Starting or Growing an Apparel Business:

A Step-by-Step Guide

www.gocustom.com
sales@gocustom.com
Tel: 0330 22 33 321

Contents

Starting or Growing an Apparel Business: A Step-by-Step Guide

Starting a successful apparel business can be a challenging yet rewarding venture. We've created this guide because we understand that you're passionate about turning your vision into reality. We want to provide you with the tools and insights to refine and grow your business. This step-by-step guide is designed to help you strengthen your foundation, gain a clearer understanding of the apparel industry, and prepare for future opportunities to scale your brand effectively.

Is GoCustom Fulfilment right for you?

If you are reading this, we are going to assume that your current requirements don't yet meet the thresholds for onboarding to our Print-on-Demand (POD) enterprise fulfilment platform. GoCustom Fulfilment is designed for established brands and organisations with ongoing merchandise requirements. In most cases, clients will be processing a minimum of 100 orders per month (approximately 1,200 orders per year). If your brand is still in its early stages, our bulk print and embroidery services may be a more suitable starting point while you build demand. Start here: https://gocustom.com/all-products or read section 15 below.

Getting Started

Launching or growing an online clothing brand requires more than just a great idea. To build a successful apparel business, you need a solid foundation covering everything from legal compliance to marketing strategy. This guide breaks down the critical considerations you must address before and during your launch.

GoCustom is uniquely positioned to support brands selling 100 or more items per week through our Print-on-Demand (POD) fulfilment services, enabling seamless order processing with individual orders sent directly to your customers. This guide has been created to help new brands understand the steps necessary to reach that milestone. While you're growing your brand to this scale, we’re here to assist with our standard print and embroidery services. These services are ideal for smaller bulk runs, which we can deliver to your address, allowing you to manage your distribution as you establish your presence in the market.

According to recent studies, a significant percentage of startups - estimated at around 20% - fail within their first year of operation. This highlights how challenging it can be to establish and sustain a new business in competitive markets. One of the primary reasons for these early closures is a lack of proper planning, which can lead to issues such as insufficient funding, undefined target audiences, or ineffective marketing strategies. By creating a detailed business plan, setting realistic goals, and regularly reviewing performance, entrepreneurs can greatly improve their chances of long-term success. Careful preparation not only helps mitigate risks but also provides a clear roadmap for navigating the complexities of running a business.

Having an innovative idea is undoubtedly an exciting start, but it's only the beginning of the entrepreneurial journey. To turn that idea into a thriving business, you need to think about the bigger picture. How will you execute the idea? Who is your target market? What resources - both financial and human - will you need to bring it to life? Additionally, consider the operational aspects, such as production, distribution, and customer service. Success lies in paying attention to these details and developing a comprehensive strategy that transforms your concept into a sustainable business.

1. Brand Identity and Positioning

Your brand is how customers perceive you. It goes far beyond just having an attractive logo.

- **Research your name:** Before you settle on a name, check if it already exists. Search the UK Companies House register and check for existing trademarks on the Intellectual Property Office (IPO) website. Ensure the matching domain name and social media handles are available.
- **Understand true branding:** Good branding tells a story. It includes your tone of voice, your core values, your visual identity, and how you interact with customers. Your logo is just one piece of this puzzle.
- **Identify your niche:** Who are you selling to? A clear understanding of your target audience helps shape your entire brand strategy.

2. Business Registration and Legalities

Setting up your business correctly from day one protects you and makes future growth much smoother.

- **Choose a business structure:** Most new businesses start as either a Sole Trader or a Private Limited Company (Ltd). Registering as a limited company protects your personal assets but requires more reporting to Companies House and HMRC.
- **Understand tax thresholds:** You must register for VAT if your VAT-taxable turnover exceeds the current HMRC threshold. Even if you sit below this, you need to keep meticulous records for your annual tax return. Note that most people have to pay tax on the money earned, even if it's a side hustle.
- **Protect your Intellectual Property (IP):** Ensure you own the rights to your designs. You may want to trademark your brand name and logo to prevent others from copying your identity. There are already too many sellers trying to sell the same designs they pinched from someone else - don't be that person!
- **Know consumer rights:** Familiarise yourself with the Consumer Rights Act 2015. You must understand your obligations regarding returns, refunds, and faulty goods.

3. Design and Product Development

Your products are the heart of your business. They need to stand out in a crowded market.

- **Create unique designs:** Do you have the skills to design the artwork yourself, or do you need to hire a designer? Your designs must resonate with your specific target market.
- **Focus on quality:** A great design printed on a poor-quality garment will damage your brand. Purchase samples of your designs to test the fabric feel, print durability, and fit.
- **Curate a cohesive product line:** Ensure your range of products aligns with your brand identity and appeals to your target audience. For instance, you might choose to sell simple yet impactful black and white t-shirts featuring catchy slogans, or you could position your business as a premium athleisure brand, requiring carefully selected high-quality garments. A consistent product offering strengthens your brand image and helps customers understand what you represent.

4. Production, Sourcing, and Fulfilment

How your products are made and delivered dictates your operational workload and profit margins.

- **Choose your production method:** Decide if you will hold stock (buying in bulk) or use Print on Demand (POD). POD reduces upfront risk since items are only printed when ordered, but it typically offers lower profit margins per item.
- **Find reliable suppliers:** Look for partners who align with your brand values. If sustainability is important to your audience, source garments from suppliers who use ethical labour and eco-friendly materials.
- **Plan your fulfilment:** How will products get from the factory to the customer? Initially, you might pack and post orders yourself. As your volume grows, you will need to partner with a professional fulfilment centre to handle storage, packing, and dispatch.

5. Costs

Starting a merch brand in the UK has never been more accessible, but the idea of launching and scaling with “zero cost” is a myth. Building a business that lasts means balancing your creative ambitions with a pragmatic approach to your finances. Here’s what you need to consider when it comes to funding your apparel business:

Setup Costs (The "Get-Go" Capital)

Initial investments are essential to move from concept to live store. Here are some typical one-off or upfront costs:

Expense	Estimated Cost	Notes
Business Registration	£0 – £50	Register as a Sole Trader for free, or set up a Limited Company for £50.
Domain Name	£10 – £20 / year	Choose a .co.uk or .com; avoid pricy premium domains in the early days.
Ecommerce Platform	£1 – £30	Shopify often runs "£1 for 3 months" offers. Standard plans start at around £25–£30/month.
Sample Development	£50 – £500	Never sell untested products - always budget for 2–3 samples per design to check quality and fit. These are also great for lifestyle photography.
Brand Identity	£0 – £1500	DIY with Canva or hire a freelancer for a professional logo and brand kit.
Initial Legal/IP	£0 – £170	Optional but wise: Registering a UK trademark costs about £170.

Ongoing Costs (The Monthly Burn)

These are the costs that keep your business moving every month.

Fixed Costs

- **Platform Subscription:** Fees for Shopify, Wix, Etsy etc.
- **Email Marketing:** Tools like Klaviyo or Mailchimp are often free for your first contacts, but to make full use of platform capabilities you will need to pay a fee.
- **Professional Email:** Google Workspace or Microsoft 365 (£5–£10 per user). Use your domain name for your emails, others won't take your hotmail/gmail/yahoo etc. email address seriously.

Variable Costs (Scale With Sales)

- **Production & COGS (costs of goods sold):** Buying wholesale requires more upfront capital, especially if you want to offer acceptable lead times for your customers.
- **Transaction Fees:** Expect around 2–3% + 20p per transaction for gateways like Stripe or PayPal.
- **Marketing:** Organic reach is limited. Expect to spend £100–£500 per month on Meta, Google or TikTok ads to get your brand in front of buyers.
- **Packaging & Shipping:** Costs for eco-friendly mailers and Royal Mail/Evri labels add up, especially as you grow.
- **Returns:** Consumers will wish to return items, you need a policy for this and to calculate the costs to your business.

6. Funding

How to Raise Funding

Growing your business takes more than just determination - it often means finding the right financial support. Here are some options available to UK apparel startups:

Government & Institutional Support

- **Start Up Loans:** This government-backed initiative offers loans from £500 to £25,000 at fixed interest, plus 12 months of free mentoring. www.gov.uk/apply-start-up-loan
- **Band of Mum & Dad:** Many entrepreneurs turn to family support for their initial funding needs.
- **The King's Trust (formerly Prince's Trust):** For founders aged 18–30, the Trust provides grants, low-interest loans, and business support. www.kingstrust.org.uk
- **Local Growth Hubs:** Regional "Growth Hubs" can connect you with council grants and local schemes for digital or business startups. www.growthhubfinder.co.uk

Alternative & Creative Funding

- **Reward-Based Crowdfunding**: Platforms like Kickstarter or Crowdfunder help you raise upfront funds by pre-selling your merch to early supporters.
- **Revenue-Based Financing:** With a few months of sales under your belt, partners like Wayflyer or Outfund can advance funds based on future revenue—a popular option to finance inventory ahead of peak periods.

7. Financial Planning and Pricing

A beautiful brand means nothing if the numbers do not add up.

- **Set your pricing strategy:** Calculate all your costs. Include the garment, printing, packaging, shipping, marketing, and platform fees (like Shopify or WooCommerce). Add your desired profit margin to determine the retail price.
- **Compare your pricing to competitors:** Research similar products in your niche to ensure your pricing is competitive. Selling too cheaply could undervalue your product and eat into your profits, while pricing too high might deter potential customers and cost you sales. Striking the right balance is essential to attract buyers while maintaining healthy margins.
- **Manage cash flow:** Ensure you have enough capital to cover upfront costs, particularly marketing and software subscriptions, before the sales start rolling in. Whilst print-on-demand has the luxury of not requiring you to pre-purchase stock, until you reach the GoGustom thresholds, you will need to hold your own stock.

8. Choosing the Right Retail Platform

When starting a print-on-demand business, selecting the right retail platform is a crucial decision that can significantly impact your workflow and profitability. Platforms like Shopify offer robust capabilities, scalability, and a user-friendly experience, making it a popular choice for many entrepreneurs.

Capabilities: Shopify provides extensive customisation options through its wide variety of themes and plugins, allowing you to create a store tailored to your brand identity. It integrates seamlessly with print-on-demand services, automating key processes such as order fulfilment and inventory management. Additionally, Shopify supports multiple payment gateways, making transactions smoother for both you and your customers.

Scalability: Whether you're starting small or aiming for rapid growth, Shopify is designed to scale with your business. The platform can handle increased traffic with ease, which is particularly beneficial during promotional campaigns or seasonal sales. There are also options to upgrade your pricing plan as your business expands, ensuring you always have access to the tools and features you need.

Costs: While Shopify offers a range of pricing plans to suit different budgets, these costs can add up when factoring in the expenses of premium themes, apps, and transaction fees. It's important to evaluate your budget and expected revenue carefully to determine whether the platform aligns with your financial strategy. However, the investment often pays off due to its efficiency and feature-rich environment.

By leveraging a platform like Shopify, you can streamline operations, enhance the customer experience, and set the foundation for long-term growth in your print-on-demand venture.

While Shopify is a strong contender in the print-on-demand space, there are numerous other platforms that cater to different needs and business structures. For instance, **WooCommerce** is an open-source plugin for WordPress, making it a highly customisable solution for those with access to technical expertise or an existing WordPress website. It offers endless flexibility, but it may require more hands-on management compared to other platforms.

On the other hand, marketplaces like **Etsy** and **Amazon** are excellent for tapping into a pre-existing customer base. Etsy is well-suited for handmade or personalised items, catering to a niche audience, whereas Amazon provides massive exposure with its unparalleled global reach. The key trade-off here is control; when selling on marketplaces, you don't own the customer relationship, as the platform acts as an intermediary.

For creative entrepreneurs seeking a visually polished website, **Squarespace** offers easy-to-use templates with a focus on design, while **Wix** provides a more beginner-friendly drag-and-drop builder. Both are excellent for creating visually appealing storefronts quickly without requiring extensive technical skills.

Emerging platforms, such as **TikTok Shop**, bring a completely different dynamic by integrating shopping directly within social media. This allows sellers to leverage the power of viral content for instant engagement with potential buyers.

The distinction between an owned website and a marketplace platform is crucial. With an owned website powered by tools like WooCommerce, Shopify, or Squarespace, you retain full control over branding, design, and customer data, making it ideal for building a long-term brand identity. However, marketplaces like Etsy or Amazon provide instant visibility and traffic but come at the expense of limited independence and higher fees.

Choosing the right platform depends on your business goals, technical abilities, and target audience.

9. Marketing Strategy

Building a website does not guarantee visitors. You have to actively drive traffic to your store.

- **Budget for paid marketing:** Having a website with good SEO is not enough to launch a new brand. SEO takes months to build. You will need to spend money on paid advertising, such as social media ads or Google Ads, to get immediate visibility.
- **Diversify your channels:** Relying on one marketing method is risky. Combine paid ads with organic social media, influencer partnerships, and email marketing. Collecting email addresses from day one gives you a direct line to your audience.
- **Influencer/Creator Seeding:** Partnering with influencers or content creators is an effective way to build credibility and expand your brand's reach. By gifting products to relevant creators who align with your brand values, you can generate authentic content and social proof. This approach not only introduces your brand to their established audience but also fosters long-term relationships with influencers who may become genuine advocates for your products.
- **Establishing Realistic Budgets:** For startups, allocating an appropriate marketing budget is crucial to ensure sustainable growth. Typically, startups aim to spend between 12% and 20% of their revenue on marketing efforts. This range provides flexibility to invest in strategies that drive brand awareness and customer acquisition while maintaining financial stability. Carefully planning your budget helps prioritise high-impact activities and ensures efficient resource allocation for maximum return on investment.

- **Ensure consumer data protection:** Protecting your customers' data is essential for building trust and staying compliant with regulations. Ensure your privacy policy is transparent and accessible, detailing how customer data is collected, stored, and used. Regularly audit your systems for vulnerabilities and adhere to regulations like GDPR. Prioritising data protection not only helps avoid legal issues but also reinforces your brand's reputation for reliability and care.

10. Logistics and Shipping

Shipping can make or break the customer experience.

- **Set clear delivery expectations:** Be transparent about shipping costs and delivery times. Unexpected shipping fees at checkout cause high cart abandonment rates.
- **Decide on shipping rates:** Will you offer free shipping and absorb the cost into the product price, or charge a flat rate?
- **Plan for international shipping:** If you plan to sell outside the UK, you must understand customs duties and international shipping rates to avoid nasty surprises for your customers.

11. Customer Service

Excellent service turns first-time buyers into loyal advocates.

- **Provide easy contact options:** Make it simple for customers to reach you via email, social media, or live chat.
- **Create clear policies:** Write clear, easy-to-find FAQ pages, shipping policies, and return instructions. This cuts down on the number of support queries you receive.

12. Scalability

Always build your business with growth in mind.

- **Prepare for volume:** When you consistently sell over 100 items a week, packing orders in your living room becomes impossible. Plan your transition to high-volume print and fulfilment partners early.
- **Automate where possible:** Use integrations to link your website directly to your fulfilment and accounting software. Removing manual data entry frees up your time to focus on designing and marketing.

13. Building a Business Plan

A robust business plan is the foundation of any successful enterprise. It outlines your goals, strategies, and the roadmap to achieving them, serving as both a guiding document and a tool to attract potential investors.

- **Define your mission and vision:** Clearly articulate why your business exists and what you aim to achieve. This shapes the direction of your company and informs your decision-making processes.
- **Identify your target market:** Research your ideal customers, their preferences, and their challenges. Understanding your audience ensures your offerings genuinely meet their needs.
- **Set clear objectives:** Establish measurable and realistic goals for your business. Break them into short-term and long-term plans to track your progress effectively.
- **Develop your marketing strategy:** Decide how you will promote your products or services, whether through social media, email marketing, partnerships, or paid ads. Ensure it aligns with both your target audience and budget.
- **Assess your finances:** Create a budget to project initial expenses, operational costs, and revenue. Include plans for securing funding, whether through personal investment, loans, or grants.
- **Plan your operations:** Outline how your business will run daily, including supply chains, staffing, production, and delivery processes. Streamlining operations ensures efficiency as you grow.

- **Evaluate your competition:** Analyse your competitors to identify what sets your business apart. Use this to craft unique selling propositions that position you as a leader in your industry.

Once your business plan is in place, review and update it regularly. Your business will evolve, and your plan should evolve with it to reflect new trends and challenges. A well-maintained business plan keeps you accountable and ensures continual progress toward your goals.

14. Do You Have The Time?

The time required for a business to achieve success can vary greatly depending on factors such as industry, goals, and available resources. However, consistency and strategic planning are key. It is important to set realistic expectations, as most businesses do not become successful overnight. For full-time ventures, this could mean dedicating 40+ hours a week to growth and operations, while side hustles may require evenings and weekends initially to gain traction.

When it comes to side hustles, success is often measured by sustainability. A side hustle can be considered successful when it starts generating consistent income, reaching a point where it can either supplement your main income or even transition into a full-time opportunity. The essential components are identifying clear objectives, dedicating focused time consistently, and adjusting efforts based on measurable outcomes. Patience, persistence, and adaptability are crucial ingredients in the long-term success of any business, whether it's a side hustle or a primary venture.

15. Your Immediate Options

If you want to take action straight away, the goal is to validate your brand idea with minimal risk, learn what customers respond to, and build momentum towards consistent weekly sales. Here are two practical routes you can start today:

1. **Trial your brand ideas with short runs from GoCustom**. If you're still refining your designs, sizing, and best-selling colours, a small batch order is often the quickest way to see real-world results. You can order a limited quantity of your core styles (for example, 10–50 units across a few sizes) and use them for product photos, creator seeding, pop-ups, and early customer orders. Focus on learning: which designs get compliments, which garments feel premium enough for your price point, and what customers actually reorder. Once you've found your "hero" product and can predict demand, you'll be in a much stronger position to move into higher-volume fulfilment. www.gocustom.com
2. **Use a print-on-demand service like Gelato Create**. We partner with Gelato and are happy to recommend their create service which allows you to connect your store and sell products directly connected to their platform. It's a good service for testing the concepts of your business, though there is less flexibility in the product choice. https://www.gelato.com/print-on-demand
3. **We are pleased to be able to recommend Inkthreadable as an alternative solution.** Inkthreadable supports a wide range of ecommerce integrations and products. Inkthreadable's Help Centre allows you to self-serve when getting started. Useful guides to get started with are:
    - **Design guidelines**
    - **Creating new products**

Disclaimer: GoCustom is not affiliated with any of the services mentioned in this document, and any links or names of services provided are purely suggestive. We do not endorse or take responsibility for any recommendations made here.