

Analysis of Export Competitiveness of Chinese Children's Clothing

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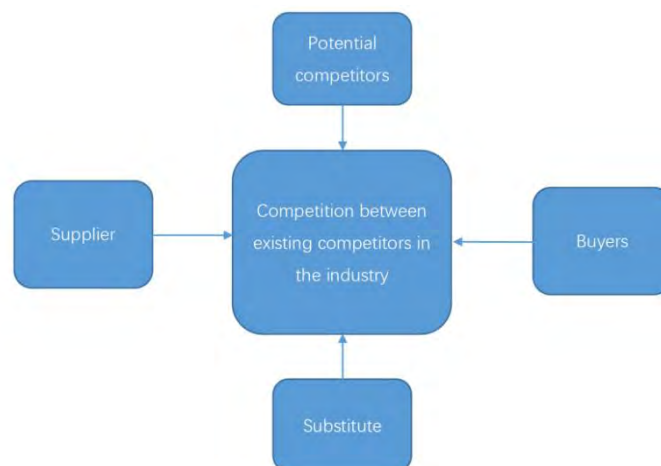
Abstract. China is the world's largest garment importer and exporter, and the garment industry has always occupied a great advantage in the international market share with its huge scale advantage and traditional labor force advantage. The sales volume and production volume of clothing account for about 30% of the global output, while children's clothing has an important position in the export of clothing. With the increasing diversification of the world market for mother and baby children, the export of children's clothing is faced with both opportunities and challenges. On the basis of studying the current situation of the export of children's clothing industry in China and combining with the theory of the competitiveness of related industries, this paper gives the countermeasures and suggestions for the promotion and optimization of the export of children's clothing industry.

1. Introduction

Export competitiveness is the competitiveness of a product when it is exported to the target market. In the academic research of China, there are relatively few studies on children's clothing. The garment industry and textile industry have always been an important part of China's industrial economy, playing an important role in meeting domestic demand, foreign exchange earning through exports and expanding overseas markets. China is the world's largest garment importer and exporter. However, as China's garment industry and textile industry continue to increase their international market share, some problems are also reflected, such as unclear patent property rights, numerous infringements, differences with international standards, cultural differences, and low added value and so on. In recent years, due to the rise of labor costs and the gradual disappearance of demographic dividend, China's labor advantage has been gradually replaced by Southeast Asian countries, such as Vietnam, and its competitiveness in the international market has gradually decreased.

2. Analysis of International Competitiveness of China's Children's Clothing Industry

2.1 Relevant Theories



Source: ministry of commerce website

Figure 1. Five Forces Model

Five-force Model. The pioneer in the study of industrial international competitiveness is Michael porter's five forces model, as shown in figure 1. The five forces model is the potential competitor's ability to enter the industry, the supplier's asking price ability, the buyer's bargaining ability, the substitute ability and the industry's competitive power. These five forces combine to affect the development of the industry and its competitiveness. The integrated development of these five energies gives entrepreneurs several alternative development strategies: cost priority, differentiation, and specialization.

Comprehensive Evaluation of Multiple Indexes. The trade competitive advantage index represents the proportion of the balance of a country's import and export trade to the total import and export, and the formula is as follows: $TC = (Xit - Mit) / (Xit + Mit)$. In the formula, X and M represent the export value and import value respectively, and I represent a country or a product or a product. It is a powerful tool for the analysis of the international competitiveness of the industry, which can reflect whether a product produced in China has a competitive advantage over the same product supplied in the world market. TC takes into account two factors of import and export, which can reflect whether an industry sector of a country has competitive advantage in the international market competition. If $TC > 0$, it means that the production efficiency of this product in the country is higher than the international level. The higher the value of trade competition advantage is, the greater the advantage is. On the contrary, if $TC < 0$, it means that the country is a net importer of the product and the production efficiency of the product is lower than the international level and it is at a competitive disadvantage.

2.2 Combining Theory and Data, China's Export Competitiveness of Children's Clothing is Analyzed

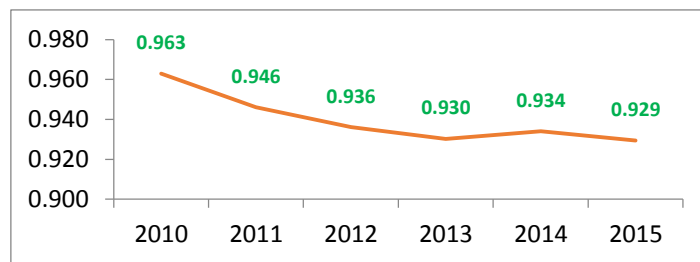
Competitive Advantage Index. The competitive advantage index, also known as the trade competitiveness index, is the proportion of a country's trade balance (that is, net exports) in the total. The closer you get to -1, the less competitive you are.

Table 1. Amount of Children's Clothing Import and Export

	2010	2011	2012	2013	2014	2015
Export amount	96.34	110.58	105.43	116.24	141.46	137.2
Import amount	1.82	3.06	3.48	4.2	4.83	5.02

Source: customs information network

According to table 1, the competitive advantage index of children's clothing from 2010 to 2015 is obtained:



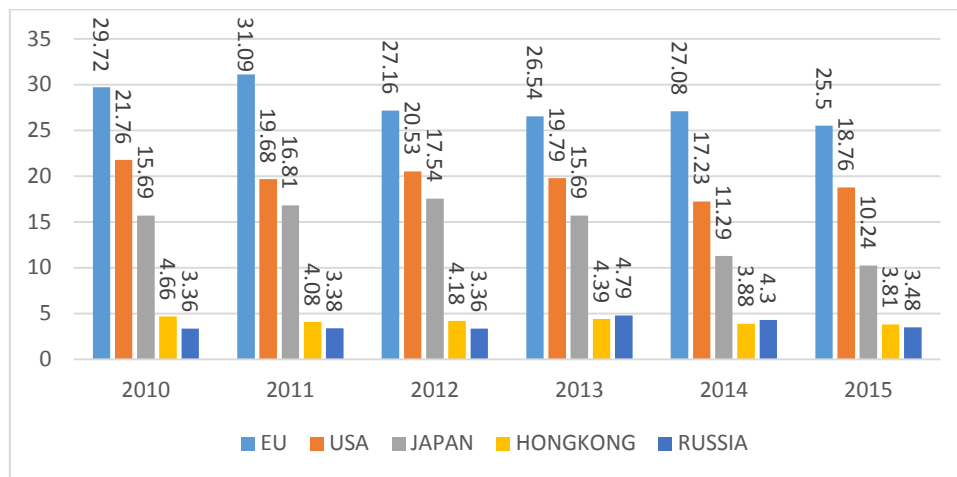
Source: ministry of commerce website

Figure 2. The Competitive Advantage Index of Children's Clothing from 2010 to 2015

Although the average annual competitiveness index of China's children's clothing is above 0.9, usually products with TC index above 0.8 are highly competitive. However, as shown in figure 2, the overall trend of the five years tends to decline, indicating that China's children's clothing competitiveness is declining.

Target Market Share. Figure 3 shows the main target market share of children's clothing (unit: us \$100 million) from 2010 to 2015. The Brexit in 2017 has brought a sustained impact on the weak EU market. China's market share of children's clothing in the EU has continued to decline. In 2017, among the four major target markets of textile and apparel, the EU market share has declined by

3.1%. With the progress of Brexit, the European Union's international economy is gradually stable and its share is expected to recover. Clothing exports to the US are likely to fall as the recent Sino-US trade war intensifies the already complex trade between the two countries.



Source: ministry of commerce website

Figure 3. Main Target Market Share of Children's Clothing

Porter's Five Forces Model Analysis. From the perspective of the competition in the industry, China has a large number of export children's clothing enterprises and numerous brands, and the competition is fierce. However, there are no outstanding and internationally renowned brands generally. Most of the enterprises are still engaged in OEM processing, and some of them have changed to ODM. From the perspective of potential competitors, southeast Asian countries, such as Vietnam, are gradually increasing their share in the international market by virtue of their increasingly obvious labor cost advantages, mature industrial chain and production technology proficiency. From the perspective of buyers, entering the international market is faced with consumers from different cultural backgrounds, who have different demands for products and different standards, so the ability of buyers to charge the price is diversified and powerful. From suppliers, in the process of historical development has formed a mature domestic complete industrial chain, upstream and downstream links in all kinds of areas, including design, development, processing, transportation, logistics, and supporting infrastructure) have more fully the development of the market cost is low, suppliers are consistent and stable overall price ability, promote the stability of children's clothing enterprise. In terms of substitution, as a rigid necessity, the substitution effect of clothing is very weak, but the replacement of clothing is very rapid, and the popular aesthetic style changes very quickly, so it needs to be updated continuously to adapt to the market for the production and sales of enterprises.

In terms of cost priority strategy, although China has lost the advantage of labor cost, we have established a relatively mature industrial chain to improve the efficiency of its operation. In terms of differentiation strategy, due to cultural diversity, there must be huge cultural differences in each target market, especially children's clothing tends to be diversified. Therefore, in the design, we should fully investigate each target market, do a good cultural survey, go deep into the local area, understand the local aesthetic characteristics of clothing, combine with the local cultural traditions, and constantly design innovative new clothing to attract children and parents. In terms of the specialization strategy, children's clothing enterprises should focus on the continuous optimization of the market segment of children's clothing, including various children's ages, style orientation, children's interests, hot spots of children's interests, parents' psychology, etc., to become better and stronger in the field of children's clothing.

2.3 Reasons for the Lack of Competitiveness of China's Export of Children's Clothing

Differences in Standards. The European Union and the United States are the concentrated exporters of children's clothing in China. In recent years, the European Union has set strict

standards for children's clothing textiles, toys and baby products, which has raised the threshold of entering the EU market to some extent. China's children's clothing is usually processed with imported materials according to the contract template of the client. However, it does not pay much attention to the specification of the design process and the safety standard, resulting in detention and detention when entering the EU market. China's children's clothing enterprises are increasingly criticized by the EU. [1]

Children's Clothing Quality Problems. Ambiguous identification. First of all, the label of fiber composition is not clear. Fiber composition is the key index that consumers need to know when buying, and is the core attribute of clothing. However, some domestic enterprises have the operation of fuzzy fibre component identification. In order to save costs and costs, products are not submitted for inspection, or even arbitrary standards based on experience. Some even falsify data to cheat consumers. Therefore, such operation habit makes the garment greatly different from the local inspection when it is exported to the target market country, and it refuses to export, causing losses. Sometimes, some companies' garment fiber ingredients are mixed, but only one of them is tested when submitted for inspection, so it is hard to distinguish which one and which one. In response to the previous national standards such as "textile and apparel use instructions", some enterprises take a more responsive attitude, product citations are arbitrary and non-standard, different product standards are lumped together, these signs are not accurate, arbitrary marking. It shows that some apparel enterprises in our country despise high quality products and attach too much importance to quantity rather than quality. [2]

The design of children's clothes lacks safety. For example, children's hooded clothing should not be attached to the neck area in case of strangulation. For example, the buttons of small metal or plastic should not be used in children's knitted clothing, because the fiber component of knitted clothing can easily cause the buttons to fall off, causing children to eat by mistake. With the gradual implementation of the mandatory national standard "safety technical specifications for infant and child textile products", the mechanical safety awareness of children's clothing enterprises in the design and production gradually strengthens, but still needs to further expand and deepen this safety awareness, covering the whole children's clothing industry. At present, the mechanical safety hidden dangers of China's export of children's clothing exist in the following aspects: 1. The clothing structure design is not reasonable, and some enterprises, in order to excessively pursue the novelty and novelty of products, may cause injury to children when they are lively and active in the design of rope, button, elastic rope, etc.; 2. There are risks in ecological security, which are related to the chemical properties of clothing. PH value, formaldehyde residue, etc. are not well monitored. 3. Insufficient flame retardancy of selected fabrics, which is also one of the differences between Chinese standards and international standards.

3. Measures to Improve Export Competitiveness

3.1 Do a Good Job in the Industry and Industry Management of Children's Clothing

Due to the current domestic for the safety of the children's clothing still pay attention to in production design, which is not comprehensive, the export countries cannot meet all the safety and health standards, so to strengthen the attention and for the record, constantly updated to improve export inspection and quarantine of comprehensiveness, constantly keep up with the international mainstream for children's clothing design production safety and quality detection methods. Keep up with international trends and pursue international advanced level.

We should pay attention to the requirements of the importer's contract. Different importers' contracts will have different standards for the brand and region, so we need to have a clear grasp of the customer's contract at this time. At the same time, the department of commerce issued regular updated guidelines for the export of children's clothing, strict control of quality standards. After the compilation of the technical guidelines for the export of down garments in 2005, all the technical guidelines for the export of garments of the ministry of commerce have been completed, which has a certain reputation and influence in various industries, and has played a positive role in improving

the quality and technical level of the export of the garment industry, as well as the connection of the domestic and international standards of clothing. When enterprises are short of self-testing strength, they can seek third-party testing institutions or relevant government departments with corresponding qualifications for testing, strengthen the attention to environmental protection, green and health, and control the initiative of quality testing. Only through strict control of quality standards can the competitiveness of garment export be improved.

3.2 Do a Good Job in the Patent and Cultural Management of Children's Clothing

If the fabric used by the enterprise is imported, it should be clear whether the fabric has patent protection. If there is patent protection, it shall be used only after seeking and patent holder's authorization. When used without authorization and without the knowledge of the patent holder, patent infringement occurs. In the children's clothing industry, due to the particularity of children's skin, there is too much attention on the fiber fabric, so there exists the problem of fabric patent. The patent of a kind of fabric is one of the core advantages of a children's clothing enterprise. Therefore, if the children's clothing enterprise in China cannot obtain the right authorization, it needs to innovate in the fabric design, apply for patent, and form its own core competitive advantage.

As a result of cultural diversity, there must be huge cultural differences in each target market, especially children's clothing tends to be more diversified. Countries in the EU differ greatly in culture. Due to the differences in age, height, season and other factors, children's clothing products have great plasticity and design, so they have very novel characteristics. But at the same time, safety, health, green and appropriate factors also become important factors as the objects of clothing are children, so the materials need to be skin-friendly and comfortable. Children's clothing enterprises should respect cultural diversity while seeking for common features. Children's clothing designed should conform to the basic cultural aesthetics of the public, such as bright colors, vitality and loveliness, etc., and then explore the cultural background of the local target market, divide the cultural market and improve the product competitiveness.

4. Conclusion

The garment industry and textile industry have always been an important part of China's industrial economy, playing an important role in meeting domestic demand, foreign exchange earning through exports and expanding overseas markets. China is the world's largest garment importer and exporter. China is the world's largest clothing importer and exporter. With its huge scale advantage and traditional labor force advantage, the clothing industry has always occupied a great advantage in the international market share. Clothing sales and production volume account for about 30 percent of global output, and children's clothing has an important position in clothing export, with the increasing diversification of the world market for mother and baby children. There is a great opportunity for the development of children's clothing in China. Nowadays, with the increasingly severe trend of trade protection, China's children's garment enterprises need to further improve their product quality, further build their finished products into world-class products, conform to international market standards, and be recognized by international consumers. At the same time, we should strengthen the brand construction and innovation, introduce professional management talents, strengthen the production technology and patent management of enterprises, and strive to create a first-class children's clothing brand. In marketing, we focus on the strategy of cultural diversity, strengthen cultural exchanges and increase the added value of products. Enterprises should work with the government to jointly commit themselves to the industrial upgrading of children's clothing industry, constantly improve the industrial competitiveness of China's children's clothing industry, and constantly strive to become a strong country for children's clothing brands.

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