

BABY AND KIDSWEAR MARKET IN THE NETHERLANDS – OPPORTUNITIES FOR PERUVIAN SUPPLIERS

Prepared for Promperu

Prepared by: Ilaria Pasquinelli – Partner, Clothing Connect

Edited by: Rupa Ganguli – Managing Director, Clothing Connect

December 2010

The information in this report is the compilation of existing copyright information which is the property of Clothing Connect as part of its training resources. This is combined with specially researched information for PROMPERU for the purposes of this project.

Publishing or distribution of this report outside of PROMPERU must be done only in consultation with Clothing Connect B.V.

TABLE OF CONTENT

1. Methodology of the research	p.3
2. The structure and demand for baby and kidswear in the Dutch market: key sales, consumer and retail trends.	p.4
3. Market access requirements: relevant legislation and standards.	p.12
4. Design and fashion trends	p.36
6. Key factors of success to access Dutch baby and kidswear market: interviews with buyers on their sourcing strategies and criteria used to select suppliers.	p.64
7. Opportunities for Peruvian suppliers and suggestions to enter Dutch market.	p.74
8. References	p.80

1. METHODOLOGY OF THE RESEARCH

This research is conducted using both secondary and primary data.

Secondary data was gathered through a desk-research in order to analyze the structure and demand for baby and kidswear in the Dutch market; market access requirements focusing on the most widely accepted standards and certifications; design and fashion trends for Autumn/Winter 2011-2012; key buyers for baby and kids wear and their profiles.

Primary data will be gathered through a field research including visits to buyers' stores and in-depth interviews to purchasing managers/sourcing managers. This second stage of the research will be carried out in January and will provide: more detailed information on buyers and their strategies; key factors of success to enter Dutch market; buyers' sourcing strategies and their key criteria to select new suppliers. The outcome of this second part of the research will allow to highlight the actual opportunities for Peruvian suppliers of baby and kidswear and formulate practical suggestions on how to access Dutch market.

This report includes the first 4 components whereas the final report, including the last 2 components, will be delivered by the end of January 2011.

2. THE STRUCTURE AND DEMAND FOR BABY AND KIDSWEAR IN THE NETHERLANDS: KEY SALES, CONSUMER AND RETAIL TRENDS.

Key sales trends in baby and kids wear

The children's wear market includes baby clothing, boys active wear, boys casual wear, boys essentials, boys formalwear, boys formal wear-occasion, boys outerwear, girls active wear, girls casual wear, girls essentials, girls formalwear-occasion, girls outerwear and toddler clothing.

The Dutch childrenswear market generated total revenues of \$2.6 billion in 2009¹, representing a compound annual growth rate (CAGR) of 2.5% for the period spanning 2005-2009. Sales by clothing and accessories specialists proved the most lucrative for the Dutch childrenswear market in 2009, with total revenues of \$1.7 billion, equivalent to 65.7% of the market's overall value.

Table 1. Total sales in childrenswear, period 2005-2009

Year	\$ million	€ million	% Growth
2005	2,375.2	1,708.1	
2006	2,497.4	1,796.0	5.1
2007	2,531.9	1,820.8	1.4
2008	2,591.2	1,863.5	2.3
2009(e)	2,619.7	1,884.0	1.1
CAGR: 2005-09			2.5%

Source: Datamonitor, 2010

Considering product segments (Infants' clothing, girls' and boys' clothing), here below their performances in the period 2003-2009.

Table 2. Total sales in volume of product segments, period 2003-2009

Mio. Units	2003	2004	2005	2006	2007	2008	2009
Infants'	18	18.1	18.2	18.5	18.8	18.3	17.8

¹ Datamonitor- 2010

<i>clothing</i>							
<i>Girls' clothing</i>	19.1	19.0	19.1	19.3	19.6	19.5	19.3
<i>Boys' clothing</i>	9.5	9.4	9.5	9.7	9.8	9.5	9.5
Total	46.6	46.4	46.8	47.4	48.1	47.4	46.6
Children's wear							

Source: Euromonitor

Table 3. Total sales in Million Euros, of product segments, period 2003-2009

Mio. EUR	2003	2004	2005	2006	2007	2008	2009
<i>Infants' clothing</i>	293.3	279.4	294.4	322	332.7	323.4	315.6
<i>Girls' clothing</i>	751	708.4	752.1	753.3	767.7	758.5	743.4
<i>Boys' clothing</i>	424.4	392.2	417.5	425.5	433.6	422	416.1
Total	1468.7	1380	1464	1500.8	1534	1503.9	1475.1
Children's wear							

Source: Euromonitor

The Dutch childrenswear market has been growing at a fluctuating rate over recent years, with an anticipated CAGR of 1.8% for the five year period 2009-2014, which is expected to drive the market to a value of \$2.9 billion by the end of 2014 (low-to-moderate growth).

The Dutch childrenswear market generated total revenues of \$2.6 billion in 2009, representing a compound annual growth rate (CAGR) of 2.5% for the period spanning 2005-2009. In comparison, the German and Belgian markets grew with CAGRs of 1.5% and 4.7% respectively, over the same period, to reach respective

values of \$10.5 billion and \$1.7 billion in 2009.

Sales by clothing and accessories specialists proved the most lucrative for the Dutch childrenswear market in 2009, with total revenues of \$1.7 billion, equivalent to 65.7% of the market's overall value. In comparison, sales by discount, variety store and general merchandise retailers totaled \$300.9 million in 2009, equating to 11.5% of the market's aggregate revenues.

Considering imports, The Netherlands remains one of the world top importers of baby and kids wear as shown by the following 2 tables.

Table 4 – Imports for HS 6111 – knitted products

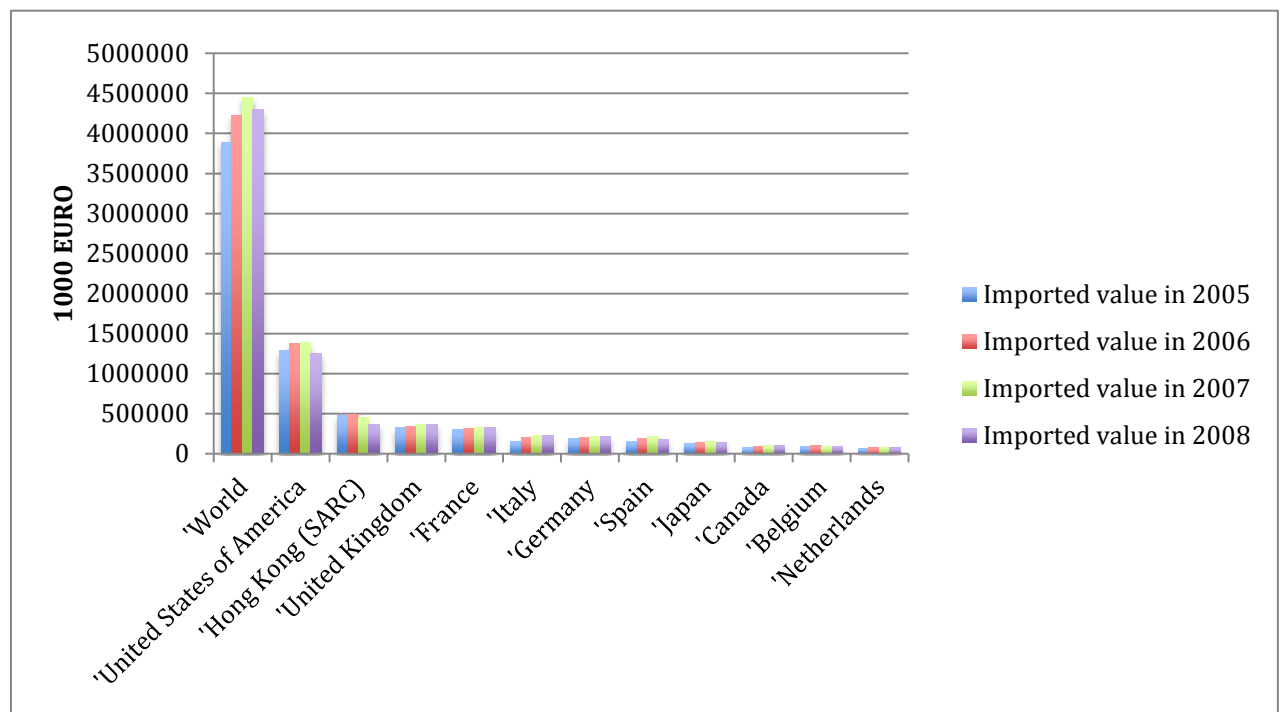
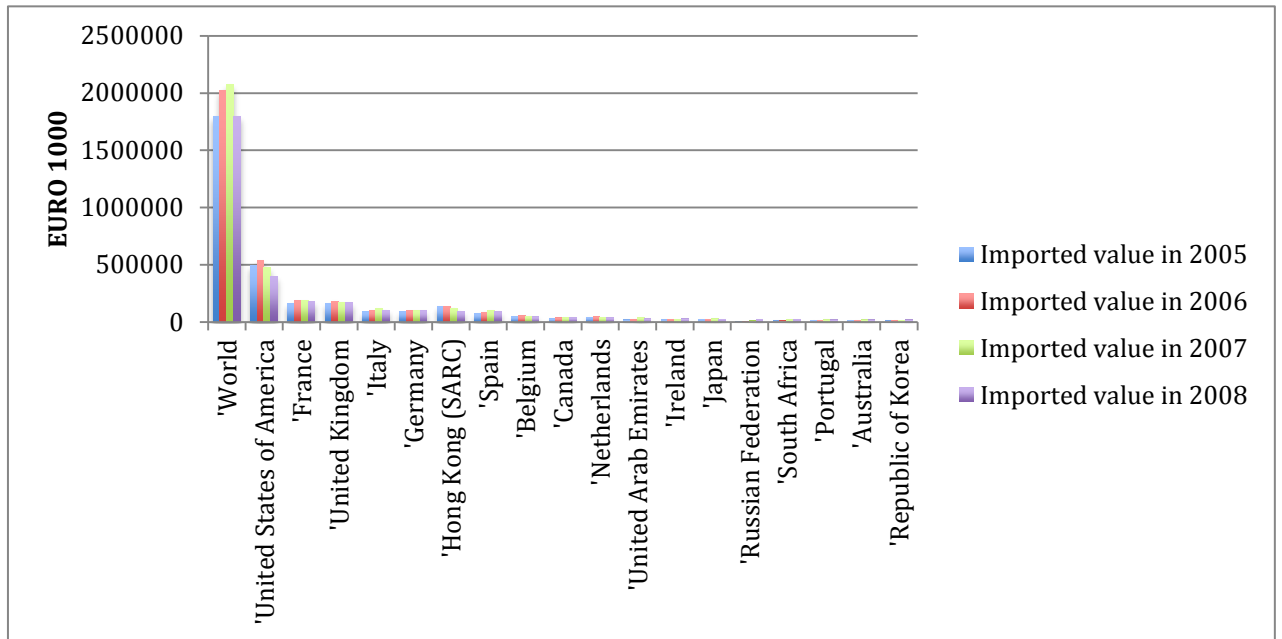


Table 5 – Imports for HS 6209 – non knitted products



The Netherlands accounts for 4.7% of the European childrenswear market value.

Table 6 - Netherlands childrenswear market segmentation (% share, by value, 2009)

Category	% Share
Germany	18.9%
France	15.9%
Netherlands	4.7%
Belgium	3.1%
Rest of Europe	57.5%
Total	100%

Source: Datamonitor, 2010

Key consumer trends

Birthrate has remained stable in the short term, data show that in 2008 it was 11.00/1000 inhabitants while in 2009 it was 10.9/1000 inhabitants.

A more significance change can be observed if we consider a longer period of time (10 years), in fact, decline

of population of babies and infants is expected to reach -10% in the period 2005 – 2015.

Despite these declining figures, as stated above, estimates say that there will not be a significant decline in demand for durable products (such as clothing and toys) in the same time period due to higher disposal income (the average disposal income in The Netherlands is 30.000 Euros), and 'more per child' buying behaviour.

In 2007% already 75% of Dutch households had broadband, new technologies were absorbed more readily into the main stream than in other European countries.

Until 2008, the online retail market for fashion was growing exponentially, but has touched a ceiling since, and does not grow significantly any more. Several companies have instead closed down their 'catalogue' sales, which have been replaced by on line catalogues and e-commerce sites.

Consumers in Northern Europe (including the Netherlands) are placing ever greater importance on ethical issues surrounding the consumption of fashion products, with good working conditions and fair prices representing the two main ethical concerns. A study carried out recently by the Dutch organization Made-By reveals that around 30% of shoppers in the UK currently seek to purchase sustainable products from companies that operate in a social as well as an environmentally-friendly way. Overall the ethical market in the UK was worth £36 billion in 2008 compared to £13.5 billion in 1999 whereas overall consumer spending increase by 58 per cent in the 10-year period'.²

Whilst most sectors have outstripped the market, which has seen overall consumer spending increase by 58 per cent in the 10-year period, Fairtrade has enjoyed phenomenal success with sales up 30 fold.

Overall the ethical market in the UK was worth £36 billion in 2008 compared to £13.5 billion in 1999 whereas overall consumer spending increase by 58 per cent in the 10-year period'.³

Total sales of ethical clothing⁴ are currently worth around £175 million⁵ excluding charity shop and second-hand sales.

² The Co-operative Bank's Ethical Consumerism Report 2009

³ The Co-operative Bank's Ethical Consumerism Report 2009

⁴ Ethical clothing is considered clothing made with high ethical principles, both environmental and social conscious.

⁵ Ethical clothing UK, Mintel 2009

Mintel estimates sales of ethical clothing are likely to have more than quadrupled in the last four to five years as supply and consumer demand have developed together. Real choice in styling and quality and truly fashionable design have been vital in the market's development.

If consumers are asked directly about ethics, they make it clear that brands and retailers should operate with high ethical standards.

Women are more concerned by men about the behaviour of corporations with older consumers (35-45 and 45+ years old) being more sensitive rather than younger consumers (25-).

Many European childrenswear brands have established their positioning in the ethical fashion market by putting responsible practices, both environmental and social ones, at the core of their strategies. The ethical clothing trend is expected to grow especially in northern European countries due to the higher consumer awareness and the emerging of best practices. As a consequence the interest of clothing companies to explore possibilities to develop long-lasting ethical policies will increase.

Examples of ethical childrenswear brands are Mantis World (UK) and Imps & Elf (The Netherlands).

Mantis World produces clothing in Africa using local raw materials and Tanzanian or Ugandan grown cotton. They have continually increased the levels of organic cotton (5000 bales were used in 2008) with an annual increase of 150%. In 2004 the company set up a sewing training school where over 1000 unskilled and unemployed people were trained.

Today, they employ over 2000 people in Tanzania, representing one of the largest private employers in the country. They buy over \$6m worth of Tanzanian cotton per year, supporting thousands of small scale farmers and their families.

Imps & Elf is committed to their supplier base and has encouraged their key suppliers to implement good social working practices. The increase in working with factories that are compliant to social standards in Class A show that Imps&Elfs 'walks the talk'. This increase is explained by increasing the order volume at these key suppliers and by selecting a new SA8000 certified supplier for their woven collection in India. Regarding their environmental policies, the company increased their organic cotton usage by a small amount compared to 2008. This is due to the fact that they intensified their organic cotton programme at one of their

key Indian suppliers based in Chetna. The Chetna farmers received a fair trade minimum price. Besides using organic cotton, Imps&Els began to explore other sustainable materials like Tencel® (Class B) and recycled cotton (Class A). The recycled cotton has been used in a blend with organic cotton in a 'limited' denim collection for kids. In addition, Imps&Els is also investigating options to start working with natural dyes. The company co-operates with the Made-BY, the not for profit organization which is also a label. Brands carrying Made-BY label are transparent about the social, economic and ecological conditions throughout the whole supply chain of their collections.

Key retail trends

Clothing, Footwear & Luxury is the largest segment of the childrenswear market in the Netherlands, accounting for 65.7% of the market's total value.

The variety & general retailers segment accounts for a further 11.5% of the market.

Table 7: Netherlands childrenswear market segmentation (share % by value – 2009)

Category	% Share
Clothing, Footwear & Luxury	65.7%
Variety & General Retailers	11.5%
Department Stores	10.1%
Hyper/Supermarket & Discs	3.7%
Other	9.0%
Total	100%

Source: Datamonitor, 2010

Although the retail industry has generally suffered significantly from the recent economic recession facing many countries globally, the performance of the childrenswear market has been considerably more resilient than that of both the womenswear and menswear markets. Children quickly outgrow clothes and therefore the sale of new children's clothing is regularly a necessity, whereas adults can delay the purchase of new clothes for themselves. Parents can also be heavily emotionally involved with respect to clothing their

children, which is seen as intrinsic to their wellbeing. The wide variety of potential customers, coupled with factors such as negligible switching costs and the position of retailers at the end of the value chain, results in a moderate degree of buyer power in the market. Low switching costs and a large number of players contribute to a moderate degree of rivalry in retailing. Suppliers experience a moderate degree of power as favorable factors such as a lack of substitute inputs play against low switching costs for retailers. Entry to the childrenswear market is possible on a small scale and does not necessarily require large amounts of capital; factors which contribute to a strong likelihood of new entrants to this market. Poor market growth in recent years discourages new entrants and intensifies competition amongst incumbents.

3. MARKET ACCESS REQUIREMENTS: RELEVANT LEGISLATION AND STANDARDS

Overview on Market Access Requirements in Europe

Goods that enter the customs territory of the EU from a non-EU country are referred to as 'non-Community goods'. Before these goods can be marketed within the EU, they should first be released into free circulation. This means that a declaration should be filed for the goods. Certain formalities should be fulfilled when the declaration is made, such as submitting invoices and keeping the goods available for inspection by Customs, the import duties and/or other import taxes owed should be paid.

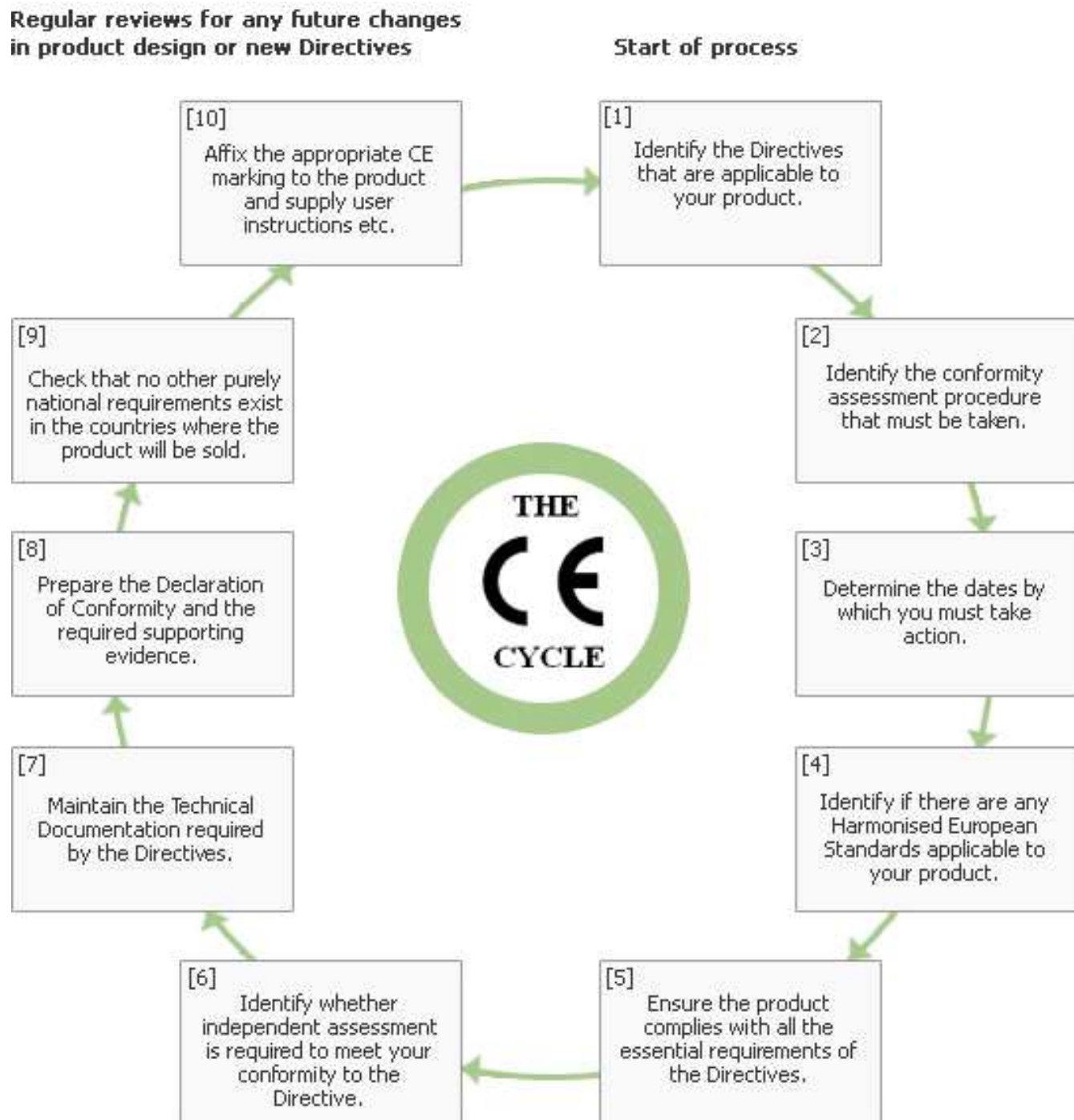
The declaration process involves a check as to whether the goods comply with the regulations in the area of safety, health, the economy and the environment. These regulations often prescribe the submission of a license or certificate upon the import of goods.

Once all these conditions have been satisfied, the non-Community goods will become Community goods. They will obtain the same status as goods that have been produced, harvested or mined within the EU. These goods may be transported, stored or offered for sale, for example, without being subject to customs formalities.

The following diagram shows the CE marking process⁶, which certifies that a product has met EU consumer safety, health or environmental requirements.

⁶ The letters "CE" are the abbreviation of French phrase "Conformité Européene" which literally means "European Conformity"

Figure 1. The CE Marking process



Talking more into detail about market access requirements (MARs), they are normally defined at two levels, at governmental and company level. Governments play an important role in the definition of MARs through

legislation. European government establishes legal requirements products marketed in the EU must meet in order to access European markets. Products which fail to meet these requirements are denied access to any European country. Also companies have their own policies and these are influenced by external stakeholders such as consumers and independent organizations like NGOs. Requirements set by companies have to be necessarily respected by suppliers belonging to their supply-chain.

While governments normally sets rules for consumer health and product safety, companies go beyond legislations and fix their own requirements on both social and environmental issues.

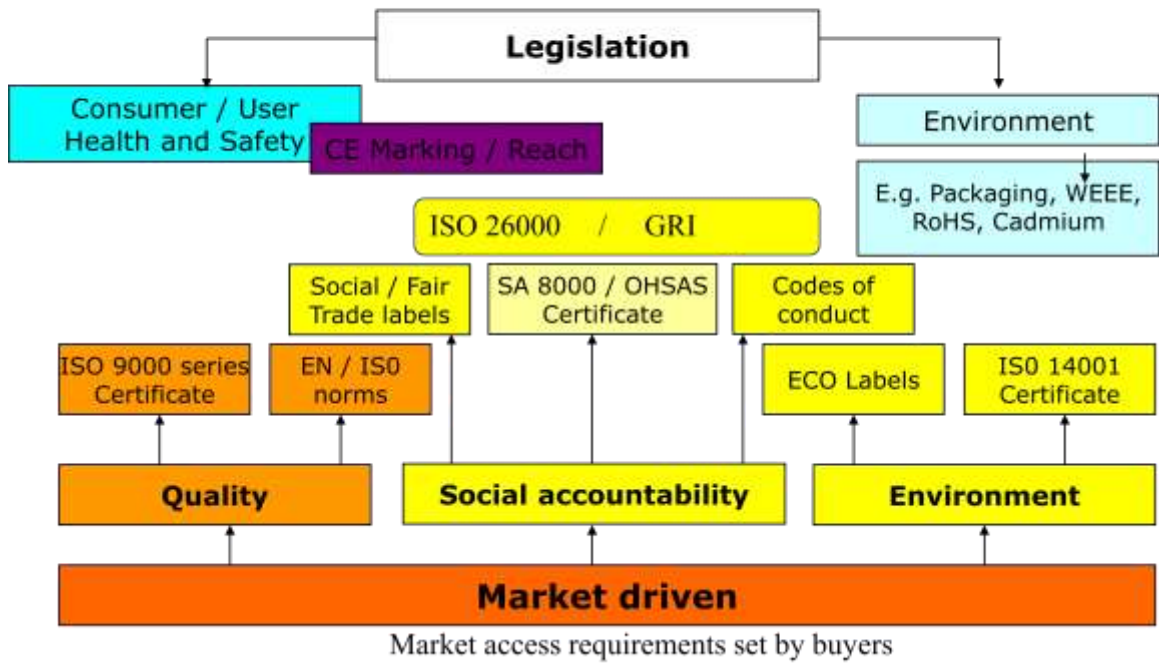
Social issues regard the impact products have on people working at them and include concerns about minimum wages of workers in the supply-chains, equal remuneration for men and women, child labour, workers' right to free union membership, working hours and discriminations.

Environmental issues consider the impact products have on the environment and entail concerns about pollution, water use, waste management, energy use and dangerous substances.

In concomitance with higher consumer awareness on both social and environmental issues and their interest in buying responsible products, companies have developed their own ethical policies, which, in some cases, are at the core of their strategies (e.g. brands clearly positioned in the ethical clothing market segment; all companies tend to have Corporate Social Responsibility programs, regardless their market positioning). These policies affect criteria according to which suppliers are selected.

Figure 2: The Market Access Requirement system

Market access requirements: combination of legislation & market demands



Market Access Requirements - legislation

European legislation regulates the access of non – European goods but national legislation may also apply. Here below the most relevant requirements non European clothing suppliers, in particular, childrenswear suppliers, must meet in order to access EU markets.

EU legislation – clothing

- **BS EN 13402 Size Designation of clothes:** It is based on body dimensions, measured in centimetres. It replaces many older national dress-size systems in popular use before the year 2007. Acceptance of this form of standardization varies from country to country.

Traditionally, clothes have been labelled using many different ad-hoc size systems therefore, the European standards committee (CEN/TC 248/WG 10) started in 1996 the process of designing a new modern system of labelling clothes sizes, resulting in this standard.

- **European Parliament and Council Directive 96/74/EC of 16 December 1996 on textile names:** Provides descriptions corresponding to textile names. These names may not be used for any other fibres. The terms "virgin wool" or "fleece wool", for instance, may be used only for products composed exclusively of a fibre which: has not previously been part of a finished product; has not been subjected to any spinning and/or felting processes other than those required in the manufacture of that product; has not been damaged by treatment or use. This Directive states also that textile products must be labelled or marked whenever they are put onto the market for production or commercial purposes.
- **EN 23758 in 1994 – European Standard on care labeling:** Sets guidance on care symbols giving

consumers all the necessary information on clothing treatment and care (washing, bleaching, ironing, dry cleaning and tumble drying).

- **EN 25077 Textiles - Determination of Dimensional Change in Washing and Drying.**
- **General Product Safety Directive (GPSD) (2001/95/EC) (allows for CE marking of products):**
Is designed to protect consumers from unsafe products. These harmonized standards and essential requirements must be met for products to be placed in the European Union. A “safe” product is defined in this directive as any product, when used under normal circumstances, that does not contain any risk to the users or the risks are minimized that is compatible with the product’s use. The product will undergo a safety assessment, and only when the product is deemed “safe” will it be allowed to be placed in the EU. Along with this, producers must provide the necessary information on the product warning the user of the risks associated with the product. This must include:
 1. Relevant information to enable consumers to assess the risks inherent in the product throughout the normal or reasonably foreseeable period of its use.
 2. Information to consumers of risks which the product might pose.

In The Netherlands this directive was implemented in: “Warenwet” (Commodities Act) and in the “Warenwetbesluit algemene productveiligheid” (Decree on general product safety):

- **Directive 85/374/EEC** - product liability: Ensures a high level of consumer protection against damage caused to health or property by a defective product. The injured person has three years within which to seek compensation. The Directive applies to movables, which have been industrially produced, whether or not incorporated into another movable or into an immovable. The Directive establishes the principle of objective liability or liability without fault of the producer in cases of damage caused by a defective product. If more than one person is liable for the same damage, it is joint liability.

EU legislation – clothing – restricted substances

Many substances are restricted by European Community (EC) Directive and Member State Legislation because it is believed that the chemical or compound presents a material risk to human health and safety and/or the environment. In 2005 there were 37 separate EC Directives applicable to restricted substances and this number has only increased since. In addition it is incumbent on Member States to apply their own Regulations stemming from the EC Directives. The problem with the legislation on restricted substances is that the information is not correlated into a single area so the information is often not immediately obvious to anyone researching their products test requirements.

The most common classes of restricted substances related to textile production are as follows:

Alkylphenolethoxylates (APEO): APEO's are a group of non-ionic surfactants used in leather tanning, silk production, some dyes and in some polyester waddings and down fillings. The anaerobic degradation of these products to nonylphenols are thought to have effects on the human hormonal system and fertility, as well as possibly being carcinogenic and mutagenic.

Allergic Disperse dyes: Disperse dyes are generally water-insoluble colourants that are mainly used for colouring polyester, nylon and cellulose acetate textile fibres. Some examples have a sensitising potential to human skin and can be considered as a possible threat to health particularly if poorly affixed – this property is assessed by means of perspiration fastness testing.

Azo dyes: Azo dyes are dyes, which contain at least one azo bond (-N=N-) within the molecule. Certain azo dyes can cleave to release harmful aromatic (MAK) amines, some of which are classified as carcinogens.

Cadmium compounds: Cadmium is a naturally occurring metal, for textiles it is often used in dyes, coating agents and metal accessories and as a stabiliser in PVC. Cadmium and its derivatives are suspected as carcinogens.

Hexavalent chromium: Chromium VI is an oxidising agent used in plastics, dyes and leather tanning. Chromium VI is a known carcinogen and is corrosive to skin – contact with certain compounds can cause skin ulcers.

Flame retardants: Brominated flame retardants (e.g. PBBs, PBBEs, TRIS and TEPA) are used in textiles due to their stability and heat resistance. These compounds are widely suspected as carcinogenic and their stable property also makes them hazardous to the environment as they persist and both enter and pass up the food chain.

Formaldehyde: Formaldehyde is a volatile organic compound, which is used in anti-crease and anti-wrinkle treatments for fabrics otherwise susceptible to creasing such as cotton and wool. It is also used in combination with phenol and urea to form polymeric resins. Formaldehyde is a highly toxic irritant chemical which can induce irritation to mucous membranes, trigger allergic reactions and is also a suspected carcinogen.

Lead: Lead is a naturally occurring metal used in plastics, paints, dyes and metal accessories. Lead and its derivatives are suspected carcinogens and can affect the human central nervous system, damaging the kidneys and the immune system.

Nickel: Nickel is a naturally occurring metal used in paints, inks and corrosion resistant metal accessories. Nickel and its derivatives are suspected carcinogens and can cause allergic reactions by skin contact, exacerbated by perspiration on the skin.

Organotin compounds: Organotins are compounds containing at least one tin-carbon bond, used as plastic stabilisers, catalytic agents, biocides and pesticides. They are environmental pollutants and are particularly harmful to the aquatic environment, and are toxic even at low concentrations. Consumption of seafood is the primary source of human exposure to organotin compounds, which can affect the immune system.

Organic solvents: Organic solvents are widely used in products such as adhesives and paints, but particularly in the dry-cleaning industry. Most organic solvents evaporate easily at room temperature causing air pollution, but also respiratory diseases and irritation. They also act as degreasing agents so contact with the skin can remove essential oils causing dermatitis reactions. Some are harmful to the central nervous system

and suspected as carcinogens.

Pentachlorophenol: Pentachlorophenol is used as a preservative and anti fungal agent in textiles and leather. PCP is thought to be a carcinogen, and it is known that its combustion releases dioxins.

Phthalates: Phthalate compounds are commonly used as a softener for PVC, but also in fixatives, detergents and oils. It has been shown that some phthalate compounds can affect the central nervous system, induce cancers and impair reproduction and development faculties.

Polyvinyl chloride: PVC is a synthetic polymer built up from the repetitive addition of the vinyl chloride monomer. It is used in a wide variety of textile applications, mixed with a range of fillers, stabilisers, lubricants, plasticisers, pigments and flame retardants. PVC is hard to degrade when released to the environment, and emits toxic wastes such as dioxins and highly toxic hydrogen chloride.

EU legislation – clothing – restricted substances - relevant legislation:

- **EC/1907/2006 REACH- Annex XVII – APEOS and AZO chemicals restrictions:** This Directive is applicable to textiles as, even though its primary purpose is to regulate movement of chemical products, it also applies to chemicals and compounds present in manufactured articles such as textile products. As these chemicals and compounds can be restricted substances, if the amount thereof is in excess of the REACH requirements then a potential health factor exists. The former EU legislative framework for chemical substances was a patchwork of up to 40 different Directives and Regulations, which developed historically. However this system did not produce sufficient information about the effects of the majority of existing chemicals on human health and the environment. Also the identification and assessment of risks of the human and environmental hazards of chemicals proved to be slow. It deals with the **Registration, Evaluation, Authorisation and Restriction of Chemical Substances**.

REACH is based on the idea that the industry itself is best placed to ensure that the chemicals it places on the market do not adversely affect human health or the environment. The REACH

Regulation gives greater responsibility to industry to manage the risks from chemicals and to provide safety information.

- **EN 14362 Textiles:** Methods for the determination of certain aromatic amines derived from azo colorants. It describes a procedure to detect the use of certain azo colorants that may not be used in the manufacture or treatment of certain commodities made of textile fibres and that are accessible to reducing agent with and without extraction. Azo colorants accessible to reducing agent without extraction are those used to dye: - cellulosic fibres (e.g. cotton, viscose); - protein fibres (e.g. wool, silk); - synthetic fibres (e.g. polyamide, acrylic). Azo colorants accessible with extraction are those used to dye man-made fibres with disperse dyes. The following man-made fibres can be dyed with disperse dyes: polyester, polyamide, acetate, triacetate, acrylic and chlorofibre. For certain commodities made of cellulose and/or protein fibres blended with man-made fibres it is necessary to extract the dye first. The method is relevant for all coloured textiles, e.g. dyed, printed and coated textiles.
- **2006/122/EC - Restriction on Perfluorooctane sulfonates (PFOS):** PFOS and related substances are banned as substances or constituents of preparations in concentrations equal to or higher than 0.005%, in semi-finished products and articles at a level of 0.1% except for textiles or coated materials in which the restricted amount of PFOS is 1 µg/m².
- **2009/251/EC on Ban on DMF biocide (often contained in transportation bags for shipping purposes)(often contained in transportation bags for shipping purposes):** From 1 May 2009, EU Member States must ensure that products containing the chemical dimethylfumarate (DMF) are prohibited and if necessary recalled from the market. Enforcing agencies may carry out chemical inspections and ban product sales if the substance is found.

EU legislation – baby and kidswear

- **EN 14878:2007 - Burning Behavior of Children's Nightwear – Specification (voluntary**

standard): It is an ordinary European Standard (voluntary and not harmonised). In the absence of other standards/legislation, children's nightwear not meeting the standard is likely to be deemed unsafe. The Standard covers all children's nightwear including Pyjamas, Night Dresses, Dressing Gowns, Bath Robes and Similar Garments. It provides specifications for burning behavior in terms of flash flame and rate of flame spread and also contains some design requirements for pyjamas. It should be used to inform the process of risk assessment of children's nightwear for GPSD conformance. The requirements of this standard can be used for enforcement purposes under the General Product Safety Regulations. EN 14878 contains a flammability requirement for pyjamas, while under the Nightwear (Safety) Regulations the flammability requirement is optional. In other words, pyjamas that are not treated for flammability may pass the requirements of the Nightwear (Safety) Regulations but fail under the General Product Safety Regulations.

• **EN 14682:2004 Safety of children's clothing - Cords and drawstrings on children's clothing**

– **Specifications:** It is a voluntary standard, but must be implemented by all countries only applies to 'outerwear' as in hoodies, coats etc. provides specific requirements of cords and drawstrings on children's clothing by different areas on garments, i.e. hood and neck area, waist area, lower hems of garments, sleeves, etc.. It should be noticed that drawstrings, functional cords or decorative cords on hood and neck area are not allowed on garments intended for young children – aged from birth to age under 7 years which includes all children up to and including a height of 134 cm. General requirements under BS EN 14682:2004, when cords and drawstrings, sashes and loops are used on garments, are included in the below table.

Table 8-9. EN 14682:2004 Safety of children's clothing

Drawstrings, functional or decorative cords Sashes Fixed loops	Sashes	Fixed loops
1. No knots and secured at ends to prevent fraying 2. Not emerge from the back or to be tied at the back of garment	1. No knots and secured at ends to prevent fraying 2. When untied, not hang below the hem of	Fasteners, etc. protruding from garments should have circumference minor or equal to 75 mm.

<p>3. Toggles shall only be used on drawstrings with no free ends or decorative cords</p> <p>4. Drawstrings shall be secured in at least one point at equidistance from the exit points</p>	<p>garment</p> <p>3. When untied, length from the point where it is to be tied minor or equal to 360 mm</p>	
---	---	--

Area of garment	Style	Drawstrings	Functional cords	Decorative cords
Hood and neck area	For older children And young persons <i>(Older children and young persons are those aged from 7 years up to 14 years (i.e. up to 13 years and 11 months) which includes all boys of height greater than 134 cm up to 182 cm and girls of height greater than 134 cm up to 176cm.)</i>	1. No free ends; 2. When laid flat garments at its largest opening should have no protruding loops; 3. Protruding loop on garment at its smallest opening should have circumference minor or equal to 150 mm.	Length at either end minor or equal to 75 mm and non-elastic	Length at either end including any attachment minor or equal to 75 mm and non-elastic
<i>Garments intended for young children should not be designed, manufactured or supplied with drawstrings, functional cords or decorative cords in the hood or neck area.</i>				
Waist area		Length at each end 140 mm (flat opened) or minor or equal to 280 mm (closed)	Length minor or equal to 140 mm	Length including any attachment minor or equal to 140 mm
		Belt loops should lie flat on garment		
Lower hems of garment which hang below the waist	Lower edge of garment situated below the hip	Including any toggle, should not hang below the lower edge of garment and should be totally inside the garment; or lie flat on garment if they are external when garment is tightened;		
	Bottom hem of coats, trousers or skirts, which are designed to finish at ankle	No protruding drawstrings, functional cords or decorative cords. <i>Stirrups at end of trousers are acceptable.</i>		
Sleeves	Long sleeves	Totally on the inside of garment when it is fastened.		
	Short sleeves finish above the elbow	Protruding length minor or equal to 140 mm measured laid flat on pattern.		
Others		Drawstrings, functional or decorative cords in all other parts of garment should not protrude more than 140 mm when the garment is opened to its largest.		

Source: The European Community

- **EU Phthalates Directive 2005/84/EC:** This Directive prohibits the use of certain categories of phthalates in the manufacture of toys and childcare articles (any product intended to facilitate sleep, relaxation, hygiene, the feeding of children, or sucking on the part of children.) intended for children. It applies to the following chemical substances: di (2-ethylhexyl) phthalate (DEHP), dibutyl

phthalate (DBP) and butylbenzyl phthalate (BBP). A second group of phthalates may be potentially dangerous to health; it consists of: di-iso nonyl phthalate (DINP), di-iso-decyl phthalate (DIDP) and di-n-octyl phthalate (DNOP). However, in the absence of adequate scientific information, the prohibition on these substances is limited to toys and childcare articles, which can be placed in the mouth by children.

- **CEN TR 13378 Child use and care articles - Safety guidelines.**
- **BS 7907:1997 Code of practice for materials, design & manufacture of children's clothing:** It is a Code of Practice which gives recommendations for the materials, design and manufacture of children's clothing.

European legislation also includes *labour standards and requirements*, which have the objective to protect human rights. Legislation is made in accordance with National Labour Law and International Labour Organization (ILO).

Legislation in this area tries to ensure that human rights are respected, and no employee suffers from harassment, physical or mental punishment, or other form of abuse.

In addition, wages and working hours, as a minimum, must comply with all applicable wage and hour laws, and rules and regulations, including minimum wage, overtime and maximum hours in the country concerned.

Labour should not be forced or compulsory, and employees should be free to leave employment after reasonable notice. There should be no use of child labour and the right of employees to freedom of association should be respected. In the clothing industry, a key organization is the Ethical Trading Initiative (<http://www.ethicaltrade.org/>) which is an alliance of companies, trade unions and voluntary organizations which work in partnership to improve the working lives of people across the globe who make or grow consumer goods

Dutch legislation

The "Warenwet" (Commodities Act) provides the main framework act for the product safety legislation in the Netherlands. Many of the European directives

covering consumer product safety are implemented with a “Warenwetbesluit” (Decree based upon the Commodities Act).

In addition to the Commodities Act, the following regulations are relevant:

- Children's wear size 80 and larger: Dutch clothing flammability regulations, as regulated by the Dutch Customer Product Safety Authority (VWA) as of May 1, 2008.
- Daywear flammability: Included Mexx Child Safety and Quality Manual August 10.
- Special nightwear flammability regulations are imposed by the VWA for pyjamas etc., that are lined out in accordance with EN 14878:2007 (European directive)
- Legislation with respect to colourants / chemicals that are being absorbed via the skin.

There is a high likelihood, that also the new Toy Safety Directive (2009 edition) applies:

- *Old regulation:* Toy Safety Directive (TSD) 88/378/eec (valid until 07/2011):
“any product or material designed or clearly intended for use in play by children of less than 14 years of age”.
- *New regulation:* Toy Safety Directive (TSD) directive 2009/48/ec (valid from 20 July 2011):
“a product designed or intended, whether or not exclusively, for use in play by children under 14 years of age”. For more details on what is not considered a toy, please, see this link: <http://www.ce-marking.com/toys.html#notoy>.

The new Directive brings also more references on chemicals by limiting the amounts of certain chemicals that may be contained in materials used for toys.

In The Netherland: specified in the “Warenwetbesluit speelgoed”
(Decree on toys based upon the Commodities Act)]

Non-legislative requirements

Additional requirements are requirements set by companies, not the EU or individual EU Member States. Whereas legal requirements are a must before marketing any product in the EU, the group of “additional requirements” or “non-legislative requirements” are harder to classify. The basic principle behind is that the market is always developing and new issues are getting attention all the time. In time, this may result in new legal requirements, but this is not always the case. Sometimes the scope of the requirements fall outside the scope of EU legislation: the EU can only interfere with issues directly related to the product marketed in the EU, as all countries have the freedom to govern over their own labour laws, for instance. Companies, however, can choose to act and require more from their suppliers, in order to live up to customer expectations and company values.

Non-legal requirements can include social or environmental requirements.

Environmental requirements

They are often covered by legal restrictions on the use of certain chemicals (see above, EU legislations). In cases where certain hazardous substances receive attention from for instance pressure groups or other interest groups, companies may choose to restrict or ban the substances from their production. More and more, organic alternatives replace conventional ones. This includes for instance organic cotton, which is becoming increasingly popular, as media has reported on the extensive use of pesticides in cotton production. Not just companies focusing on the organic niche, but also larger companies have increasingly begun to use organic cotton in their production. Examples of environmental requirements are: Compliance with national environmental laws and regulations in the country of origin (this is very demanded by big buyers such as Zara, Marks & Spencer, Mexx etc.); Stricter requirements on use of chemicals in processes and lower detection limits in final products than outlined by EU legislation; Organically produced cotton (only required by buyers which propose organic cotton

in their ranges).

Social requirements

Unhealthy working conditions, low wages, dangerous substances and even child labour are widespread in textile and clothing sector. Social requirements can be found in a number of instruments: company codes of conduct, managements systems and labels. Most initiatives are based on the basic ILO standards, covering labour rights and occupational health and safety (OHS). Among the management systems, BSCI is one of the most important ones.

Most important standards and labels

Eco labels are either focused on the manufactured goods or the whole life-cycle of a product. Within this process, a varying number of aspects can be taken into consideration. Companies, public authorities and NGOs can create labels. Labels are very widespread in clothing and are awarded by competent bodies, which manage implementation and monitor compliance. Normally, a fee is paid to carry the label.



Who: International Association of Natural Textile Industry

What: Accredited social and ecological certifications

Type: Non-governmental organization

IVN Certified best: Highest existing standard for natural textiles

INV certified better: Superior ecological quality

This label is developed by the major players in natural textile industry and it is the first independent and common seal for product chain optimized eco textiles. The comprehensive approach of the signet is kept up by inspections of independent certification institute at each production step.



Who: European eco labels

What: reduced application of health and environmental harming substances

Type: Labels of a public authority, allocation on a national basis.

The flower label is not only for textiles but for more than 200 different manufactured goods. It is designed to support business to market products and services that are kinder to the environment. The European Eco-label is also part of a strategy aimed to encourage sustainable consumption and production.



Who: International Oeko-Tex Association

What: Worldwide accepted standard

Type: Non-governmental organization

Standard 100: Focus on human toxic aspects only

Standard 1000: Complement of standard 100

It is a worldwide uniform testing and certification system for textiles and raw materials, intermediate and end products at all stages of production. Textiles are tested for harmful substances, which are prohibited or regulated by law, chemicals which are harmful to health and parameters which are included as a precautionary measure to safeguard health. Based on the intended use, the tested textiles are allocated to one of the four Oeko-Tex product classes: Textiles and textile toys for infants and small children up to the age

of three, e.g. underwear, rompers, bedding and soft toys (Class 1); Textiles with major surfaces in direct contact with the skin, e.g. underwear, bedding, toweling, shirts and blouses (Class 2); Textiles that do not come into direct contact with the skin, or where only a small part comes into contact with the skin, e.g. jackets, coats and linings (Class 3) ; Decorative textiles, such as cloths, curtains, textile wall-coverings and carpets (Class 4). The more intensively a textile comes into contact with the skin, the higher the human ecological requirements which must met. To promote environmentally friendly production techniques, the Deko-Tex Standard 1000 and Deko-Tex 100 plus was developed.



Who: TÜV, Rheinland Group

What: Concentration of toxic substances

Type: Non-governmental organization

The Toxproof is issued by TÜV Rheinland, mainly to test the quantities of toxin in products. It is issued to a wide variety of finished products, like textiles, furniture. A product carrying this label indicates toxin levels are well below official limits.



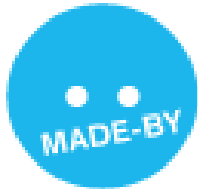
Who: Fairwear Foundation

What: Focus on Social Standard

Type: Non-governmental organization

Fairwear label: FWF code of conduct

The Fairwear Foundation was founded in 1999 in The Netherlands as an initiative of business associations in the garment sector, trade union and NGOs. FWF is not dominated by business interests. Selections of prominent organisations are representing the board, which, in turn, is supported by a committee of experts which assures a high level of independence. Fairwear Foundation has developed a code of conduct which its members can adopt. It covers three key points: Internationally accepted labour standards, independent certification and partners in production countries. Guidelines follow labour conditions and minimum standards of the International Labour Organization as well as local laws and regulations.



**Fashion with respect
for people and planet**

Who: Made-BY

What: Focus on Social and Ecological standards

Type: Non-governmental organization

Made-BY label : Blue button

MADE-BY is an umbrella label used by fashion brands and retailers to show consumers that their clothes are okay, i.e. that they are produced in a sustainable manner. The brands affiliated to MADE-BY use organic cotton and work with sewing factories that have a social code of conduct. MADE-BY is the first fashion initiative to focus on environmental and working conditions throughout the entire production chain. The MADE-BY brands can be identified by means of a blue button. This is how you will know that brand produces its collection in a

people- and environment-friendly manner. MADE-BY advises brands how to clean up their manufacturing process and outlines strategies and action plans with them to do so. We develop, together with Solidaridad - the expert in the field of fair trade and the environment - production chains in which a garment can be manufactured in a sustainable manner from start to finish. In India, Peru, North Africa and China as well as in Turkey and Eastern Europe they have created supplier networks. These networks include organic cotton projects, spinners and sewing factories, but also local NGO's, unions and experts in the field of social and environmental conditions. Through these networks MADE-BY helps suppliers to acquire social certification and to find the right sources for organic cotton.



Who: Fairtrade Foundation

What: Focus on Social and Ecological standards

Type: Non-governmental organization

Fairtrade mark: Applied on all fairtrade approved products

Fairtrade is a tool for development that ensures disadvantaged farmers and workers in developing countries get a better deal through the use of the international Fairtrade Mark.

Fairtrade Labelling was created in the Netherlands in the late 1980s. Fairtrade cotton can be organic but is not necessarily so. This is because Fairtrade aims to support the most marginalized farmers who cannot always afford to convert to organic farming or who lack the knowledge about organic agriculture. It can take years to convert a crop to organic, but it is something many Fairtrade cotton farmers are working towards as they receive an even higher price if their cotton is organic. Fairtrade maintains very strong and clear environmental standards based on the international recommendations of the UN Environment Programme, such as the strict control of chemicals and reductions in pesticides on the Pesticide Action Network's Dirty Dozen list. Fairtrade also encourages sustainable farming so farmers establish their own environmental development plans to ensure that where possible, waste is managed, materials are recycled, and steps are

taken to avoid soil erosion and water pollution. Genetically modified seeds are also strictly forbidden. Fairtrade Mark on garments means that the cotton has been sourced from a Fairtrade certified producer organisation. It has also been produced in a fully certified supply chain where there is full traceability of the cotton. Every operator in the supply chain from the ginner to the spinner, knitter, weaver, dyer, garment factory and sub contractor has to be certified to handle Fairtrade cotton. Supply chain operators are also asked for independent evidence that they are making efforts to meet recognised labour standards although ultimately it is the responsibility of the brand or company to ensure that these standards are being met.



Who: The International Working Group on Global Organic Textile Standard

What: Focus on Ecological standards

Type: Non-governmental organization

GOTS certificate is awarded to approved companies.

The Global Organic Textile Standard (GOTS) is recognised as the leading processing standard for textiles made from organic fibres worldwide. It defines high level environmental criteria along the entire supply chain of organic textiles and requires compliance with social criteria as well.

Only textile products that contain a minimum of 70% organic fibres can become certified according to GOTS. All chemical inputs e.g. dyestuffs and auxiliaries used must meet certain environmental and toxicological criteria and also the choice of accessories is limited under ecological aspects. A functional waste water treatment plant is mandatory for any wet-processing unit involved and all processors must comply with social minimum criteria. The key criteria of GOTS, its quality assurance system and the principles of the review and revision procedure are summarized in this section. On-site inspection and certification of processors, manufacturers and traders performed by independent specially accredited bodies is the basis of

the GOTS monitoring system in order to provide a credible assurance for the integrity of GOTS certified textiles.

SA8000 is a global social accountability standard for decent working conditions, developed and overseen by Social Accountability International (SAI). Social Accountability International (SAI) is a non-governmental, multi-stakeholder organization whose mission is to advance the human rights of workers around the world. It partners to advance the human rights of workers and to eliminate sweatshops by promoting ethical working conditions, labor rights, corporate social responsibility and social dialogue. The SA8000 Standard is an auditable certification standard based on international workplace norms of International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child.

ISO 26000: The International Organisation for Standardization (ISO) has developed a new voluntary global guidance standard based on social responsibility. The standard, which was officially launched on 1st November of this year in Geneva, was created with the support of a diverse group of industry experts across a number of countries and stakeholder groups. Although not intended for certification, the primary aim of ISO 26000 is to act as a guidance standard on social responsibility, used by organisations to plan and implement actions to improve their sustainability – including economic, social and environmental aspects. The areas covered by the standard include organisational government, human rights, labour practices and the environment i.e. identifying and improving the environmental aspects of operations including resource use and waste disposal. The standard also covers fair operating practices, community involvement and development and consumer issues such as providing healthy and safe products, giving accurate information and promoting sustainable consumption.

The Ethical Trading Initiative (ETI) is an alliance of companies, trade unions and voluntary organisations. ETI works in partnership to improve the lives of workers across the globe who make or grow consumer goods - everything from tea to clothing, from flowers to footballs. All corporate members of ETI agree to adopt the ETI Base Code of Labour Practice, which is based on the standards of the International Labour Organisation (ILO). ETI then assists companies to implement the Base Code in their supply chains. Key clothing retailers

such as Jack Wills, Debenhams, Fat Face, Jaeger, Mothercare, Marks & Spencer, Next, New Look are ETI members.

Gathering information on these standards is strategic for suppliers to who plan to enter European market. The level of acceptance of these standards by key Dutch buyer will be investigated in the second stage of the research, through in-depth interviews with Sourcing/Purchasing Managers. The final objective is to identify key criteria used by these buyers to choose new suppliers.

STORY 1 - shapes



Salopette en toile
Bellina



Robe en maille
Caramel Baby & Child



Jeans Rayon bébé
Finger in the Nose



Pantalon coton
Finka



Robe sans de soie
Maan



Bibou en maille
Bellina



Veste avec capuche en jersey
Little Paul & Joe



Mariotte en coton
Petit Batou



Veste en serotchier
Polo Ralph Lauren



Blouse en cuir
Chloé



Cardigan à toggle
Marucha



Combinaison short
Chloé



Ceinture en cuir
Maan



T-shirt imprimé
Mini Rodini



Robe double matière
Caramel Baby & Child



Ensemble
Baba Chava



Spartiates en cuir
Chloé



T-shirt
L'Éléphant Funky Bear



Short imprimé
L'Éléphant Funky Bear



T-shirt
L'Éléphant Funky Bear



T-shirt
L'Éléphant Funky Bear



T-shirt Caramel Baby & Child
Chloé



Combinaison
Caramel Baby & Child



Combinaison
L'Éléphant Funky Bear



T-shirt
L'Éléphant Funky Bear



T-shirt
L'Éléphant Funky Bear



T-shirt
L'Éléphant Funky Bear



T-shirt
L'Éléphant Funky Bear



T-shirt
L'Éléphant Funky Bear

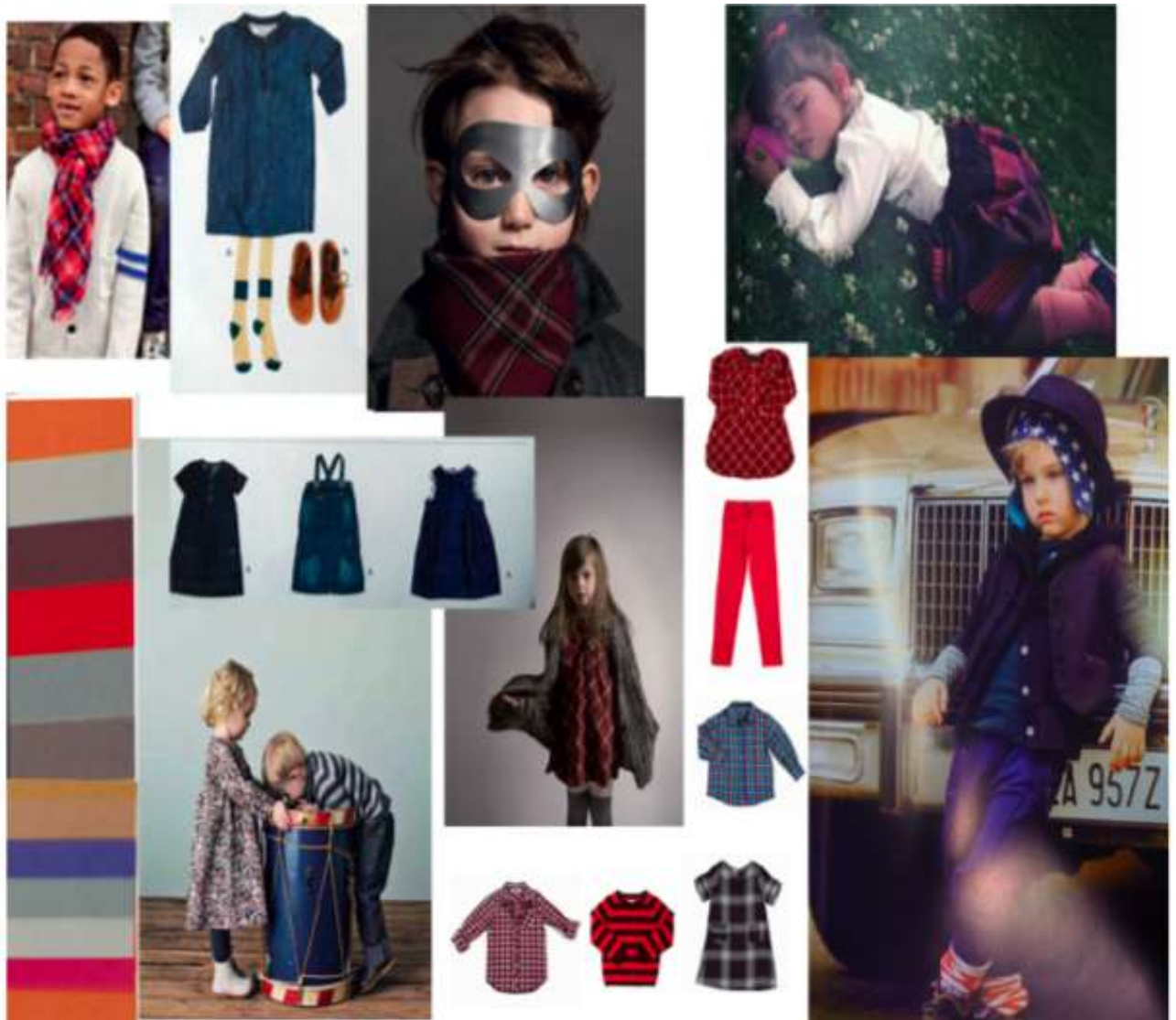
STORY 2 - shapes



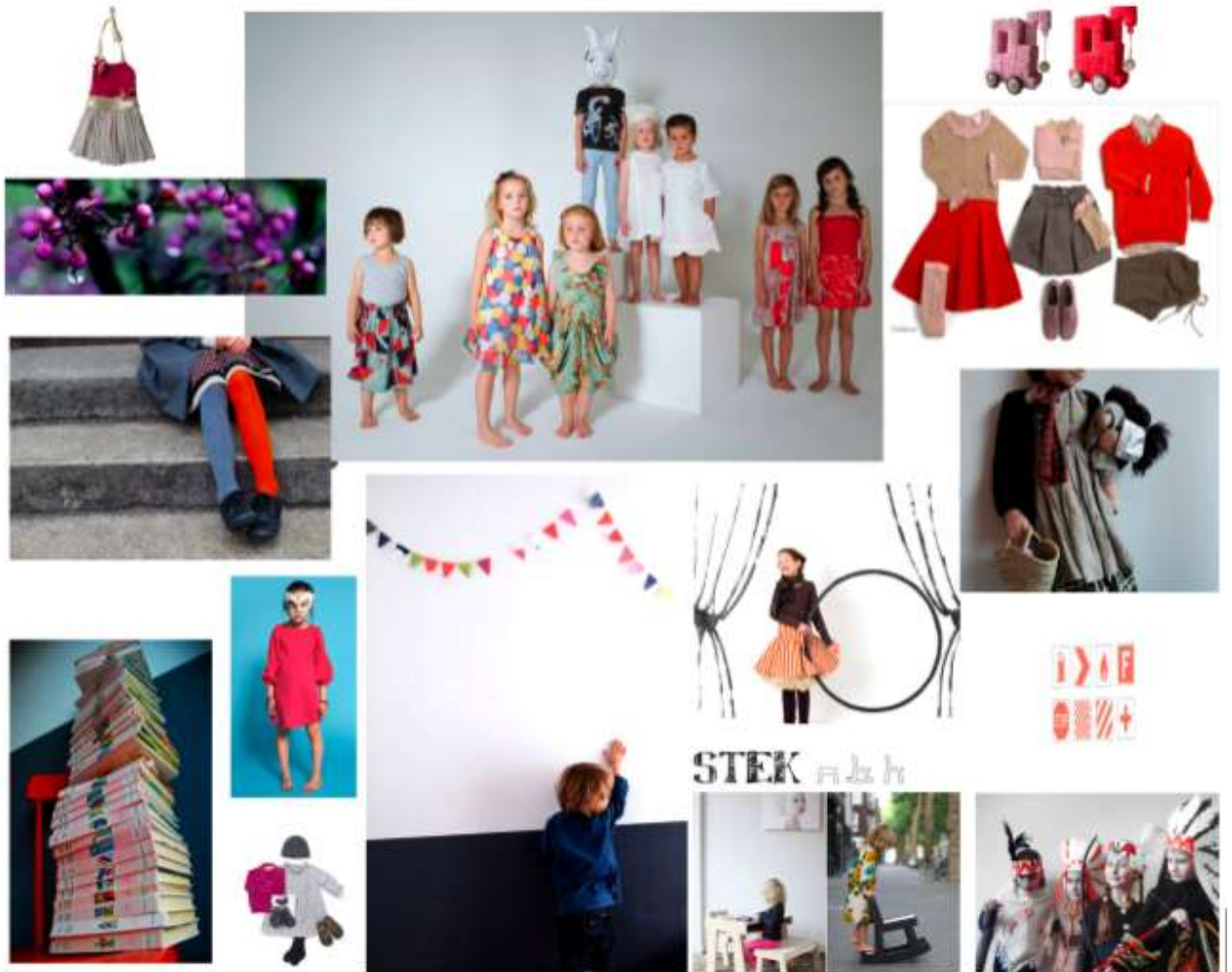
LES DEMI-DIE
TENDANCE HÉROS



STORY 3 – mood board and colour palette



STORY 3 - mood board and colour palette



STORY 3 - shapes



*Jeans Nocton about
Finger in the Nose*



*Robe blanche vague
Chloe*



*Robe col fruit
Huckelbume*



*Robe imprimé
Little Marc Jacobs*



*Jeans Juste slim
Finger in the Nose*



*T-shirt imprimé
Finger in the Nose*



*Blouse à col rubis
Leppe*



*Cardigan en coton
Funky*



*Cardigan imprimé
Maur*



*T-shirt imprimé
Machbarba*



*Blouse slim
Kid by J.J Phillip Line*



*Jupe imprimé
Jeff Gallery*



*Jupe imprimé
Quincy*



*Jupe beach imprimé
Miss Rodin*



*Robe haute de taille
Lana*



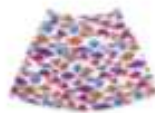
*Gilet cigne en plumes
Le Tour de France*



*Bandana motif léopard
Kinkide*



*Robe à jupe babington
Let There Eat Cake*



From a design and marketing perspective, it is important to be aware of internationally recognized sizes both for baby and kidswear, which are summarized in following tables.

Table I0. Babywear – by product size

Baby Sizing:

Age	Newborn	Newborn	Newborn	3-6 Mths	6-9 Mths	9-12 Mths	12-18 Mths	18-24 Mths
Height	50 cm	56 cm	62 cm	68 cm	74 cm	80 cm	86 cm	92 cm
Weight	5 lb	7.5 lb	11 lb	14 lb	18 lb	21lb	24 lb	27lb
Weight	2.5 kg	3.5 kg	5.0 kg	6.5 kg	8.0 kg	9.5 kg	11.0 kg	12.5 kg

Table II. Kidswear – by product size

Size Guide:

Boys Sizing:

Age	2 Yrs (1.5-2yrs)	3 Yrs (2-3yrs)	4 Yrs (3-4yrs)	5 Yrs (4-5yrs)	6 Yrs (5-6yrs)	7 Yrs (6-7yrs)	8 Yrs (7-8yrs)	9 Yrs (8-9yrs)	10 Yrs (9-10yrs)
Height	92cm	98 cm	104 cm	110 cm	116 cm	122 cm	128 cm	134 cm	140 cm
Chest	53cm	55cm	57 cm	59 cm	61 cm	63 cm	67 cm	70 cm	73 cm
Waist	52cm	53 cm	54 cm	55 cm	57 cm	58 cm	60 cm	62 cm	64 cm
Hip	56cm	58 cm	60 cm	62 cm	65 cm	68 cm	70 cm	73 cm	76 cm
Standard Outside Leg	52cm	56 cm	61 cm	66 cm	70 cm	74 cm	78 cm	83 cm	87 cm
Longer Outside Leg		59 cm	64 cm	69 cm	73 cm	77 cm	81 cm	86 cm	90 cm

Girls Sizing:

Age	2 Yrs (1.5-2yrs)	3 Yrs (2-3yrs)	4 Yrs (3-4yrs)	5 Yrs (4-5yrs)	6 Yrs (5-6yrs)	7 Yrs (6-7yrs)	8 Yrs (7-8yrs)	9 Yrs (8-9yrs)	10 Yrs (9-10yrs)
Height	92cm	98 cm	104 cm	110 cm	116 cm	122 cm	128 cm	134 cm	140 cm
Chest	52cm	53 cm	55 cm	56 cm	58 cm	60 cm	62 cm	65 cm	68 cm
Waist	50cm	51 cm	52 cm	52 cm	53 cm	54 cm	55 cm	57 cm	59 cm
Hip	54cm	55 cm	58 cm	60 cm	63 cm	66 cm	69 cm	72 cm	75 cm
Standard Outside Leg	52cm	56 cm	61 cm	66 cm	70 cm	74 cm	78 cm	83 cm	87 cm
Longer Outside Leg		59 cm	64 cm	69 cm	73 cm	77 cm	81 cm	86 cm	90 cm

6. KEY FACTORS OF SUCCESS TO ACCESS DUTCH BABY AND KIDSWEAR MARKETS: INTERVIEW WITH BUYERS ON THEIR SOURCING STRATEGIES AND CRITERIA USED TO SELECT NEW SUPPLIERS

Background

Eleven interviews were carried out with selected Dutch baby and kidswear brands and retailers. Two different questionnaires (questionnaires are enclosed, attachments 1 and 2) were created in order to adapt questions to the type of business they were addressed. In fact, the research has focused on three main business types:

- *Brands*: they are companies, which market garments with their own brand/s in multi-brand boutiques and/or their own stores. They normally have their own design office to have exclusive collections which reflect their brand positioning and manufacture nationally or, more often, internationally by private label manufacturers. They exhibit at international trade shows like Kleine Fabrieke (Holland), Pitti Bimbo (Italy), Playtime (Paris) and Bubble (London).
- *Importers/wholesalers*: in most cases, they don't design their own collections, yet, select styles from their suppliers' collections. They may have in-house designers who are responsible for creating collections which are consistent with their market positioning. They are responsible for taking care of import procedures and distributing products to their clients that are stores and retailers. They might also have their own stores.
- *Pure retailers*: they stock more brands and they are responsible for selecting the right products for their clients and providing a retail service. Sometimes they also stock their own label but, normally, they propose their clients different brands.

Here below a table reporting the companies interviewed in the framework of this research and what business models they represent.

Table 12 - List of interviewees

Name of the	Web	Business type	Key features
-------------	-----	---------------	--------------

company			
A-Brands Quality wear	http://www.anitar.nl/	Brand	Middle-price level groups of brands which cover all segments in fashion childrenswear
AnitaR		Importer/wholesaler and sales agency for other brands	Middle market with two businesses, wholesale and agency. Baby and kidswear.
Zazi Holland	http://www.lofff.com	Brand	Only womenswear and clothing for girls sold with brand Lofff in a mid to high market segment
NJOY	http://www.n-joyfashion.com/	Importer	Full range of products (baby to kids) in private label for low-end market (big retailers).
Imps & Elf	http://www.imps-elfs.nl/	Brand	Mid to high-end brand socially responsible. Part of Made-BY group.
Kidscase	http://www.kidscase.com/	Brand	Mid to high-end design brand socially responsible. Part of Made-BY group.
Noppies	http://www.noppies.com/	Brand	Stylish maternity fashion and babywear. Stocked in 2.000 stores worldwide and have their own stores in Holland, Belgium and Germany.
Billie Boo	http://www.billieboo.nl/	Boutique	Online store for baby and kidswear.
Artwear Jordaan	http://www.artwearjordaan.com/	Boutique	High-end boutique for womenswear, baby and kidswear. Most of products are hand-made.

De Zaaling	http://zaaling.nextstepsites.nl	Boutique	High-end boutique with natural and sustainable products, both baby and kidswear clothing, toys and accessories.
Puck	/	Boutique	Middle to high-end market, they sell baby and kidswear made of sustainable fibres and sell brands like Imps & Elfs, Kidscase, Petite Louie.

Key factors of access to Dutch baby and kidswear market

According to the interviews, all Dutch buyers give importance to the same criteria when they choose to work with a supplier. The key parameters they highlighted are described here below.

Reliability: this is a very broad concept mentioned by almost all buyers who were interviewed, no matter the market they compete in. Reliability refers to the ability of suppliers to respect the agreements with their clients (product quality, timely deliveries) and it also means that suppliers should ensure a quality that is consistent in different collections. Here below the most interesting definitions of "reliability" as given by some interviewees.

"Reliability means respecting agreements and deliver on time" – Mr Jack Theuns, owner, AnitaR Groothandel.

"Reliability is the starting point to building long-term relationship wit our suppliers" – Mr Michel Kamphuijs, Sourcing Manager, N-JOY

"Our suppliers needs to perform well and deliver a good quality products constantly"- Mr Kees Stronk, Sourcing Manager, A-Brands.

Reliability is a very relevant concept in today's buyer-sellers relations as buyers tend to build long-term

relationship with their suppliers. Buyers treat relationships strategically for a set of reasons. First of all, dealing with unreliable suppliers has a direct, negative effect on the product quality delivered to the market by the brands which do not want to risk to damage their image. Secondly, every buyer-supplier relationship has an initial learning period which includes fine-tuning to the other's methods and this can be quite a time-consuming process which means investing time and resources (travels to the suppliers factories, controls, samples etc..) and the final cost results lower if split on a long-lasting relationship. Third, a long-term relationship, based on mutual trust, can lead to co-learning processes where buyers and suppliers evolve together and innovate co-creating new products.

Quality: this refers not only to the quality of the garment (CMT, fabrics and trims) but also to the level of service the supplier can ensure. It is very important to buyers to work with suppliers who can develop a deep understanding of their product and their market in order to be able to turn designs into products, which reflect the brand's identity.

"For us, quality means that our suppliers should be aware of our brand's identity and be able to provide a relevant of outlook" - Mr Kees Stronk, Sourcing Manager, A-Brands.

"Quality for us refers to the quality of fabrics, stitching, labeling, details inside the garment but it means also what is its final look" - Joanneke Raadsen, owner, Lofff

Lead times: as part of the reliability concept, respecting lead times is key to work with Dutch, and, in general, with European buyers. Fashion is a sector following a specific agenda to which all players need to stick to in order to get the system going. All buyers have stressed the fact that respecting the agreed lead times means meeting a basic condition of the market because a late delivery means lost sales in stores.

Understanding of fashion agenda: this is connected to the previous point and refers to the fact that suppliers should gain a clear understanding of fashion Dutch and European times which have a direct impact on the work organization of the companies. Here below a chart that shows fashion times in the Netherlands and in Europe.

Table 13: Fashion cycle

January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011
SS 2011- collection delivered in stores	SS 2012 – design and sampling	SS 2012- sampling and finalization of collection	SS2012 Prototype finalization	SS2012 Prototype finalization and delivery of salesman samples for sales	SS2012 Sales season	SS 2012 Sales season	SS 2012 Sales season + First production orders are placed	SS 2012 Orders are placed	Production	Production	Production – delivery of orders from suppliers
SS 2012- initial stage for new collection											
AW 2012/13 Sales season	AW 2012/13 Sales season	AW 2012/13 First production orders placed	AW 2012/13 Production	AW 2012/13 Production	AW 2012/13 Production	AW 2012/13 Production – delivery of orders from suppliers	AW 2012/13 delivered in stores	AW 2012/13 design	AW 2012/13 design and sampling	AW 2012/13 Finalization of collections	AW 2012/13 Salesman samples
January 2012	February 2012	March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012

Understanding Dutch seasons is also very important. Winters are very long and they normally runs from October to April (7 months), and summer only lasts 5 months. As a consequence, in stores, August and March are transition periods where both seasons maybe stocked depending on the weather.

Good design: a good design means meeting Dutch consumers tastes and for this, a proper research into the market is highly recommended (visit to trade shows, stores, subscription to fashion magazines etc..), above all if the supplier competes in the market with its own label and collection.

Good value: this refers to ensuring that prices are relevant to the quality and the service delivered. Fashion buyers have very global supply-chains and can easily compare FOB prices among different suppliers in different countries, therefore, it is important that suppliers are competitive price-wise, especially if you compete in lower-end markets, characterized by mass volumes, where competition from Asian suppliers is tougher. Generally speaking, following the global financial crisis, there is a change in consumers attitude in all market segments with consumers being more sensitive to prices. When compared to other markets (e.g. women or menswear), though, this sensitiveness is less evident in the baby and kidswear markets.

Compliance to quality, social and eco standards: from interviews it has emerged that all suppliers should be compliance to European quality standards and this is considered a basic conditions for suppliers to have in order to be considered by buyers. The awareness of buyers of social and eco labels has resulted to depend on the level of market buyers compete in. Brands competing in a high-value market are more likely to be aware of social and eco labels; however, social and eco certificates are considered an additional advantage suppliers have rather than being requirements. The

most reputed quality standard has resulted to be SA 8000, whereas, among eco certificates, Oeko Text and Goats are the most appreciated (with Goats being considered of higher value as it's a more strict certificate). Regarding social standards, some organization are part of BSBI or Made-BY which are very popular in the country and set the social and environmental standards suppliers of members should respect. The level of importance of holding certificates depends on the market the brands are addressing to and how important is ethics in the brand strategy. Brands like Imps & Elfs and Kidscase, for instance, both interviewed, make ethical compliance a key asset of their brand identity, this is why they are part of Made-BY group and work constantly to improve their supply-chain in order to make them transparent and socially and environmentally compliance. Finally, latest trends in the babywear and kidswear market show that ethical issues will be more and more important as consumers become more aware.

Easy communication: buyers have pointed out that an easy communication with their suppliers is of key importance. Dutch people can speak a very good English but can't speak Spanish. It is therefore determinant to address this issue by hiring English-speaking employees or working through Dutch agencies which can deal with clients and provide a local service.

Promotion: promoting a brand means investing in promotion by participating to international trade shows and communicating online (web site, social media). Even if a company is a contract manufacturer and does not have a brand to promote, a good quality promotion is important as it has an impact on the company's image and its likelihood to establish relations with buyers. A great part of interviewed buyers have stated they get in touch with new suppliers through internet by visiting their web site or simply responding to suppliers' introductions by e-mail. As Dutch buyers receive thousands of e-mails from suppliers from all over the world, the only way they have to select

companies to contact is the quality of the communication they receive. This means good level of English, appropriateness of language, quality of product pictures. Also a well designed web site is important to Dutch buyers who result to be familiar with digital tools and infer the seriousness and quality of a company from how they communicate.

Major trends

Major trends in the childrenswear market in Holland include buyers (especially brands and importers) looking at diversifying their supply-chain risks. The interviewed buyers source mainly from India, China, with some of buyers indicating also Bangladesh and Thailand. Concerning countries closer to Europe, the most sought result to be Portugal and Turkey. Countries are chosen depending on the type of garments to be produced (knitwear in China, jeans and coats in Turkey, wovens and embroidered garments in India). Suppliers from these countries result to meet all buyers requirements and it's where the most important buying/sourcing offices are based and they can provide a full service to companies willing to produce locally (quality control, controls for social compliance, follow-up of sampling and production phases etc.). Due to the recent rise in production costs in China, buyers are seeking to find alternative sourcing countries and, even within China, they tend to split orders among a number of suppliers. As a result, countries which appeared less competitive in the past could gain market shares.

The childrenswear market environment is also becoming more competitive as womenswear and menswear brands proposing also childrenswear collections. Babywear is less attractive for these players as it may require different supply-chains and design concepts. It is far easier for fashion players to develop collections for boys and girls starting from 5-6 years old which are inspired by adult collections rather than creating brand new lines for babies.

Another important trend, in Holland and other northern European countries like Scandinavia and UK, is represented by the increasing importance consumers give to materials used to produce garments and compliance of brands to social and environmental issues. This is becoming a very important product attribute, above all in childrenswear where consumers start looking at the product origin labels or supplementary labels that prove that the cotton they are buying is genuinely organic (e.g. Goats certificate) and look for proactively information on the brand they buy on the internet.

Brands and retailers are also asking their suppliers to become more flexible on lead times and minimum order quantities. Buyers appreciate suppliers who can ensure shorter lead times in order to improve their time-to-market even though the majority of brands are working with lead times from 90 up to 120 days (Asian suppliers). For shorter lead times, buyers are sourcing from Turkey and Portugal, which can guarantee 1-week lead times. In addition, average minimum orders have lowered due to fragmentation of collections which try to reach wider consumer groups (

"We design 160/170 styles for baby wear and 140 styles for children up to 8 years old to come up with 300 pieces for every collection" - Mr Michel Kamphuijs, Sourcing Manager, N-JOY.

7. OPPORTUNITIES FOR PERUVIAN SUPPLIERS AND SUGGESTIONS TO ENTER DUTCH MARKET

Dutch market is a key market in Europe for childrenswear representing value of approximately a 2.6 billion (Datamonitor, 2009). with an expected growth rate of 1,8% in the period 2009-2014. The market presents a set of opportunities for Peruvian suppliers of childrenswear. As shown in paragraph 2, Dutch market is characterized by less competition when compared to other key European markets such as UK, Germany, France and, as a consequence, building a brand in this market requires less capital rather than in other markets.

Dutch brands and retailers are relatively small in size with some large companies like Prenatal, Mexx, Noppies, N-Joy and a wide population of small and medium brands positioned in a mid to high-end market. These brands represent an opportunity for small and medium Peruvian enterprises which can offer them flexibility in terms of small minimum orders and high level of service (fragmented orders, customization of garments etc..). These buyers often follow a traditional season pattern, with two main collections a year (Spring-Summer and Autumn-Winter), therefore work with lead times from 90 and 120 days and place orders between 100 and 500 pieces a style or colour. Concerning boutiques, instead, they need a high level of service from local companies (sales agencies or wholesalers) as their orders are fragmented (5/10 pieces a style) and might need to re-assort more times in the same season.

Another important opportunity emerging in the market relies in the fact that brands and retailers are trying to diversify their sourcing strategies by finding alternative sourcing countries. This is also due to the recent rise in production costs in China and increase in cotton prices. "Made in China" can also recall non-compliance to social and environmental standards to consumers,

therefore, some brands prefer other countries. Countries which yesterday appeared less competitive can find a strong position in the marketplace. All companies interviewed mentioned that they produce primarily in China and India and secondarily in Turkey and Portugal. India is often chosen by those brands (e.g. Imps and Elfs, Kidscase) which propose garments sources responsibly as in India there are many NGOs which are active and develop projects with local communities of producers and international brands.

The increase of consumer awareness of ethical issues and the consequent development of garments which are ethically sourced by buyers is also an opportunity for Peru whose production is focused on organic cotton and where there are many communities (e.g. in Arequipa) which represent a responsible production model. Organic cotton, for instance, is the most sought fibre by Dutch brands positioned in a mid to high-end market therefore Peruvian suppliers, with the wide availability of organic cotton in their collection, have a strength which can be really important to succeed in this market.

Here below some suggestions for Peruvian childrenswear companies to enter Dutch market.

- Peruvian suppliers should research extensively the market before planning to enter it. The leader childrenswear trade show in Holland is Kleine Fabriek (<http://www.kleinefabriek.nl>), which takes place in Amsterdam, Rai Exhibition Centre twice a year in January and July (next dates are 3-4 July 2011). Visiting this trade show means getting a wide overview of Dutch market as the most important brands exhibit here (400 brands exhibited at this trade show in January 2011). There are also some French, Danish, German and English brands exhibiting at Kleine Fabriek and the overall level of quality is quite high. This event can also be recommended to those Peruvian companies which

have their own brand and want to promote it among Dutch boutiques and retailers which are the visitors of the fair. If Peruvian companies appoint a sales agency, they can exhibit on their behalf like many brands do.

- It is recommendable for Peruvian companies to appoint a marketing or sales agency based in Holland, which can deal with Dutch buyers and opinion leaders (e.g. press). On Kleine Fabriek catalogue, there is a complete list of fashion agencies which can be contacted by interested Peruvian brands. This is the most important strategy to adopt if you want to build a brand, whereas, if a company works as contract manufacturer for Dutch brands, it might be more efficient to deal directly with them as they prefer, more often to deal with suppliers with no intermediaries. In this case, the supplier should be able to work independently with them (e.g. there should be English-speaking employees working at the company).
- Peruvian suppliers can easily position in a high-value market as organic cotton, pima cotton and alpaca are fibres, which can be found in this market segment. Also, Peruvian suppliers have the strength of being very flexible in terms of minimum quantities required for production orders; fashion brands in this market, in fact, are often small and medium companies. However, in order to be able to compete in this market, it is of key importance to provide a good design, hence, research is suggested.
- Communicate consistently is key to being considered a professional company and build a company's brand. Dutch people are used to using internet to do research and give importance to how a web site is designed and may contact or not contact a supplier based on the impression they have on the company's web site or according to the quality of information they receive by e-mail. Said that, it is important Peruvian suppliers make sure their web sites are updated and content

is clear and well organized. In addition, design should be attractive as fashion professionals have a good eye for design and are sensitive to it. Communication should also be consistent across all the media (online, offline e.g. magazines, trade shows etc..) used by companies in order to avoid to send confusing messages to the market and damage brand's identity.

- Promote social and environmental compliance when promoting their companies as these are issues which are becoming more and more important to fashion buyers. Ethical credentials of suppliers should be clearly communicated in all corporate material (letter headings, invoices, brochures, web site etc..) as they certainly add value and have a positive impact on the company's image. All buyers interviewed stated that suppliers with concrete ethical credentials, like certificates, are considered a plus and are preferred to other suppliers with same products, services and price points.
- Provide extensive information on transportation solutions, charges and import procedures. All buyers interviewed have never sourced from Peru and, therefore, were not aware of how to import and were keen to have more information about all costs to be considered. As Peru is not a sourcing country as popular as India or China, providing full details about these issues will clearly help buyers to feel more confident about starting to import from Peru. In addition, Peru is perceived as a very far away country and all interviewees were impressed by learning that average transportation time is 3 weeks. This perception may be due to the fact that the country is less known than other Asian countries and, also, import volumes are smaller. It is also beneficial informing buyers about the free trade agreement recently signed with Europe as this give Peru a competitive advantage when compared to India or China (for instance, duties on Chinese goods are average 12% on the product value).

Please, find here below the SWOT analysis matrix summarizing the conclusions of this paragraph.

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"> 1. Materials used by Peruvian suppliers which are sought by Dutch brands (organic and pima cotton). 2. Suppliers are very flexible and can ensure high-value brands a valuable service. 3. Free trade agreement with Europe. 4. Transportation times Peru-EU are shorter than Asia-EU 5. Peru's image is positive and is seen as a country manufacturing high-quality products by responsible companies. 6. Currency, USD, which make Peru more competitive than other countries selling in Euro (Turkey, Mauritius..) 	<ol style="list-style-type: none"> 1. Peru is a relatively new sourcing destination for Dutch buyers and do not know anything about how to source from the country. 2. Peru is perceived as a far away country. 3. Design needs to be adapted to Dutch market. 4. Prices are higher than Asian suppliers 5. Some Peruvian companies cannot easily communicate in English.
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> 1. Childrenswear market in Holland is growing and it is less competitive than in other EU markets. 2. Build a brand in Holland requires less financial resources than in other countries (e.g. UK). 3. Fashion brands are looking at sourcing alternatives as Chinese production costs are increasing. 4. More and more Dutch brands are looking for social and environmental sourcing solutions and, as a consequence, organic cotton is becoming more important. 	<ol style="list-style-type: none"> 1. Other competitors, closer to Europe, are offering sustainable fibres such as organic cotton (e.g. Turkey). 2. Asian suppliers are becoming more flexible on minimum quantities required for production orders. 3. Other countries are addressing high-value market segments as they are not competitive in high volume ones, e.g. Mauritius, Sri Lanka, Portugal.

REFERENCES

- Childrenswear in The Netherlands – Datamonitor 2010
- The Co-operative Bank's Ethical Consumerism Report - 2009
- Ethical Clothing – Mintel Report 2009
- Ethical Clothing: New Awareness or Fading Fashion Trend? – Barbara Giesen, DM Verlag Dr. Mueller e.K., 14 April 2008

<http://wetten.overheid.nl/BWBR0002932/>

<http://webarchive.nationalarchives.gov.uk>

<http://ec.europa.eu/enterprise/sectors/toys/documents/directives/>

http://ec.europa.eu/enterprise/sectors/toys/documents/relevant-legislation/index_en.htm

http://ec.europa.eu/enterprise/sectors/textiles/documents/directive-2008_en.htm

<http://www.carelabels.co.uk/caresymbols.htm>

<http://www.scribd.com/doc/27163727/BS-en-250771994-IsO-50771984-Dimensional-Change-After-Washi>

<http://gpsd200195ec.net/>

<http://osha.europa.eu/en/legislation/directives/workplaces-equipment-signs-personal-protective-equipment/osh-related-aspects/council-directive-85-374-ee>

<http://www.greenpeace.org.uk/MultimediaFiles/Live/FullReport/6031.pdf>

<http://www.nmp.din.de/projekte/DIN+EN+14362-1/en/108145471.html>

http://ec.europa.eu/enterprise/sectors/chemicals/documents/reach/studies/background_en.htm#h2-2

<http://www.mta.org.uk/briefings/273>

http://www.boltonconsultancy.co.uk/index_files/page112.htm

http://www.satara.co.uk/spotlight/article_view.php?id=315

http://europa.eu/legislation_summaries/consumers/consumer_safety/132033_en.htm

<http://www.softlines.sgs.com/chinese-standards-concerning-children-apparel-safety.htm>

http://www.douane.nl/zakelijk/invoer/en/invoer-02.html#P32_2239

<http://ec.europa.eu/enterprise/sectors/toys/documents/directives/>

<http://www.ilo.org/>

<http://www.imo.ch/>

<http://www.oeko-tex.com>

<http://www.ce-marking.com/toys.html#whatis>

<http://www.ce-marking.com/toys.html#whatis>

<http://www.euromonitor.com/>

<http://ec.europa.eu/environment/ecolabel/>

<http://www.tuv.com/uk/en/index.html>

<http://fairwear.org/>

<http://www.made-by.nl>

<http://www.fairtrade.org.uk/>

<http://www.global-standard.org/>

<http://www.sa-intl.org/>

http://www.ecotextile.com/index.php?option=com_content&view=article&id=10870:new-standard-for-social-responsibility&catid=11:labels-legislation&Itemid=12

<http://www.ethicaltrade.org/>