

From OEM to Independent Brands: Dilemmas in Brand Building in China's Apparel Manufacturing Industry: A Case Study of a Representative Enterprise

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Abstract. China's apparel manufacturing industry boasts a complete industrial chain and strong production capacity, yet its independent brands are developing slowly and still have a prominent gap compared with world-renowned international brands. Core problems such as weak cultural heritage, vague brand positioning, and insufficient global operation capacity have become major obstacles to high-quality development. Based on case analysis and empirical research, this paper identifies the dilemmas of independent brand building for Chinese apparel manufacturers and proposes targeted optimization strategies: strengthening precise brand positioning, deepening cultural value shaping, and promoting brand localization and internationalization through a global operation system. It concludes that the transformation toward brand-led high-quality development can be realized by establishing a new development pattern with brand innovation as the core and differentiated competition as guidance, so as to enhance sustainable brand competitiveness and the international influence of the industry.

Keywords: apparel manufacturing, OEM transformation, independent brand, brand building, high-quality development

1. Introduction

Currently, the global industry for clothing textile is undergoing major restructuring and pattern adjustment. The chain of industries and demand structure for consumption change very much, and the laws of market competition have undergone a massive change. With the accelerated penetration of the digital economy, the consumption scenarios have updated iteratively. The concept of green and sustainable development has continued to reshape the global industrial values. A fluctuation in geopolitics and trading patterns have further intensified the competition in the international market.

In this setting, China's fashion business is continuously abandoning the customary way of improving creation scales for open-source building and stepping into a fundamental stage of modern updates. Companies manufacturing a brand of clothes and the process plant improvements continue to work alongside each other. The domestic consumer market is advancing. The growth model is not sustainable anymore just depending on processing and manufacturing as the digital economy is

penetrating, and international competition is increasing. Transforming large garment producers from the "manufacture and OEM" business model to the "brand operations" mode has been the direction of the great change and an inevitable choice for quality industrial progression [1]. The significant academic studies opine that central developmental line of Chinese fashion industry in the present stage is the simultaneous advancement of the modern manufacturing capability and independent brand establishment. They cooperate and develop, and thus modernised manufacturing capability and independent brand establishment constitutes the core driving force for the development and upgrading of the industry [2].

Under such a critical period of transition, the Chinese apparel manufacturers faces multiple opportunities to upgrade its branding methods, whereas there are lots of challenges amid the transition period to make the necessary assimilation. To initiate the independent brand establishment on one side, a stable product base has already been formed, which owes to the mature production system, sophisticated management experience and accumulated handicraft that comes from OEM for a long time. On the other hand, the occurrence of problems such as lacking brand discrimination, lacking in cultural implication, and insufficient global operational capability is still common. Nevertheless, there remain a scarcity of in-depth analyses of the shift from original equipment manufacturing to specific brands from large-scale manufacturing units that are replicable. Those investigations mainly concentrate on the macro industrial level or the events of a unique brand, but the roads of transformation of specific companies in-depth are inadequate [3].

This paper takes the large Chinese apparel manufacturers as the research object, focusing on the practical problems and the optimization path of independent brand build of them. In order to achieve definition for the bottleneck, status of development of Business firms and the practical experience gathered in implantation of brand positioning, shaping the culture, to develop surroundings worldwide and total cycle management of the enterprise, the case with Y is taken. The aim of the research was to identify, analyze, and summarize the internal logic and various constraints in the process of independent brand building in China's apparel manufacturing enterprises. The research will also extract the correct branding transformational strategies suitable for the manufacturing enterprises [4]. Provide a theoretical basis and practical guidelines to the enterprises in the industry to break through the development bottleneck and establish a sustainable brand competitiveness for the enterprises. Decision-making support for companies in the ever-growing apparel industry in China to promote the high-quality development of the resource sector and enhance the international voice of the industry [5].

2. Current situation of independent brand building and management in Chinese apparel enterprises

Continuous upgrading of the domestic consumer market and the global alteration of the pattern of the global textile and apparel industry make Chinese apparel industry convert from traditional OEM manufacturing to brand operation. The central tenet of quality industrial development is now establishing and managing autonomous brand building [6]. Chinese apparel industry has achieved favourable outcomes in terms of independent brand developments; however, the particular industry is also faced with various difficulties which must be addressed effectively.

2.1. Industry transformation background and initial achievements in independent brand building

Referring to the enterprises who have taken the lead in the development achievements, have been exploring the breakthrough in self – brand building and consequently, the awareness of industry brand has been fully awakened. Large garment companies have been eliminating path dependence on their long term original equipment manufacturers (OEMs) and now have been working individually to have ownership rights and operations of brands, owing to which they have been able to create several competitive independent brands based on the mature production technology and tendency to manage the chain to supply, thus breaking the dilemma of low marginal value growth with lack of core discursive power under the OEM model [1].

2.2. Core development directions and industrial empowerment measures for independent brand building

The product innovation and cultural empowerment target are the focus of the global benchmark enterprises. Guochao culture and green environment protection concept are integrated into brand building [7]. The differentiation advantage is taken by the local cultural deposits to empathy. The product added value is improved through the original design and fabric R&D. The brand transfer and market influence are significantly enhanced, and in the end, an international layout is launched to integrate into the global Fashion System [2]. Brand management is empowered with the help of digital transformation. New media that includes live streaming e-commerce and community content marketing help to enhance brand communication with contemporary corporate growth [6]. An omni-channel marketing system can be built through these recent channels. A new business model is being updated through new circulation modes, digital management and flexible supply chains. Such operations and supply chain systems provide a firm sense of refined brand management, leading to the interaction of brand equity [8]. Furthermore, the overall industry investment in brand building is also growing. The central factor of independent brands has been recognised by the Government to the enterprises. The policy guidance and the market driver both help to move the apparel industry from a "major manufacture" country to a "major brand" country [5].

2.3. Primary development stage and multiple bottlenecks in independent brand building

But, based on industry, Chinese garments businesses building their brands and managing them are still in the primary phase, and high-quality brand growth is obstructed because of the multiple drawbacks. First, the lack of strategic thinking is a core pain point. OEM thinking is prevailing for a majority of the small and medium-sized apparel enterprises. They take selling products as their businesses and largely overlook brand value building. There is no long-run brand strategic planning [2]. In the case of enterprises in general, they have a problem determining their brand's positioning is vague and severe visual style homogeneity problems. As a result, they struggle to accurately cater to the segmented consumer demand and mainly fall in the vicious cycle of offering low price involution [9]. The lack of brand operations and management capacity are significant. This study confirms that most of the domestic clothing companies do not have professional teams for brand incubation, intellectual protection, and marketing planning and have not formed a complete life cycle of brand management system. The shaping feeling enterprise is not great, lacking in-depth brand culture shaping, high-end communication, public opinion crisis, etc. In the shallow stage of trademark registration, too many brands lack a unique cultural core and, thus, have poor

capacity for long-term brand premium [6]. Third, resource investment is unbalanced and unsustainable. Most businesses focus on production and processing more than R&D and innovation. Their long-term brand building dwindles in front of short-term increase in sales, a lack of capital, personnel, and a skew in technology towards brand building, leading to slower changing of products, absence of brand maintenance, and stumbling when settling long-term brand value [5]. Finally, the internationalization of brands is slow. Right now, China's dress fares are as yet overwhelmed by the world, with a low proportion of free brands circulating around the web. From an international standpoint, Chinese local fashion brands had more gaps in the foreign market recognition, channel layout when compared with the top luxury and international fast-fashion brands which contributes to their difficulty in core competition with a global scale [9].

2.4. Critical juncture of comprehensive upgrading and key paths for industrial breakthrough

At present, the independent brand-building of Chinese apparel enterprises has reached the comprehensive upgrade critical juncture. Gradually, the demonstration effect of main enterprises is appearing; however, the industry as a whole has not yet rid of the extensive development. The key bottleneck constraining industrial upgrading is the absence of systemic and professional brand building and management [4]. To achieve this, apparel OEMs must entirely revolutionize their fixed thinking, introduce a scientific brand management system, increase the core resources in the development of research and development, cultural empowerment, and international layout continuously [3].

3. SWOT analysis

Independent brand-building of Chinese apparel firms is now being considered as the central methodology by which the industry can take flight from its position in the low-end original equipment manufacturer (OEM) rut, and acquire excellent manner development against the dual-color background of profound adjustment in the global textile and apparel industry pattern and continuous optimization, and upgrading of the domestic consumption structure [1]. The development of the company adheres to the endogenous advantages that are achieved in the long run. Moreover, it is constrained by the historical weaknesses as well as different opportunities or challenges arising from the external business environment. A thorough SWOT analysis of its internal and external development environment, a correct grasp, and master the industrial core logic to actually help companies come up with scientific brand development strategies to give solid support [2].

Strengths, Internal - Core competence, Build through whole of industry in the district, Internalisation.

In internal advantages, China has built a comprehensive textile and attire modern chain composed of texture R&D and shade, turning and weaving, clothing producing, logistics and appropriation after quite a few long stretches of mechanical turn of events. It has grown a solid mechanical unit with the most significant mechanical group impact involving the most basic equipment and offices [3]. The long-term method of original equipment manufacturing has made it possible for agencies to create and gather adept ways of producing objects, quality checking ways, and an influential approach to answer to supplies in a short period. They can also change a plan into something useful in a large sum. Local companies benefit more from the full industrial chain [4]. Enterprises can decrease production expenses and may serve the rising demands in the consumer sector through successful investment in the full industrial chain; this is shown as speedily developing countries.

Meanwhile, local clothing companies have natural advantages concerning the local market. They have a deep understanding of consumption preferences of domestic consumers, cultural customs, and differences in consumption patterns in different regions, and can grasp the subtle changes in consumption demand accurately. Younger generations are flocking in style because they integrate elements of traditional Chinese culture and intangible cultural heritage craft. This also caters to the cultural identity and consumption needs of the younger consumer group emerging quickly during this Guochao race [8]. According to different studies, the most outstanding competitive advantage of local clothing companies as compared to international brands is the deep control of the domestic consumer market. The domestic consumer market is also a necessary support for brand localization [6]. Moreover, businesses that are familiar with the ways how various home and abroad online and offline channels work can thus effectively build an omni-channel network for sales. As a result, it ultimately reduces the brand promotion costs and hits the target group of customers accurately through the recent channels like the livestream e-commerce and social platform [2]. Besides, there are immense domestic market demand and enormous economies of large-scale production. Cost is an essential factor that every business needs to consider as that is the key factor of sustaining in the market and also generating useful returns.

Their own production bases and mature supply chain management systems are capable of controlling the key production links independently, which enhanced their ability to control costs, and have laid a good solid foundation for these brands' initial market expansion [10].

When the company improves on its weaknesses, brand quality will improve.

Although Chinese clothing mills do enjoy numerous development benefits, there do exist some significant drawbacks in building an independent brand. Long-term OEM model-derived thinking is deeply ingrained with production oriented [1].

Outside Opportunities: the Right of Human Development Enlarges Development Opportunity due to Expanding Consumption policy Enforcement

The wave of upgrading domestic consumption and the rise of Guochao culture have created a broad market for independent clothing brands. As people have started becoming wealthier, clothing demands of the consumers have changed. Now they want cloth that is good in quality, personalized, branded, and there is an increase in the consumers who value local independent brands and have the power to buy them [6]. As young consumer's confidence in their cultural roots gets stronger, Guochao has emerged as the primary trend in fashion, which provides a significant chance for local brands to explore the culture and build a unique brand image [9].

Rise of digitized economy has positively impacted on brand operations and communication systems. The big data and AI technology can effectively provide enterprises with demand insight service, enabling flexible production, and reducing inventory risks. Live e-commerce, short video platforms, etc. have broken the barriers of traditional marketing and enabled numerous companies in achieving brand communication effectively and cheaply and reaching closer to their consumers [2]. Digital management systems for significantly optimized supply chain and brand operation processes and overall operation efficiency. The state has always issued policies to support innovation and enhancement of the textile industry as well as the independent brand building. The government encourages businesses to invest more in R & D, build a strong local brand to give a quality certificate encouraging in this way. Give financial subsidies, tax incentives, and industrial policy support [5]. With the development of "The Belt and Road" initiative and cross-border e-commerce, independent brand enterprises were also being given a convenient channel that helps them to go to the global market and expand their international market [2]. The concept of "green" and sustainable development has triggered the launch of green, eco-friendly and environmental protection-based

enterprise brands by enterprises which aim to open up new competitive tracks of modern fashion to follow global development trends [6].

Challenges are deepening with the rise in market competition and increasing cost pressures.

External threats cannot be ignored either. The presence of foreign famous clothing brands is getting deeper and deeper into the Chinese market. They don't only take over the main share of the high-end market but they have entered the third and fourth-tier cities continuously. Well-designed operation systems, a popular brand and leading R and D capabilities are the reasons why famous international clothing brands started the third and fourth... It is quite conspicuous that the domestic brands, regarding the formation of brand culture, the innovation of marketing, product layout at the high end, have apparent disadvantage to the international brands. The intense competition in the market put forward the recently made increasing pressure. There are many domestic apparel enterprises with low concentration and high proportion of small, medium and microenterprises. There is a prominent degree of competition and reduction in the profit margins of companies due to the low-end market. The middle and high-end markets are being monopolized by a few leading brands and international brands. Hence, breaking into the market is through for any new brand. Besides, the consumption's demand iteration is speeding up, and the cycle of popularity is being shortened. If businesses fail to adapt fast to market changes, they are at high risk of losing the product backlog and brand [2]. Simultaneously, there is a frequent fluctuation in the prices of raw materials like cotton and chemical fibers, and the labor, logistics, and environmental protection cost increase which compress the enterprise's profit margin further making it hard for small and medium-sized apparel enterprises to allocate funds for brand creation and R&D innovation. Presence of global trade conflicts in addition to scarcity in the supply chain have added to the risk in firms operations. In addition, the apparel industry's centre of copyright protection is not complete and common phenomena like idea plagiarism, trade mark crapping are a frequent occurrence. The problem of too low the cost of violating rights and too high the cost for protecting rights has greatly affected the enthusiasm felt by enterprises in doing design and brand innovation. It has also caused the market environment for the brand to become bad and has further intensified the competition of industrial homogenization. Furthermore, it has affected the good development of self-owned brands [8].

4. Analysis of optimization paths for independent brand building in Chinese apparel enterprises

Companies in the Chinese clothing industry face challenges in internal formation and external environmental factors. The core need of these companies and to enhance their brand building, and there is a necessity for a strategic planning, operational management, innovation capacity, digital empowerment, and sustainable development for stimulating local apparel in the Chinese clothing brands' value-oriented transformation. There has been a lot of failures in the brand securities, so promising long-term brand nothing is achieved to promote market influence.

For breaking homogenization competition and developing high-quality brands, it is necessary to create a full-cycle branding strategic blueprint and differentiate brand positioning. Enterprises should remove the producer-oriented approach under the OEM model, enhance brand building to the strategic core of the enterprise, as per their own manufacture advantages, resource allocation, and market category, accurately target groups of customers, position the brand and fashion accurately, departing from the follow-the-lead and imitative development styles, sterilise the local elements, intangible cultural artefacts, local characteristics in the brand design, incorporate the ethnic imprint into the brand culture and product innovation, produce a unique brand cultural core, and increase the

brand identification and sentimental value of products. Relevant study indicates that the key to let the apparel brands to break the competition of a low end and achieve a premium is the following of clear brand positioning and shaping of a culture [6]. The business firms need to develop a long-term brand development program for their businesses. The set strategies also need all the operation of brand positioning, spreading the brand, maintaining and upgrading the brand. The brands do not set any short-term target but continuously increase the brand value of the company. To compensate for the lack of talent, the implementation of a mechanism in responding to brand crisis and maintenance of the relationship between buyers and sellers with the help of experts in response and other due matters in merchandise are other things a support level of operations in the appliance brink of the brand [6].

Ensuring enduring prosperity of independent brands can come from strengthening and developing their innovation and research and development powers. Another method of retaining their core brand's competitiveness is by merging and organizing their resources. Enterprises must enhance investment in scientific research and design aspects. They should change the mode of production based growth and development, set up professional design teams, enhance the legal approach to violate copyrights, develop a good brand innovation environment, so that the business enterprises are motivated to design. Apart from this, the companies are also obliged to take help from industrial associations, and industrial policies. They are also suggested to participate actively in the formation of industrial standards, make sure that the funds and taxes in favour, reduce the pressure of increasing costs, plan their expansion of brands carefully, know what pace is the best, and the best category to go in for, they should never miss and stick to the original [9].

To summarize, sole brand building of clothing enterprises in China is a systematic task. Enterprise is needed to transform their business philosophy, to make up for capacity shortcoming of seize the opportunity of time, and gradually break away from the development dilemma, through the whole strategy to upgrade, the innovation that drives the information technology promotions and green development, moulds method to realize proposes from the production advantage to the brand advantage jump, promote China clothing industry to a new stage of high-quality development, also promotes the local clothing brand to be situated the domestic and international market to have to construct the permanent brand competition capability [4, 6].

5. Conclusion

In conclusion, the independent brand building of Chinese clothing enterprises is at a crucial juncture as the upgrading of the manufacturing process and the transitioning of the brand is taking place simultaneously. In conclusion, there is concurrence between the advantages and disadvantages, opportunities and challenges of the whole development pattern. Using China's strong textile and apparel industry, advanced manufacturing technology and domestic market insight, the domestic clothing companies have made significant progress in self-brand building. Certain notable businesses have distanced themselves away from the OEM attachment business model and started with the operation of individual firms; one change has been noted. However, the long-term line production thinking habit is an industrial habit that has still not been fundamentally changed. It is common for a lot of enterprises to have problems like discreteness of brand strategic planning, unclear positioning, lack of innovative ability and absence of professional talents that might hinder smooth going of businesses. Furthermore, independent brands have also been facing external pressures like tighter international brand competition, more versatile industrial homogenization competition, higher production costs, unstable authenticity, and infringement protected property.

There are various positive factors which create opportunities for the independent brand clothing industry like the rise of upgraded consumption, guochao culture, digital economy empowerment and the support of national industrial policy. To solve the problems of development, it lies in reforming the business philosophy and forming a system of brand-building. In the forthcoming days, the fashion enterprises have to depend on the manufacturing advantages present in the house, exert the whole cycle of the brand strategic thinking practice, and display different brand orientation. They also need to strengthen the product research and development and original manufacturing capability, improve the brand operation communication with the help of digital means and make the brand healthier. They should also use the green develop and sustainable concept and strengthen and improve the brand maintenance.

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