding a handset with somebody so they’re all,

JF [unclear 35:16], yeah.

BR so they’re already exploring kind of licensee, or sorry, licensor relationships, so I wouldn’t say, you know, that’s the kind of the maximum protective strategy. I mean, I don’t know enough about this but the model there could be, this is our core business, fashion. Now there are several products that are related to fashion where we’re quite happy to be a brand licensor but within where we consider the core product categories, no way, that’s where we were kind of the maximum security, you know, lets restrict and try to control distribution as much as possible here.

JF That’s why I think that these partnerships are quite interesting. So there is a history of high end high end collaborations like the [unclear 36:07], car and then there are cross product categories like say the Palazzo Versace Hotel and the MJ Prada mobile phone. But this is what we’re talking about the same product category.

BR Yep, yeah.

JF We make the risk I think much higher.

BR Exactly right, exactly right, because people can’t distinguish between, oh that’s, for
example, Ferrari selling sunglasses, I don’t really think they’re worried if that kind of, if that brand loses its cache in that category because we’re out to sell cars and that’s what we’re about.

JF Presumably the people buying Ferrari sunglasses are probably not buying a Ferrari.

BR Exactly, so they’re such, where as your right, if you’re talking about the same basic product category in a same channel of distribution, yeah, the risk is much higher. Which is why I mentioned kind of the Prada model may be, well, that’s okay, we can be a licensor over there because everybody knows that we didn’t make that and that that’s so far away from what we do. Well actually, nobody makes anything; design is really the operative word here. So they turned you into a lefty, right, see I rejected that. I was taught to write that way, and I said, no, I’m going with the other slant but I was bought up in a Catholic school and I had,

JF Oh, yeah.

BR yeah, same thing, and I said, no, sorry, I ain’t doing it.

JF So is there anything else that leaps to mind for you as being interesting about these kinds of collaborations? Anything that we haven’t talked about.

BR Well, yes, and this is what I would say is kind of the big picture issue and that is the fashion industry is kind of notorious for rejecting some of the basic principles of marketing, particularly when it comes to brands and yet, everything that you teach in marketing is the more intangible the product the harder it is to evaluate objective quality. The more important it is to develop a brand and protect it and manage it, and one wonders if the fashion industry’s kind of rejection of professional marketing hasn’t led to some really bad negotiating. It could be that those figures are horribly low compared to what that brand is worth, but hey, they don’t have brand portfolio management. The kind of, you know, we’re fashion, we do what we want. We don’t study what people need and provide it. We are visionaries, you know, it’s an almost open rejection of basic marketing principles and you wonder whether or not brands that had a much higher long term value are being you know, kind of cashed up because they don’t understand brand management and they’re proud of it. You know, that’s what they say, we’re fashion, we don’t do that.
JF So then if you were looking to develop an account of why these kinds of partnerships come about what schools of thought would you look to then?

BR I would say the same thing I was saying, it's quick cash out. It's a way to make a lot of money all at once without basically worrying about you know reseller value. This is it, it's my money. That line doesn't sell and Target has heaps and heaps in stacks in their distribution centres that they can't get rid of that's not my problem and so I'm getting a heap of money and the risk of the success of that product line further down the channel, you know, isn't my business anymore yeah.

JF But you're saying that on the other hand that the motivation can be kind of the opposite of that, this idea that fashion thought leaders think they're really visionary and novel and are rejecting that commercial element. So can those two coexist?

BR You mean rejecting the commercial element entirely?

JF Well, no, they just say, it matters less to us than the idea that we're doing something novel and visionary.

BR Well, again, if they think, well, again, anybody in business who isn't interested about making money well you can do anything you want. More power to you. Assuming that they're saying we'll do this thing over here where we're not concerned about the financial outcome but that's okay because we're going to do this thing over here and we're pretty sure that that's going to work. You know, then you have to ask the question, well, how much is your success over here where you think you've got a decent business model dependant on your brand and how its perceived in the marketplace and to what extent are you risking that previous model for success by taking your brand and affectively putting it in a position where its going to be associated with a much lower end in the marketplace.

JF So on a kind of,

BR I guess they could be saying, alright, I'm not naïve, I know I'm gotta make money in the long run but I don't mind doing this thing over here, even if I don't make money because
I’m making all this money over here doing this other thing and I’m saying, well that’s fine. That seems reasonable but you better make sure that in doing this thing over here where you’re not going to make any money that you’re not affecting or damaging this model that has been making the money and if its dependant on the brand name, it seems to me that there is a jeopardy there, a potential jeopardy, a potential problem there.

JF So then your kind of like bottom line analysis is that these kinds of partnerships a risk worth taking?

BR Depends on the power figure. It really has to do with what are they getting upfront and what’s the long term value of the brand. If they’re getting more assuming you know, that’s whatever the finance people tell us we should do, if that comes out to be more then the true you know, that only powers know about the long term value of the brand, then it’s a great deal. And again, from a business, from a financial perspective, if the brand is, if they’re doing this on the naive assumption that this practise of mass distribution won’t affect my brand, and therefore I can do it for this amount of money, and I’m not even concerned about the money anyway, then I would suggest that they maybe a little naive about brand management, and I don’t know what they’re thinking because I don’t, I haven’t been talking to them.

JF So is there anything else that we haven’t talked about that you wanted to know?

BR No, not anything that I wanted to know. Is there anything you wanted to know or ask? I mean I can give you more analogies of Pioneer audio equipment was positioned at the high end, they made the same deal, they went to more intensive distribution. Massive backlash of core audio specialists which was a retail category that used to be abundant, relatively rare now that you’ve got the Dick Smiths and the kind of the Circuit Cities of the world. But at the time they lost a lot of money but they made a lot of money as well because they were able to sell Pioneer and had that cache but that brand suffered kind of in the long run. I’m trying to think of one other category that had a previous high end brand that goes to intensive distribution and make a lot of money in the short one but in the long run the brand is no longer, you know, seen as high end, in fact, no longer exists in the marketplace. There are a few examples.

JF In terms of when I think like brands that might have maybe managed what’s probably quite a torturous balance pretty well, probably I don’t know if you agree but firms like Mercedes and BMW, producing say the 3 series and then compact class Mercedes.
BR Yep.

JF Cars. So you think that they’ve got the balance right?

BR Well, the thing there though is you clearly see the development of a sub-brand. In this case a numerical line and that number might as well be priced right. I mean, you can almost, it’d be interesting to correlate for all of the luxury car brands, to take the numbers of BM’r, Merc, Audi and to do a correlation with the price, retail price, and my guess is they’re telling you, the bigger the number, the more expensive part of the product line.

Overtalking

BR So there’s a clear kind of differentiation there at the sub-brand level so I know it’s a Merc but it’s a compact Merc and everybody else knows that and everybody else knows what I paid and nobody’s going to confuse it with the you know, the high end of the Merc line. Same thing with the Bm’r, same thing with the Audi’s, same with everything else. It’s interesting with cars because they’re now starting to introduce a third level. So they have what was called the 3 level brand architecture now where they take packages and they now put a brand name. So now you see Toyota Camry something on the other side of the car and the genius with that is there enhancing the value of the package by developing a brand. But they’re also saving themselves money because if they can get people to accept the idea that they’re only a handful of packages they’re getting manufacturing efficiency as well. Here’s the thing, it’s the Camry, customise it, oh forget it. You’re going to pay lots more. But if you pick one of these 3 or 4 sub-brand packages that’s all we manufacture and so what are they effectively doing? Well, guess what? Each package of options within each model punch points.

JF Yeah.

BR So they’re in many ways fulfilling the concept of consumer surplus. They’re just making sure they’re take even a little bit more surplus, right.
JF Well, that’s interesting. Do you think there are any other analogies?

BR To the third level brand architecture. Somebody introducing a third, yeah, they’re probably are. I’m probably just not bright enough to think about them. Same thing with you know, wines, I mean just have a glance over here. Wines are I think quite sophisticated actually in their branding. They understand that they should have 3 price points, by in large they do and you can only get certain price points in certain distributing. You want to go Dan Murphy’s you’ll get a certain Barossa wineries brand, but it will only be that part of the sub-brand that is, you know, allowed to be at Dan Murphy’s. You want to get this part of the sub-brand you have to do cellar door. You have to order directly at a wholesale club. So, yeah, I mean, it’s easy, it’s okay to presume mass distribution if you have a luxury brand as long as you have something that differentiates the product line. I think to me that’s the thing in these cases that seems odd is that there’s been no attempt to do that. Well, Armani does it so it can be done in the same product category. It just wasn’t done here.

JF Yeah, well I guess part of the reason that that’s the case is it can’t be too differentiated or the mass market retailer won’t accept it.

BR Well, but again an endorsed brand, something by Stella McCartney for example, would presumably bring the cache of a brand name designer into the store and yet clearly differentiate. This is a special line made for K Mart. It’s not what you’re buying downtown at DJ’s and it certainly isn’t what you’re buying at a speciality shop in the QVB, you know.

JF And you think it’s interesting that that hasn’t happened in this case.

BR Well, yeah, I mean that would be the thing and that was what kind of generated my point about do we have an industry that’s maybe rejected marketing to the point where it doesn’t understand some basics about brand management. I don’t know I mean that’s pure speculation on my part. I don’t really know what was done here but that’s what you would normally say you should do. You do what Armani does.

JF And you think that hasn’t been done here?
It doesn’t appear to be done from the case. Again, the obvious example here would be you know, such and such by Stella McCartney or anything that says, yes, it is that designer, you know it and we know it, but we also both know that this isn’t the same line of clothes.

Professor BR thank you so much.

Sure.
CASE 3: TRANSCRIPT OF INTERVIEW WITH STRATEGY READER

INTERVIEW: 16 October 2008

Key:

JF = (interviewer)
SR = (respondent)

JF This interview is being conducted on October the 16th with Professor SR in his office at [leading Australian university]. So SR, if I could start by asking just too briefly introduce your professional background?

SR Yeah, I’m a professor of business strategy. I’ve been here at Sydney for 3 months prior to that I worked in a specialist graduate school of management, MGSM, where I was primarily involved in MBA teaching plus some doctoral supervision and executive education. Non award course stuff for a range of different corporates. Going back many years before I decided to become a full time academic I had periods of working both in the private and public sector. In the private sector I was working in the oil industry, but for the last 20 years I’ve been an academic working in various business schools.

JF And if I can take you to the case, can I ask you to tell me the story of that case, picking out what you think are the most salient features?

SR Umm, well, in some ways it’s a classic strategy story because, you know, a couple of things you can say about strategy is, 1, strategy is about being different, so strategy in a sense is about working out how you might differentiate yourself from competitors. A second element of strategy is that it’s as much about what you don’t do as what you do do because any business has a range of opportunities that open up for it, a range of
directions it might take and one of the reasons that having a sense of strategy is important is it can provided some set of guidance as to what opportunities you should take, what directions you should take and I guess the other side of that coin is hopefully it gives you some idea about when a particular opportunity is not one to be taken, and I think this is a story about a potentially high risk strategic move, but classic for strategy, its also something which is able to be framed as an opportunity. I think as we've seen in, just in the recent weeks, its very very difficult to be sure about the future and a second element of that is that for any business no strategy or should I say this, the success of any strategy is not purely dependant on what you do because strategy, strategic moves take place in a competitive context and so whether a particular strategy or a particular strategic move looks smart, proves to be with hindsight, a good move, isn’t just about whether it seems to be a sensible move for an individual company, its also something which is determined by what your competitors do. For example, if competitors do a very very good of mimicking exactly what you do, the uniqueness of your action is removed so what might happen is if you may perhaps get a very short term advantage until one or more competitors copy you, but, in that situation, within a very short space of time, your having to look elsewhere for a source some sort of competitive edge. In this story I think what we see is a designer seeing a new opportunity for the development of his or her business. I read this story as being one that’s describing a designer who in some ways I would see as relatively inexperienced certainly in the ways of business. I see almost a certain level of naivety in some of the comments and I don’t mean that in a pejorative sense but perhaps I should say, perhaps the word inexperienced rather than naivety is more appropriate. I don’t read this designer as being someone who comes from, you know, a Louis Vuitton related brand or a Versace related brand, I think they’re the sort of, in either discourse I think would be different, at least that’s how I read it. It seems to me to be a story about a designer who’s almost more of a sort of small scale entrepreneur who is excited by the opportunity to enhance brand awareness and who is also attracted by the notion of trying something new. I think that’s really quite a strong theme of interest in experimentation, trying something different and perhaps a certain attraction to doing something that’s a little bit unorthodox. Having said that, I think its interesting that the extract that I was presented with starts of with a quote in which the designer immediately refers to the fact that this sort of relationship with a retailer is one that has worked previously in the industry. So there’s a, I see there’s quite an interesting sort of coexistence of the notion of risk, experimentation, novelty and counter orthodox action with a notion that, well, this isn’t actually a silly risk because sort of, you know, smarter people than me or more experienced designers than me have entered into this. So there’s some, there is some evidence that this is not crazy risk, you know, so there’s a sort of mimicry element that’s part of it and that’s, you know, that’s classic in business, that in fact in the organisational literature it goes by the wonderful name of mimetic isomorphism which is probably a term which would send you know, most self respecting managers running a mile. But, you know, it comes out of institutional theory and it sort of, it’s a response to the question, you know, why do lots of businesses do the same thing or why do they have the same form and one of the arguments is that so called successful businesses are often copied. Well, in the sense of, well, if they do it, its good enough for them, then you know its good enough for me. So there’s a little bit of sort of
risk reduction associated with the idea of doing something which has been done before. On the other hand, I’d say the bulk of the comments here are about the, perhaps a level of interest in doing something a little bit novel. This designer doesn’t give me the impression of feeling that there’s huge risk. Now, I don’t know whether maybe the designers taken a calculation that, you know, there isn’t a huge established reputation at risk here and that perhaps the potential benefits are much stronger than the risk. So maybe this person has calculated that the advantages to come from greater brand awareness exceed any risks that might be seen as associated with if you like, going down market if that’s the case. I don’t know exactly at what level this designers brand is positioned. I mean we’re told that boutique but I guess you can be boutique, I mean boutique does not necessarily mean that you’re not high end of the market because you can be high end, you could be low volume, high end of the market, boutique, so lets say for example, if you have a specialist boutique in Vallara, you might feel that if your products started to come out and Target that might take away the, some of the cache amongst your smaller elite group of clientele. On the other hand I guess if you were a little bit more sort of a Darlington said boutique you might feel that, well, you know, there’s almost a street cred sort of thing, almost and a bit of that comes through in some of the discussion about being counter orthodox. It’s a bit about we’ll sort of screw you, you know, its sort of almost, there’s almost a bit in there on somehow that, you know, that if the masses begin to wear this brand, well, you know, that’s sort of like the new chic, you know, that’s the new sort of street credibility that a designer might want. So they might actually say, well, if the orthodox position was, you know, you design clothes for a particular segment and the last thing you wanted was some sort of Target purchasing westie to be wearing your clothes, well, you can say, well, actually that’s old school, you know, what we want to be is a brand that, you know, if we’ve got people, if we’ve got non-traditional consumers wearing the brand, that’s almost cool, that’s the Dunlop volley sort of syndrome almost. So I mean I thought it was I mean there’s a lot to read. I mean I’m reading a lot into; I’m sort of extrapolating from fragments. So I guess I’m just trying to maybe, I’m speculating, that’s all. I mean I’m just speculating about what I see there.

JF Considering all of that on balance,

SR Yes.

JF would you say strategically wise or unwise decision?

SR Look there’s not enough detail to really know. But my, there’s nothing in the story that leads me to believe that this has proven to be a failed experiment, if anything, it seems to be, there seems to be a sense there that this designer is saying, hey, yeah, in fact, you
know, this was actually quite an interesting initiative to be involved in and I think even at some point doesn’t he or she say, look, I wouldn’t be averse to a second shot at this.

JF Yeah.

SR So, I guess what I would be saying is that it seems to me that there’s been no evidence that the designers aware of anyway to suggest that her pre-existing clientele have deserted the brand because of this initiative. There may also be a certain sense in which, hey, well look if Stella McCartney’s done it, you know, its sort of new, its almost a new cool thing to do, you know, sort of like, it’s a strategy that’s got a certain sort of, you know, its now got a certain credibility in the industry. Maybe 10, 15 years ago, people would have said, my god, your mad, you know, this is insane, don’t do it. But maybe the rules of the game have changed a little bit and the fact that a few leading international designers have sort of played this game, maybe has sort of legitimated this practise, and may even give the brand some sort of almost bizarre new cache. So I mean, you know, like what’s, you know, what’s smart and what’s not smart has a hell of lot to do with historic context. So it could actually be that a particular combination of circumstances have meant that this isn’t quite as risky a strategy as it was in the past, particularly for certain brands that might be attracting a slightly younger clientele and there might almost be this almost like bizarre sort of additional cache, you know, it sort of like, you know, the 70’s radical chic, you know, where the, was it Tom Wolfe wrote about, about, you know, the Manhattan socialites dripping with pearls like mixing with the Black Panthers and the radical black groups and it was sort of like almost like the ultra cool fashion accessory was to turn up to a party with a Black Panther or something. You know, so the sort of sense in which something which in a certain context can be seen as utterly inappropriate sort of becomes unclear sort of point in time. Look, I don’t know I’m, as I said, I’m just sort of speculating a little bit, but I would say on balance it seems to have been a successful experiment for this person and at least at the point in time in which designer X was interview he or she doesn’t seem to have felt that there’s been any backlash. So based on that I would say there’s a level of satisfaction with it. It is however still I think an experiment and I think like a lot of things in business, they might work well when just a few players are doing it, but if it were to become rampant, in the sense at some point the whole logic might switch. So I mean if a whole lot of people start doing it I would, you know, predict that at a particular point in time the balance of power might turn to those who decided to say, no, we’re not going to play that game, because in a sense, over time, what becomes the orthodoxy changes and a certain point, because what we’re talking about here is still something which is in the realms of the unorthodox and I guess you could say, if you do something that’s non-orthodox or unorthodox, I’m not sure what the correct term is, you know, if its good call you get the benefit from being I suppose in a sense, like a first mover. If everyone jumps on the bandwagon, well, it sort of loses its cache a bit and I suppose at some point with the trend there are people who like to be leading edge. At some point they’d probably ditch
it because they sort of say, oh my god, now everyone’s doing it now, it’s lost any cache it had, it’s the new norm. So maybe, the new radical position goes back to being elite. So I mean that’s the interesting thing about business, its sort of like, you know, its dynamic and, oh, you know, it’s a bit like, you know, one of the great stories, an interesting story in fashion, you know, the problem that brands like Nike and Levi had for a period there in the 90’s, where, you know, they started off being nonmainstream but then they were so successful that it got to the point that, you know, the mums and dads were wearing the Levis because they were the jeans they grew up with and if you were a self respecting 13 year old, why the hell would you, you know, wear the same brand of jeans as your parents. I mean you can almost say it’s like, you know, the last thing you’d want to do if your 13. There was a period there where of course a teenager started wearing cargo pants and then Levi had a sort of crisis because they’d been so successful. They’d become ubiquitous. They’d become mainstream. Nike had the same thing. Sort of like, you go from being edgy and slightly nonmainstream but then if you’re really really successful, successful ingratiating yourself into the mainstream, you sort of become terminally uncool for the next generation, and of course, so, you know, you end up with, its like the problem of success really or you get the reverse thing, like I mentioned before Dunlop Volley, so they sort of went from being, I mean I suppose at one point they were terminally uncool, you know, when everyone was sort of starting to get into Nikes and Reeboks and Dunlop Volleys almost died and then they sort of remerged almost as a retro thing.

JF Yeah.

SR You know, which is sort of like, well, because, why, because me, dads parents like me are wearing the Nikes. I mean Nike fortunately seems to have been able to reinvigorate itself through things like sporting scholarships and so on and I think its sort of in a sense, re-established its credibility for a new generation and even Levis have started to creep back in a little bit. But now of course, you know, they’re much more; it’s a much more competitive world. You know, a lot of people would be wearing, like my daughters generation, you know, they’ll wear Sassoon Bide and is it Nudie or something.

JF Yes.

SR Their generation doesn’t go, they don’t go for Levis, but Levis have generally speaking, a bit of a bounce back, so, yeah, there’s some sort of fascinating stuff that goes on at the margins, it really goes on at the margins of marketing and strategy to do with, you know, when you jump on a bandwagon, you know, when you get off it, the problems of being too successful or in this case, you know, you’re dealing with the phenomenon of perhaps something which was seen as a classic no no, you know, that if you positioned
yourself upmarket, you’d be insane to do stuff that destroyed the very basis for what allowed you to charge a premium,

JF Yeah.

SR sort of thing. That’s why I think this has been such an interesting experiment in a sense because we’ve been able to see one or two brands like Stella McCartney get into some sort of alliance with Target or someone like that and I haven’t done any reading in this area at all really but apparently not causing their sort of brand equity to be seriously damaged, it seems to perhaps have more advantages than disadvantages. On the one hand though you might actually say that this was, you know, maybe one way in which it’s been successful is that you have a specific relationship to promote and produce a brand, sell it through that retail outlet at a point in time.

JF Yes.

SR So that it, I don’t know if that’s how it’s always been run, but, you know, where you have actually this, it’s a special sort of promotion. It’s not like, I mean is this right, you can’t just go into a Target now and there’s Stella McCartney regularly on the shelf.

JF Exactly.

SR So it maybe the way you sort of do it and do it in a way that’s actually constructive for your brand is you do it as a like a high profile event. It sort of becomes like a media event and it gets a lot of buzz around the brand and you know, you make sure and perhaps you have a, you know, you maybe say you design a special, well, design a special line of products for that store, is a concentrated promotional event, you know, one off special, buy it now, you know, that sort of thing. So, possibly that’s the way to make it work where as I would have thought if it starts to become if you like, almost like a house brand, that’s where maybe you start to get some real damaging affects but, some of those comments as I said before, for more speculation. In terms of key themes, I don’t know if you want me to talk about that yet, but I think you asked about 3 key themes. I sort of thought there were, the 3 I were to pick out would be as major themes, 1 is the notion of mimicry and risk reduction, so there's that. That's the sort of background to it which is this is not entirely a leap into the unknown as a type of strategy. It’s a leap into the unknown for this particular designer buy at least he or she can say, well, you know, other people have done it, seem to have done it successfully, and you know, they have
been well regarded brands so, you know, if reputable brands like that have done it well at least there’s a, you know, its not a totally stupid idea. The second element I think is the enhancing brand awareness in this case. There seems to be a design for whom the potential benefits of exposure are seen as making any associated risks worthwhile and the third theme I thought that came through in quite a few of the comments was some sort of sense of experimentation. You know, I’m willing to give it a go, I’d like to try, its sort of almost seeing how, maybe that’s just part of the entrepreneurial thing which is, I’m prepared to give it a go and part of that prepared to give it a go was, you know, I think it came through the comment which was, I kind of like the fact that there was a bit of tension about the whole mass market thing. There was a sense of experimentation, curiosity, there was something here which was a little bit counter orthodox and maybe that sort of appealed to that person. See I could imagine, I guess you could say, if someone was almost like a corporate brand, if it was a designer who was in the corporate, a Louis Vuitton sort of connected brand, you might say, well, possibly some of the real sort of edginess and experimentation, maybe that had been replaced by a sort of, you know, corporate conservatism where everything was modelled and risk management practises were very very strong, this struck me as personal, was still a little bit more of a boutique sort of new player mentality who was a little bit attracted by the idea of, well, bugger it, why not, you know, give it a try, you know, this is, you know, there’s something about this which is not sort of, this is not mainstream, this is not normal, this is a little bit of experimentation, something a little bit edgy about, you know, almost something a bit street cred,

JF    Yeah.

SR    about the idea of doing something like this and if, you know, if the corporate designers wouldn’t be all leaping into doing this, well, hey, maybe that makes me just that little bit more interested in doing it because it’s a little bit of a, you know, its being a little bit more maybe radical, you know, going against the orthodoxy of this industry. But, you know, that is happening in the context of the first point I made which is sort of almost like, you know, this isn’t just absolutely haphazard experimentation. Now there is a level of understanding that. you know, this has been tried before by some designers and they haven’t completely collapsed. Its so, that’s the sort of, there’s a slightly, just like a cautious, there’s a voice in the background, you know, part of it is, hey, this is a really cool new approach, this unorthodox, this is experimental, try something new, you know, there’s a bit of, there’s something about it which is it a little bit edgy and exciting and counter orthodox and that’s what I’d like to do. That’s almost like the if you like, that’s the sort of right brain,

JF    Yeah.
so that’s the right brain. The left brain voice is sort of saying, okay, yeah, you radical you but you know, lets keep in mind, 1; there is a potential benefit to you in terms of brand awareness. So it could be rational and therefore, you know, you’re not quite the radical you think because there’s actually a material gain for you here. That’s a pun isn’t it and the second part of the left brain is you know, hey, look, you know, other people have done it too. So it’s sort of like the two bits there. There’s the little bit coming through which is the business person risk issue brain coexisting with you know, the entrepreneur, the designer, the person who likes to try something new, the attraction of something being a bit different and so on. Its sort of, you know, and that’s probably a really good, in some ways it’s an analogy I think for maybe what a good entrepreneur has to do. Its like, you know, an entrepreneur is someone possibly who’s got a stronger right brain voice, you know, than people in the corporate world, you know, in a sense that they are taking risks. They want to try something new; they want to do something different, maybe something a bit counter orthodox. But you know, I suppose, but they’ve also got to have, there’s got to be a bit of rational calculation like, you know, notions, it doesn’t matter how good a designer you are, if you don’t have an appreciation for something like cash flow or at least are smart enough to appoint someone who actually does understand the concept, you just end up as another really really good designer with a business that’s gone bust. You know another empty shop in Crown Street. You know that sort of phenomena. So, that’s what I think one of the interesting challenges for people like this, you know, to do the creative stuff but in a sense have something which is sustainable as a business. Or you make a decision you want to be a designer and you go off and you work for someone else and you just work as a designer. You know, this person seems to me still sort of like an entrepreneur, someone running their own business. So, yeah, look, its, I mean, yeah, it’s a good story, an interesting little story that., you know, I could see this being a vinuet that was used in a, a great sort of vinuet to maybe chuck in a bunch of, you know, second year students or something like, or even MBA students in an introduction for strategy class, okay, lets talk strategy. Alright, let’s not talk general principles; let’s give you a situation, what the hells going here? Where’s the strategy in this? You know, you could generate quite an interesting discussion about, you know, just what we’ve been doing really. I mean some of extrapolation like me, so I mean some of the extrapolation might be going way beyond what actually the facts of the case are. But it’s certainly a nice little vinuet for generating discussions, yeah.

One of the things Antony has put there so that these kind of things is that the conventional wisdom says, the only source of competitive advantage that these designers have in the marketplace is exclusivity and being in with this partnership necessarily means that you trade that away and yet, as a strategic choice, is getting more and more popular.
SR Yeah.

JF And as an interesting disconnect between the theory and the practise.

SR Well, I think it’s a little bit, you know, one of the, I suppose one of the sort of long held beliefs in strategy has been this sort of tentation of positioning. I mean it goes back to Michael Porters stuff, you know, its like strategy is all about choice, you know, and one of the worst things that can happen to you according to Michael Porter is this thing called stuck in the middle, and it is actually a sort of real problem. It’s a bit like not being clear about what you want to do so you end up being caught in a pincer movement lets say between people who really came to the top end of the market by being exclusive, and charging a premium price, and people who perhaps are really doing a much better job of competing on price than you.

JF It’s a shot out of both trading.

Overtalking

SR ... and I mean it’s a bit like something that’s dogged the airline industry for years and years which is that this great long line of airline companies that have tried to be premium and discount at the same time and for a long time they failed because, and a lot of the argument was that the whole sort of, if you like, underlying, the whole sort of mentality culture logic of being a premium airline requires that your systems be geared to running a premium airline and that that means you design pretty much everything with that in mind, and that’s different from if you need to run a discount service. So what’s worst of happened over time is that you get emergence of identities like Jet Blue that are owned by Qantas, but Qantas almost spun the whole thing off in terms of saying, well, you guys are going to have your own managers, your going to have your own physical location, your going to have your own systems, and in the sense, you know, we don’t want you to be compromised by trying to do the Qantas thing. We want you just to focus on cut price airline. Now that’s one example. Another example I point to in recent years has been the way in which some car companies have successfully sort of moved a little bit downmarket without apparently doing huge damage to their brand and I’m thinking of car companies like BMW, Merceds.
Mercedes, yeah.

That have sort of come in with more like American sort of subcompact sort of models. They’ve come in with like the baseline Mercedes now, you know, baseline sort of, you know, its getting closer to the price of more average sort of vehicles. Now most car writers would say, well, you know, the baseline Mercedes is a pretty ordinary car. It’s a bit under power. Jaguar have done the same with a car, I think its called the X-type, which most car owners have said, look, its just basic, you know, its barely a Jaguar, its basically you’ve got a Jaguar badge on it but there’s nothing much about its performance or its construction that’s really like Jaguar. But in recent years there do seem to have been a number of brands across a number of different products that seem to have been able to go for almost like a sort of product line extension, without really damaging the brand in any obvious way. So I mean I don’t quite know why because these were, perhaps it was just that we went through a period a few decades ago where companies tried to do that and they did it in an insufficiently subtle way and did actually undermine the brand. But even Porsche have done. You think a little bit, you know, Porsche have come out with the Boxster and one or two other things. They’ve just gone a little bit downmarket, you know, so you’re paying, you know, you’re paying $150,000 to get into the Porsche, not $250,000. So its maybe just, but its very careful movement into a different bracket and maybe its just being, you know, accumulated perhaps understanding amongst marketing people about the care you need to take in making that sort of move.

One of the things is different in this case though is that by doing these you tie your brand up with another brand in the marketplace that people already have a perception of.

Yeah, absolutely, you know, and that’s the different one in this sort of arrangement and the other difference I think when you’re looking at say what the car brands have done, its not sort of special promotion thing its a permanent thing. In this situation it still seems to be, as I understand it, more special promotion thing, so I don’t know there. Are there any designers that have actually, of any, you know; are there any designers of note that have entered into arrangement with someone like Target so that Target would actually permanently have their product in the store?

Yeah, in Target US, yeah.

They do. So there are some who’ve gone for,
JF You become kind of the house designer but use their own name, yeah.

SR House designer. Do they? Yeah. I think really you’d probably have to watch the experiment over a couple of years just to get a bit of a sense of whether it was starting to have any undermining affect on the brand. One of the dangers for a company that does do that though that if it does start to go wrong it can be quite difficult to try and reposition yourself as premium. You know, in a sense, having gone mass-market it’s not always possible just to say to the consumer, I’m sorry, we made a mistake, we’re going back to being premium. There’s a sort of inherent danger there. So I think the orthodoxy within I think strategy and marketing in recent years has been on a cautious side. So I don’t think they’d be many marketing or strategy people who would have been arguing the virtues of the sort of Stella McCartney, Target link, that sort of thing. I think, is it Target, yes, she was Target yeah.

JF Yeah.

SR I think most would have cautioned against it but I would be interested to know what the history of that. Do you know, where did the idea, was that idea something that was hatched by?

JF Target.

SR Was Target who hatched it.

JF Yeah and pitched it to her, yeah.

SR To her, yeah, it would be interesting to know what, you know, who’s advice she sought on that because I would have thought that most advisors, marketing advisors would have cautioned against that just because of the potential risk because you know, I guess if you’re a low volume high margin product, firstly your systems are often geared up for you to do that. It raises issues about the transition to being more of a volume business and of course when you enter the volume business issues of quality control come up. When you get into the volume business of course your margins tend to decline as well. So you’re ending up having to sell maybe you know, 5 times as much to make the same
margin that you would get when you were producing low volume for high margin products, however organisationally it took place for Stella McCartney I don’t know.

JF It was a fixed fee.

SR It was a fixed fee. In terms of production did she get, was the production done by the same people who were making the premium price stuff?

JF No, Target did the production.

SR That was production, okay.

JF Yeah.

SR Okay, so you separated that out, okay, so that makes sense. Target as I understand it has a reasonable reputation for quality and I mean in the sense of, for the price, you know,

JF Yeah.

SR Target don’t tend to stock crappy stuff that falls apart, you know, it tends to be solid stuff. I mean maybe nothing that’s going to make a fashion statement at least you know, historically, but generally speaking, you know, you bought a t-shirt, it was a decent t-shirt, the colour didn’t run out of it, they didn’t fall apart. You know, so quite a lot of people would go to, you know, what I remember even as back as long ago 20 years being referred to as Targét. When our kids were young I remember lots of people when you would go, you’d base kids, you’d go there and Targét and we used to go House of Targét and we used to joke about it. But you sort of went there because you know, a basic t-shirt or something for a kid, you know, there was, the quality was pretty good and the price was pretty good and you weren’t going there to buy a fashion item, you were going there to buy good every day stuff. So, I think Targets always had a reasonably, more so than somewhere like K-Mart I would think. Targets always had a bit of a reputation as sort of, its not shonky stuff, its not cheap and nasty, its cheap and its okay, and maybe you know, for basic clothing its alright and you know, for a few nice pieces you go off to Lisa Ho or something if you want to buy something fancy, but you
know. So I can see, I mean, I think the Target connection in that regard was, I can understand that and I think Target’s quality control and its production processes I think has been quite good.

JF But if you say you think that most advisors would be saying tread very cautiously, don’t go there.

SR Yeah, I think they would have. I think they would have. It would be quite interesting, I mean I have never looked at it, but you know, it would be interesting to know the story of what made Stella McCartney, she and her advisors decided that this was the thing to do.

JF Yeah.

SR Actually I don’t know. You know, was part of it a, did it just appeal to Stella McCartney’s notion of clothing the masses or whatever. It’s not quite because I mean it’s, you know, the volume that was produced I think it, around the world, was it the same as Australia where, you know, there were mad rushes on the stores and the stuff sold really quickly and.

JF She did another one for, she did one for H&M before Target, Australia.

SR Yeah.

JF Yeah, it was about, they were moderately successful but returned in very high volumes.

SR Were they?

JF They didn’t ultimately,

SR Yeah, returned in high volumes because of what?
Because people I think the way people responded to that pressure to buy them as fast as they could because of that exclusivity and then realised they didn’t like them very much.

Yeah. It might be something that makes sense, well, there’s one way of looking at the phenomena and that is this was an interesting experiment by a small number of designer brands but if you look at all the designer brands around you might say, well, yeah but 99% of the designer brands aren’t doing it. So, you know, it’s an interesting experiment at the margins and quite possibly that, you know, as long as it stays as that it’s, you know, it can be quite successful. There’s a novelty affect. I guess you could say that’s it. It’s a novelty affect. But if you said is this actually changing the basic marketing and strategic logic of the industry the answer might be no.

Yep.

They might say no. Like is Lisa Ho going to go into those stores, you know, I mean if you’re, there might be plenty of brands, domestic brands and international brands where you would say, they’re not doing it. So there is, within the management field broadly I think there often is a bit of inclination to talk about revolutionary changes and you know, whole new directions, it did like you know, organisations are all going to become flat and empowered and hierarchy is going to disappear and we’re all going to become virtual organisations and you know, the sort of almost breathless sort of Tom Peters sort of pronouncements about hierarchy is dead and so on. Now these things are often based on a grain of truth but it’s sort of like you know, yes there are virtual organisations around but the vast majority of organisations, you know, they have remained bricks and mortar. You know, there have been online elements added to the way they do business but they can completely change. So for example, for every ING directed banking, you know, you’ve still go a commonwealth etc etc. You know, for, I don’t know if you know about Threadless, the online t-shirt company. Threadless, you know, they have an online community that does the design of the clothes online. It’s a very interesting experiment in what is sometimes called crowd sourcing.

Yep.

But it’s not what the bulk of business are actually doing. So within business there will always be around the periphery of the mainstream lots of really interesting sort of novel and experiments sort of going on and it’s awfully tempting to see a lot of these as the
vanguard of a revolution.

JF Yeah.

SR Yeah, I mean its sort of, you know, people like Gary Hamil and Tom Peters have made careers out of it by writing up lots of really interesting stuff about what various companies are doing but they sort of, you know, they love the, this is the dawn of a new era sort of stuff of you know, it’s a bit like Tom Peters about 10 years ago was saying if you’re a middle manager, you know, you might as well shoot yourself in the head now. You know, middle management is dead. You know, sort of like we’re all going to be in very very flat structures. There’s no future in middle management. Well, yeah, I think what he was picking up was there certainly was a trend at that time towards a certain amount of de-layering and flattening and a lot of organisations were trying to sort of perhaps simplify communication channels and yes, you know, there was a little bit of a thinning out of the ranks of middle management, but if you want to sell a message, particularly if you’re a pop management person, you always sort of dress it up as being, you know, the end is nigh, this is a revolution, you know, in 10 years we’re all going to be doing things differently. So I suppose one of the things I would see as an interesting angle on this is you know, is this talking about a really interesting addition to the range of ways in which this industry works. Which I suppose you could say is maybe the cautious positive interpretation as opposed to one that’s says somehow this is an insight into the future. This is going to be the way in which the fashion industry works in the future and I would say that’s a hell of a big leap, the second one, and some of its to do with the idea of, well, you know, what’s really sensible for designer X isn’t necessarily sensible for maybe 90% of designers. It might be a really really sensible strategy for this designer. It may extra sense, well, at this point in time because of its novelness. You know, and certainly it got a lot of extra, people wrote it up, it got a lot of attention because of this. A lot of publicity for both parties whereas if they’d been the 30 second partnership of this sort it would have been a little bit ho hum and you wouldn’t have had a whole lot of journalists writing stories in Fortune and Business Week and so on about it. So some of it’s about timing. Yeah, I guess you could say a lot of it’s about timing in business. You know you do this and its interesting, its new, people want to know about it, write about it, its exciting, a lot of consumers probably went and thought, you know, were attracted by the idea of buying Stella McCartney’s stuff. But even if you said this move was really sensible for Stella McCartney. If you said it was really sensible for Carl Lagerfeld, it was sensible for the designer X, I guess it doesn’t mean it was sensible for other people. I mean it might, for a start, firstly it might never have been sensible for a certain phase in the market and secondly the other element is over time as it becomes a less and less distinctive approach, perhaps the benefits diminish. So if designer X was the 32nd designer to do this with Target would it have been quite as positive a story. You’d have a jaded retailer and possibly, you know, one thing that could happen here would be that if say this became a more widespread phenomenon the relationship
between the designer and the retailer might change. I mean the retailer might just say that in the early stage maybe the designer is a little bit on a pedestal and has a bit of whole wow element, you know, dealing with a designer, by the time you’ve had dozens of these relationships its just a bit of you know, the designers here, oh, tell her to wait or something, you know,

JF Yeah, sure.

SR You know, so the more its normalised perhaps more you know, the designer becomes a almost like part of the wallpaper, part of the scene, not someone who you have to sort of treat with a certain level of respect. So that’s another reason why over time it might become a little bit less attractive. So, look, its, yeah, interesting stuff, so you’re talking to a number of, are you focusing on just this one designer, one retailer relationship or?

JF Yeah.

SR You are, okay.

JF And so in terms of making sense, like in terms of making sense of that relationship, is there anything we haven’t talked about that you think I should be thinking about?

SR Oh, well, you’ve let me do a lot of talking so I’ve pretty much said you know, the sort of things that come to mind. Some of them are ones that I’ve thought about and I’ve just written some stuff that you can have.

JF Oh, thank you.

SR Others were really more just things that were a little bit more of a stream of consciousness really, just sort of as ideas came to mind as we talked about it. I think what I’d be looking at, partly what I’d be looking at is the specific, the part of is the relative newness of this relationship which perhaps meant there’s a level of enthusiasm particularly at the retailer end.
JF  Yeah.

SR  They might be seen, well for the retailer in a way it could be just huge upside because in a way the retailers not really risking much really.

JF  No.

SR  So it’s a real upside and in the early days it’s a source of really good publicity even if the actual financial benefits are modest.

JF  Yeah, but a segment of people who might never come into a shop do and,

SR  Yeah, and the publicity for Target.

JF  Yeah.

SR  You know, it’s giving Target a bit of a slightly more, I don’t know, a contemporary feel about it. I mean it’s a bit like, wow, you know, Target, so it’s given Target, its taking Target away from being just a staid entity. It’s really, even if you just did it as PR or image branding, you know, building the Target brand say.

JF  If it was a loss leader, yeah.

SR  Yeah it could be a loss leader, you could just say, look, this is, this is a real injection of, this is actually giving Target just a bit more of a fashionable feel, a bit edgier sort of feel, its great publicity, its also giving Target a bit more of a sense of being company that’s a little bit innovative. You know, so, the upside I’d have thought to Target was huge.

JF  Oh, I think it’s the most fascinating part about it, this kind of amazing asymmetry of risk, yeah.
SR  Oh yeah, it really is. I think, I mean for the designer, for your designer X, you know, I would see there that you know, possibly this designer X isn’t running such a you know, financially outstanding business that he or she feels there’s huge risk. They might sort of feel, well, you know, in a cluttered market I’ve got to do something to give my brand a little bit more profile and it maybe felt that this is a way of doing it. Secondly, this is going to give me some guaranteed cash flow and of course, you know, if your still at the level of being a smallish entrepreneurial business, you know, one of the things you almost dream about is having a certain level of predictability of cash flow.

JF  Yeah.

SR  You know, almost like, well, you know, at least if we know we’re not going to die we can start putting a bit more effort into being creative.

JF  Yeah.

SR  I mean because in a sense I suppose it takes a bit of the edge off being creative if you don’t know whether you’re going to be in business next week. So there might be a sense there of, well, even if this is partly appacked with the devil, you know, I’d rather be a slightly compromised designer still in existence next week than someone who sort of felt like I maintained my ethical and moral purity but was back working as a waitress because my business went bust. So, one of the interesting things might be with this designer was, well, was there a bit of a sense of this being, well, you know, partly and possibly at least a compromise position. Maybe the person said, look, in the best of all worlds I’d have a very strong robust business working in a niche market, high quality products, low volume, but high margin, but at the moment I’m in a cluttered boutique niche. It’s a sort of year by year proposition about whether we’re going to survive. Yes, there is a little bit of a danger here but I’m prepared to take the risk and I can see that Stella McCartney and a few others have done it so it’s not a completely stupid idea. I’ve got a hell of a lot less brand equity to risk than Stella McCartney had so you know, the downside for me is not so great and what’s more, and I don’t know if this is, I mean some of the stuff of course is like post off rationalisation.

JF  Yep.
SR  Isn’t it?

JF  Yeah.

SR  You know, like what is it, to prevent cognitive dissonance, you know, maybe the designer can come up with the idea of saying, oh well, actually, no this isn’t just commercial pragmatism, this also has almost like political credibility because this is about sort of doing what you know, a lot of the, you know, conservative established brands would be too scared to do. This is about going more mass-market. This is about taking away all that elitist crap out of, you know, you could, I mean, maybe the person believes this, maybe it’s a rationalisation, but you can see how you could wrap a, if you like, a political credibility logic around commercial pragmatism.

JF  There’s a hilarious interview with Carl Lagerfeld about this where he says that when he did Carl Lagerfeld for H&M, got really offended that it was producing such limited quantities and that he said it was this snobbery created by anti snobbery and that he thought that was really problematic and how that he wanted to do it all, and then in the very next sentence of the interview this kind of goes irony and goes onto say, plus they made it in sizes that fat people could wear and that was also not the idea.

SR  Oh really, yeah, yeah, so it’s alright for like sort of like you know,

JF  Thousands of size 8’s, yeah.

SR  The thin poor can wear it but I don’t want any fat poor people running, yes, that’s right, yes, I sort of, isn’t it, that’s interesting, yes, its sort of like, you know, its like the chic working class can wear it but I don’t want any of those fat sort of you know, obese McDonalds eaters wearing my clothes, yeah, yeah. So I mean but those of some of the, yeah, that’s really interesting. But I think, I mean one element of would be interesting I would think would be almost this thing about, you know like the paradoxical, I reckon, you know, we are creatures of paradox often. I mean we try and of course at some point we have to deal with this issue of cognitive dissonance of course, but that’s where the rationalisations can often come in where you actually, I mean one rationalisation could be just, look, I just had to do it because look, yeah, personally, I don’t really like it but it was either that or go out of business.
JF Yeah.

SR So you could have a commercial rationalisation. But another rationalisation would be the one that was based around, well, yes, this is you know, this is sensible commercially however, I’m not just selling out. I’m not just selling out I’m doing this because this is like radical chic. This is you know, this is taking brands to the masses and so you know, in a sense this is sort of holding up the finger to the establishment in terms of saying, well, stuff you, this elitist crap, Carl Lagerfeld in saying some of that of course, yes, as you say, maybe he hadn’t sort of, maybe he was just not clear on what he wanted to say, in fact some of his prejudices sound like they were coming through. So, but that’s okay. I mean people often have I think some of these contradictory sort of positions. But that will be interesting to see what you make of this, so you will be building your honours thesis around this.

JF Yeah.

SR The phenomenon.

JF Yeah, I think its interesting because it is, it is a novel phenomenon in and of itself which is interesting. But in an industry that is just obsessed with novelty.

SR Yeah.

JF That builds its whole business model around you have to do something new every season.

SR Yeah, yeah, yeah, although this is sort of a business model innovation versus design innovation.

JF Exactly, yeah.

SR So it’s a different, in fact, it’s probably not where, well, I assume, it’s not where your typical designer, it’s not an arena in which your typical designer applies their
innovativeness. I mean their innovativeness is more likely, well, it’s expected to be in
design of the product.

JF  Yep.

SR  Yeah, like the business model innovation thing isn’t really, its not part of that same sort
of design mentality. I mean there’s, you know, their options like am I going to have a
little trouble, if you’re starting a boutique, just you know, can I afford to have a shop in
Crown Street or is it more sensible for me to sell my product at Valmaine in North Sydney
Markets or something like that.

JF  Yep.

SR  I mean there’s a little bit, there’s a bit of sense there about how am I going to get it to
the consumer. That sort of thing, but, yeah, this is a whole leap, this is a whole different
sort of leap. Now I guess designer X must have had enough of a name that Target were
interested I guess, would they, I mean.

JF  Yeah, they’re quite famous.

SR  They’re quite famous, they’re enough of a name to be able to do that, yeah, so that’s
interesting because I mean most of the discussion did come across to me almost like,
well, the comments didn’t sound like the comments of a hard nosed business person. It
was almost like a freshness and a naivety in it. So that was the bit that strucked me, I
thought, well hang on, this persons presumably got a brand that’s well enough known
that’s going to be advantageous for Target, on the other hand, this persons not taught
well. Maybe its just that I spend too much time talking to business people, but this
person doesn’t sound like an experienced business person. Maybe that’s true.

JF  Well, it was the mood and the one of the reasons I picked this case from the three I was
using was because this is a situation where the designer is both the lead designer and the
CEO.

SR  Yeah.
JF: Of the business, but yeah, all this kind of stunning, this kind of manner from heaven approach, like, oh, the opportunity presented itself so I did it.

SR: Yes.

JF: Oh, fascinating.

SR: Done any sort of attempt to think about the risk element or you know, or did they try to think about, was this actually going to alienate existing customers or?

JF: This was the, when I put these questions, like there was very questions to that and this is now some years down the track, well not 10 years about 2½ years down the track, she’s like, that is the first time I have ever thought about that at all, I have never thought about it.

SR: What?

JF: I know. It was phenomenal.

SR: I mean you know, I mean, one hears that some design people are you know, babes in the wood when it comes to business, but you’d have though that the, for someone who’s built a business up to the level of having a brand you know, the man or woman in the street recognise, you would think that this is one of the first things you would sort of think about. I mean its,

JF: Its stunning isn’t it.

SR: Yeah.
JF  And that was quite common. That people just said, oh, it was, the word they used all the time was interesting.

SR  Yeah.

JF  Yeah, it was interesting.

SR  Well, interesting, yeah.

JF  And that satisfied them, yeah.

SR  Maybe there’s a, I mean, part of it might be something to do with personality. I mean, not, personalities not a variable that I tend to deal with really in my stuff, but let’s say for a moment if there is such a thing as the designer personality,

JF  Yeah.

SR  it might be that what is good, you know, what makes these people creative and also perhaps what makes them sometimes disasters in business is there is this sort of gut level sort of sense, oh well, this is interesting. Will it make a buck. Oh, it’s interesting.

JF  Yeah.

SR  You know, it’s a bit like, well, I mean its almost like well marketing teaches you not to do isn’t it, saying, look, well, I remember years ago when I was studying marketing that you know, there was this thing about you know, the old saying was produce a better mousetrap when the world creeps past your door. But in a marketing position is if you produce a better mousetrap but the world doesn’t want it well at least not at the price you’re charging what you end up with is a warehouse full of better mousetraps. So it’s sort of like, but I think a lot of designers still come from that thing where is it’s about design and of course people will buy it. What do you mean, you know, I mean well what about you know, the issue of the price, what about the fact there are a lot of other potential designers clothing but I sort of like reality if you want to call it and often hasn’t
been something which has been part of the makeup of a lot designers, and possibly that’s perfectly understandable because you could argue I guess if you were a so called creative, maybe you can’t at the same time be the most sensible person to run the business.

JF **Unclear 1:10:10.** yeah.

SR Yeah, I mean that’s right. Maybe its sort of like, you know, design it, for gods sake don’t get the accountant to design anything but at the same time maybe don’t get the designer to try and manage the commercial side of the business because maybe you know, that’s like its better to have a sensible division of labour, who does what, someone looks after the liquidity of your business to make sure it doesn’t become insolvent and you know, as I said, but you know, just don’t let the accountant have anything to do with the design and equally you get yourself a decent financial advisor or accountant to make sure that the bills are paid weekly. So it’s sort of like a symbiotic sort of relationship. But yeah I’m surprised to hear that the people you spoke to with that had given that little thought to that issue of the extent to which their existing business might be undermined.

JF That is I think was the really interesting thing across all of the people that I spoke to. They all, yeah, just characterised it as sort of a genuinely kind of interesting experiment that landed in their laps and that they did. Doing the literature review and just thinking about the research question, my kind of visceral reaction was always if you put too much thought into this and contemplating this as a decision for yourself, surely you would never do it, and it sounds like one of the reasons that that happened a lot is because people don’t put that much thought into it.

It’s fascinating, yeah.

SR Yeah. Have you read anything sort of recent about the Stella McCartney experience and whether with hindsight she and the people around her you know, have got, well, I’ll put it differently, with the passage of time it would be interesting to see what their reflections were on, was it worth doing. Now, they might say, well, yes, it was worth doing for the experience but ,no, it wasn’t commercially worth doing or they might say, no, I wouldn’t do it again or they might say, yeah, it was great, and if something interesting like that were to come up again I’d do it. Also it would be interesting to know I suppose whether given what Lagerfeld and McCartney have done, is there anything evidence of this becoming a more widespread practise. You know, that sort of thing, is this, are other designers looking for their own links. For example, Wal-Mart stands out as the largest retailer in the world. Is Wal-Mart looking to do something like that with a brand? So why if not why not? You know, they mightlen think they need it. They might
decide their brands already high profile enough and they’re a dominant player, they don’t need it. They might think that it’s diversionary. That’s the other reasons.

JF Yeah.

SR Maybe some businesses might not do it, they’d say, well, there are only a certain number of non-routine things that we can support and in a sense, well, Targets already done this one, this ones done that, it would be a little bit sort of me tooism for us to do it and not really, not something that’s going to get anyone inside or outside the business particularly excited. So, if you ever wanted to go on and do a PHD at some point, I mean I reckon, in a sense a, maybe you could do a chunk of this in your thesis, but I actually think if it was possible, if it was possible to do a sort of almost global summary, that’s not quite the right word, but a statement about where we are at this point in time with regard to this practise. In a sense like a revisiting, it might be say, what 5 years down the track or 5 years down the track, what can we now say about this practise on a global scale. Was it a really interesting but very localised experiment that seemed to, you know, if, in, that affected a small number of retailers, a small number of designers, but in a sense has perhaps lost a bit of its momentum.

JF Yep.

SR That’s one possibility. The other, now if its lost a bit of momentum, I think two ways these things can lose momentum. One is people stop doing them the other is people don’t stop doing them but they just become mainstream.

JF Yeah.

SR I mean that’s one of the classic things in business is that something’s novel for a while but then it starts to become the norm. You know, and then one its normalised it becomes sort of, its ceases to have perhaps the potential to be a source of competitive advantage it once had because its just like it’s the new, but that’s just how we do stuff.

JF Yeah.
People say, oh, in my day we didn’t used to do that where as you get a whole new generation of people coming into the industry and they might just learn, well, you know, one of the things we do is this, this is part of our portfolio of activities. These new people are not saying, we’re novel.

Or the process of establishing yourself as the design celebrity.

It’s the new normality, yeah. Its sort of, it becomes part of the new orthodoxy where as, you know, old people I meet say, oh, you know, 20 years ago this was considered really radical, you know, this was, so in a sense, well, yeah it was, but you know, a lot of things in business, if they’re just a fad and they don’t work much they sort of, they flame briefly and possibly gloriously but they then sort of fade away and they aren’t really talked about much anymore and the other thing that happens is if they actually are quite useful, you know, they start being taught in MBA programmes and BCom programmes and businesses start doing them and they are simply part of the orthodoxy and people have to start looking elsewhere for something new. So it would be sort of interesting to know whether it had become an interesting but small, is it now a small part of the totality of what is orthodox within the industry and is it existing in its own small useful but unspectacular way. Are these deals still quietly being done but without the fanfare of the McCartney experiment or has it sort of, or is it a novelty that’s sort of had its day and have most of the key players now decided, look, well, you know, it was a little bit of fun while it lasted but its probably not something we want to institutionalise as standard practise. I have no idea. You’d have a much better idea about that. That would be, for me as a strategist, that would be really one of the things I would be, I’d be sort of looking at it, its trajectory, and what evidence is there of which of those trajectories we’re actually dealing with. It may be if you look at it, you might actually say, well, its still, you know, the jury’s still out.

Its still a little bit clear, you know, we’ve had a few failed experiments but we’ve had a few successful ones in which case perhaps the attention then turns to how its implemented.
SR  And the specifics of it in which you actually say, well, the basic idea isn’t fundamentally flawed but the issue is much more about you know, the devils in the detail.

JF  Yeah.

SR  Its all about the nuances of how you do it because we’ve now have had enough, we’ve looked at enough examples to say that if you do it well, whatever that might mean, it can be quite nice, but if you know, if its not handled properly it can be a bloody disaster. So you know, its no magic bullet but like a lot of other things in business, its about, well, can you manage it well, can you implement it, do you actually make sure that you make the right sorts of decisions so that it ends up being a value adding addition to your range of practises rather than you know, a costly and diversionary excursion.

JF  Yeah.

SR  There’s a PHD for you.

JF  Yeah. I think one of the, yeah, its,

SR  But even within, even within an honours thesis I think it would be, if you've got the time to do it, it would be quite nice in a, you know, almost like in a context setting, maybe prior to the case specific stuff, the more general stuff of, because I think it would be very interesting for the reader to know are we dealing with a phenomenon that in the sense is still finding its feet and finding its way or are we dealing with something which was more like an interesting historical episode. This was something that was tried, something that happened and before we all forget about it, you know, lets just revisit it and just see what we might say about it, you know, before we forget the lessons of history.

JF  Yeah.

SR  That could be one thing so that’s, is it something that, was it interesting, business experiment for a period of time, so that’s sort of more setting the context. In a way, I mean, you can’t lose by doing that because all it does is determine a little bit the editorial line you take towards your case.
SR  No, one is, this is a still current and unresolved issue so its really important that we get more inside into this and the other approach is the one which said, look, this was a really particular phenomenon in this industry that received a massive amount of attention for a short period. We need to understand what was going on there a bit better and you know, for the future because this specific little initiative might have faded away, but you know, there are bound to be others. So what can we learn from what happened.

JF  Yeah, 2 years ago I thought that was definitely, I thought this would be a kind of quirky historical accident that would go out of fashion as fast as it came in. But it shows no sign of,

SR  So you think its hanging in there as a,

JF  yeah,

SR  Yeah.

JF  its interesting that the designers who do it now, who are doing it now, are both like very very famous and also a lot of designers working kind of quite on the cutting edge so, I think there’s a great PHD question in one of the things that is common to a number of the very famous designers who do it is that they’re now owned by one of the luxury goods conglomerates.

SR  Yeah.

JF  So they’re owned by PVR or Gucci Group or LVMH.

SR  Yeah.
JF And I think there is an interesting question around and does that ownership structure and the fact that there’s a lot of pressure on those brands to show growth, does the possibility that you could inject a million dollars this quarter suddenly make it a really tempting bargain.

SR Yeah and I think it, yeah, and there will be some of the sort of issues that perhaps we’ve seen recently emerge in the finance sector to do with the conflicts between short term,

JF Yeah.

SR you know, the incentives, short term rewards for short term, achieving of short term objectives versus what’s actually long term sensible. Because I mean you can undermine long term value by grabbing your money now, you know, in the sense you’ll undermine, possibly undermine a brand but the damage is done, you know, the real damage you can only see occurring over a period of time.

JF Over time, yeah.

SR Equally, if it doesn’t actually damage brand, if well handled, that’s something you’d probably track over a little while. So maybe the McCartney one might be one that could be looked at in that regard although as with so many of these sort of things in business, lets say if McCartney had fallen on hard times, it might be quite difficult to really be able to sheet it home just to this because there could be, in fact you could argue, look McCartney’s, this is totally hypothetical, but you could say McCartney’s business was in the shit way before this happened. It was heading downwards. This in fact actually delayed the demise. So the demise of McCartney in now way can be sheeted home to this experiment. There were far more fundamental and widespread issues to begin with. So the real issue, I mean you might find some correlations like companies that have done this, disproportionately seem to have actually been bought out or collapsed or whatever, but if you did that, one hypothesis would be, these experiments bring about failure. The other hypothesis would be there are a disproportionate number of the firms that try this are one that are already having business problems.

JF As a last ditch.
So if you want to actually say, no, you know, there is no, and under the latter scenario you would say, there is no evidence that this experiment actually caused the problems that have been identified if anything they gave some short term relief but this experiment wasn’t enough by itself to overcome the more fundamental problems the business actually had. So I mean there are a whole lot of issues that are way beyond an honours thesis that could be looked at here. But it is a fantastically interesting sort of phenomena because as you said, it goes against a lot of traditional views perhaps about what you should do. I would have thought too it went against a lot of perhaps cultural views inside the industry.

Yeah.

I mean a lot of its very elitist isn’t it.

Yeah.

You know, like we hear, you know, if you can’t afford $3,000 for a purse I suggest you leave the shop.

Yeah.

I mean it’s a bit like, you know, we’re not here to serve the masses we’re here to serve an elite clientele. But as with any industry and perhaps even more so than some, I would have thought that design is an area where you get a sort of almost like a radical fringe who want to be counter orthodoxies. A bit like Roddick did with Body Shop, you know.

Oh yes.

Her famous line about I look at what the cosmetics industry is doing and I walk in the other direction.
JF    Yeah.

SR    So her whole notion was you position yourself by doing what the orthodoxy isn’t.

JF    Yeah.

SR    That type of thing so I think you could say that there few, I’m sure, within design the design world broadly define. There would be some young designers in particular, maybe some older ones as well, who hate corporate design.

JF    Yeah.

SR    You know, they hate the Gucci’s, the Fendi’s, the whole thing and its almost like radical design. They’re much more gorilla design sort of thing. So I can imagine there would be some people who would say, you know, the idea of profile brands being worn by people from the suburbs is you know, wonderfully counter orthodox and it’s a way of thumbing our nose at corporate design. You know, because I guess you’d say quite a lot of young designers,

JF    And that fades into our perception of how we see ourselves, yeah.

SR    its fashion, you know, its sort of like gorilla fashion.

JF    Yep.

SR    You know, like, you know, if the orthodoxy says you don’t wear stripes with polka dots, well, here’s our show, its got stripes and polka dots and you know, if orthodoxy says you never wear orange with red, well, here’s our orange and red design collection. So there’s, I suppose fashions always playing around with these interesting ideas of what’s an appropriate look at the same time breaking the rules because I suppose a bit of fashion is about breaking rules, isn’t it? Its like you know, hush puppies’ terminally uncool for a period of time, then,
JF  Yeah, suddenly cool again.

SR  suddenly cool again, or Dunlop Volleys, massively uncool for about 20 years, all of a sudden retro, labelled as retro and cool again, and the design world drive me crazy I must admit. I find it, for me it’s a combination of fascinating and pretentiousness at the same time.

JF  Oh yeah.

SR  Because something can be an absolute style rule, oh my god, did you see what he’s wearing, but the next year, you know, the things that sort of,

JF  Oh, high waisted jeans.

SR  yeah, high waisted jeans. You wear them year too soon and its sort of like, oh my god, you know, but then, wear them next year, all of a sudden, oh you fashion icon.

JF  Yeah.

SR  So that’s the part of the fashion world I guess I find tough which is a bit like, well, something is, objectively has a character, you know, as you say, high waisted jeans, its just that you wear them in the wrong year and you’re a dag, daggy, I mean in the negative sense. But you wear them in the right year and you are, woe, are you leading edge or what. You know, well actually, no, I’ve just been wearing them for the last 10 years its just that,

Overtalking

SR  That’s the other thing, it’s a bit like, ties I’ve got at home, I reckon I’ve got some ties at home that if I hang onto long enough,
SR  Oh, white ties and skinny ties, yeah.
SR  Like thin ties. I’ve got some skinny ties. Skinny ties are starting to have a little bit of a
come back so I just sort of figure like, if I just keep wearing skinny ties the whole time at
some point I would have come extremely fashionable but it wouldn’t have been because
of anything I did, it would have been just because, you know, I remember when I was in
my 20’s, going out with someone who, she had a friend who he just insisted on wearing
black, like black suits, had a short haircut when everyone had long hair, white shirts and
a thin black tie. And I remember thinking he was the most unfashionable daggy looking
guy that you absolutely absolutely ever met, but about 5 years later, he was utterly
leading edge.
SR  Yeah, it would be supremely cool now, yeah.
SR  He was, I mean one way of looking at it, I mean, he was just a guy who didn’t care about
fashion and so he had his own style. So in a sense I mean he was the guy, I was the one
with the problem not him, but its just that he was 5 years too early. But a little bit down
the track he was utterly utterly leading edge. But I still remember thinking, oh god, look
at him, look how thin those trousers are, look at that tie and my god, his hair is so short,
its just that he was doing everything that was opposite for what I was doing which at the
time of course was being desperately normal. You know, for a 20 year old, like being
normal is absolute. I think only very few people are brave enough to actually go
completely against the orthodoxy of what’s considered fashionable amongst there peers.
SR  Yeah, oh, absolutely.
SR  That sort of thing, you get a few who do that. Look, I hope that was some help.
SR  Oh thank you.
SR  Is there anything else you want to ask. I mean its, yes, I’m interested. Its an interesting
thing to talk about because I’d thought of, it is actually quite a fascinating phenomena
and its getting into some sub issues which you’re brought up to which are to do with, its
almost like the mindset of design people and you know, we’re looking at it in the sense,
okay, is this a rational business decision. Its interesting that this designer has pretty much sort of said, well, you know, I just thought it sounded like an interesting thing to do almost. Where as we’d be training our students to model it, get our your spreadsheet, look at you know, what, do sensitivity analysis.

JF Yeah.

SR Look at what, you know, what’s the vulnerability of your existing business. You know, how many of these would you need to sell through an outlet like Target to compensate for what might be a 20% drop in your core business. You know, and the margins in those two businesses, what would the trade off need to be. It makes us sound awfully dull but in a sense as business people we’d sort of,

JF Yeah.

SR we’d say that, you know, that’s the sort of mindset we’d probably bring to it.

JF And it was just mind boggling. I would ask things like, so, you know, what was the structure of the deal? You know, how much money did you make? You know, and she’d say, they would say, I don’t know. They weren’t being evasive, they actually didn’t know. Yeah, I was like, did that feel like a good deal or a bad deal? Oh, amazing.

SR Really interesting. Yeah.

End of recording
CASE 4: TRANSCRIPT OF INTERVIEW WITH ORGANISATIONAL BEHAVIOUR READER

INTERVIEW: 21 October 2008

Key:

JF = (interviewer)
OBR = (respondent)

JF So this interview is being conducted on the 21st of October 2008 with Professor OBR in his office in [major Australian city]. So, Richard, you were just saying that you’re puzzled by the case.

OBR No, well, the process rather than the case.

JF Okay.

OBR But I’m a bit puzzled by the case as well. But that’s okay, that’s good.

JF In what sense?

OBR It’s all good to be puzzled. I’m puzzled by the case because I suppose there’s a number of different ways to read and try and interpret the case. So I’m happy to talk about the way in which I think I’ve kind of read and thought about the case.

JF Yeah, what’s your read on it?
OBR  Its, I sort of read it as an example of discourse I suppose. I suppose I come to it from a
discourse perspective. I suppose I could come to it from a number of different
perspectives. It strikes me as potentially a case about marketing and marketing is one of
many things I don’t know anything about. So I don’t quite know what to make of it from
that perspective and, you know, I mean I’m, my area of expertise is organisation studies
and so it’s difficult to make much sense of it from an organisational perspective.
Although there’s elements of that, there's always elements of sort of management in
business in it I suppose generally. But I think it’s quite an interesting exercise in looking
at an individual discourse. I think it tells a kind of interesting story and maybe something
about business processes associated with what’s the term here. Partnerships between
prestige brands and mass market distributors. I mean I think it says some interesting
things about that.

JF  What interesting things?

OBR  Well, I was, the thing I found most interesting about the case was the way in which the
designer X sought to or managed to rationalise what was going in with his or her, for
some reason I think it's a her,

JF  Yeah, it is.

OBR  which is interesting, is it?

JF  Yeah.

OBR  Yeah, I wondered if I just interpolated that or implied, inferred that. Yeah, so, you know,
I think there's a degree of rationalisation there about what’s going on. I sort of, I
suppose to jump to my conclusion, my only sort of observation about it really that might
be of any interest is to sort of see that as being a very functional for her because there's
this notion in which I think she loses a degree of control of her brand through this
process and yet its suggested that its clearly financially advantageous for her, that
relationship, and she’s clearly enthusiastic to do it again, and there's a really kind of
potentially insincere or sort of trite kind of observation about sort of, I don’t know what
I’m doing, and I don’t whether its right or its wrong. Which I thinks, you know, kind of
functional for her as a way of rationalising what’s going on with her brand and her
creativity and you know, her simultaneous commitment to design, you know, is all
you’ve got, and that’s the ultimate expression of who you are and that’s the guarantee of
your integrity, and yet, one gets the impression that it was also compromised through this relationship. But that the, you know, she sort of talks herself into the fact that she doesn’t know whether it’s right or wrong or its bad or it’s good. But you just go with it, you know, you just something to the affect and you just do what feels right at the moment and that’s your only guide to action, and I think that’s kind of you know a little bit disingenuous perhaps, or, I know, I felt there was something almost deliberately inauthentic about that.

**JF** Oh really.

**OBR** Yeah, yeah.

**JF** Alright.

**OBR** But anyway, I mean that’s seeing it from a discursive approach and trying to sort of unpack some of the functions of a discourse and so if we examine this is a discourse maybe that was kind of what I interpreted was going on with it.

**JF** One of the things I found surprising about it is when she says, I just did it because why not do it.

**OBR** Yeah.

**JF** From a business perspective that’s a, is a funny approach, yeah.

**OBR** Yeah. I think, yeah, I think that’s part of it, like yeah, she’s constructing why she did it was because you know, well, why not, it will be interesting to find out what goes on and she sort of sustains that sort of thing. Did I learn any lessons out of it? Well, no, not really, you know, I don’t know whether its right or its wrong which also seems curious as well from a business exercise or an initiative to sort of not learn any lessons from the experience. It seems to me.
JF And your, the reason you got to that was that you think that is actually quite, that’s the post off unclear 05:31 at least.

OBR Yeah, I think there’s an element of post off rationalisation there that actually I suspect it’s very much in her interests to get greater exposure for the brand and generate greater sales and you know, she can perhaps rationalise that as not being a conscious decision to sell out or to you know, mass market or popularise her brand. But that, you know, it was something that was as much kind of done to her as part of her conscious decision. I don’t know, you know, that notion about not really having control over the process I think was imbued throughout it all as well. You know, it was all very fluid and very uncertain and very flexible and there was no sort of conscious strategy at work here and any of the sort key significant decisions she made just sort of, just happened on gut feeling as much as anything as being part of some sort of rational plan or strategy. And so that was the overwhelming sort of texture, you know, impression I suppose I got from her sole authored discourse. You know, and I think that’s speaks to the way people in business you know, are very good at telling stories about their own success or journey and you know, they’re almost inevitably kind of functional for their interests I think.

JF One of the things that is quite surprising about this case and about the phenomenon is there is this disconnect between lots of the strategy and the marketing literatures that says, this is not a good idea but it’s a piece of business model innovation that’s going to be more and more popular.

OBR Right.

JF Even as the theory continues to say that. So as an organisational behaviourist what do you think of that disconnect and how would you account for why these business models get more and more popular even as the advice says they’re not a good idea.

OBR Well, I mean my take on it it’s a pretty simple one. I mean my take on it is, you know, that’s a story about the ascendancy of short term profit over longer term building a value. You know, if I understand that sort of tension correctly I could imagine what that sort of says, it might be something, danger of diluting the significant sort of distinctiveness or authenticity or something of the brand and of the design that’s behind it, because it will, I understand about the industry, I mean I understand this, that sort of, you know, the process of sort of you know ripping off designs and copying them and you know, that’s the way the industry works. But I think the disconnect is there because you know, on the one hand the advisors might say well, the sensible long term strategy is to
remain faithful to your art but the, you know, the attraction of shorter term profit maximisation revenue in sales is too strong an attraction. I think. Plus I mean maybe there's another thing that might drive that too is I suspect that this sort of designing business is with larger than life egos and the belief that, well, just because people say I can't do it is all the more reason to do it and to prove them wrong. You know, that sort of, I don't know, just again, my casual observation of that sort of industry, not just the fashion industry, but the fashion industry like designers, you know, well, I'm different from everyone else and there's, you know, there's also that I dare say like this story, you know, they're often relatively independent operators. You know, and they're not sort of accustomed to working with organisations. So maybe some of that naivety is genuine. Although I didn't really detect a great deal of naivety in her discourse, I mean, she seemed pretty savvy to it and pretty ready to embrace the sort of financial benefits associated with it and didn't seem to be uncertain about whether it would do longer term damage or not. But then again, I note the way that she again sort of rationalised that as being, well, you know, it's been a success because my sales are my mainline brand if that's the right term, you know, have increased as a result of that. So, you know, she's trying to make the case that one need not be at the expense of the other but that, you know, one can sort of sustain and drive greater sales than the other. Which, you know, may uncover the business for what it is which is the business about you know, selling you know, commoditised, you know, fashion items.

One of the things I think is quite cool about the case as a study is that there's this interesting position of her actual motivation and then her post-hoc rationalisation and also justification when she says, if its good enough for other designers it's good enough for me.

Yeah.

What was your read on her motivation for like, for doing it before she undertook it?

Opportunism I suppose. I mean I didn't invest that with a great deal of thought. I mean I thought she sounded like she was someone who's business and brand had kind of grown relatively quickly and that she wasn't totally in control of that process and that was fine and she was going along for the ride and there was another opportunity and she was in the business of tasking opportunities on almost on a whim, you know, so I suppose I read that, you know, I mean I didn't read that as being, you know, that that was part of a deceit and it was all part of some grand strategy. I mean I think the rationalisation was post facto rather than sort of all part of some grand design. Excuse the pun, I think she just sort of you know, fell into that and then afterwards when realising what happened. I mean you know, the, let me reflect a little more then. I mean there's, you
know, there were kind of like a couple of I thought really critical moments in the discourse. I mean one was clearly where she exerted her sort of veto right to pull one of the designs from the range. It sort of suggested there because it offended her kind of artistic or design sensibilities and just didn’t look right as if to sort of say, well, you know, I won’t just accept anything here and you know, that kind of reinforced the, well, it was all very flexible but I had to ensure that the production was right. You know, which was like, you know, check that box, move on, you know. Okay, there is a factory or whatever, you know, I’m saying this, right, I’m gonna, you know, move on now. But hey, you know, like I won’t accept anything. I mean there was something I didn’t like that didn’t fit and so I insisted that that wouldn’t be released and the suggestion being that that was a unilateral decision. You know, so I still have some power over here. I’m prepared to exercise it. You know, it was kind of her move on that and the other one which really of course really sticks with me, the other incident in the discourse is very much about the, you know, the punters rifling through her clothes like there some just stock, that is just to be you know, thrown on the floor and abused and you know, and that this was some kind of shock for her, you know, that, and then that sort of counterbalanced then with this, what I see as this sort of reconstruction of the consumer. This reconstruction of the market is actually well, why initially they might seem quite primal and sort of you know, savage, it actually turns out that they’re really very discerning. You know, and it actually turns out that in fact they like the stuff that I like and they’re not so bad after all. You know, and that, you know, it’s almost like I should go with my hunch on these things because the things that I think are really good, even if they’re a bit out there, actually turn out to be those things that sell best.

JF Is that that line about people are much cooler than you think they are.

OBR Yeah, yeah, yeah, that’s right. I think that was a very interesting way of sort reconstructing the consumer here so that the mass consumer is actually recovered in the story as to being actually quite discerning and after all, which is probably another way of sort of providing that justification for why its okay to be in the mass market.

JF And so why is that a way that you picked that out as a, are you as a critical moment, were you surprised that she expressed surprise?

OBR Yeah, I thought that was sort of a first hint of sort of this being kind of functional but I just thought that was a sort of implied moment of her actively reconstructing what she was doing. You know, the mass market was actually quite discerning, after all, you know, its almost telling us don’t make the mistake of thinking that just because its mass marketing it doesn’t mean its not serious in terms of its aesthetic judgment and discernment, yeah. Which is probably a fair point but I mean that’s kind of you know, to
miss the point I suppose about mass production. I mean mass production is highly fashionable, you know, I mean that’s part of the deal. I mean the deal is to try and make appear highly fashionable it just happens to be potentially low on quality. I mean that’s the trade off, yeah, its.

JF So if like then if you were telling the story, or the story, what story would you?

OBR I’d probably tell a really different story. I mean, well, I don’t know, I mean, (a) its not a story that can be told you know, from the sense which I take this text other than from the perspective of the author, you know, I mean, you need to be there and you need to be in that role to tell that story. I mean I daresay if I was some kind of I don’t know, business analyst or something, or observer of this and you know, I would tell a very different story because I would see very different things. You know, I mean clearly I would be constructing a different sort of narrative around you know, X sees no way of expanding her markets sufficiently quickly and therefore takes up the opportunity offered by Y to follow the trend towards establishing a relationship with a mass market distributor. Y you know, at first comforts X by ensuring that you know, they’re flexible and they’re take whatever they can get. They do take whatever they can get but then proceeds to distribute her stuff widely without sort of very much support or concern for the integrity of the brand and X lives happily ever after because the money and the exposure and the greater sales make up for the compromises that she needs to endure in order to produce, you know, lower cost, high selling items, and you know, the sort of you know, the development of another player in the mass market, you know, ensures a happy ending to the story for the mass market distributor, and potentially in this case, at least in the medium term for designer X. Well, it’s a happy story for designer X because it, I suspect then what happens is designer X sells that label and goes off to create a new one.

JF One of the things about the way these partnerships work is that they produce the one off capsule collection for the mass market retailer.

OBR Right.

JF And then just go back to creating their own line. So Stella McCartney produces one for Target and then just goes back to creating the Stella McCartney brand. So would that make you think differently about it?
OBR Yeah, I hadn’t realised that that was invariably the way it worked.

JF Yeah, it’s not just, so they don’t just exhaust the brand by doing this.

OBR Well, that’s interesting, yeah, so, but then I just wonder in the model what’s to stop them you know, mass market distributor Z you know, making the same overtures or are they contractually bound to only produce for distributor Y.

JF No, only, so for instance, Stella McCartney has done two, like two for different retailers. Usually contractually bound to only one, geographic market. So she did one for H&M and then one for Target Australia.

OBR Yeah, that’s interesting. I wasn’t aware of that, yeah. So, well, yeah, obviously that would change the scenario in the end point. I mean, they’re not going to, well, it wouldn’t necessarily preclude them from selling out of their brand if they wanted to I’m sure. I’m sure they could. But if that’s not what happens then that’s not what happens. Yeah, yeah. Obviously there’s some concern there to try and maintain some of the elite cache associated with the brand I guess in the longer term in that way.

JF In that sense strategists say, this is a story about differentiation and marketers say, this is a story that’s only about brand and brand equity and what you do with it.

OBR Right.

JF What do you think it’s a story about?

OBR Well, as I told you, I think it’s a story, a discourse story about the, you know, the way in which people convince themselves that it’s a good idea that you know, it’s possible to sort of mass market something and maintain a, you know, the integrity of the brand I suppose in this case, and you know, I mean maybe there’s something in it. I mean you know, maybe I’m just reflecting my own kind of very cynical reaction to things like Karl Lagerfeld for H&M or Stella McCartney for Target, you know. I don’t know its funny, you know, because in, I’m not sure this is relevant at all, but you know, I mean, you know,
doesn’t Armani have a sort of lower level brand version, AX or.

JF Armani Exchange.

OBR Armani Exchange. You know what I mean. I mean in some ways I think that’s kind of a little more authentic, they’re sort of admitting what they’re doing here and we all know the fashion houses have to sort of have this kind of couture stuff for here that gains the kudos for where they really make their money, you know, where as I think this kind of thing to me, at least as a consumer, just seems really sort of false or I don’t know, it just seems curious.

JF In what way false?

OBR Well, its, you know, it’s at Target, you know, what’s Stella McCartney doing at Target and more to the point, what’s Stella McCartney doing with Target if its not, I mean don’t tell me Stella McCartney or Karl Lagerfeld are trying to get more exposure. I mean their hyper exposed, I mean and what, they’re trying to get more exposure to people who only shop at Target. What, these are people who have never heard of, I mean, yeah, I just, in a sense I don’t quite get it unless its about just sort of trading off the name and trying to squeeze as much as you can out of brand equity and you know, I think she actually says something to that affect at one point. You know, its sort of like, see how far we can take it. There’s some comment to that affect about how far can I string this stuff out for. Well.

JF It’s baffling on some levels for me because it’s obvious that this is a great story. That this is a fantastic deal for the mass market retailer. But every time it happens you ask exactly that question of what’s in it for the prestige designer.

OBR Yeah, right.

JF Yeah, what’s the upside?

OBR Yeah.
And marketers say, well, you just look at how much money they’re offering you. You ask yourself if your brand is worth that.

Right, right, yeah.

I mean they trade that, there has to be something more in it than that.

Dunno. I mean my explanation is that she did it for the money. You know what I mean. But then there’s this other sort of justification process about somehow it being good for her. It, you know, it made her harder or something or it made her tougher or she learnt some lessons and yet we don’t hear what those lessons are. You know what I mean, I think that’s all kind of quite deliberately vague because I’m not sure there’s much substance to it. You know, I didn’t see much else other than the short term financial gain to be associated with it. Although we don’t know. I mean I don’t know from the text as to what her, I mean you get the impression that she’s not a household name, I’ll put it that way. So presumably there is a greater marketing exposure that may well appeal. I mean it’s a matter of getting her name out there perhaps or her labels name out there more generally. You know, maybe it makes more sense for someone like her who’s emerging than it might you know, than it might for the Karl Lagerfeld’s and Stella McCartney’s of the world I suppose.

One of the things though that I think is interesting is that she says one of the reasons I felt more comfortable about it was that I felt part of this broader story that she says, if it was good enough for other designers then its definitely good enough for me. Were you persuaded by that? Did you just think she was trying to rationalise it back to herself?

Oh, well, was I persuaded by it? I mean, I think that definitely, my impression was that definitely would make it safe for her to do that because I mean it is a rationalisation but its sort of an effective defence to the charge that you can’t be taken seriously because you can quote all these big names who’ve done it I suppose. So in that way I think for what it is, you know, it’s quite an effective rejoinder to the claim that we can’t take you seriously. Well, in which case you can’t take anyone seriously which maybe an inappropriate conclusion to draw. I suspect. But you know, so was I convinced by that? Well, I mean I was convinced by the sense that I think she really did mean it. I don’t think she was just telling us that as a story. That it was someway made up or was only convenient for her. I suspect that someone in that position would really go through that decision making process and that would be a key you know, game breaker for them to
accept doing it because others have done it before.

JF  So what did you read into her decision making process? How do you think she went through that?

OBR  That I think it was pretty much about I’m you know, ambitious, I’m opportunistic. I want to try and take whatever chance I can get here. Here’s a chance for broader exposure and some revenue and you know, I’ll take it and see how it works out and, oh, they’re being quite flexible. They’re prepared to take what I’m prepared to offer. But then there’s the undercurrent there about some of the things that are de-emphasised you know, that might have been critical decisions, like, well, presumably she had to do swimwear and she’d not done swimwear before. You know, so she was obviously, they, maybe they were quite flexible, but obviously they insisted on certain things and they’re obviously kind of influential in advising on what would work and what wouldn’t work, and so, but anyway, the decision was, well, this worked for her on her terms in the sense that it increased exposure. It didn’t appear to her mainline brand. It compromised the amount of time she could spend on that. She thought of makes that explicit, but you know, balancing things out. It was clear that she saw it as a net positive and you know, I assume then that’s the reason for her you know, continuing to do it again or being keen to do it again.

JF  It’s a funny story in that way in that those are all things that emerge after the fact that ultimately I think it is quite a happy ending story in that sense. But the way I see the business problem side of it is if you’re a prestige designer your product is basically exclusivity. That’s the thing. People buy the fact that they can have something that most people can’t. So, as soon as you have a capsule collection for Target or H&M then you trade away that product for no chance of an ongoing revenue stream. So it’s a funny, it surprises me that lots of people work themselves through that decision process and decide to do it anyway.

OBR  Yeah, well, look the only way I can rationalise, I mean I agree with you, but again it’s the short term profit over the long term value and combined I think with that decisive feeling of others have done it so why can’t I. You know, and I suspect that designer X is very conscious of that and that drives here desire to sort of retell the story in a way that provides a lot of justification for why she did it, and it almost turning that into you know, hey, I like to be controversial and I like to do stuff that other people thinks a crazy idea. You know, I’m attracted to that because I’m so out there and so different and you know, I mean it was that aspect that kind of annoyed me that it wasn’t sort of admitted to be, well, it was, which was largely a way of generating revenue and increasing exposure.
JF And you think that story about counter orthodoxy is something she had to tell herself to feel comfortable enough with it.

OBR Yeah, I think so, I think so, I think it’s functional for herself to see it that way, you know, and this confusion about what’s really right or what’s really wrong, you know basically you just act upon response, you know, but I don’t process everything. You know, so I can’t make sense of everything, how could I be expected to. You know, don’t blame me for making this decision it’s just the way shit happens. It just happens like that sometimes.

JF One of the things that the designers say or the popular story that they tell when they agree to do one of these is, I think it’s really good to democratise fashion.

OBR Oh right.

JF Yeah, and I think its good that people can buy,

OBR Everyone can have it.

JF Stella McCartney clothes.

OBR Sure.

JF Which is obviously completely disconnected from the idea that the whole point of prestige fashion is that most people can’t have it. So I think that’s an interesting switch in at least their thinking about both the business that they’re in and what they should be doing.

OBR Yeah, yeah, but maybe then this is a you know, this business model is interesting because it creates a way of having both worlds. You know a way of having both the prestige brand as the mainline label which is actually still unobtainable but there is this
association through name and reputation. You know, no one imagines that it's the same thing as if you might be going to whatever the high end prestige label store where it's sold. But it's got the association because it's associated and in some sense been designed by or with some input from the designer. You know, so maybe that's quite an ingenious model in that way and obviously if it's increasingly popular then it's working. But I suspect as you've suggested before, it's working largely for the distributors.

**JF** Yeah, I mean I think that'll obviously is the question in a broader sense that it works really well for the distributors. Its all upside, the reputation risk is virtually nil for them so the interesting question, how do they manage to bring so many designers with them and how do they keep managing to do that. Which I think is surprising.

**OBR** Yeah it is and I mean from that sort of business model perspective then perhaps the initial sort of offer and overtures of flexibility are critically important, you know, in the sense of sort of destroying the assumptions that many designers might have about what this is going to involve and then having the distributor saying, well, we just want you to do what you do and you know we just want you know freedom and, oh, but we need swimwear and, oh, actually but that won't sell and, oh, you can't do that and, oh no, we've got to get it made at this production facility. But, you know, we'll look after all that for you, you know, I can just imagine those exchanges sort of of you know, distributors being aware of being you know, careful about imposing those sort of limits early on because they're looking to try and say, well, you know, it's all about you and its all about what you want to do. So offering them that degree of freedom and latitude and maybe even the occasional veto, right, yeah, okay, let her drop that if she wants to drop that give her something, you know, I could imagine if I was a senior executive for the distributor that that's they way, well, we've got to give them something. You know, we've got to pretend that they've got some freedom here. You know, yeah sure, it's a shit design but it won't cost us that much, you know, whatever, you know. I think they'd be an element of that management sort of like managing a difficult precocious actor or something. They've got this ego that needs to be looked after to some degree.

**JF** And that I think as well might be the case if one of the reasons why people do it and once you can't find a good rational explanation or a complete rational explanation you start looking for the irrational explanation. One of them might just be this desire to be a celebrity and to be a household name.

**OBR** Yeah, yeah, yeah, sure, sure. I'm sure that's right. Which would certainly be added to by the argument that the big players, the famous players, do it so why can't I, you know, I'm associated with them, I'm in the same league as they are. You know, and I think that feeding the ego is mentioned there. Maybe realise, wow, I can do all this after just three
years, that’s a great achievement, you know, to get this far.

JF So, when you’re reading the story does it make sense to you from a business perspective?

OBR Well, yes, I mean I wasn’t puzzled by it at all. It’s interesting. Like I wasn’t puzzled by it all like why is she doing this or why does this happen. I must admit you know, your observations have helped me see elements of that tension that didn’t strike me so much. Partly perhaps that’s because I don’t kind of come to business cases expecting rational decision making. But you know, sort of first point. But the other one being you know, its, you know, I think business makes sense for the most powerful player and I suspect that the distributors are probably more powerful and have more resources than designer X you know. So if you know, it would only be surprising if I couldn’t see a benefit for distributor Y. That would make it puzzling but the fact that it makes sense for them then you know, they’re going to find a way to try and convince designer X that it’s in her interests whether it is or whether it isn’t you know. Which I thinks a fairly just a straight up sort of power analysis of the relative power between X and Y in this case. X and Y can be used in power theoretical models to be the two parties, you know, Y gets X to do something and so it is in this case, you know, so I don’t necessarily expect it to make sense for X. But I think there’s a number of other sort of psychological and ego related and whatever reasons that and yeah, this very active process of rationalisation that seems to be going on sort of speaks to that a little bit I think.

JF So if you were then seeking to make sense of that what would you look to?

OBR Not really sure what you mean there. What would I?

JF So if you say the rational decision making models probably won’t have the answer for us like so what schools of thought might you look to for the answer?

OBR Oh I see, oh gosh. Well, I suppose I’m suggesting you know, political skills I mean that highlight the role of power in business relationships I suppose. But yeah, I mean not, I sort of hate to get all sort of individualist on this but the sort of the psychology of the maverick designer, you know. I think that helps, you know, the sort of the attribution areas that individuals make about you know, sort of saying, well, just because I’m advised against it doesn’t mean it’s a good idea because I’m different from everyone else or my product is different from everyone else or my product won’t succumb to the
dilution that might occur with lesser brands, you know. I will be able to maintain my artistic integrity in the face of these challenges. Others can’t because they’re weaker and they don’t believe in their brand as much as I do. You know, so they’re quite individualist psychological explanations but I suspect they might count for understanding X’s thinking anyway.

JF So talking about the maverick designer what do you mean by that?

OBR Well, the iconoclastic independently minded you know, no truck for tradition and breaking the mould and I can do things differently from everyone else. Which I think you know, you probably need I mean I think that’s probably likely to be one of the secrets to success in something like this industry where I suspect you have to be extremely ambitious and very determined and very confident. You know, she’s not working for the Reserve Bank you know, you know what I mean and then there’s different sorts of values that I think are actively rewarded and cultivated as part of the mythology of that industry. You know, the culture of the industry and the mythology of the industry.

JF Probably very cautious investing at the Reserve Bank for now.

OBR Well, yeah, I mean, I used that as a topical example but you know, its, so, yeah, so maybe that’s suggesting I’d be looking at models that sort of, like I’m really into, I’m really tired of, I’m really tired of everything because its week 10 or week 11 or whatever, week 12, sorry, don’t tape that. But I’m really, one of the many things I’m really tired of is our constant attempt to sort of generalise this level about there is business and there is organisations and you know, I can speak more about organisations that business but you know, industry and sector is everything. You know, the way that context is everything and I suspect a lot of the time because all my sort of field work and working with organisations is its all about the sector man. You know, its all about the industry and that’s not just because of the different market environment and market dynamics but because of the culture and the history and the whole box and dice is sort of often a lot of it accounted for by industry specific factors. You know, and I just, there’s some things about organisational dynamics and organisational behaviour we can use to generalise but you know, this wouldn’t be a story in other sorts of industries or industry settings I don’t think. For some reason it reminds me a lot and I suppose this is obvious because of the uncertain role of creativity and is in the creative industries and yeah, it is I guess, but you know, I don’t know, it sort of reminds me of the art world or something a little bit. You know, like you know, big players distributors like dealers and artists trying to maintain this sort of artistic integrity and authenticity and when they don’t or when they mightn’t you know, there’s a lot of rationalisation you know, about what we’re
doing here and we’re democratising art or whatever. You know, its very,

JF It’s very Damien Hurst.

OBR Well yeah, maybe, maybe it could be that pointed or Geoff Combes I suppose I was thinking of to take it to an extreme.

JF So that’s interesting that you say you might look to,

Overtalking

OBR Yeah, **unclear 41:37** specific, sorry, yeah **unclear 41:39** specific thing. But, sorry, you were going to ask me about the individual image and the myth of who this successful operator is the industry.

JF Yeah.

OBR Yeah. Bucking the trend and iconoclastic and doing new things and doing outrageous things like it’s so outrageous to do this you know, or is it I kind of like that stuff, its controversial, bit of tension.

JF There’s tensions there.

OBR There’s a bit of tension there you know, whatever that means. But is sounds edgy.

JF But that’s interesting because you said you think she in fact took a lot of comfort from the reverse which was this kind of institutional theory approach of lots of other people have done it before so I can feel better about it in that sense.

OBR Yeah.
Rather than this kind of gorilla chic.

Yeah. I mean to me, I don’t know, to me the former seems to be like a legitimate and functional sort of defence to that accusation. The latter to me seems to be near frippery, you know, it’s a sort of superficial thing which adds to the mythology and adds to the story. But, gee, I don’t know whether anyone could really believe that. You know, not even designer X surely. I mean its something kind of cool to say isn’t it? You know, its sort of fits with the image and fits with the myth.

And perhaps something that would only fly in the fashion sector.

Perhaps.

So you think,

Oh no, probably not, heavens, you know, I mean serious management or whatever you know, whatever, so called serious businesses is just as prone to self delusion. You know, again, you know, I mean, I don’t, I’m not trying to say, you know, I’m not trying to say for example, that banking is anymore rational than fashion. I’m certainly not. You know, I mean quite the opposite but the myth, the image that you construct and present is very different. One is portrayed as being edgy and out there and the other one is being sombre and conservative and considered and of course there’s a lot of, they may or may not bear much resemblance to reality I suppose at this point I’ve got to stick with my percussive social constructivist, yeah, [unclear 43:58]. I mean, its all a bit social constructivist isn’t it, we’re looking for other sort of theoretical traditions with which to read this. I mean I’m trying in some ways also, yeah, because I try to be open to social constructiveness approaches as well as maintaining some sort of materialism at different times. That’s my tension and inconsistency fully but you know, I think I would go, you’re saying what helps to understand it.

Yeah.

Social contractiveness perspectives help I think because I’m seeing this very much as an authored discourse, soled authored discourse that’s sort of autobiographical, well, it is
autobiographical. It's some kind of autobiographical narrative I guess. See I didn't do much preparation for this and thinking about it I just read it.

JF Yep.

OBR Thinking that was meant to be the right thing to do.

Overtalking

OBR I hope you don't think that I've now not thought about this because all these things are sort of occurring to me now.

JF Really.

OBR But I deliberately just tried to read it and think, oh well, I won't worry about it, I'll just read it.

JF No, no, that is exactly the plan.

OBR Good.

JF So tell me more about this specificity. Is that something you would think about?

OBR Yeah, that this is a story about the fashion industry and it's maybe a story about the creative industries and it's not really a story about services. Sorry, I'm trying to think about how specific do we need to make this thing or whatever the industry is. I'd say its fashion, yeah, and it's also maybe about creative industries. I think they're the two realms that we can refer to, to help make sense of it, and I've done a little bit of work in the fashion industry just from one particular angle of it. But patently as you can tell by looking at me I know nothing about it.
JF  *Unclear 45:55* says that.

OBR  Yeah, well, they’re going to aren’t they? Heavens, someone from the fashion industry’s coming to talk to you, I mean, crikeys. But, and the creative industry stuff I think is very telling about the way in which the artist or the creator is sort of like, you know, we need to sort of protect but exploit at the same time. It seems to me to be an interesting dynamic because it’s of course not an industry that’s run by the creative people at all. But you know, its run by the lawyers isn’t it and then their clients who are the, in this case, the distributors. The big chains or whatever. Whoever the big operators are.

JF  I think that’s why it’s a great sector for study,

OBR  It is.

JF  because you’ve this kind of, this creativity element,

OBR  Yeah.

JF  and then this commercialism element and then usually, particularly in kind of the luxury goods conglomerates, like a serious capitalism element.

OBR  Yeah, yeah, that’s right, yeah it is very interesting.

JF  Its variable heavy.

OBR  Yeah, right, it is, it is.

JF  So is there anything that we haven’t talked about that you wanted to mention that you took out of it or that surprised you?
OBR  You’re going to take my notes away anyway, there we go, so,

JF   If that’s okay.

OBR  Yes of course, that’s fine. I don’t think there’s anything, anything that I made a note of that I haven’t touched on. Yeah, I mean just that other thing about this sort of like, she talks about having gained experience and gained learning and yet there’s no you know, it was hard, it made me stronger I think. I mean is that really learning? I mean, I don’t know, you know, I found that to be particularly empty. I mean maybe it’s not an empty claim but there’s no evidence of it. I mean the only conclusion in the narrative is, I can’t wait to be asked again. But not that I’m desperate. But, so I think it’s a rich discursion text as well in that way.

JF   Great, thank you Richard.


End of recording