

# Research into the Structure of Fast Fashion Textile industry in Los Angeles

-Focus on the Jobber Market-

로스앤젤레스 패스트 패션 섬유 산업의 구조 연구

- Jobber 시장을 중심으로 -

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### Abstract

Los Angeles, which exhibits the biggest sales figures among fashion markets in the world, is considered to be one of the global fashion centers. The sheer scale of fast fashion is especially substantial which also implies significant effects on the local economy. The so-called jobber market leads the entire fast fashion market in Los Angeles. Professionals related this industry

like Moon(2014) and KOTRA(2015) present that this market plays three important roles: [1]As key cooperator that allows fast fashion companies to grow into global brands such as Forever 21, which represents fast fashion in the U.S. [2]As a major production department in charge of products of large-scaled fashion brands in the U.S. [3]As a growth-base for many of the renowned fashion brands(KOTRA, 2015; Moon, 2014). Although this market has played a significant role in L.A.'s fast fashion, there is very little information or data regarding the jobber market due to its highly closed nature to the outside world. This requires the author to further research the jobber market's industrial structure to gain comprehensive understanding of the market in detail with respect to design, production process, and intimate cooperative relations with Korean textile companies as well as general distribution structure in the market field. The researcher studies formation of the jobber market's background and the particular factors that compose business transactions in this market. The data and analysis presented in this paper can provide significant insight that can encourage Korean companies' expansion into the jobber market, thereby invigorating the Korean textile industry.

**keyword**

Jobber market, LA fast fashion industry, Jobber production

**논문요약**

전 세계 패션 시장에서 가장 큰 판매량을 보이는 로스앤젤레스는 세계적인 패션 중심지의 하나로 여겨진다. 특히 패스트패션의 규모는 상당하여 지역 경제에도 커다란 영향을 끼치는데, 바로 이곳에 L.A. 패션시장 전체를 움직이는 자바(Jobber)라고 알려진 시장이 존재한다. 패션 전문가 크리스티나 문(2014) 과 무역 전문 기관 코트라(2015) 등의 전문가들은 이러한 자바 시장에 대해: [1]Fast fashion의 대표로 불리는 Forever 21이 세계적인 대형 패션 그룹으로 성장하게 한 협력자이자 [2]거대한 규모의 미국 패션기업들의 생산을 책임지는 동시에, [3]많은 유명 패션 브랜드들의 성장기반에 있어서 중요한 역할을 한다고 설명하면서 시장의 중요성을 언급하였다. 그러나 외부에서 접근하기 힘든 자바시장의 폐쇄성 때문에, 그 중요성에 비해 관련 자료나 정보는 매우 적은 편이다. 이에 따라 본 연구자는 자바시장 산업구조의 포괄적인 이해를 비롯하여 디자인과 생산과정, 그리고 한국 원단 산업과의 협력 관계에 대한 조사와 연구를 실행하였고, 자바시장의 형성배경과 함께 시장 내 실제 거래의 발생과정을 이루는 세부 요소에 대해 조사하였다. 본 연구의 자료와 분석들이 한국 텍스타일이 미국 시장으로의 진출을 모색하는데 도움이 되는 기초자료로서 활용되면서 한국 텍스타일 디자인과 산업이 보다 활성화되는데 기여하기를 기대한다.

**주제어**

자바시장, L.A. 패스트패션 산업, 자바 산업구조

## 1. Introduction

### 1-1. Background and Purpose

The size of the U.S. fashion industry has been exhibiting a steady increase due to the accelerating growth of the e-commerce market and vigorous development in fast fashion. Due to this overall upward tendency, the continuous growth potential of the LA jobber market can be swiftly deduced as a hub of the U.S. fast fashion market. A remarkable fact is that Korean companies have been occupying the majority of this market since the time of its creation around the early 1980s. These Korean companies in the L.A. jobber market have intimate industrial connections with the textile companies in Korea, thereby exerting significant influence on the Korean textile industry overall. Thus, it is important to understand the industrial structure and trends of the jobber market to not only revitalize, but also to newly create value in the declining Korean textile industry. Hence, the main purpose of this research is to understand the distinct value of Korean textile companies to suggest direction for more active access into the L.A. fashion market in hopes of reinvigorating the Korean textile industry. To achieve this goal, the author thoroughly researches comprehensive studies on L.A.'s fast fashion textile industry as well as the interconnected structure between Korean textile companies and the jobber market in their production process.

### 1-2. Research Methodology and Range

This study consists of literature review and direct research. It is notable that this study is conducted in the actual field of the jobber market. As for understanding and identifying the L.A. fashion market and the jobber market,

the researcher uses literature review and government-sourced data. For grasping the industrial structure and the specific related factors, direct research is commenced including interviews with professionals, companies, and associations.

For the study on the industrial structure, the author established three research categories—production, distribution, purchase—that compose the L.A. fast fashion market. Specifically for each area, firstly, a Korean textile company mainly directs fabric production. Secondly, a local textile company in the U.S. manages business transactions in entirety including the distribution of produced fabric, confirmation of design, and order processing. Lastly, as buyers, fast fashion companies are designated as private brands run by Koreans in the jobber market. The former two play a role as providers who gauge demand of the market and the buyer. The latter is a buyer who in essence can place an order by applying fashion trends by monitoring general fashion tendencies of their upper buyers such as a large-scale fashion company. This study is for comprehending the major factors involving each production phase according to individual area as well as understanding the general industrial structure. Through this, it is meaningful to grasp the conspicuously connected structure between the jobber market and the Korean textile company.

## 2. LA Fashion Market

### 2-1. The Scale of L.A. Fashion Market

L.A. is a central hub of fashion consumption, textile distribution, and a city of representative fast fashion. According to the McKinney(2016)'s data (as cited in KOTRA, 2015)<sup>1)</sup> by CIT that is

a finance and consulting services company, the import scale of the textile and fashion business in L.A. county is valued at \$46 billion, sales of related businesses is valued at \$18 billion, and the job market is valued at \$6.4 billion. Especially noteworthy is the number of fashion-related businesses which amounts to more than 10,000 and the number of job positions directly and indirectly related to fashion which amounts to 200,000. L.A. county exhibits the highest proportion among all counties in the U.S. The number of employees working in garment, fabric, and wholesales is greater than 77,000. This figure exceeds that of N.Y. county's 47,000. Furthermore, the figure for fabric and garment sewing businesses is 66, while the figure for wholesales including imports is 870, whose sales amount to more than a million dollars in. The Table based on the data from McKinney(2016)<sup>2)</sup>'s research below shows how L.A. fashion market can have an effect on job market of entire U.S.

<Table 1> The occupying proportion of L.A. county in the textile and fashion job market in the U.S (as cited in KOTRA, 2015)

Category	Proportion
Apparel Manufacturing	36%
Wholesalers (importers)	18%
Textile Mills	6%

## 2-2. Growth Background of L.A.'s Fashion Market

L.A. has a sophisticated and fashion-conscious atmosphere embedded in the city stemming from successful film and entertainment businesses in the area. For instance, celebrity fashion attracts global focus during major events such as the Academy Awards, rendering L.A. to be viewed as one of many global fashion centers such as Tokyo,

London, New York, and Paris. Hollywood fashion styles in movies and television series have been features of admiration in the eyes of the global audience. This expansive nature of cultural art contents has caused a consistent inflow of capable designers into L.A., thereby promoting synergistic effects leading to the blossoming of the fashion business in L.A. Another key factor that facilitates vigorous growth of the L.A. fashion market is the city's physical location: L.A.'s long beach harbor is a hub of distribution as it is in charge of more than 25% of the entire U.S. imports and exports. Through a combination of these factors, the jobber market successfully arose in L.A. to form a niche industry termed fast fashion that demands short product cycles with fast productivity. Fast fashion has stably developed through the jobber market which releases completed products in just 2 to 3 weeks by promptly capturing market trends. Many brands familiar to us have their roots in the L.A. jobber market.(Korea Trade-Investment Promotion Agency [KOTRA], 2015)<sup>3)</sup>

## 3. Jobber Market

### 3-1. Definition of the Jobber Market

Based on dictionary definition, 'jobber' refers to a wholesaler, vendor, distributor, or broker in merchandising who purchases products in bulk to resell to retail stores such as department stores and supermarkets. Jobbers profit from margin resulting from reselling products at a higher price point than their initial, lower purchase price which is achieved by buying the items in large quantities.("Jobber", 2020)<sup>4)</sup> The word 'Jobber' or 'the Jobber market' in this paper restricts the broader meaning to specifically refer to L.A.'s wholesale fashion

market. This is similar to the case in which 'Dongdaemun' is commonly used in Korea to refer to the wholesale business related to fashion, 'Jobber Market' refers to the wholesale fashion business in L.A. Also like Dongdaemun in Korea, fashion wholesale business in L.A. is concentrated in a specific area that consists of a number of fashion wholesale businesses.

The Jobber market is located in downtown Los Angeles across an area of approximately 10 blocks. This area teems with numerous garment and fashion accessory stores similar to Dongdaemun fashion wholesale area in Korea. Although there are approximately 3,000 stores registered at KAMA(Korean American Apparel Manufacturers Association), it is known that there are more than 6,000 garment brands by Koreans. The private labels produced in the jobber market are sold to famous large-scale mainstream retail companies such as Forever21, Urban Outfitters, TJ maxx, Anthropologie, and Nordstrom and as they're sold, the labels are replaced with those of upscale brands of department stores, outlets, or other domestic brands.(Christina Moon, 2014a, pp2-4)<sup>5)</sup> This business relationship provides evidence that the jobber market holds significant influence over production quantities of major U.S. brands. Because of this environment, the jobber market has played a pivotal role in the U.S. fast fashion market since the 1990s.(Christina Moon, 2019b, 157p)<sup>6)</sup> Eventually, it could be said that the unparalleled capability in fast production of the jobber is a decisive element that is boosting the growth of fast fashion in the U.S.

### 3-2. History of the Jobber Market

Despite the lack of official records on the beginning of the jobber market, LA Jobber market's roots can be traced to Korean

residents who started garment wholesale in L.A. Those who emigrated from Korea to South America immigrated again to the U.S. to establish their businesses using accumulated capital.(Korean American Textile Association[KATA], 2020)<sup>7)</sup> This is related to Korea's historical background. According to Moon (2014), Between 1960 and 1970 the Korean government enforced grand-scale industrialization of garment exports targeting the U.S. However, due to ceaseless national poverty and rigorous constraints of Korea's military government at the time, thousands of Koreans immigrated to the U.S. and South America, particularly to Brazil and Argentina. They began production and sales of clothing to make a living in their new homes. Before long, their roles in the garment industry started exerting a fundamental influence on the garment markets of New York, L.A., São Paulo, and Buenos Aires. The initial immigrants to the South Americas eventually left to settle in L.A. between 1980 to 1990 to provide a much better educational environment to their children, as well as to avoid South America's economic inflation, currency crisis, and increasing crime rates. Their children, second-generation Korean Americans, are the people who will ultimately cause the jobber market to flourish with American fast-fashion revolution. Forever 21 is one of many examples that had arisen during this time. This historical background provides the reason for the high number of immigrant families that ended up becoming successful jobber business owners.

Based on their integrated know-hows of the clothing business, the Korean immigrants initiated garment businesses in L.A.'s Fashion district which not only connected the entire garment-related businesses such

as fabric, trimming, pattern-making, and quality control to Koreans in L.A., but also allowed business expansions with cooperating companies in Korea. Furthermore, this business relationship with Korea has continued into the present time as the initial L.A. immigrants' children naturally took over for their parents and continued to run the family business.(CH Moon, 2014a, pp.4-5)<sup>8)</sup>



<Fig 1> LA Jobber market

### 3-3. Industrial Form of the Jobber Market

The jobber market is composed of numerous parts which include wholesale, fabric, cutting and sewing, and trimming. KOTRA(2015) divided them with a type of business.

-Wholesale : Can be linked to private brands as well. Some brands incorporate physical forms of space such as showrooms or stores, but others only exist as production factories to manufacture garments for other stores or to supply finished products for large-scale buyers. There are two ways of supply: 1. Delegate some portion of production work to subcontractors to complete the final phase of production at the factory; 2. Managing the entire production stage from buying fabric to completing garments.



<Fig 2> Wholesaler(private brands) of the jobber market

-Fabric : They provide fabric for diverse garments. Korean companies occupy most of the market. However, they face competition from Jewish companies. Moreover, the number of Chinese companies have recently increased. There are two types of companies: ones that possess self-production systems for fabric and ones that import fabric to then sell the produced goods through a comprehensive production structure. The author's focus is on fabric import companies since they form the mainstream in fabric businesses of the jobber market.



<Fig 3> Inside of a fabric company with design headers

-Cutting and Sewing company: They offer all kinds of sewing and cutting services related to clothing such as labeling, fabric-cutting according to wholesalers' requests, and final finishing.



<Fig 4> Inside of a cutting/sewing factory

-Trimming: They supply subsidiary materials used in clothing such as patches, zippers, laces, and buttons.(KOTRA, 2015)<sup>9)</sup>

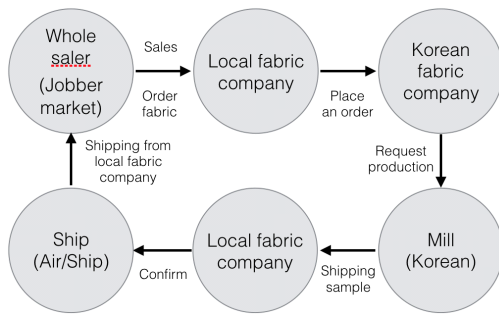
In this paper, the researcher mainly studies wholesale and fabric sectors because they constitute the primary part of the industrial structure. At the same time, the two sectors utilize intimately cooperative relationships with fabric companies in Korea. This poses an intriguing area of research for comprehending interrelations in structure between the jobber market and Korean production.

### 3-4. Industrial Structure of the Jobber Market

#### 3-4-1. Generating Order Process

As previously mentioned, the jobber market is responsible for massive productions for big U.S. companies which can be divided into two categories: discount stores such as T.J. Maxx, Marshalls, and Nordstrom and fast fashion brands such as Forever21, Urban Outfitters, and Anthropology. The wholesalers referred to as private brands receive orders from buyers through regular meetings. The buyers either request the exact product concepts they

desire or just select from already-made products by the wholesaler. When orders proceed, the wholesaler makes a decision regarding fabric choice as a first step. If they need specific fabric, they request fabric arrangements and designs at the same time. From this phase, the sellers affiliated with the local fabric businesses start to be involved in the entire order proceedings between the wholesaler and the local fabric company. The wholesaler selects and orders fabric based on the design headers presented by the seller, after which the seller creates a contract including all elements such as items, quantity, options, and the price. After the local fabric company receives an order from the wholesaler, the fabric company relays the order to Korea. Then, the Korean fabric company requests production to a mill. After about four weeks, the Korean fabric company sends a sample of produced fabric for confirmation regarding color and quality to the local fabric company in the U.S. As soon as the wholesaler confirms the sample, the fabric is shipped and arrives in the U.S. within 2 weeks. The entire order process takes approximately six weeks overall. In case of emergencies such as tight schedules caused by delayed production from defects or accidents, much faster air shipping options that only takes two to three days are available for use. The order is completed after the fabric delivery reaches the wholesaler or the sewing company.



<Fig 5> Production structure of the fabric industry in the jobber market

### 3-4-2. Details of Order

Generated order goes through diverse detailed decisions in each phase until its completion. Orders can be divided into two categories: print design and non-print design.

Regarding non-print fabric, the local fabric company needs specific fabric depending on the wholesaler's demand. They request fabric from a Korean fabric company who then provides fabric swatches. In this case, similar fabric texture is more important than the exact contents of the fabric since the primary goal is to achieve similar shaping when clothes are made. Also, wholesalers can receive particular fabric colors through lab dips which are sample color tests conducted before mass production.

As for the print fabric, the fabric company in Korea sends tens of new design fabric headers to the local fabric company and the sellers of the local fabric company receive orders that show these design headers to the garment wholesaler. Besides the designs from Korea, the local fabric company also develops their own designs called textile or print design. In this case, it is necessary to receive confirmation from the wholesaler who needs to modify designs according to their own purposes or based on the buyers'

purposes. Modification options include alterations in terms of design size, motif, space, and colorways. After the wholesaler confirms the design, the Korean fabric company starts to make the s/off. The s/off is a sample that is created before mass production. This is necessary because there is a big difference between color print between paper and the fabric. In this phase, the local fabric company usually provides fabric color swatches or TPX/TCX data to the Korean fabric company for production reference regarding the main color..

In effect, it can be said that the Korean fabric companies manage the entire order process after the order is generated because they are not only fully in charge of every order stage, including the quality control stage, but also in charge of other details such as design revisions and the s/off.

### 3-4-3. Elements of Confirmation

As previously mentioned by the researcher, the Korean fabric company sends the s/off so that the wholesaler can receive the exact fabric that was ordered. Main elements of confirmation are detailed below:

-Color: Color differences can occur depending on the print or types of fabric used. Mostly depending on the levels of absorbance, color gaps can take place according to each fabric's characteristic or between paper and the fabric. If fabric has its original color, this also has a significant effect on the printing color as well. Through the s/off, the wholesaler can check for the allowable ranges of color.

-Scale & Actual size: If the fabric has stretch, design shape can also be stretched out or shrank caused by the different design look. So

the wholesaler can confirm the actual size of the design on a produced fabric through the s/off. On the other hand, only particular sizes are allowed to be repeated for rotary printing. Thus, it is necessary to regard design style and size with repetition for this printing method.

-Pattern repeat: Wholesalers can check the entire design with repeat on fabric. Through this, they can review whether specific shapes repeat, causing unintended lines on the fabric.

-Quality: Without external factors, low quality of printing can occur from carelessness of the mill such as spread, crushed, and less-printed design. This is caused by complications in the designs with small spacing or uneven surfaces of the fabric.(The Fashion Business Coach, 2017)<sup>10)</sup>

-Print Registration: Error can occur during print registration when multi-color layered patterns are improperly positioned. Sometimes, components of the printing machine such as a cylinder or the metal plate can malfunction, thereby deviating from their intended location during printing. This causes missing parts or inappropriate layers on prints.(Wikipedia, 2020)<sup>11)</sup>

#### 4. Conclusion

As all fashion businesses are expanding their e-commerce departments, far more efficient productivity and increasing scale of mass production are predicted. In addition, it is expected that the jobber market will continuously grow along with the constantly increasing trends of fast fashion and other fashion brands based on the jobber market.

Meanwhile, it is true that the jobber market has been experiencing changes in their competitive positions by way of price competitions with Chinese fabric companies and increases in outsourcing abroad. Therefore, it is necessary for the jobber market to be prepared for the upcoming future of the fashion market. In particular, the current unexpected circumstances caused by Covid-19 can impact fashion businesses in the U.S. and the jobber markets across the board. Focusing on this situation, the jobber market needs to more actively concentrate on material research and development with the Korean production. For instance, applying excellent antibacterial techniques of Korea can lead to developing innovative materials of fabrics. Antibacterial fabric can lead to a variety of uses in daily lives as well as in fashion.

Through this research, it is obvious that the high market share of Koreans in the jobber market is a result of full production in Korea, which leads the Korean textile industry to achieve stable expansion in the U.S. fashion market. Furthermore, Korean textile companies occupy important positions in the jobber market in that they are involved in the entire production process including quality control. In other words, the Korean textile businesses that have been reaping production benefits from the U.S. can now play significant roles as leaders of the jobber market to energize the Korean textile business' present and the future. To enhance the connection with the U.S. fashion market, fabric companies in the U.S. and Korea need to more aggressively attempt to market and exchange local trends with each other. For this, KOTRA(2014, 2015) also states that they need to quickly grasp fashion and textile trends in the U.S. markets by constantly participating in

major exhibitions such as Magic Show, Coterie Show, and Texworld. At the same time, Consistent support by emphasizing Korea's production capabilities to continuously develop and provide items that will lead the market as well as the market desires will allow successful futures for both the Korean textile industry and the jobber market.

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