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## Do economic players shape up fashion trends?

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### **Abstract**

The behavior of following the most in vogue and admired styles of dressing has been there since the ancient times. With time, people have moved on with the rapid change in the surroundings. Both the genders acknowledge fashion. Fashion is an extension of regular clothing. This paper investigates the role of economical players which includes per capita income and inflations in shaping up the various trends/ fashion trends/ trends in clothing and their consumptions for Pakistan, India, United States and Australia. The findings of this paper confirms that the outline economical players do matter for various popular trends of Pakistan, India and United States, while the same economical players they don't really matter for shaping up the fashion trends in Australia, this suggest that these nations have different socio economical conditions along with the various different modes of lifestyles which are mattered for various categories of reasons.

**Key words:** Fashion Trends, Per capita Income, Inflation, Clothing.

## 1. Introduction

### 1.1. Fashion

Fashion is an extension of regular clothing. Fashion is a term used in mostly apparels and cosmetics. Fashion is most current stylus in town that can be found is clothing, footwear, jewelery, cosmetics for both genders. Fashion also translates the perception and outlook of an individual to others (Subhani, Hasan, & Osman, 2012). Fashion is quite public as it's the individual appearance on the outer part. Fashion has been evolving since years and does also repeat. One can see fashion existing anywhere from the streets to catwalk ramp. It has quite an larger than life term.

Trend in fashion is the general direction of following a fashion at a given time. There are different styles in fashion, which will be discussed in the latter part of this paper that are the variations in the fashion. Fad is an uncontrollable desire to equip oneself with the fashion in stores and is relatively not for a longer time period. Trend is for a longer time period.

## 2. Literature Review

Fashion industry is the contemporary environment. In the 19<sup>th</sup> century fashion was more of customized and tailor-made. The 20<sup>th</sup> century brought the concept and more practice of mass-production i.e. the variety of dresses are readily available in departmental stores at fixed prices and this was due to the rise of global private enterprises and factory-production. It all started in America and Europe and now is globally functioning this way. Outsourcing of manufacturing the fashion clothing and accessories was done for e.g. A German fashion house, outsourced the fabric in China and the clothes/dresses produced in Japan, finishing in Italy and finally shipped to US and Germany for retail distribution and selling purposes. The outsourcing of employees and manufacturing of clothing has reduced employment in U.S. for instance as the facts and figures highlight the national economies in relevance to clothing and textiles world production. It is obvious that the fashion industry always plays an important role in the world economic outlook.

Like any other products and brands in the market, the fashion is introduced and customers' needs and wants are developed for the fashion to be prolonged and liked by the customers so that reasonable revenue is generated for the participants (suppliers of raw material, manufacturers, designers, distributors, retailers and marketing agencies) in this industry (Cumming,2004) .

This paper underlines fashion in terms of the economic players in our society namely as GDP per capita, inflation. As said earlier, the fashion industry also sketches the economies; hence, these two economic players are evaluating the fashion showground for four countries, which are USA, Pakistan, Australia and India as USA is a pioneer and has a strong fashion industry, Pakistan and India has been following the fashion and pronouncing it as well but still there is more room for big Fashion to be discovered and seen. Australia has a lot evolved in fashion and a lot to offer as well in this industry as fashion has bloomed there. These countries will provide a blend of the fashion industry at a global level in terms of the GDP per capita and inflation in year 2001 to year 2011. The most interesting finding of this study will also put forward the kind of fashion trend (2001-2011) at that given time depicting the GDP per Capita and Inflation, which will basically result in the effect that whether the consumers in the up and downs of inflation and their income, purchase the fashion clothing (fashion in town) or adjust their desires according to their limited income/budget and the recession. Elements of branding and cognitive

Table 1: Types of Fashion

Type	Description
<b>Pakistan</b>	
1. Kameez Shalwar	A straight or A-line shirt with panel trouser known as shalwar. It is for men and women.
2. Kaftan or Caftan	Originated from the Persians, it is a long overdress or

	coat with long and wide sleeves.
3. Anarkali Pishwas	It is a form of a frock with wide at the bottom and panels.
4. Kameez Churidaars	It is a tight straight pant with gathering at the lower end. It is worn on long shirts/short shirts. It is a fashion of South-East Asia.
5. Maxi	It is a long shirt having different prints and styles to it. It's tailored according to the taste and need of the older and the younger generation.
<b>India</b>	
1. Sarees	It is also a clothing of South Asia, which consists of handsome amount of yards of light-wright cloth wrap. It consists of peti-coat for the upper and sort of skirt worn inside the wrap. Wrap is givin gathering at the front to form a Saree.
2. Kurtis	Short shirts, almost till hips consisting of various designs, cuts and embroidery. It can be worn on jeans, jeggings and straight pants.
3. Lehnga or Ghagra	Both extensively used in India and Pakistan mostly in bridal wear. There are various designs of wearing it. It is basically a sort of skirt flown down and a short-waist shirt on top.
<b>U.S.A.</b>	
1. Cocktail dress	Specially for formal parties. The dress length may vary but normally is till the knee. If the length is till the ankle that it is known as evening gown.
2. Cape	It is an outer-garment without any sleeves, tied around the neck till the waist or can be long as well.
3. Military Fashion	The color and design of the military uniform brought to fashion.
4. Preppy Clothes	It is adopted from the high school and college fashion wear i.e. evolving from the college traditions and sub-cultures in the U.S.A.
5. Denim	Rugged cotton used for manufacturing jeans and related upper wear as well termed as denim wear.
<b>Australia</b>	
1. Crop Top	It is also known as tube, midriff shirt, belly shirt and half shirt. T-shirt is also taken into this fashion account.
2. Larrkins	Mateship dressing for men and women i.e more towards rugged clothing.
3. Cabbage Palm hats	Very famous clothing accessory and fashion statement of Australia. Stylish hats made from special Australian material
4. Flora and Fauna clothing	Different designs and cuts of the dresses and shirts for men and women with Australian landscapes, flora and fauna.

The Table 1 is depicting the types of fashion of trends, which are running in the fashion industry every now and then with slight alterations to provide a new look.

Fashion is a form of creativity and its invention involves the demand and supply of goods in the form of clothing etc. Normally, creativity is shaped and associated within the positive environment (Walter, 2002). Inflation is simply the rise in prices of all commodities and services. It is important to study this economic variable on the fashion phenomena and any sorts of variations are caused by inflation. Economic growth of any economy of a country is seen through the CPI, which is a measure of inflation (consumer pay's for the goods and services) and GDP per capita (income level of a consumer). As Fashion industry is all about glitz, glamour and extensive expenditure in promotion of fashion, this paper will give a clear picture economic gloom or boom. Generally inflation has causes effects on income inequality with relevance to the employment wage rate and employment levels. It was also found that the relationship between the inflation and income inequality is non-linear (Somchai, 2004).

Fashion has been developed within our environment and society we live in that is why it is now borne with the youth nowadays that it can't be ignored irrespective of the income class the family or an individual belongs to. It is also evident through studies that consumer pay premium for designer fashion wear and just for the day-to-day fashion garments the pricing is different. It is clear that within the fashion industry there are different stratas' the fashion manufacturers are targeting to and of course the price tag associated with high and low end fashion clothing is set according to the consumer's awareness, affordability and familiarity towards the brand (Subhani & Osman, 2011).

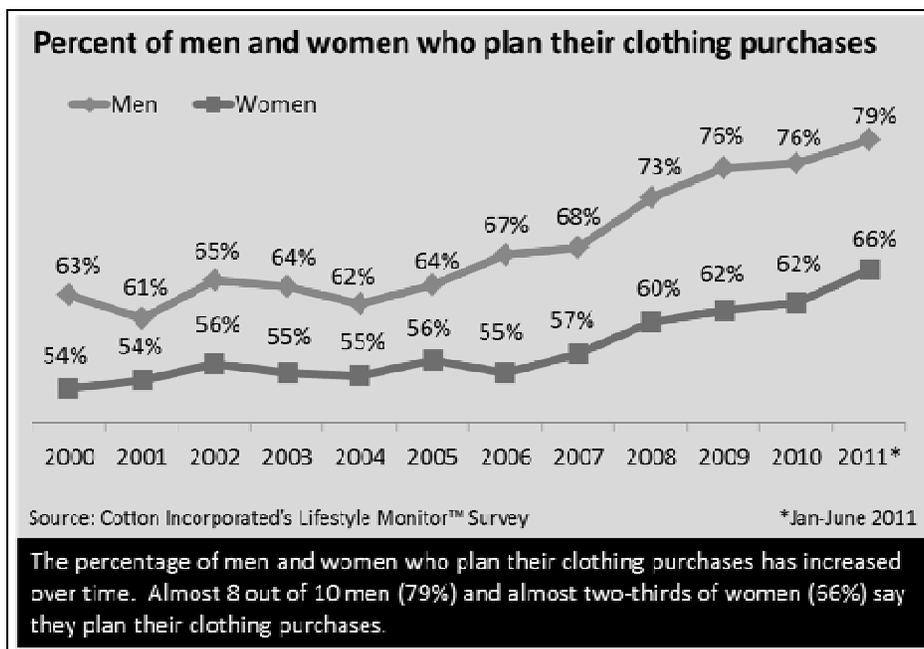


Figure 1: Consumers plan their clothing purchases

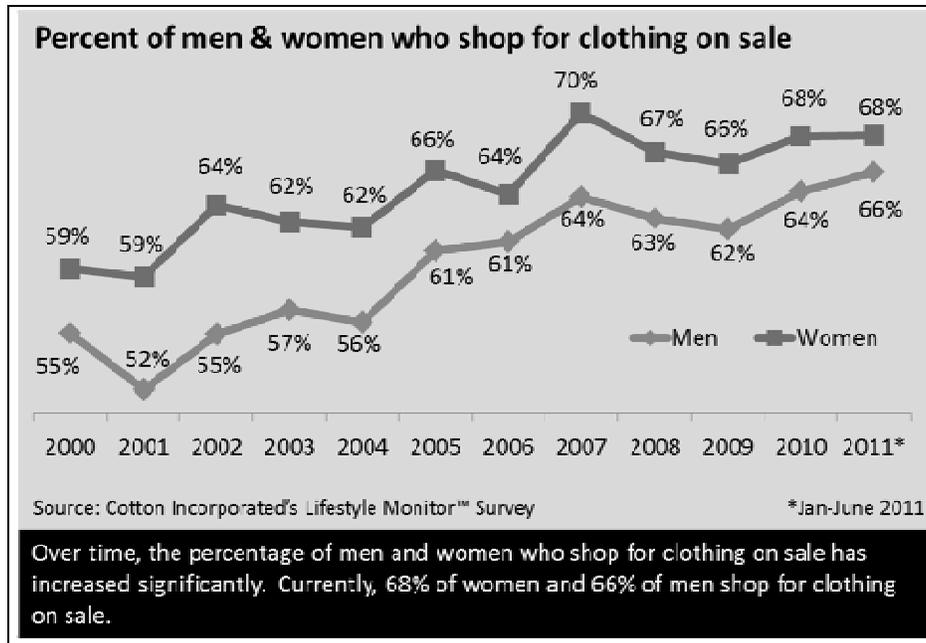


Figure 2: Consumers shop for clothing on sale

The Figure 1 and 2 is the accurate snap shot representation of the respondents gathered by Cotton Lifestyle Monitor (2012) from the country U.S.A. as one of the pioneers in the fashion industry. This information is quite significant for this study as it is basically depicting the approach of the American consumer's attitudes and behaviors pertaining to fashion clothing, fashion accessories, appearance, environment and shopping of fashion goods.

This empirical presentation rejuvenates and establishes connection between the economic growth through the eyes of fashion in U.S.A. Pakistan, India and Australia. All the elements of branding, cognition with inflation and per capita income are included in the analysis. Also, the types/trends introduced and in use (2001-2011) have encouraged healthier and smarter results to interest the fashion marketers and economists to flourish and decide to maneuver this industry in desired fashion mode.

### 3. Hypotheses

The hypotheses developed were as follows:

H1: There is a positive association between per capita income and fashion trends.

H2: There is a negative association between inflation rate and fashion trends.

### 4. Methodology Of Research

#### 4.1 Description of Variables, Data Econometrics Applied

To investigate the outlined proposition and hypotheses, the secondary quarterly data which includes the per capita income and rate of inflation for Pakistan, India, USA and Australia from year 2001– 2011 have been collected from fact book, while, for the same outlined periods, famous fashion trends in clothing were searched for every outlined country. From Pakistan Kameez Shalwar, Kaftan/ Caftan, Anarkali Pishwas, Kameez Churidaars and Maxi, From India, Sarees, Kurtis and Lehngas were recognized as the most used trends. While, from USA Cocktail dress, Capes, Military fashion, Preppy Clothes and Denim and from Australia Crop Tops, Larrkins, Cabbage Pain Hats and Flora and Fauna Clothing were the popular trends recognized. A score was then given to each trend in each year. The score 0 meant that there was no stated trend found in that particular year for the particular country where as the score 1 meant that there was a trend found in that particular year for the particular country. The Pearson correlation (two-tailed) was deployed to interrogate the data and hypotheses.

### 5. Findings And Results

Table 2: Findings for Pakistan

		Pakistan				
		Trend1	Trend2	Trend3	Trend4	Trend5
	Per Capita Income	0.671*	0.652*	0.670*	0.240	0.071
	Inflation	0.838	-0.878**	-0.818**	0.483	0.07
** Significant at 5%, * Significant at 1%						
Trend 1= Kameez Shalwar, Trend 2= Kaftan/Caftan, Trend 3= Anarkali Pishwas, Trend 4= Kameez Churidaars, Trend 5= Maxi.						

The Table 2 reveals the findings for Pakistan when the outlined economic players shape up fashion trends. The findings as explained in table 1 suggest that per capita income of Pakistan is significantly associated by 67.1%, with trend 1 (Kameez Shalwar), 65.2% with trend 2 (Kaftan/ Caftan) 67% with trend 3 (Anarkali Pishwas) which implies that an increase in per capita income provokes to Pakistani consumers to purchase more these first three trends. Whereas, the increase in per capita income is not significantly associated with the buying of trend 4 and 5 (Kameez Churidaars and Maxi). While, Inflation is also significantly and negatively associated 87.8% with trend 2 (Kaftan) and 81.8% with trend 3 (Anarkali Pishwas), which implies that the inflationary factor reduces the consumption of these trends (trend 2 & 3). The findings also indicates that the inflationary factor in Pakistan does not necessarily shapes and reduces the consumptions of trend 1, 4 and 5 (Kameez Shalwar, Kameez Churidaars, Maxi).

Table 3: Findings for India

		India		
		Trend1	Trend2	Trend3
	Per Capita Income	0.471	0.003	0.012*
	Inflation	0.310	0.211	-0.711*
** Significant at 5%, * Significant at 1%				
Trend 1= Saarees, Trend 2= Kurtis, Trend 3= Lehngas.				

The Table 3 reveals the findings for India when the outlined economic players shape up fashion trends for this country. The findings as explained in table 2 suggest that per capita income of India is significantly associated by 1.2%, with trend 3 (Lehngas.), 65.2% which implies that an increase in per capita income provokes to Indian consumers somehow to purchase more this trend. Whereas, the increase in per capita income is not significantly associated with the buying of trend 1 and 2 (Saarees and Kurtis). While, Inflation is also significantly and negatively associated 71.1% with trend 3 (Lehngas), which implies that the inflationary factor reduces the consumption of trend 3). The findings also indicate that the inflationary factor in India does not necessarily shapes and reduces the consumptions of trend 1 and 2 (Saarees and Kurtis).

Table 4: Findings for United States

		USA				
		Trend1	Trend2	Trend3	Trend4	Trend5
	Per Capita Income	0.691*	0.572	0.180	0.192	0.219
	Inflation	-0.608*	-0.735*	-0.519	-0.175	-0.244
** Significant at 5%, * Significant at 1%						
Trend 1= Cocktail dress, Trend 2= Capes, Trend 3= Military fashion, Trend 4= Preppy Clothes Trend 5= Denim.						

The Table 4 reveals the findings for United States when the outlined economic players shape up fashion trends in this country. The findings as explained in table 3 suggest that per capita income of US is significantly associated by 69.1%, with trend 1 (Cocktail dress), which implies that an increase in per capita income provokes to American to purchase more Cocktail dresses. Whereas, the increase in per capita income is not significantly associated with the buying of trend 2, 3, 4 and 5 (Capes, Military fashion, Preppy Clothes and Denim). While, Inflation is also significantly and negatively associated 60.8% with trend 1 (Cocktail dress) and 73.5% with trend 2 (Capes), which implies that the inflationary factor reduces the consumption of these trends (trend 1 & 2). The findings also indicates that the inflationary factor in United States does not necessarily shapes and reduces the consumptions of trend 3, 4 and 5 (Military fashion, Preppy Clothes and Denim).

Table 5: Findings for Australia

		Australia			
		Trend1	Trend2	Trend3	Trend4
	Per Capita Income	0.330	0.322	0.351	0.252
	Inflation	0.027	-0.187	-0.191	-0.204
** Significant at 5%, * Significant at 1%					
Trend 1= Crop Tops, Trend 2= Larkins, Trend 3= Cabbage Pain Hats, Trend 4= Preppy Clothes Trend 5= Flora and Fauna Clothing.					

The Table 5 reveals the findings for Australia when the outlined economic players shape up fashion trends in Australians. The findings as explained in table 4 suggest that per capita income of Australian and inflationary factors are not significantly associated with any of the popular Australian trends, include (Trend 1= Crop Tops, Trend 2= Larkins, Trend 3= Cabbage Pain Hats, Trend 4= Preppy Clothes Trend 5= Flora and Fauna Clothing ) which implies that an increase in per capita income and inflationary factor , they both do not necessarily provokes/ compel to Australian to change their purchase behaviors for all the outlined popular Aussies trends. This attribute of Aussies make them peculiar among the world consumers that they buy and purchase their popular trends not on the basis of their earnings or the economical factors but they unlike others purchase their lifestyles due to some other factors,

which may include their self-concept, desire towards the purchase and the saving mode for wealth that they maintain to spend.

Table 6: Hypotheses Assessments Summary

Hypotheses	Empirical Conclusions			
	Pakistan	India	United States	Australia
H1: There is a positive association between per capita income and fashion trends.	Accepted for Trends 1, 2 and 3.	Accepted for Trend 3.	Accepted for Trend 1.	Rejected for all Trends.
H2: There is a negative association between inflation rate and fashion trends.	Accepted for Trends 2 and 3.	Accepted for Trend 3.	Accepted for Trends 1 and 2.	Rejected for all Trends.

## 6. Discussions and Conclusion

The findings of the paper confirm and conclude that the economical players which include per capita income and inflations do matter for shaping the fashion trends and their consumptions in most of the nations. For Pakistan, India and United States per capita income and inflationary factor they really shape the various trends and their consumptions because in these countries the people they decide about their life styles on the basis of their earnings and status of inflations they experience as also suggested by Subhani, Hasan, and Osman (2011) that the new clothes which normally change the moods of customers, their consumptions for sure rely on various economical players which include per capita income and inflations etc. The findings of this paper also suggest that there are the times when the life style of people they don't so much rely upon their earning and inflationary mode of the country as confirmed by the findings for Australians in this paper.

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