

Clothing retail

Business start-up guide

Clothing retail industry overview

Clothing retail business operators buy a variety of clothing products and accessories from wholesalers, which they then sell directly to customers.

Most retailers in this industry sell goods from 1 or more shops and may also run an online store.

Retailers also perform administrative tasks as a part of their business operations, including customer service, product merchandising, branding, advertising, inventory control and cash handling.

Starting or buying a clothing retail business involves many essential steps. Legally, you must ensure that you apply for and receive the correct licences.

This guide explains how to start a clothing retail business in Queensland. It will help you understand the challenges and opportunities of entering the clothing retail industry so you can make good business decisions.

Getting into the clothing retail industry

Before you start a clothing retail business in Queensland, you need to understand how the industry works, what things you need to consider in your planning, and the legal requirements you must meet.

Finding a competitive edge in Queensland's clothing retail industry

Queensland's clothing retail industry is very competitive because of the large number of retail stores currently open. Price competition is extremely high and is the main point of difference between products in stores.

However, there are other ways to compete, such as by finding a niche and building brand awareness.

You can also gain a competitive edge by finding a location with lots of pedestrian traffic and by providing superior customer service.

Key success factors for a clothing retail business

To start a successful clothing retail business, you need to:

- find a good location
- have excellent financial management skills
- provide superior customer service
- find a niche market
- be aware of market trends
- present your products attractively
- set the best price for your products
- effectively manage your stock.

Clothing retail industry entry barriers

There are no significant barriers to entry in the clothing retailing industry.

The start-up costs to establish a store are relatively low because most stores in this industry are small to medium enterprises with 1 outlet.

The main costs for operators include merchandise, wages and rent. The option to sell clothes via the internet also lowers barriers to entry in the industry.

(Source IBISWorld, March 2012)

Clothing retail industry requirements

A number of licensing and registration regulations govern the retail industry. When starting a clothing retail business you need to consider the following requirements.

Occupying a stall or selling goods from a stationary vehicle

To occupy a stall or sell goods from a stationary vehicle to the public, you may need a Standing Vehicle/Stall Licence from [your local council](#). Check with your local council to see if you need a licence to:

- erect, use or occupy a stall
- use a stationary vehicle to sell goods or display goods for sale.

Operating a business in a mall

To operate a business in a mall, you may need a Mall Activities Licence from [your local council](#). Check with your local council to see if you need a licence to undertake commercial activities in a mall.

Selling goods from a vehicle while travelling within a council area

To sell goods from a vehicle while travelling within council boundaries, you may need an Itinerant Vendor Licence from [your local council](#). Check with your local council to see if you need a licence to sell goods to the public from a vehicle while travelling within the council area.

Importing goods from overseas for sale in Australia

If you import goods from overseas for sale in Australia, you may need an Import Controls Permit from the [Australian Customs and Border Protection \(ACBP\)](#). Check with the ACBP to see if you need this permit for goods you intend to import. Import permits or approvals cannot be transferred.

Selling second-hand or vintage goods

To sell second-hand or vintage goods, you may need a Second-hand Dealers and/or Pawnbrokers Licence from the [Office of Fair Trading](#). You need this licence to carry on the business of dealing in second-hand property or to be a market operator. The licence remains in effect for 12 months or 3 years and cannot be transferred.

Legislation that may apply to your business

- *Child Employment Act 2006*
- *Customs Act 1901*
- *Local Government Act 2009*
- *Second Hand Dealers and Pawnbrokers Act 2003*
- *Work Health and Safety Act 2011*

To access copies of legislation, visit www.legislation.qld.gov.au.

Useful industry contacts

Business Support Unit

For more information on licences, regulations, market research, business planning and other support services phone 13 25 23 or visit business.qld.gov.au

Australian Fashion Council

Phone (03) 8680 9400

Visit www.australianfashioncouncil.com

Australian Retailers Association

Phone 1300 368 041

Visit www.retail.org.au

Council of Textile & Fashion Industries of Australia Ltd.

Phone (03) 8680 9499

Visit www.tfia.com.au

National Retail Association

Phone 1800 738 245

Visit www.nra.net.au

The Retailers Association

Phone 1300 721 731

Visit www.unitedretailfederation.com.au

