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AWI needs 'commercial' tack



SEVENTH GENERATION: I/O
Merino brand and supply manager and the seventh generation of her family to be involved in the wool industry, Emma Michell, with some of the popular products. David Mitchell said a drop in wool value were not necessarily a reflection of campaigns such as 'Wool. No Finer Feeling'. "The world of fashion changes so quickly," he said.

GIVING "the masses" access to wool is the answer to a falling market, according to Australian Wool Growers Association director Chick Olsson.

"Hundreds of millions" of dollars has been spent trying to target top-end luxury fashion," he said, referring to Australian Wool Innovation's Wool. No Finer Feeling campaign.

"Fashion means we go in and out of style – one year wool's in, one year it's out.

"AWGA for two years was pushing wool's practical and versatile uses," he said.

"The figures we saw from Miller Brown studies were that 'suits' was dying.

"Most guys these days only wear suits to a formal, funeral or court, so the fact we're still pumping money into the Italian market for them is crazy; we're just repeating old mistakes."

Mr Olsson said the outdoor clothing market had been overtaken by brands such as New Zealand's Icebreaker "because it has commercial (targets) where you can have some longevity".

"And they cleverly chose Merino ... which has tremendous attributes in the sports and outdoor market," he said.

"AWI, because it's not commercial, didn't go down that path. (So) how do you measure its success?

"Icebreaker has shareholders. If they don't get sales, the management and directors are sacked."



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Mr Olsson, a previous AWI director and chairman of its marketing committee, said when he took on the role-growers had made it clear they did not want to see "just advertising about wool".

"The prime rule was that whatever we did, we had to work with a business-to-business model," he said.

"That is, retailers had to stock products and contribute funds. That was the idea of No Finer Feeling, and I voted for it when I was on the board.

"Originally, it was fantastic because it really was about getting stores on board (and) making sure they had plenty of floor stock, and getting contributions from them; that didn't happen in the end."

Mr Olsson believes the future of wool will be in sports and outdoor clothing.

"You know it's going to work, it's already worth a billion dollars and growing," he said.

Icebreaker, run by gregarious chief executive officer Jeremy Moon, who still owns about 65 per cent of the company, has a global footprint and sales of NZ\$173 million.

It tells the story of wool from the sheep's back through to the final product and is backed by a traceability Baacode program.

<http://www.stockjournal.com.au/news/agriculture/sheep/wool/awi-needs-commercial-tack/2699274.aspx?storypage=0>