

# Spearheading the Industry on Quality

As Tak Fung consolidates its position as a leader in its industry, managing director **Li Kwok-kwan** explains how Q-Mark helps his company to retain its leading market position.

Tak Fung is quite unique, it is one of the very few Hong Kong companies that have firmly established a brand presence in the Mainland market. Their products are down apparel, and Tak Fung has been manufacturing these products since 1986. Life for Tak Fung started off like many others in the textile industry, they operated as a contract manufacturer, producing from orders for well-recognised foreign brands. Since then, Tak Fung has come a long way, "We are now currently the third largest brand in the down apparel market in China," says managing director Mr Li.

"Growth has been quite strong since our establishment in 1986 and by 1987, we relocated from Tuen Mun to Shenzhen. By 1991, the operating costs in Shenzhen were quite high and we moved to the Fujian Province where we currently operate two plants", Mr Li further explains.

Despite of Tak Fung's relocations, Mr Li adds that his headquarters has remained in Hong Kong, and is indeed the core strength of Tak Fung and its brand 'Kazhumi'.

"Being based in Hong Kong is important, as Kazhumi is very much a Hong Kong brand, We started Kazhumi as a brand in 1995, and we have build on this brand ever since, to become one of the top brands in China", as Mr Li elaborates.

Kazhumi has been officially recognised by the Central Government's General Administration of Quality Supervision, Inspection and Quarantine as one of the seven new 'top brands' in China this year, as Mr Li explains, it is currently ranked third in the Down Apparel market in the Mainland in terms of sales



Tak Fung managing director Li Kwok-kwan.  
達豐董事長李國坤。

turnover. Tak Fung has extensive reach throughout China, from the northern and western provinces such as Heilongjiang, Liaoning, Inner Mongolia and Xinjiang to eastern provinces of Zhejiang and Jiangsu.

Mr Li explains, "Indeed what differentiates us from other brands is that we are very extensive in our reach, we target all areas in the Mainland, while foreign brands may only market in major cities, we go out to the towns and villages."

"We have offices in 16 provinces with the purpose of doing market research and understanding local needs, and localisation is an important competitive edge that we build on", as Mr Li further clarifies.

With such a wide coverage, Mr Li emphasises on the need to cater for local tastes. Tastes vary quite significantly between difference provinces and it is therefore critical for Tak Fung to be flexible and produce designs to suit local tastes. Tak Fung sources designers and designs from Hong Kong and abroad, with a focus on youth culture.

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“By applying for Q-Mark we can substantiate our products, and so separate ourselves from the competition.”



The production base of Kazhumi.  
卡朱米生產基地鳥瞰圖。

Besides being comprehensive with designs and local tastes, product quality is the other important factor for success. While quality has become a very conspicuous ingredient for business success, there are many paths to achieve and maintaining quality. For Mr Li, his strategy for boosting and marketing quality coincides closely with his brand. Mr Li markets Kazhumi as a Hong Kong brand, as Hong Kong products are very well perceived by Mainland consumers. And as a Hong Kong brand, it is appropriate to attain the Hong Kong standard of quality, thus Q-Mark is an integral part of the Kazhumi brand.

“There are many companies that advertise their products as Hong Kong products when they are not; by applying for Q-Mark we can substantiate our products, and so separate ourselves from the competition”, Mr Li says.

Tak Fung has always taken an active approach to quality, in the past as a contract manufacturer for famous foreign brands

such as Nike and Nautica, Tak Fung is well experienced with managing quality. Indeed, as Mr Li explains, quality was the deciding factor that Tak Fung overtook their competitors to gain a dominant position in the Mainland market.

“Quality and brand constitute an important cycle, when consumers are confident about your products, they will come back for more and with the Q-Mark certification, we aim to further boost consumers’ confidence”, Mr Li adds.

For Tak Fung, the Q-Mark application procedure was smooth and quick, with the Q-Mark certification officially granted on the 25 August after three months of application.

Much investment has been made in marketing the Q-Mark certified Kazhumi brand. Mr Li says that tens of million yuan has been spent on promoting the brand in the Mainland media.

With certified quality, Tak Fung aims for gradual expansion. Mr Li highlights that currently, production cannot meet the demand, and production capacity needs to increase to fulfil orders. Although Tak Fung has markets overseas, the primary business is now mainland China, which makes up around 70 per cent of Tak Fung’s business. Mr Li says the Mainland market still has plenty of room for expansion, and with the newly acquired Q-Mark, the prospects for continued growth and expansion indeed look promising.



Kazhumi's Down Apparel  
「卡朱米」羽絨服

