

MARKET INSIGHTS

Australian supermodel Elle Macpherson (C) takes part in a fashion show to launch Virgin Blue's new uniform in Sydney in February. The striking new red and royal purple uniforms are the first step in a series of exciting changes for the airline in 2011.

AFP PHOTO / GREG WOOD

It's All About Image

The workwear market is offering a “safe haven” in the otherwise turbulent apparel industry. **BY R. JANE SINGER**

WITH SALES of ready-to-wear still in the doldrums, the prospect of a sector that offers stable sales is very appealing. Previously in the shadows of the more glamorous, bigger volume fashion apparel sector, the uniforms and workwear market is stepping into the spotlight not only because demand here tends to be more consistent but also because more companies are putting their employees in uniforms. An estimated 138 million people in North America are wearing uniforms ranging from public service (police, military), personal protection wear to corporate image wear.

The North American workwear industry has

estimated (wholesale) revenues of \$9.9 billion, according to figures from Frost & Sullivan. They estimate Direct Sales revenues are estimated at \$4.2 billion and forecast to grow at 2% to 2.5% per year until 2015. Rental revenues are estimated at \$5.7 billion and forecast to grow at 3% to 3.5% per year until 2015.

“In many more organizations employees need uniforms to appropriately perform their duties, and regardless of the economy the uniforms need to be worn and also replaced from time to time,” said Richard J. Lerman, President & CEO of the North American Association of Uniforms Manufacturers & Distributors.

“The [uniform] market is more stable than

fashion apparel because it is purchased on an ‘as needed basis’ rather than on impulse,” said Sanjiv Bhaskar, Global Director, Personal Protective Equipment Markets at Frost & Sullivan, noting that 2-3 percent annual growth was about average for this market sector. “Overall the market was not impacted by the economy. There was a decrease in the manufacturing sector and financial sector due to layoffs but the other sectors remained fairly stable.”

Where The Growth Is

The big growth opportunity lies in image apparel. Theoretically there is no limitation on the number of employees who will potentially be

wearing at least one garment that ties in with their company's image.

Under the moniker of "imagewear" "career wear" or "corporate wear", companies have been progressively discovering the marketing and branding benefits of outfitting their front line staff in apparel that enhances the company's image. That can be anything from a head to toe outfit or a simple polo or T-shirt with the company logo, but it all contributes to making this an increasingly important apparel sector, that offers steady sales and potentially better margins.

Mr. Bhaskar defines the "uniform and workwear" market being comprised of three sectors: *General workwear* which is worn by both blue and white collar workers, *Corporate wear* which includes corporate apparel and image wear, and *Uniforms* which are worn by the public sector including military and police.

The hospitality industry has been a tremendous growth area for both uniforms and image-wear. According to Mr. Lerman, it can cost a hotel or restaurant five times as much to redecorate their premises than to outfit their staff in new uniforms or image apparel. "New uniforms can totally refresh the entire look of the establishment for a fraction of the cost of furniture and fixtures," he said.

"In many companies the employees are the face of the business and have an impact on the impression a customer has of the company. Employee apparel should be casual or formal depending on the brand image of a particular business," said Kristin Sharp, Director of Design & Merchandising at Cinta Corporation, a leading manufacturer

of uniforms and corporate wear.

"Companies want their employees to look reputable, credible and professional," said Ben Favret, President and CEO of Vestagen, a company which provides high tech protective finishes for fabrics that are used primarily in the healthcare industry.

Performance Factors

While image is important, performance remains a key factor in the uniform sector. Functional properties such as antibacterial, stain-resistance, moisture wicking and thermal regulating continued to find a receptive market here.

While price remains a concern, manufacturers of workwear are continually seeking new innovations which will make their garments more marketable to their clients, said Mr. Bhaskar. Properties like moisture wicking and antibacterial top the list of desired functions. Durability, which makes the uniform more cost effective, is also important. "Lifecycle cost is very critical," he said.

The environment in which the apparel will be worn must be considered. "If employees are working in a warm environment lighter fabric blends should be evaluated as well as utilizing garments with moisture wicking technology. Taking this into account will help employee morale and adoption of the new apparel program. An additional environmental consideration is the type of work being done. In labor intensive job functions the durability of a garment is essential," said Ms. Sharp.

"Uniforms have been proven to enhance team pride and personal pride and communicate a message about the company to customers," said Mr. Favret. "However there is also a psychological effect on workers of having a uniform that offers them added personal protection and safety, and makes them feel more comfortable when performing their job."

We have heard testimony that employee performance, attitude and abilities significantly increase when they are more comfortable and their workwear is meeting the challenges they face in their functional responsibilities," said Mr. Lerman.

"Further – these new fabric enhancements truly make all employees who wear them safer from disease. When workers have



Starbucks Japan

to perform in workwear that is uncomfortable, it does not allow them to move in a way they need to in order to best perform their duties. For obvious reasons without the appropriate image apparel they will not be able to service the company's clients as they should with the smile and comfort we would all want," he added.

Although it can be a slow process to get buyers to invest in fabrics that offer more function (due to the higher price) the market is becoming increasingly receptive to new developments that add value to the garment.

From Function to Fashion

While uniforms have their roots in performance and function, fashion is playing an increasingly important role. "There has been a major increase in focus on fashion sense in most programs.

Even police uniforms have re-focused to become more pleasing to the eye as well as provide the high performance and safety measures required. Some of the best known names in fashion have been designing image apparel for organizations," said Mr. Lerman. "For example we're seeing high end plastic surgeons dressing their staff in far more fashionable medical image apparel to enhance the up market environment that they are trying to create in their offices for their client base."

The newer more fashionable (and comfortable) workwear is helping overcome what was once perceived by workers as a compromise of their individuality. Improved fabrics with better

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hand, feels, stretch and other comfort properties as well as stylish new designs are helping workwear enjoy new found popularity.

“So while not “individual” these are the types of apparel programs that employees are both proud and happy to wear, while also projecting the professional image organizations wish their clients to enjoy” said Mr. Lerman.

The Greening of Workwear

Companies are taking their sustainable initiatives into their uniform programs and are opting for environmentally friendly apparel.

“Many of our markets including lodging, healthcare and transportation are extending their environmental commitment to purchasing eco-



friendly uniforms, without sacrificing design, comfort or durability. In our tailored product collection we offer a 100 percent recycled polyester suit that is made of approximately 25 recycled 2-liter plastic bottles, said Ms. Sharp. Cintas has also just introduced a new “Full Circle” closed loop polo. This polo is not only made of recycled fabric but can be recycled once the wearer is done with it. “This polo is made of 50 percent recycled polyester using recycled plastic bottles and 50 percent eco-charcoal which is developed from ground-up coconut shells. Each shirt saves six 20 oz. bottles from a landfill. The fabric is good for moisture wicking, odor elimination and blocking UV rays. At the conclusion of the garment’s life wearers simply need to return the polo to Cintas to be recycled,” she said. The returned fabrics are then broken down and developed into new materials. Cintas also recently launched its “Eco-Generation” scrubs made of 33 percent Repreve (from Unifi) recycled fiber.

In true ‘sign of the times,’ what once was an overlooked apparel category is now stepping to the front as a market leader – in terms of technical and design innovation.

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Outsourcing Workwear

The general shift to outsourcing goes beyond employees and can extend to their workwear as well. Uniform rental offers companies more options for issuing and maintaining employee workwear.

Companies, particularly in the blue and white collar sectors tend to rent rather than buy uniforms for their employees. According to Sanjiv Bhaskar, about 70-72 percent of blue and white collar uniforms are rented, with only about 28-30 percent being purchased. In the corporate wear sector he estimates that rentals account for 40 percent of the market, with 60 percent being purchased.

“Renting gives companies the flexibility to adapt to changes in staffing,” he said.

Fashion Technology Magazine spoke with Kristin Sharp, Director of Design & Merchandising at U.S.-based Cintas Corporation, a leader in the North American uniform and corporate wear industry.

Q. Rent or purchase, how does a company decide?

The primary driver of whether a rental program is most appropriate is typically the environment in which the apparel will be worn. The type of work being done and the appropriate clothing style for that job function impacts whether a rental program is the best solution. We primarily see uniform rental programs in high soil job environments such as maintenance crews, housekeeping and environmental services, culinary employees, and grounds crews.

Direct purchase is still the preferred method for a large number of our clients. For example, a front desk staff member at an upscale hotel is most likely wearing a suit. Suits are highly tailored and will not hold up well in an industrial laundering system. For these types of garments purchase programs continue to be the most logical solution for our clients.

Q. What are the advantages of renting?

There are numerous advantages to uniform rental. For example, in a uniform rental program the garments are picked up on a weekly basis, professionally cleaned in an industrial laundering system, mended as needed and then delivered back to the client as crisp and clean garments. This not only assures that tough stains are removed and the garments are kept professional, but also prevents employees from having to launder their own garments at home. Additionally, it helps promote sanitation which is especially important for those working in the food service industry.

With a uniform rental program the up-front expense associated with a purchase program is avoided. In rental programs the costs are spread out over time rather than paid up-front. Significant cost savings can be realized through uniform rental programs as well. For example dry cleaning expenses and the expenses associated with home laundry are avoided. In addition, when turnover occurs the rented garments can simply be returned and replaced with garments fitted for the new employee. This significantly lowers the waste associated with employee turnover.