

## **ABSTRACT**

ALLEN, RONALD MAURICE. Increasing the Economic Competitiveness of the U.S. Textile Industry: An Investigation of Niche Market Strategies. (Under the direction of Dr. Nancy Cassill and Dr. William Oxenham.)

The purpose of this research was to examine companies in the bottomweights market who have identified niche products/markets for use in testing the Parrish Niche Strategy Model (2003). Another purpose of this research study was to analyze factors that contribute to the establishment of niche marketing strategies within the bottomweights market, as well as issues that arise when implementing a niche strategy.

The conceptual model for this research is the Parrish Niche Strategy Model (2003). The Parrish Niche Strategy Model (2003) is the only niche model that is specific to the textile and apparel industries. This model encompasses the sectors within the textile complex (fiber and yarn producers, mill producers, sewn goods producers, and auxiliary companies) and identifies two approaches to a niche strategy: product (push marketing) and market (pull marketing). The Parrish Niche Strategy Model (2003) was developed utilizing trade theories that predict specialization as a result of trade. In addition, Parrish utilized Porter's (1980) Generic Competitive Strategies – Differentiation Strategy – in developing the Parrish Niche Strategy Model (2003). One aspect of Porter's premise is that a differentiation strategy serves as a way to increase competitiveness.

This research used a two-phase methodology. The first phase was exploratory in nature and identified niche bottomweight markets and companies competing in these markets with niche bottomweight products. Secondary data were used to conduct competitive analyses on the companies to develop an understanding of the current state of the companies and to assess current strategies used by the companies.

The second phase of the research used a concurrent triangulation strategy to gather primary qualitative and quantitative data through an interview methodology. The interview was conducted using a researcher developed interview instrument which focused on five areas: current state of the company, factors that influence the development of niche strategies, market potential strategies, issues that arise during the implementation of niche strategies, and success variables for niche strategies. Information collected during Phases I and II was used to refine the Parrish Niche Strategy Model (2003).

Results indicated that the Parrish Niche Strategy Model (2003) was useful for guiding the development of niche strategies, in terms of both product and market. In addition, the model was useful in assessing variables that are important to the success of a niche strategy, in terms of both product and market. The research added to the previous findings of Parrish (2003) by identifying factors that influence the development of niche strategies and issues that arise during the implementation of niche strategies. Sector specific niche strategy models were tested and refined, in addition to an overall industry model. The Parrish Allen Niche Strategy Model can be used by industry as a benchmarking tool in order to determine strategies that can be used to serve niche markets or develop niche products.

**INCREASING THE ECONOMIC COMPETITIVENESS  
OF THE U.S. TEXTILE INDUSTRY:  
AN INVESTIGATION OF NICHE MARKET STRATEGIES**

by

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A thesis submitted to the Graduate Faculty of  
North Carolina State University  
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Master of Science

**TEXTILES**

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## **BIOGRAPHY**

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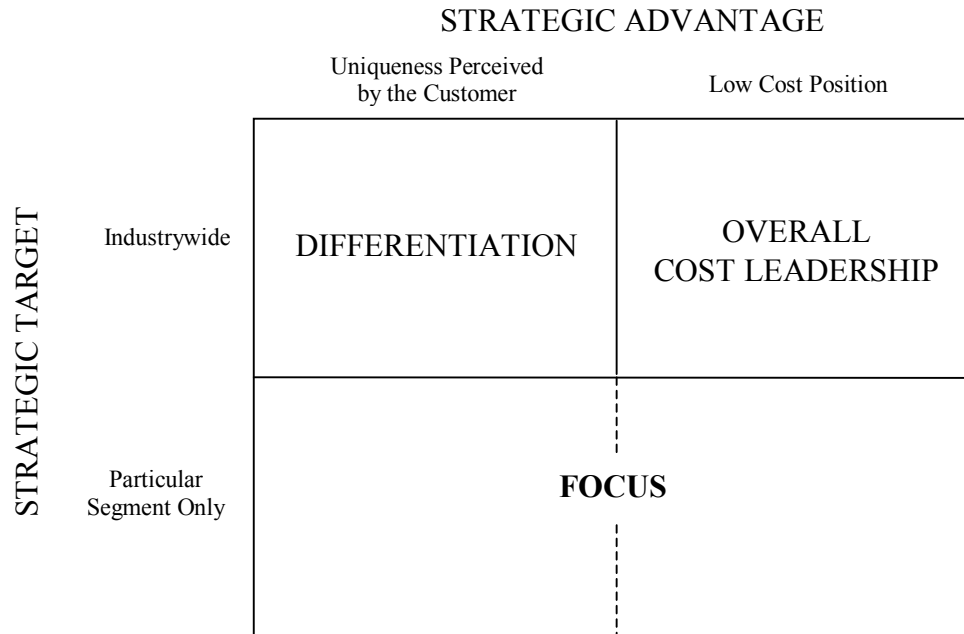
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## **CHAPTER I**

### **INTRODUCTION**

A key challenge for the United States textile and apparel industries is to remain economically competitive in the face of globalization. Over the past few years, the United States textile and apparel industries have become increasingly less competitive in the global market place, due to many reasons, including overcapacity and low profitability. However, the greatest negative impact on the domestic industry is the dramatic increase in imports from low cost producing countries (Johnson, 2004). With the elimination of quotas in January 2005, the United States textile and apparel industries will continue to face increased competition from global, low cost producers.

As this competition from low-cost global producers of textiles and apparel increases, United States manufacturers search for strategies that will facilitate economic competitiveness in this environment. According to Michael Porter, a firm can utilize three basic strategies in order to remain competitive in its industry (Figure 1): differentiation, cost leadership, and focus (Porter, 1980). Some companies are moving away from the traditional commodity and mass markets, which compete predominantly on price (cost leadership), and adopting a focus strategy. A focus strategy allows for differentiation in niche markets (focused differentiation), which offer a more import resistant and less price sensitive product.



*Figure 1.* Porter's generic strategies.

Source: Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. New York, NY: The Free Press.

According to Porter, a focus strategy is used to create a product in a particular market segment. A focus strategy can utilize a differentiation strategy (focused differentiation), a cost leadership strategy (focused cost leadership), or a combination of the two. By utilizing these strategies, a firm can provide a differentiated niche product, a low-cost niche product, or a differentiated low-cost niche product to the niche market. The most powerful of the two focus strategies is focused differentiation. By offering a product to the market that is of value and meets the needs of the market, the United States textile industry can begin regaining pricing power in the market.

A focused differentiation strategy can be used to discriminate based on design or

brand image (Gap, Inc.), technology (Nanotex), features, customer service, or other dimensions. By utilizing a focused differentiation strategy, a firm can compete on product uniqueness instead of competing on cost. This is the key for the United States textile industry, which is currently facing intense competition from global, low-cost producers. However, a focused differentiation strategy does not allow for a company to ignore costs; rather, cost is simply not the main focus. Focused differentiation also allows for earning above-average returns because it creates a defensible position within a niche. Keys to a focused differentiation strategy are brand loyalty of customers and a lower sensitivity to price. Barriers to entry for niche markets are consumer loyalty and the uniqueness of the product. In this way, it can be seen that a niche can consist of a market (reliance on loyalty) or a product (uniqueness). It has been proven that such a niche marketing strategy provides United States textile companies with economic competitiveness opportunities by resulting in increased market share and profitability (Parrish, 2003).

A recent study (Parrish, 2003) examined how companies use a niche market strategy and resulted in the Parrish Niche Strategy Model, shown as Figure 2. The model shows how a niche strategy can be used in terms of both product (push marketing) and market (pull marketing). This previous research included participation from nine fiber and yarn producers, seven textile mill producers, six sewn good producers, and five auxiliary companies, resulting in a final sample of twenty-seven companies. The model was based on a limited sample size and needs to be further investigated in terms of determining usefulness in not only offering possible explanations for the success of current niche markets, but also effectiveness for predicting the availability and potential of a niche market and/or product.

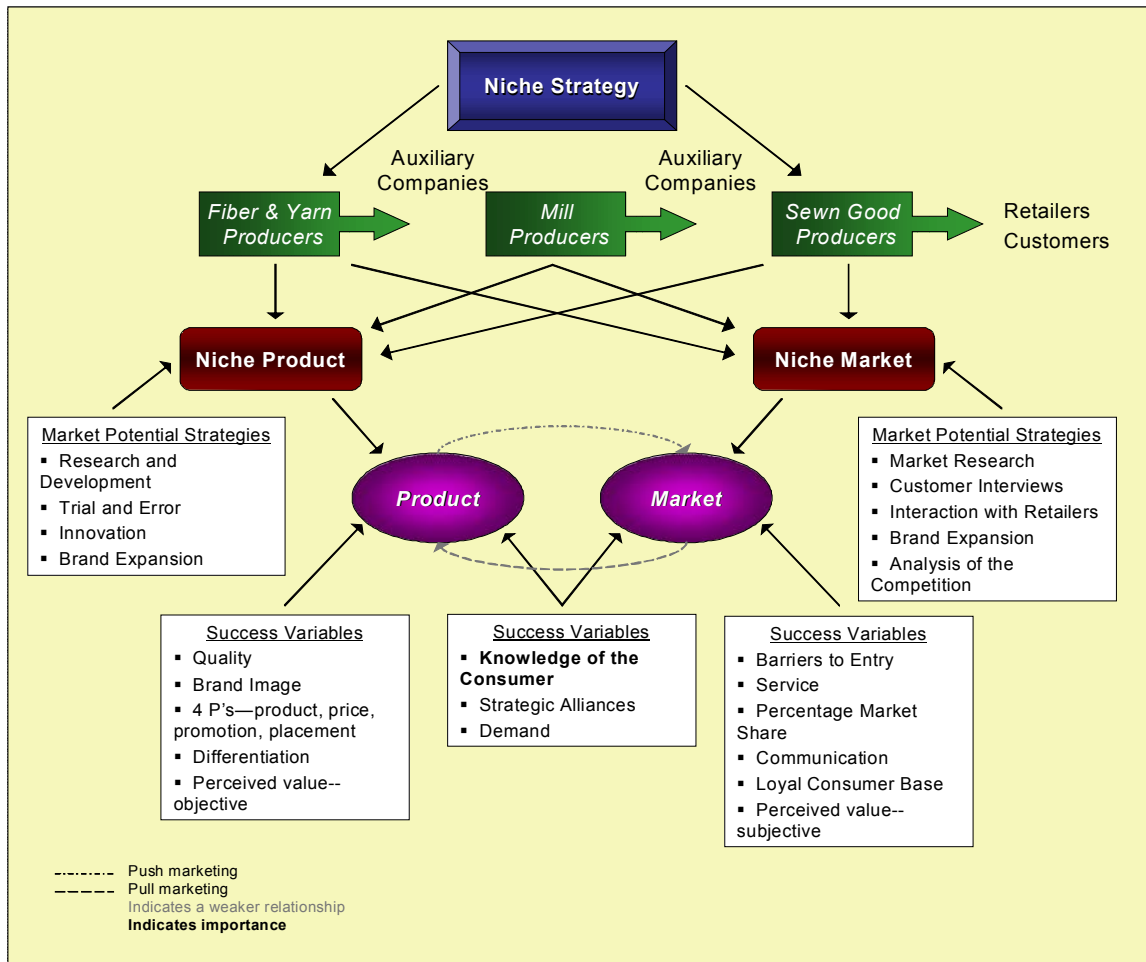


Figure 2. Parrish niche strategy model.

Source: Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

Additionally, a three-part study on economic competitiveness was performed in 2005 by Cesca, Jones, and Nowell. These studies focused on the bottomweight and bed-bath markets. All three studies recommended future research on niche strategies (Cesca, 2005; Jones, 2005; Nowell, 2005).

## Purpose of the Research

The purpose of this research is to examine companies in the bottomweights market who have identified niche products/markets for use in testing the Parrish Niche Strategy Model (2003). Another purpose of this research study is to refine the Parrish Niche Strategy Model (2003) by analyzing factors that contribute to the establishment of niche marketing strategies within the bottomweights market, as well as issues that arise when implementing a niche strategy.

The overall research question for this research is: How can the United States textile and apparel industry remain economically competitive in the face of global competition. Specific research questions developed from the overall research question are:

1. What niche products exist in the bottomweights market?
2. Who are the main players in the bottomweights market in terms of:
  - a. Fiber/Yarn;
  - b. Textile;
  - c. Apparel;
  - d. Retail.
3. What factors contribute to the development of a bottomweights niche strategy in terms of:
  - a. Economic factors;
  - b. Technological factors;
  - c. Environmental factors;
  - d. Political factors;

- e. Other factors.
4. What are issues when implementing a bottomweights niche strategy, in terms of:
  - a. Product selection;
  - b. Manufacturing base;
  - c. Marketing strategies;
  - d. Other issues.
5. How does the Parrish Niche Strategy Model (2003) perform in terms of:
  - a. Predicting the potential of a niche market and/or product;
  - b. Predicting the success of a niche market and/or product.

Figure 3 is a visual depiction of the research question, developed by the researcher, to guide the research.

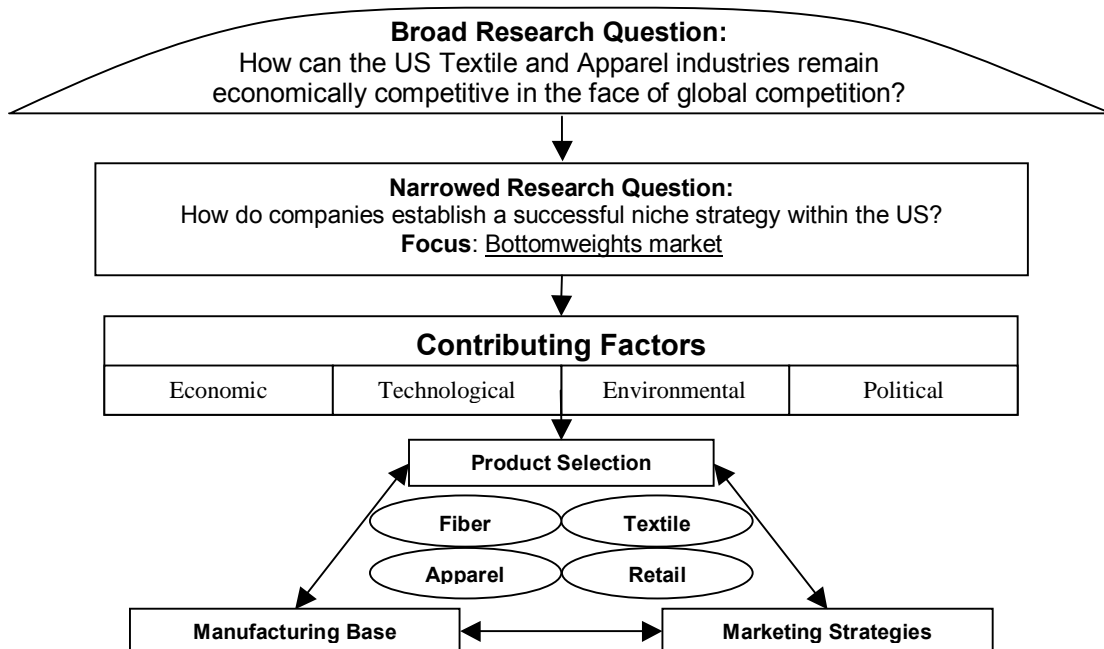


Figure 3. Visual depiction of the research question.

## Research Objectives

The specific objectives of the research are:

### *Phase I: Exploratory*

RO1: To identify niche bottomweight products and companies competing in the bottomweights market with niche products.

RO2: To conduct a competitive analysis, from secondary sources, on companies that are currently involved in bottomweight niche markets in order to:

RO2A: Understand current situations and strategies, in terms of:

RO2A1: Sales;

RO2A2: Growth rate;

RO2A3: Headquarters and facilities;

RO2A4: Product mix;

RO2A5: Niche products;

RO2A6: Business strategies related to niche products/markets.

### *Phase II: Concurrent Triangulation*

#### *Deductive Approach*

RO3: To empirically test the model developed by Parrish (2003) to determine:

RO3A: The ability of the model in predicting the potential of a niche market and/or product;

RO3B: The ability of the model in predicting the success of a niche market and/or product.



### *Inductive Approach*

RO4: To conduct in-depth case studies via primary sources with each of the identified companies to determine:

RO4A: Factors that influence the development of a niche strategy, in terms of:

RO4A1: Economic factors;

RO4A2: Technological factors;

RO4A3: Environmental factors;

RO4A4: Political factors;

RO4A5: Other factors.

RO4B: Product/market issues that arise during the implementation of a niche strategy, in terms of:

RO4B1: Product selection;

RO4B2: Manufacturing base;

RO4B3: Marketing strategies;

RO4B4: Other issues.

RO5: To refine the variables in the Parrish Niche Strategy Model (2003) to incorporate the above analysis.

### Significance of Study

First, this research is significant in that it will test the only existing model of niche strategies developed specifically for the textile industry. Second, this study is focused on bottomweights, which represents a significant domestic consumption market for the United

States textile supply chain. Bottomweights is a product category that has been traditionally strong in terms of volume and market share for the United States textile industry; however, United States manufacturers have been losing market share in the bottomweights market as import penetration continues to rise. This study may provide niche market opportunities for the textile industry to regain market share by providing a benchmark for initiating and guiding the development and execution of a niche market strategy in terms of both push (product) and pull (market) marketing. Third, by expanding on the niche model developed by Parrish (2003), further product and market opportunities will be identified.

#### Limitations of Study

- 1) This research was focused on one product category: bottomweights. While this product category is important to the United States textile industry, results cannot be generalized to other product categories.
- 2) A sample of companies was used in this study, rather than the entire population. With a non-probability convenience sample, results cannot be generalized to the entire population.
- 3) Though the sample for this study was strong, the results are limited due to the size of the sample. Because this research was limited, results may not be able to be generalized to the whole of the US textile and apparel industries.
- 4) Caution should be taken when generalizing results to retailers, as only one brick and mortar retailer was represented. Other companies in the study, in addition to retailing products through a small number of flagship or outlet stores, were also wholesalers

and/or e-tailers of their products.

- 5) Respondent bias may have been present, due to the willingness of the respondents to disclose certain data.

### Definition of Relevant Terms

Bottomweight: Fabric suitable for pants, skirts, winter dresses; usually weigh 6 oz./yd. (200 g/sq m) or more (Tortora & Merkel, 1996).

Competitive strategy: A strategy which involves positioning a business in order to maximize the value of capabilities that distinguish it from its competitors (Porter, 1998).

Differentiation: The act of creating a product that is perceived to be unique industrywide (Porter, 1980).

Economic competitiveness: The ability to sustain and grow a business within the global textile and apparel environment, through optimization of products, processes, and strategies to gain a competitive advantage (Cesca, 2005; Jones, 2005; Nowell, 2005).

Exports: Goods and services produced in one country and sold in other countries in exchange for goods and services, gold, foreign exchange, or settlement of debt (US Department of State, n.d.).

Focus: The act of creating a product for a particular market segment. This strategy can be used to create a unique product in a market segment (focused differentiation), a low-cost product in a market segment (focused cost-leadership), or a unique low-cost product for a market segment (Porter, 1980).

Focused differentiation: The act of creating a product that is perceived to be unique in a

particular market segment (Porter, 1980).

Imports: The inflow of goods and services into a country's market for consumption (US Department of State, n.d.).

Niche market strategy: A niche strategy can be thought of broadly as market segmentation; however, this strategy can be defined by the market segment, the specialized product, or the product/brand image (Parrish, 2003).

Strategy: A careful plan or method. An adaptation or complex of adaptations that serves or appears to serve an important function in achieving evolutionary success (Merriam-Webster, 2005).

## **CHAPTER II**

### **REVIEW OF LITERATURE**

#### **Conceptual Framework**

The conceptual model for this research is the Parrish Niche Strategy Model (2003). This model, Figure 4, was developed to illustrate a niche strategy in terms of both product and market. The Parrish Niche Strategy Model (2003) was developed utilizing trade theories that predict specialization as a result of trade: Ricardo's Theory of Comparative Advantage (1871), Posner's Technology Trade Gap Theory (1961), Vernon's Product Life Cycle Theory (1966), Heckscher-Ohlin Trade Theory of Factor Proportions (1991), and Porter's Competitive Advantage of Nations Model (1998). In addition, Parrish utilized Porter's (1980) Generic Competitive Strategies – Differentiation Strategy – in developing the Parrish Niche Strategy Model (2003). Porter's premise is that a differentiation strategy serves as a way to increase competitiveness.

The Parrish Niche Strategy Model (2003) is the only niche model that is specific to the textile and apparel industries. This model encompasses the sectors within the textile complex (fiber and yarn producers, mill producers, sewn goods producers, and auxiliary companies) and identifies two approaches to a niche strategy: product (push marketing) and market (pull marketing). The model includes market potential strategies for niche products and niche markets and success variables for niche products and niche markets. Market potential strategies are: Research and Development, Trial and Error, Innovation, Brand Expansion, Market Research, Customer Interviews, Interaction with Retailers, and Analysis of the Competition (Parrish, 2003). Success variables for niche strategies are: Quality, Brand

Image, The Four P's, Differentiation, Perceived Value, Knowledge of the Consumer, Strategic Alliances, Demand, Barriers to Entry, Service, Market Share, Communication, and a Loyal Consumer Base (Parrish, 2003).

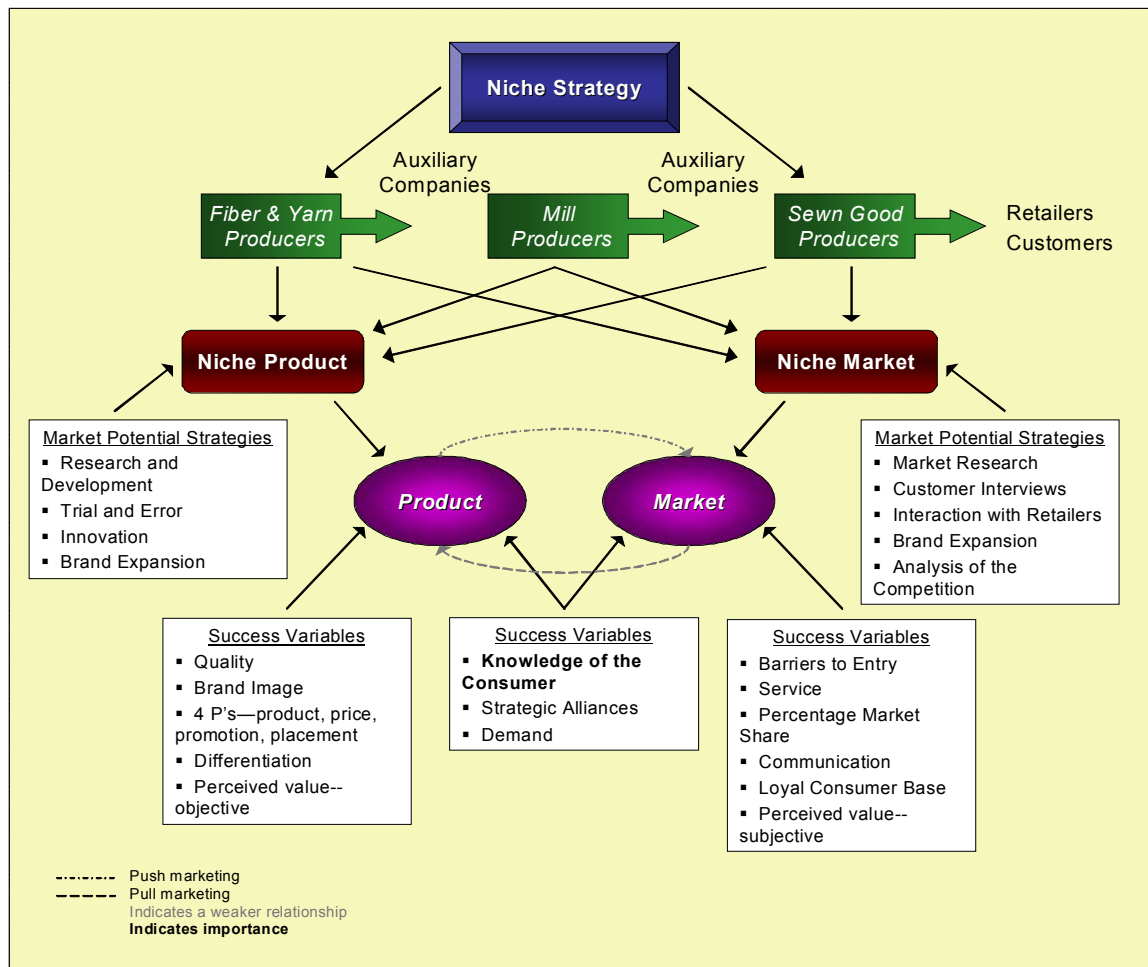


Figure 4. Parrish niche strategy model.

Source: Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

This model was been developed from a study that included participation from nine

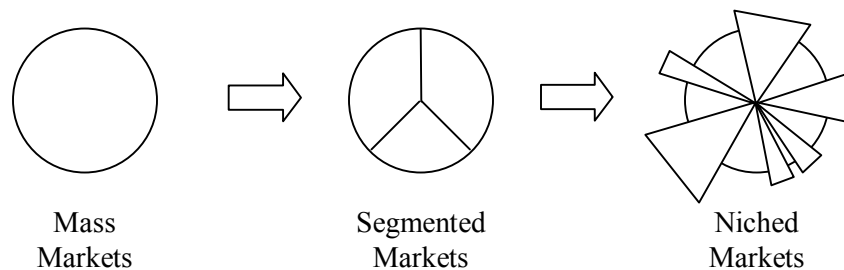
fiber and yarn producers, seven textile mill producers, six sewn good producers, and five auxiliary companies, resulting in a final sample of twenty-seven companies. Previous research by Parrish resulted in a definition for niche marketing and proved that a niche marketing strategy increases economic competitiveness of United States textile companies through increased market share and profitability (Parrish, 2003).

### Niche Marketing

No company can be good at everything (Kotler, 1999). This is the main reason that companies must pursue niche markets. The objective of niche marketing is to be a large fish in a small pond instead of a small fish in a large pond (Lambin, 1993). This requires that the mass market (the large pond) be divided into smaller market segments (the small pond). In this way, niche marketing can be seen as a level of market segmentation. Market segmentation is the process of dividing a mass market into smaller market segments. A market segment consists of a large group of consumers that share similar characteristics, such as wants, purchasing power, geographical location, buying attitudes, or buying habits (Kotler, 2000). A niche market is a more narrowly defined group, “typically a small market whose needs are not well served” (Kotler, 2000, p. 257). This niche market could have narrowly defined needs or “unique combinations of needs” (Kotler, 1999, p. 27).

Dalgic and Leeuw (1994) highlight the differences between market segmentation and niche marketing. A niche is normally smaller than a segment, focuses on individuals instead of a homogeneous group, and fulfills a need, whereas a segment defines a manageable group in the market.

Figure 5 shows the progression from a mass market to niche markets. A mass market is divided into large groups that result in market segments. These segments are then subdivided into small groups, or niches, that seek a distinctive mix of benefits.

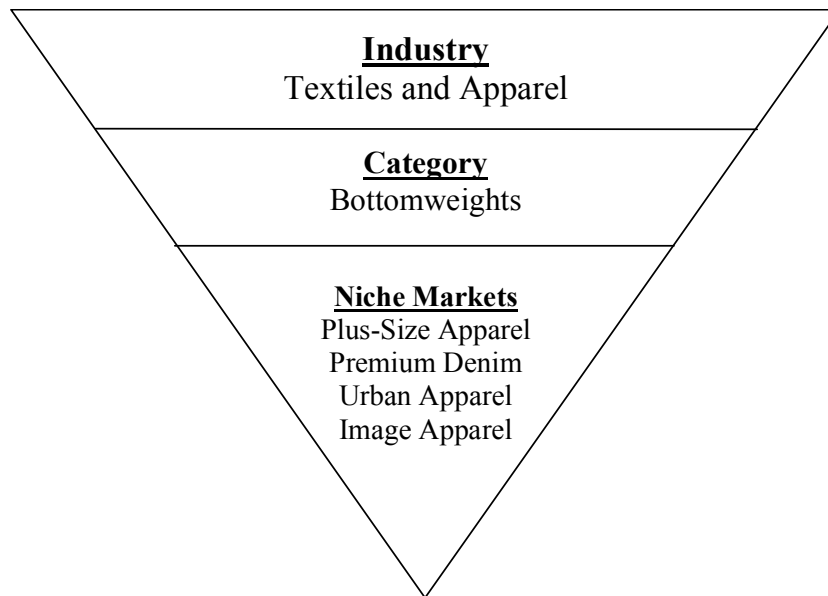


*Figure 5. Progressive development of market segmentation.*

Source: Kara, A., & Kaynak, E. (1997). Markets of a single customer: Exploiting conceptual developments in market segmentation. *European Journal of Marketing*, 31(11/12), 873-895.

Niche strategies offer a way to differentiate products, moving them from commodity products to niche products. This trend is illustrated in Figure 6. An industry is divided into product categories. These categories, such as bottomweights, are then subdivided into niche markets, based on the needs and wants of the target markets. According to Weinstein (1987), the reasons that a marketer should focus on a particular market segment are that everyone is not a prospect for a product or service, a firm's product mix should be controlled for maximum efficiency, and it is best to match a product mix to the needs of the customer since the product mix and customer pool are limited.





*Figure 6. Progression of niche markets.*

Source: Adapted by R. Allen (2005) from Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

### *Factors Causing Niche Markets*

Causes for the formation of niche markets have been discussed by several authors (Linneman & Stanton, 1992; McKenna, 1988; Rapp & Collins, 1990) and are discussed by Dalgic and Leeuw (1994). These causes, presented in Table 1, have led to mass markets becoming fragmented into smaller markets, a process defined as niched.

Table 1

*Causes of Niche Markets*

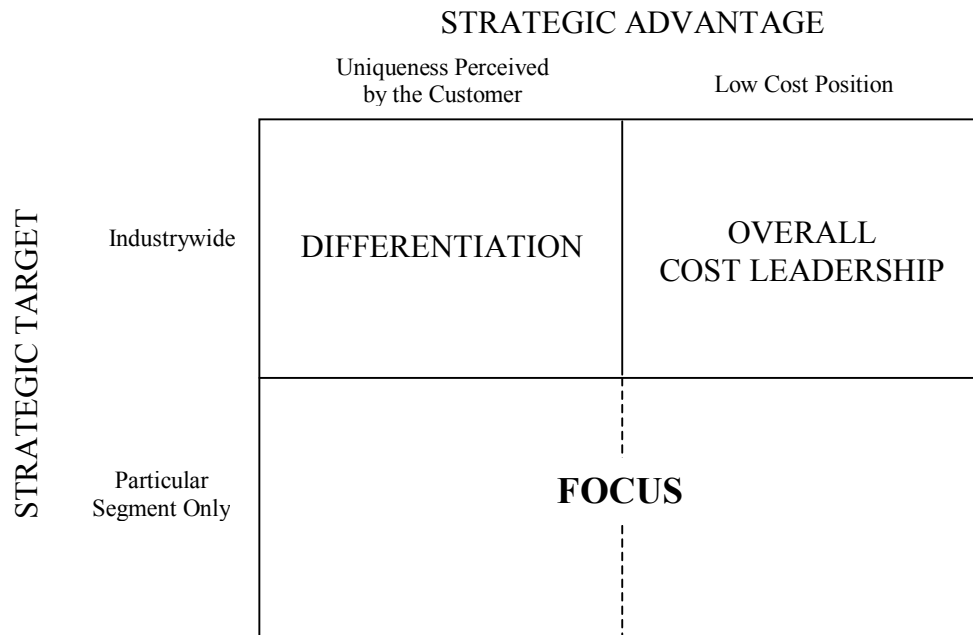
<p><b>Changes in Family Structure</b></p> <ul style="list-style-type: none"> <li>• Single-parent households</li> <li>• Working women</li> <li>• Families with no children <ul style="list-style-type: none"> <li>SINKs – single income no kids</li> <li>DINKs – double income no kids</li> </ul> </li> </ul>	<p><b>Demographic/Psychographic Changes</b></p> <ul style="list-style-type: none"> <li>• Overweight people</li> <li>• Tall people</li> <li>• Increases in minority markets</li> <li>• Changing lifestyles</li> </ul>
<p><b>Changes in Retail Dynamics</b></p> <ul style="list-style-type: none"> <li>• The evolution of consumer power</li> <li>• Overcrowding via products, services, and stores</li> <li>• The decline in brand loyalty</li> </ul>	<p><b>Changes in Promotional Power</b></p> <ul style="list-style-type: none"> <li>• Decreasing power in network television advertising</li> <li>• Advertising clutter, overkill, and waste</li> <li>• Feeding discount promotions</li> </ul>
<p><b>Other Changes</b></p> <ul style="list-style-type: none"> <li>• Technological advances</li> <li>• The demands on personal time</li> </ul>	

Source: Adapted by R. Allen (2005) from Dalgic, T., & Leeuw, M. (1994). Niche marketing revisited: Concepts, applications, and some European cases. *European Journal of Marketing*, 28(4).

*Niche Marketing as a Competitive Strategy*

A firm can utilize three basic strategies in order to remain competitive in its industry: differentiation, cost leadership, and focus (Porter, 1980). Business competing with these strategies are termed “The Differentiator,” “The Cost Leader,” and “The Nicher,” respectively (Kotler, 1999). These strategies are shown in Figure 7. According to Porter, a focus strategy is used to create a product that is marketed to a small market segment. A focus strategy can take the form of a differentiation strategy (focused differentiation), a cost leadership strategy (focused cost leadership), or a combination of the two. This allows for

flexibility in decision-making; a company could offer a differentiated product, a low-cost product, or a differentiated, low-cost product.



*Figure 7. Porter's generic strategies.*

Source: Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. New York, NY: The Free Press.

The most powerful of the two focus strategies is focused differentiation. This is because focused differentiation creates a product that competitors have difficulty reproducing. By offering a product to the market that is of value and meets the needs of the market, the United States textile industry can begin regaining pricing power in the market.

A niche strategy is a way to compete via a focused differentiation strategy. A focused differentiation strategy can be used to differentiate based on design or brand image (Gap, Inc.), technology (Nanotex), features, customer service, or other dimensions. A niche

product is found for a small market that is differentiated in terms of the needs and demands of the market (Weinstein, 1994). By utilizing a focused differentiation strategy, a firm can compete on product uniqueness instead of competing on cost. This is key for the United States Textile Industry, which is facing intense competition from global, low-cost producers.

However, a focused differentiation strategy does not allow for a company to ignore costs; rather, cost is simply not the main concern. Focused differentiation also allows for earning above-average returns because it creates a defensible position within a niche. Keys to a focused differentiation strategy are brand loyalty of customers and a lower sensitivity to price. Entry barriers to the niche are provided by consumer loyalty and the uniqueness of the product. In this way, it can be seen that a niche can consist of a market (reliance on loyalty) or a product (uniqueness).

Authors caution that a niche product should be differentiated and not just different (Dalgic & Leeuw, 1994; Linneman & Stanton, 1991). It is not enough to simply offer a different product; rather, a niche product should provide superior value for consumers. A niche product should offer significant benefits to the niche market and a niche strategy should communicate how the niche product can fulfill the needs of the niche market (Dalgic & Leeuw, 1994).

#### *“Guerillas Against Gorillas”*

Traditionally, smaller companies in all industries focused on niche markets and larger companies focused on mass markets. This was related to the correlation of size of the firm and size of the market; larger firms had production capabilities to meet the demand of the mass market and small firms had the customer knowledge and personal service required to

succeed in niche markets. However, since the 1980s, larger mass-marketing companies have become threatened by the smaller niche companies, who are “nibbling away at the major markets” (Dalgic & Leeuw, 1994, p. 43). Dalgic and Leeuw present competition between niche marketers and mass marketers as “Guerillas against Gorillas” (1994, p. 45). The guerillas are the niche marketers and the gorillas are the mass marketers.

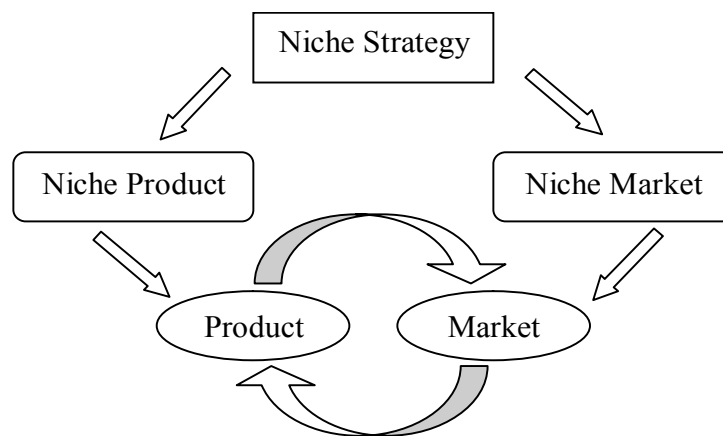
Many diverse and fractured markets have developed from mass markets due to new demands and changing customer preferences (Dalgic & Leeuw, 1994). Smaller companies, the Guerillas, have been better equipped to deal with the changing dynamics of the marketplace due to increased customer knowledge of a small segment of the market. Larger companies who have traditionally focused on mass marketing are being forced to seek out these smaller, niche markets in order to survive (Dalgic & Leeuw, 1994; Linneman & Stanton, 1991). In response to the Guerillas, the Gorillas have turned to niche markets, which require decentralization and the formation of strategic business units, so that large mass marketers divide their business into units of specialization in terms of knowledge and products (Dalgic & Leeuw, 1994; Kotler, 2000).

Some niches are based on brand name, customer service, specific product feature/characteristics, culture/race, religion, regalia (sports apparel), or simply the reputation of particular products based on the origin location (Italian wool or Swiss lace) (Parrish, Cassill, & Oxenham, 2004). The basis for the niche can be viewed as the point of differentiation. By focusing on niche markets, companies will be better equipped to avoid competition and confrontation with competitors and, therefore, increase the chances of survival (Dalgic & Leeuw, 1994). This trend toward niche marketing as a competitive

strategy can be seen when looking at Porter's generic competitive strategies (Porter, 1980).

### *Niche Definitions*

Numerous definitions for niche marketing exist in the literature. Dibb and Simkin (1996) define a nicher as a company which specializes in terms of market, product, and/or customers by finding a safe, profitable market segment. That is, nichers specialize in niche markets and have a narrow focus, in terms of niche products. These companies are customer-driven, trend setters and spotters, product and market innovators, and are "creative marketing strategists" (Weinstein, 1987, p. 186). In addition, Linneman and Stanton (1991) offer niche marketing as the process of serving smaller segments of the market. They continue that the term niche marketing is synonymous with target marketing, market segmentation, micromarketing, or regional marketing (Linneman & Stanton, 1991). According to Parrish (2003), a niche approach contains three aspects: market, product, and strategy. Figure 8 illustrates the relationship between the three different aspects.



*Figure 8. Relationship of niche strategy, market, and product.*

Source: Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

### *Pull vs. Push Marketing*

A niche market approach looks at the needs of the consumers in the market niche. By understanding the needs of the market, a product is developed (or found) that fulfills the needs of the market. This process is referred to as pull marketing; the company pulls the need for the product from the market. The main issues that a company needs to address when pursuing a niche market are service, barriers to entry, and subjective perceived value (Parrish, 2003).

A niche product approach focuses on a development of a specialized good, or niche product. A company will then market the product to all identified market segments hoping that the product creates a niche. This process is referred to as push marketing, as the company creates a product and pushes it onto the market (Kara & Kaynak, 1997; Parrish, 2003). The main issues that a company needs to address when developing a niche product are quality, brand image, pricing, and objective perceived value (Parrish, 2003).

A niche strategy focuses on the firm and how it implements a niche approach (Linneman & Stanton, 1991; Parrish, 2003). Most important when implementing a niche strategy is knowledge of the consumer (Parrish, 2003). It is this knowledge of the consumer that drives the niche strategy; by understanding and serving the needs of this niche market better than any other firms, companies can earn increased profits via higher margins and increased market share. Knowledge of the consumer helps to ensure customer loyalty because a company can tailor niche products to the needs of niche consumers. In addition, a niche market and/or product can also be classified by the market segment or the product (brand) image. Regardless of the approach, for a company to have a successful niche market

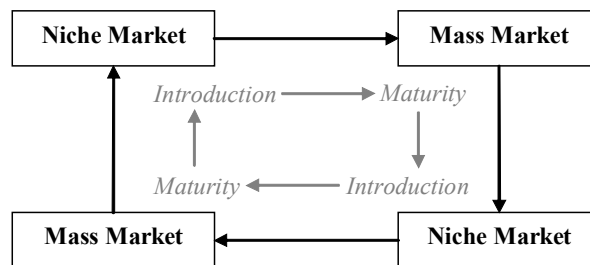
strategy it needs a strong, loyal consumer base, a specialized segment, a higher price point, and a unique product (Parrish, 2003).

### *Niche Characteristics*

According to Kotler (2000), an attractive niche is a niche that is profitable and sustainable and is characterized by the following:

1. Customers in the niche have a distinct set of needs;
2. These customers will pay a premium for a product that best satisfies their needs;
3. The niche is not likely to attract other competitors;
4. The nicher gains economies through specialization;
5. The niche has size, profit, and growth potential (Kotler, 2000).

Kotler (1989) also states that niche markets are small in size; however, a small niche market could grow to become a large, mass market (Dalgic & Leeuw, 1994; McKenna, 1988). Most mass markets began as niche markets (Parrish, 2004). A niche product is in the introductory phase of the product life cycle. As the product evolves, it becomes a mass product. After the product reaches the maturity phase, innovation allows for the product to move once again to a niche product. An illustration of this is shown in Figure 9.



*Figure 9.* Evolution cycle of niche markets and mass markets.

Source: Parrish, E. D., Cassill, N. L., & Oxenham, W. (2004). Opportunities in the international textile and apparel marketplace for niche markets. *Journal of Fashion Marketing and Management*, 8(1), 41-57.



Dalgic and Leeuw (1994) describe niche markets as having certain characteristics. They define these as “niche characteristics” (Dalgic & Leeuw, 1994, p. 40). These are listed in Table 2.

Table 2

*Niche Characteristics*

Sufficient <b>size</b> for profitability	Sufficient <b>purchasing ability</b>
No real <b>competitors</b>	A <b>need</b> for special treatment
Growth <b>potential</b>	Customer <b>goodwill</b>
Opportunities for a company to exploit its <b>competencies</b>	

Source: Dalgic, T., & Leeuw, M. (1994). Niche marketing revisited: Concepts, applications, and some European cases. *European Journal of Marketing*, 28(4)

Falkenstein describes the criteria for good niches; in her opinion, there are five criteria (1996). These are:

1. They are intentional – they do not happen by accident;
2. They take you where you or your business wants to go – make sure they align with your business goals;
3. Someone wants them – the niches are created with customers in mind;
4. They have growth power – the niches can grow without dilution;
5. They evolve – control the direction and outcome (Falkenstein, 1996).

### *Need Identification*

Definitions of a niche market highlight the importance of knowing, understanding, and fulfilling the unfulfilled need (Dalgic & Leeuw, 1994; Kotler, 2000). In order to serve a niche, it is important for the company to understand the needs of the target market and also to understand what need is not being met. Correctly identifying the need allows a company to identify and exploit a niche. The need could be for performance, a high end shopping experience, branded athletic apparel, a luxury jean, or a variety of other product attributes and/or consumer needs. It is also important to consider the need when analyzing the niche market and/or product.

Table 3

#### *Questions for the Development of Niche Markets*

Who are your heavy, heavy users?	What do your customers really value?
Who are your light users?	Who makes the purchasing decisions?
Which customers are expanding their purchases?	Do your customers purchase your product with the same frequency?
Where are your customers located?	What promotion best appeals to your various customers?
Which customers can you most profitably serve?	Do all your customers buy your whole line of products and services?

Source: Linneman, R. E., & Stanton, J. L. (1991). Making niche marketing work: How to grow bigger by acting smaller. New York, NY: McGraw-Hill, Inc.

According to Parrish (2003), the most common method United States textile companies use to identify a niche market is market research. A company must examine its

customer base in order to identify needs leading to niche markets (Linneman & Stanton, 1992). A company's current market should be examined in order to determine if the market can be further segmented into smaller niches (Linneman & Stanton, 1992). Linneman and Stanton (1991) offer questions that are important for a company to know about their consumer base. The questions, shown in Table 3, can be used to determine niche market opportunities.

#### *Trend Prediction*

Another way that companies can identify potential niche markets is through trend prediction (Falkenstein, 1996). She (1996) states that taking maximum advantage of trends is critical for success. This means that companies must anticipate consequences of events and current directions. In addition, niches must evolve and respond to needs that develop as society grows. Companies competing in niches must harness the power of trend prediction in order to assess problems and needs that are likely to be generated by these trends. By increasing knowledge of their consumers, companies can better sense trends that will occur within niches.

#### *Strategy Development*

Weinstein (1987) states that there are three things that must be considered when developing a niche strategy: customer needs, internal marketing factors and external marketing factors. In term of the needs of the customers, firms must look at how segments are defined based on physical and behavioral segmentation dimensions and variables, product and usage patterns, and levels of product satisfaction. Internal marketing factors are listed in Table 4 and external marketing factors are listed in Table 5.

Table 4

*Internal Marketing Factors*

Resources	Past Performances	Constraints	Present Marketing Mix
People	Company	Objectives	Product
Financial	Division	Commitment	Promotion
Facilities	Product Line	Policies	Pricing
Equipment	Product		Distribution
Computers			

Source: Weinstein, A. (1994). Market segmentation: Using demographics, psychographics, and other niche marketing techniques to predict and model customer behavior (Rev. ed.). Chicago, Ill.: Probus Pub. Co.

Table 5

*External Marketing Factors*

The Industry	Competition	Environmental Factors
Size of the market	Number of competitors	Economic conditions
Industry Structure	Strength of competitors	Social/lifestyle trends
Homogeneity of market		Technology
Market potential		Political environment
Growth trends		Legal environment
Opportunities/problems		

Source: Weinstein, A. (1994). Market segmentation: Using demographics, psychographics, and other niche marketing techniques to predict and model customer behavior (Rev. ed.). Chicago, Ill.: Probus Pub. Co.

*“Specialness-ation”*

Once these potential niche markets (needs) are identified, a company develops a point of differentiation. Kotler (2000) states that the key issue in the success of a niche strategy, regardless of whether it focuses on push or pull marketing, is specialization. According to

Lambin (1993), a firm who is interested in a niche market must find the feature on which to build specialization or the feature that will differentiate its product from competitors' products. There are several differentiation strategies that a company can choose: product or service, customer service, channel of distribution, communications, and price (Linneman & Stanton, 1991). A company cannot be successful long-term by differentiating using only one of these strategies; however, it is nearly impossible to differentiate in all areas (Linneman & Stanton, 1991). A company should therefore utilize a mix of these strategies tailored for each specific niche market (Linneman & Stanton, 1991).

Falkenstein argues that specialization must go one step further and become "specialness-ation" (1996, p. 28). She continues that all companies increasingly have access to the same information, so in order to differentiate a product, the product should be special and have a company's fingerprint. By offering something to the market that is based on a company's unique competencies, competitors will have a difficult time meeting the needs of the market with a substitute product. Lambin points out that this point of differentiation could relate to a technical aspect of the product, to a distinctive quality, or to an element of the marketing mix.

Kotler (1999) states that the firm needs to express a concrete benefit and reason to buy. This means the firm should decide the single major benefit position of the product. The decision for this positioning should be based on the need found in the market, or by the benefit that the product offers (Kotler, 1999). In this way, products can be positioned with a pull system, based on the need in the market, or with a push system, based on the benefit of the product. Some positioning alternatives provided by Kotler (1999) are shown in Table 6.

Table 6

*Positioning Alternatives*

Most prestigious	Best quality	Safest
Most reliable	Best performance	Fastest
Most durable	Best designed or styled	Least expensive
Most convenient	Best value for the money	Easiest to use

Source: Kotler, P. (1999). Kotler on marketing: How to create, win, and dominate markets. New York, NY: The Free Press.

Table 7

*Broad Positioning Strategies*

Type of Positioning	Description
Attribute Positioning	Position on attribute or feature
Benefit Positioning	Product promises a benefit
Use/Application Positioning	Position as the best in a certain application
User Positioning	Positioned for a target user group
Competitor Positioning	Product is superior or differentiated from competing product
Category Positioning	Company describes itself as the category leader
Quality/Price Positioning	Product is positioned at a certain quality and price level

Source: Kotler, P. (1999). Kotler on marketing: How to create, win, and dominate markets. New York, NY: The Free Press.

The positioning alternatives listed in Table 6 are based on broad categories of sources of strategies. Sources of positioning strategies are listed in Table 7. A company should look at these sources in order to position a niche product so that the benefit of the product is conveyed and consumers will want to purchase (Kotler, 1999).

### *Advantages of Niche Marketing*

The main advantage of implementing a niche market strategy is increased profits (Kotler, 2000; Linneman & Stanton, 1992; Parrish, 2003). One of the reasons why niche markets are so profitable, despite the smaller market size, is that a company understands customers' needs well and is therefore positioned to serve those needs. Companies that serve niche markets become experts at meeting the needs of the target market (Kotler, 1999). As a result, the company can earn higher margins for the niche product because customers are willing to pay a premium for a niche product that is targeted specifically to them (Kotler, 2000). While the United States Textile Industry is aware of the benefits of a niche market strategy, it is rarely the focus of a company's marketing strategy (Parrish, 2003). A niche market strategy is most often used in combination with other strategies including the formation of strategic alliances and shortening of lead times (Parrish, 2003).

Besides profits, an additional benefit of niche marketing is that this strategy provides an easier defense against potential competitors (Dalgic & Leeuw, 1994). Kotler (1999) explains that whereas segmented markets are fairly large and normally attract several competitors, niche markets are fairly small and attract few competitors – zero, one, or possibly two. Jain (1985) in (Dalgic & Leeuw, 1994) points out that a niche marketing strategy can be used to not only avoid competition, but also to survive. In addition, this strategy can be used to penetrate large markets or existing segments (Dalgic & Leeuw, 1994).

### *Disadvantages of Niche Marketing*

Despite the many advantages associated with niche marketing, there are inherent risks in choosing this strategy. They include competition (Shani & Chalasani, 1992), changes in

consumer preferences leading to deterioration of the niche (Raynor, 1992; Shani & Chalasani, 1992); and the risk of cannibalization (Linneman & Stanton, 1991).

Cannibalization is when a company introduces a new product that “eats away” at one of its own established markets (Linneman & Stanton, 1991, p. 81). Linneman and Stanton (1991) suggest that it is easier to differentiate and avoid cannibalization if the niche is narrowly defined.

According to Dibb and Simkin (1996), nichers are the most vulnerable to competition. They caution that the nicher must avoid competition, particularly as the niche market becomes more mature. In order to avoid competition, the nicher must seek out markets in which larger companies do not want to compete. This can be accomplished by specialization in terms of market, customer, or marketing mix (Dibb & Simkin, 1996). In addition, Dibb and Simkin (1996) encourage niche diversification – competing in more than one niche – in order to decrease the risk inherent when relying solely on one niche for profitability. Kotler (1999) discusses this niche diversification, or multiniche strategy, as a way to avoid the niche becoming a “pothole” (p. 28).

### *Marketing Strategies*

Falkenstein, in her book *Nichecraft* (1996), describes marketing strategies for niche markets. These are:

1. Become part of the customer’s life – become a household word;
2. Be efficient in marketing;
3. Aggressively market your product – promote constantly;
4. Encourage purchase – it is not enough to simply educate consumers;



5. Communicate benefits without seeming too eager – much like buying a car;
6. Define geographic scope of activities – don't think too small;
7. Consider and include adoption process – specify marketing strategies for each stage of innovation;
8. Consider partnership or alliance marketing with a firm or firms who offer(s) a complementary product – by targeting consumers with shared resources, firms can be more efficient in marketing;
9. Offer more value-added than competitors;
10. Communicate product, focus, and benefits – with enthusiasm and emphasis;
11. Advertise;
12. Utilize different distribution channels – e-commerce and home shopping (Falkenstein, 1996).

#### Bottomweights Market Analysis

The sample for this study will come from the bottomweights market. Bottomweights are defined as fabric (containing cotton, man-made fiber, or a blend of the two) that is used in the production of pants, shorts, and skirts. The Bottomweights market also includes those suppliers (fiber/yarn, mill, apparel manufacturing, and retailers) of these products. The notable exception to this wording occurs when discussing trade statistics; these data are reported for dozens of cotton bottoms, defined as the final garment.

The bottomweights market was chosen because it is an important product category for United States manufacturers, as US manufacturers have significant market share in the US

market. Although import penetration continues to rise in the bottomweights market, the domestic (US) industry still has a significant presence in this market with fabric and finished goods. In addition, this research allows for the opportunity to extend previous research; this market was one of two focus markets (bottomweights and bed-bath) in a joint study completed by Institute of Textile Technology Fellows (Cesca, 2005; Jones, 2005; Nowell; 2005). Information is included in this section regarding NAICS codes, as well as the current industrial status, which details import penetration, US production, and leading importing countries of US bottoms.

### *Classification Codes*

Classifications of bottom weight products were determined in order to define the bottom weights market. Table 8 lists NAICS codes for the bottomweights market. Corresponding SIC codes can be found in Appendix A. This table provides a basis for market analysis and sample selection.

Table 8

*NAICS Codes: Bottomweights Market*

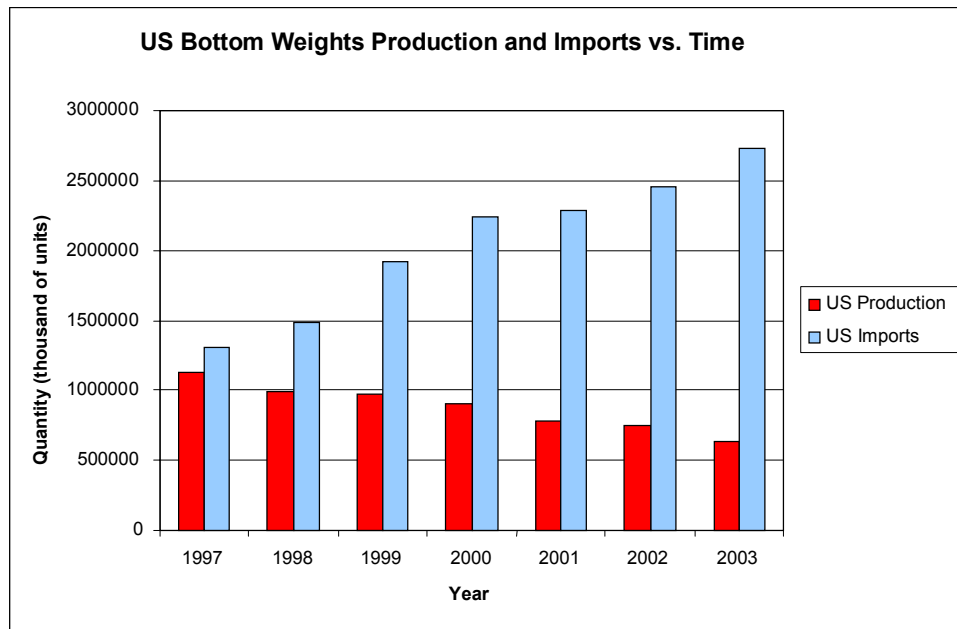
<b>Fiber/Yarn</b>	
<b>NAICS Code</b>	<b>Description</b>
313111	Yarn Spinning Mills
313112	Yarn Texturizing, Throwing, and Twisting Mills
323221	Cellulosic Organic Fiber Manufacturing
313222	Noncellulosic Organic Fiber Manufacturing
<b>Textile</b>	
<b>NAICS Code</b>	<b>Description</b>
313210	Broadwoven Fabric Mills
313311	Broadwoven Fabric Finishing Mills
<b>Apparel</b>	
<b>NAICS Code</b>	<b>Description</b>
315211	Men's and Boys' Cut and Sew Apparel Contractors
315212	Women's, Girls', and Infants' Cut and Sew Apparel Contractors
315224	Men's and Boys' Cut and Sew Trouser, Slack, and Jean Manufacturing
315225	Men's and Boys' Cut and Sew Work Clothing Manufacturing
315228	Men's and Boys' Cut and Sew Other Outerwear Manufacturing
315234	Women's and Girls' Cut and Sew Suit, Coat, Tailored Jacket, and Skirt Manufacturing
315239	Women's and Girls' Cut and Sew Other Outerwear Manufacturing
315291	Infants' Cut and Sew Apparel Manufacturing
<b>Retail</b>	
<b>NAICS Code</b>	<b>Description</b>
448110	Men's Clothing Stores
448120	Women's Clothing Stores
448130	Children's and Infants' Clothing Stores
448140	Family Clothing Stores
448190	Other Clothing Stores
812331	Linen Supply
812332	Industrial Launderers

Source: Adapted by R. Allen (2005) from [www.naics.com](http://www.naics.com); Plunkett Research Online (2005). Company Profiles – Apparel and Textiles Research Center. Retrieved September 6, 2005 from <http://www.lib.ncsu.edu:2860/Profiles/Default.aspx?Industry=23>

*Current Industrial Status**Production of Apparel, Fabric, and Yarn*

As can be seen in Figure 10, US production of bottomweights has been decreasing,

from 1.1 billion units in 1997 to nearly 6.4 million units in 2003. This represents a 43% decrease over a 7-year period. On the other hand, imports have risen 109%, from 1.3 billion units in 1997 to a final import penetration of 2.7 billion units in 2003 (Current Industrial Report, 2005). This shift in production is due to many factors, including trade legislation, increases in global sourcing, and the transformation of apparel manufacturers into marketers.



*Figure 10:* US bottomweights imports and production.

Source: Current Industrial Reports: Textile Mills and Apparel (2005). Retrieved September 1, 2005 from <http://www.census.gov/cir/www/>

Quantity of production and value of shipments for US apparel are shown in Table 9.

Quantity and value of apparel produced in the United States is also broken down into two categories: men's and boys' jeans, and women's and girls' jeans. In 2004, the United States produced 2,551,456 thousands of units with a shipment value of \$19,515.6 million. As

shown, quantity and value of total apparel produced have decreased since 2003. This is due to a large decrease in quantity and value of men's and boys' jeans; however, women's and girls' jeans have increased slightly. This increase represents a value of \$78.7 million dollars.

Table 9

*Summary of Production Quantity and Shipment Value for Apparel: 1999 to 2004*

[Quantity in thousands of units. Value in millions of dollars]						
	Total		Men's and Boys' Jeans		Women's and Girls' Jeans	
Year	Quantity	Value	Quantity	Value	Quantity	Value
2004	2,551,456	19,515.6	144,681	1,803.1	79,301	1,117.5
2003	3,085,215	22,613.5	158,312	2,080.0	78,442	1,038.8

Source: Current Industrial Reports: Textile Mills and Apparel (2005). Retrieved September 1, 2005 from <http://www.census.gov/cir/www/>

The majority of both men's and women's jeans are made from cotton, shown in Table 10. In 2004, 132,259 of the 144,681 thousands of units of men's jeans were made from cotton (91.4%), and 71,927 of the 79,301 thousands of units of women's jeans were made from cotton (90.7%).

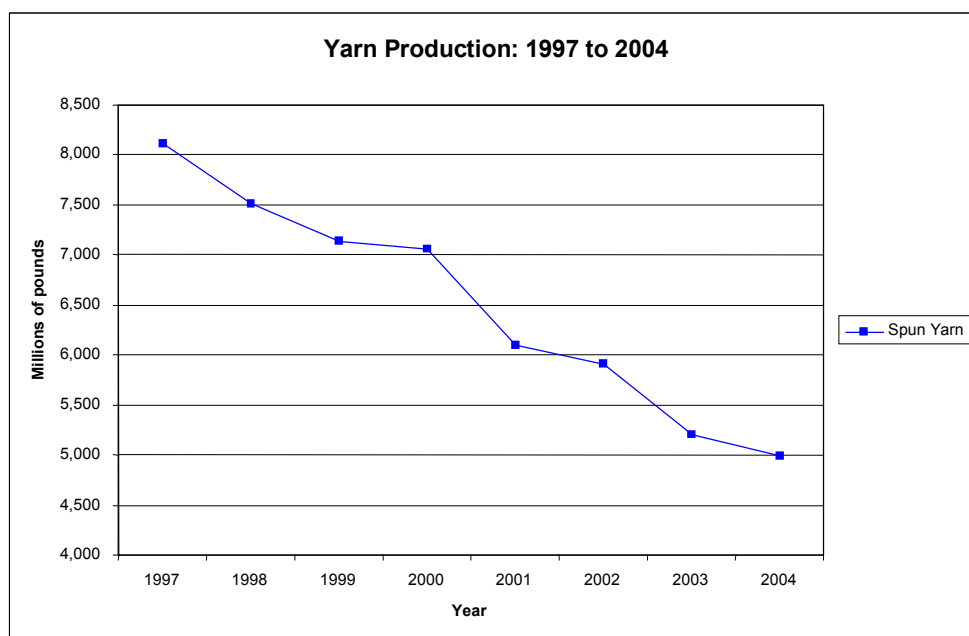
Table 10

*Quantity of Production of Apparel by Type of Fabrics: 2004-2003*

[Quantity in thousands of units]					
Product description	Total	Cotton or chiefly cotton	Manmade or chiefly manmade	Wool or chiefly wool	Other and not specified by kind (n.s.k.)
2004					
Men's and Boys' Jean	144,681	132,259	(D)	(NA)	(D)
Women's and Girls' Jeans	79,301	71,927	(D)	-	(D)
2003					
Men's and Boys' Jean	158,312	155,043	1	(NA)	3,268
Women's and Girls' Jeans	78,442	70,793	(D)	-	(D)

Source: Current Industrial Reports: Textile Mills and Apparel (2005). Retrieved September 1, 2005 from <http://www.census.gov/cir/www/>

Finally, spun yarn production can be seen in Figure 11. A portion of this yarn is used in the production of bottomweights; however, the exact percentage is unknown, as data is not presented related to specific end-uses. These data, related to yarn production, are for the domestic (United States) industry. As the domestic supply of yarn available to domestic weaving mills decreases, these weavers are forced to outsource yarn from other regions of the world. Over the past eight years, from 1997 to 2004, US production of spun yarn has decreased by 3.13 billion pounds, from 8.11 billion pounds in 1997 to 4.98 billion pounds in 2004.



*Figure 11: Spun yarn production: 1997 – 2004.*

Source: Current Industrial Reports: Textile Mills and Apparel (2005). Retrieved September 1, 2005 from <http://www.census.gov/cir/www/>

### *Consumption of Bottoms Weights and Cotton*

Apparent consumption, compared to exports and imports, for bottoms was found in the Current Industry Reports from the US Census Bureau (2005). (Note: Apparent consumption is defined as new domestic supply and is calculated by adding manufacturers' shipments and imports and subtracting exports from this sum (Current Industry Report, 2005).) Statistical data for apparent consumption of men's and boys' bottoms is not given due to risk of disclosure of proprietary data for individual companies. However, data is given for women's and girls' bottoms. Apparent consumption has not drastically changed from 2003 to 2004; during this time, apparent consumption was 1,714,517 thousands of units. Similarly, the percent of imports to apparent consumption only increased approximately 2% from 2003 to 2004 (Current Industry Report, 2005).

Cotton, which is the predominate fiber in denim jeans, has seen a decline in consumption from 2003 to 2004. In 2003, 6,567,443 cotton bales were consumed; however, only 6,008,536 cotton bales were consumed in 2004 (Current Industry Report, 2005).

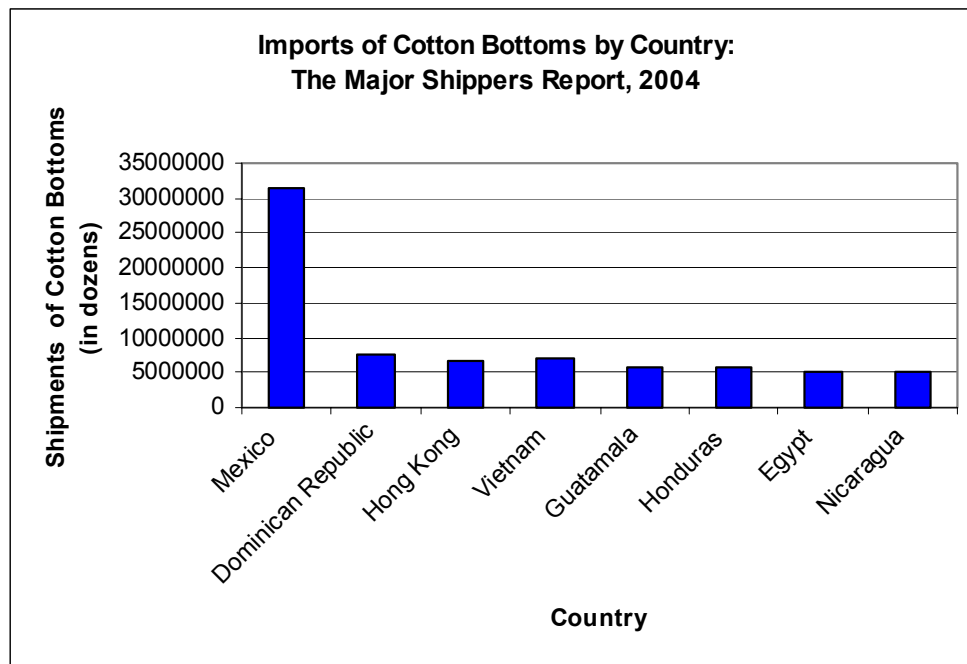


Figure 12: Imports of cotton bottoms by country.

Source: The Major Shippers Report. (n.d.). *Office of Textiles and Apparel*. Retrieved August 28, 2005 from <http://www.otexa.ita.doc.gov/catss.htm>

### *Imports and Exports of Textiles and Apparel*

Imports and exports of bottoms were found from the Office of Textiles and Apparel (OTEXA). Imports of bottoms were reported separately for cotton and man-made fibers. The top ten importers of cotton bottoms were responsible for importing just over 74 million dozen pairs of pants in calendar year 2004 (The Major, n.d.). Figure 12 and Figure 13 show



the countries with the highest amount of shipments into the United States of cotton and synthetic bottoms, respectively. Figure 13 shows Taiwan as *China T* and China as *China P*. The largest exporter to the US of both cotton and man-made fiber bottoms is Mexico. Latin America represents a significant number of countries exporting to the US, especially in cotton bottoms. Other significant imports came from Asia, especially man-made fiber bottoms.

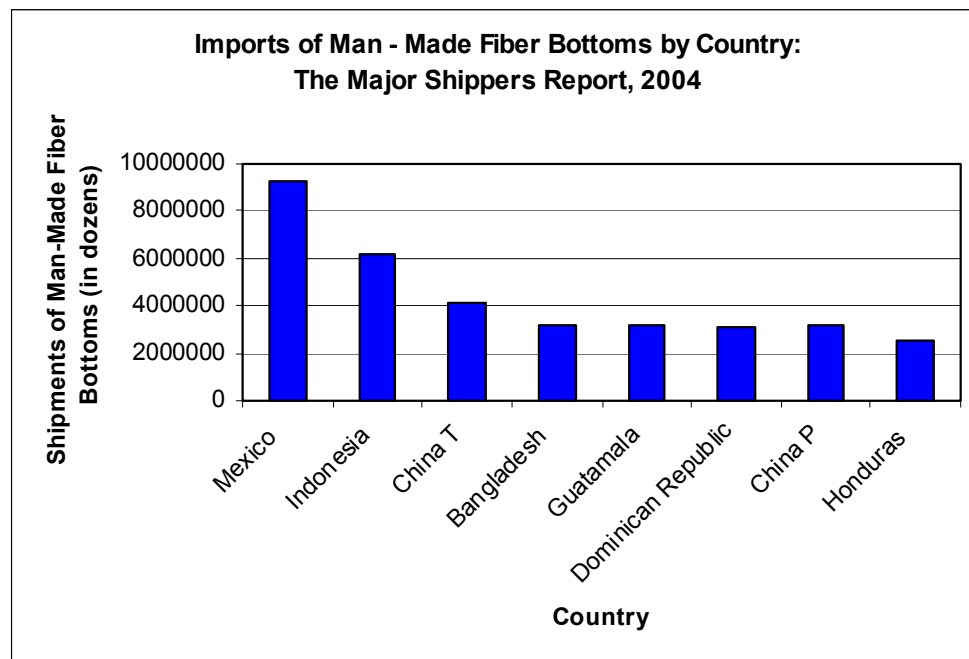


Figure 13: Imports of man-made fiber bottoms by country.

Source: The Major Shippers Report. (n.d.). *Office of Textiles and Apparel*. Retrieved August 28, 2005 from <http://www.otexa.ita.doc.gov/catss.htm>

Due to the nature of available data, import data for US denim is reported in million square meter equivalents, or SME. Shown in Figure 14, Mexico, Italy, Japan, and Hong

Kong were the top four countries from which the US imported denim fabric (Denim, 2005). Italy, Japan, Hong Kong, Canada, and Taiwan are high-cost production areas, so this denim fabric is assumed to be entering the US for use in niche products where the cost of materials is not as critical as in the mass market. Imports of denim apparel are also shown in Figure 15. The majority of denim apparel imports come from Mexico, with other imports coming from Asian and Central American countries (Denim, 2005).

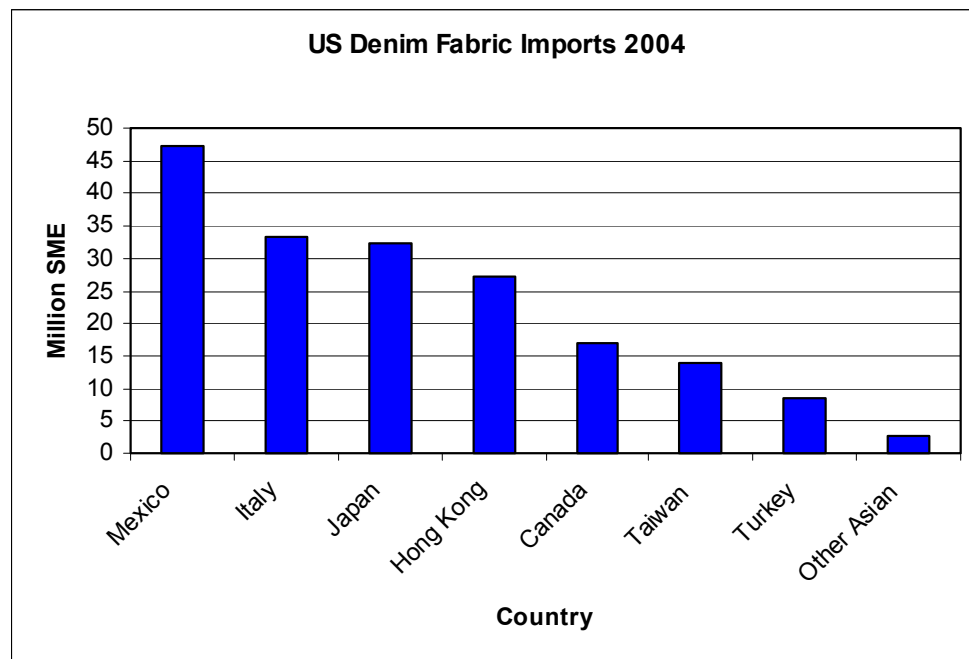
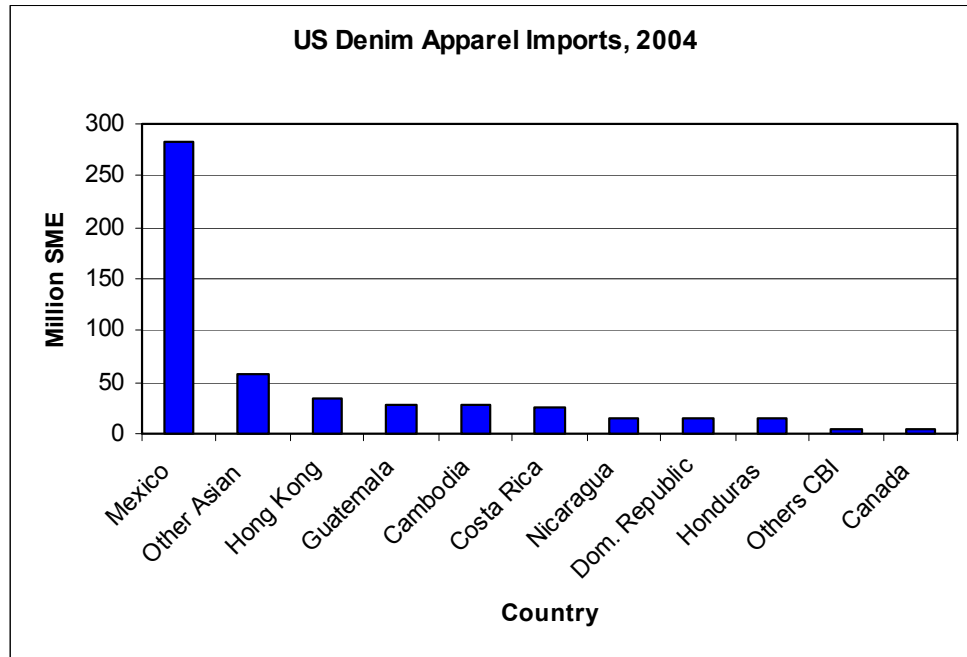


Figure 14: US denim fabric imports.

Source: Denim Apparel Market. (2005). Cotton Incorporated: Special Report.



*Figure 15:* US denim apparel imports.

Source: Denim Apparel Market. (2005). Cotton Incorporated: Special Report.

In terms of exports, Mexico and Canada lead the list of countries to which the US exports bottoms (finished garments utilizing bottomweight fabrics), shown in Figure 16. Export data were not reported separately for cotton and man-made fiber bottoms, and export data were reported in terms of the value of the shipments. Exports of bottoms to Mexico and Canada totaled nearly \$373 million (The Export, n.d.). Exports to the top ten countries totaled nearly \$672 million. The vast majority of bottoms stay in North and South America.

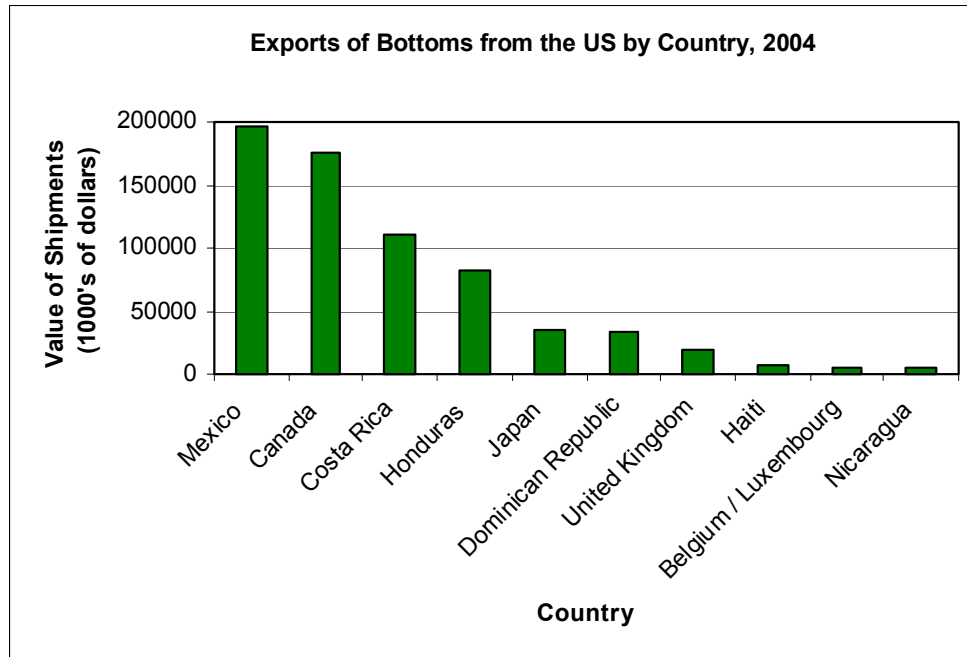


Figure 16: Exports of bottoms from the US by country.

Source: The Export Market Report. (n.d.). *Office of Textiles and Apparel*. Retrieved August 28, 2005 from <http://www.otexa.ita.doc.gov/explist.htm>

Exports of denim are reported by Cotton Incorporated in free-alongside-ship (FAS) dollar values. Exports of denim apparel are shown in Figure 17. Denim apparel exports to Canada were nearly \$100 million FAS, and represented the largest export market for US denim apparel at 33.5% market share (Denim, 2005). The top two major export markets for US denim fabric were Mexico and Guatemala, as shown in Figure 18.

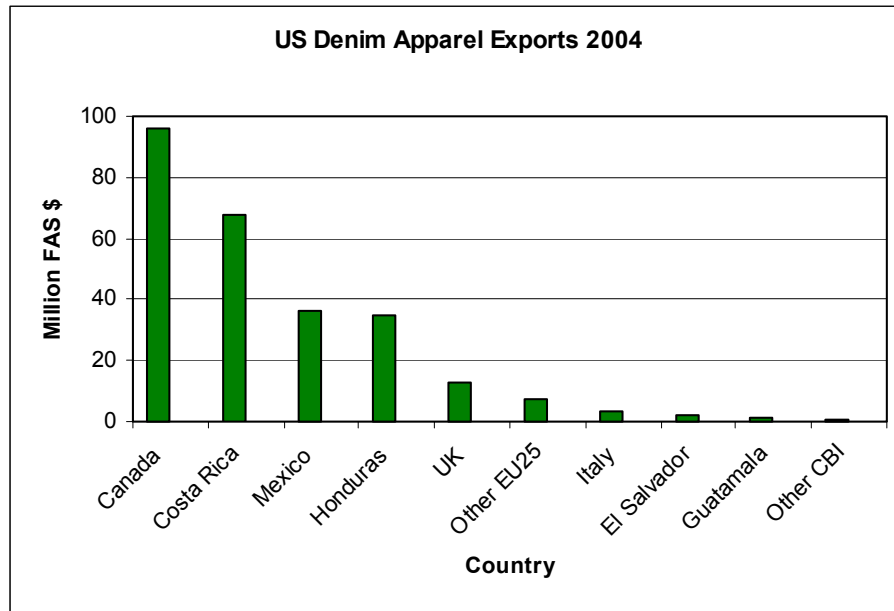


Figure 17: Exports of US denim apparel.

Source: Denim Apparel Market. (2005). Cotton Incorporated: Special Report.

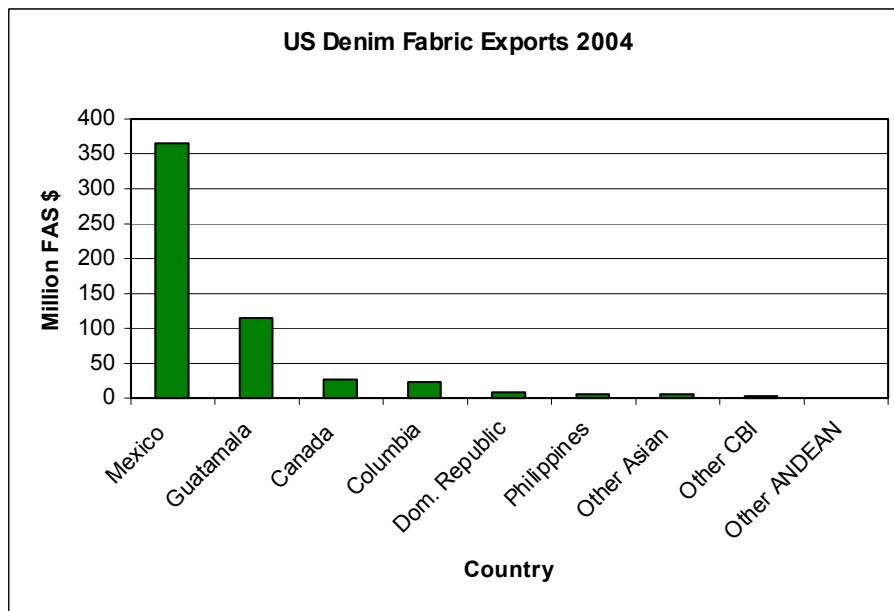


Figure 18: Exports of US denim fabric.

Source: Denim Apparel Market. (2005). Cotton Incorporated: Special Report.

### *Important Trading Partners*

The most important trading partner for the US bottomweights market is Mexico (The Export, n.d.; The Major, n.d.). Mexico leads imports and exports of bottoms; however, Canada represents the largest export market for denim apparel. Other important trading partners are the Dominican Republic, Guatemala, Honduras, Costa Rica, Italy, Taiwan, Hong Kong, and Indonesia.

### *Global Supply Chains*

Due to the elimination of quotas brought about by the WTO, China and East Asian countries, including India and Pakistan, have the most to potentially gain (Kilduff, 2005). Although these countries have a disadvantage due to proximity to the US market, improving communications and decreasing shipping costs have lessened this disadvantage. Also, American textile companies have focused on mass markets, while European and Asian producers have focused on niche products, allowing for increased competitive advantage in the area of expertise – fashion (Kilduff, 2005). Apparel manufacturing companies are increasingly moving to brand management companies, such as Sara Lee and Nike. This presents a competitive challenge for retailers as national brands compete against private label offerings. Apparel retailers will have to continue to seek efficiencies in the supply chain and focus marketing efforts on the target customer.

The growth of clothing trade between 2005 and 2010 is predicted to be as much as 8-10% per year, compared to a predicted growth in textile trade of less than 1% per year (Singhal, Agarwal, & Singh, 2004). Another trend predicted by Singhal, Agarwal, and Singh is an increase in the number of vertical or “virtual” vertical sources (2004). This is because

the major consideration prior to quota elimination was the availability of quota in a particular country, but has now become the availability of raw materials. This will lead to companies procuring raw materials and converting them (vertical sources), or forming partnerships with raw material converters (“virtual” vertical sources). These “virtual” vertical sources have facilitated the rise in the number of private label products offered by apparel retailers.

Another trend in global supply chains for the future is sourcing from the most competitive countries, in terms of cost, quality, and productivity (Singhal, Agarwal, & Singh, 2004). According to Singhal, Agarwal, and Singh (2004), proximity to market, coupled with capacity will also be an important feature of global textile and apparel supply chains. Companies want to manage fewer suppliers and want shorter lead times; in order for this to happen, suppliers will need the ability to produce larger volumes closer to the US market.

The trend toward full package sourcing is also discussed by Singhal, Agarwal, and Singh (2004) as well as Nowell (2005). One manufacturing company that has successfully implemented full-package sourcing is TAL Apparel. With the increased importance on full package sourcing, United States retailers will begin to accept nothing less than full-package. In order to have an apparel market for their products, domestic textile producers should partner with downstream apparel manufacturing companies in Latin America to form “virtual” vertical sources in order to offer full-package sources for apparel retailers.

## **CHAPTER III**

### **METHODOLOGY**

#### **Purpose of the Research**

The purpose of this research was to examine companies in the bottomweights market who have identified niche products/markets for use in testing the Parrish Niche Strategy Model (2003). Another purpose of this research study was to analyze factors that contribute to the establishment of niche marketing strategies within the bottomweights market, as well as issues that arise when implementing a niche strategy.

The overall research question for this research was: How can the US Textile and Apparel Industry remain economically competitive in the face of global competition. Specific research questions developed from the overall research question were:

1. What niche products exist in the bottomweights market?
2. Who are the main players in the bottomweights market in terms of:
  - a. Fiber/Yarn;
  - b. Textile;
  - c. Apparel;
  - d. Retail.
3. What factors contribute to the development of a bottomweights niche strategy in terms of:
  - a. Economic factors;
  - b. Technological factors;
  - c. Environmental factors;



- d. Political factors;
  - e. Other factors.
4. What are issues when implementing a bottomweights niche strategy, in terms of:
- a. Product selection;
  - b. Manufacturing base;
  - c. Marketing strategies;
  - d. Other issues.
5. How does the Parrish Niche Strategy Model (2003) perform in terms of:
- a. Predicting the potential of a niche market and/or product;
  - b. Predicting the success of a niche market and/or product.

Figure 19 is a visual depiction of the research question, developed by the researcher, to guide the research.

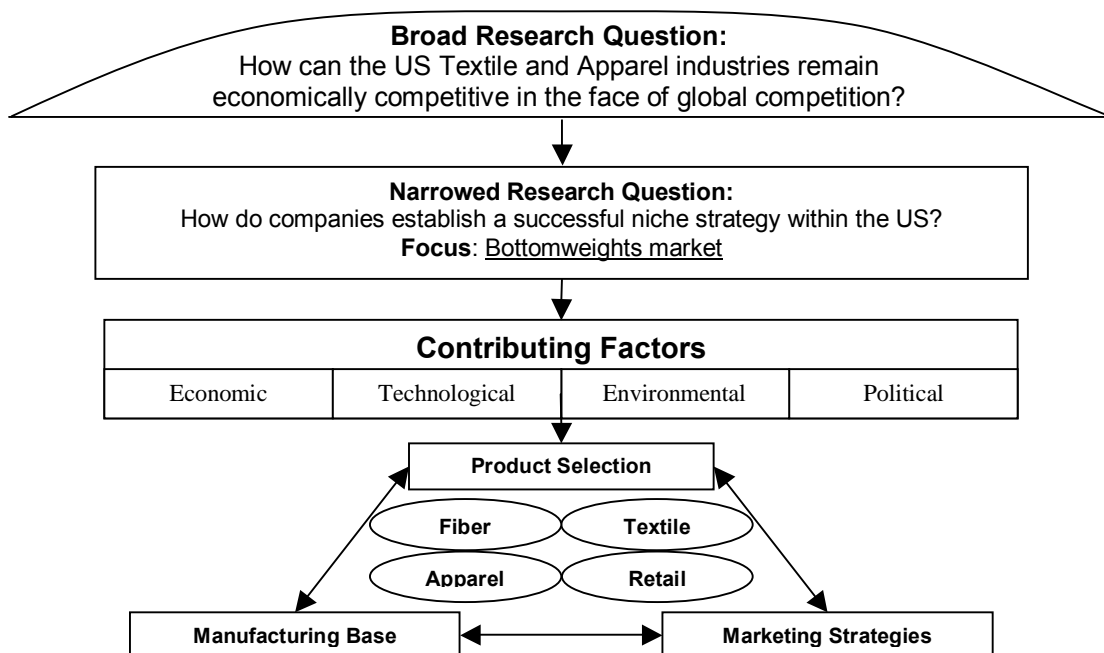


Figure 19: Visual depiction of the research question.

## Research Objectives

The specific objectives of the research were:

### *Phase I: Exploratory*

RO1: To identify niche bottomweight products and companies competing in the bottomweights market with niche products.

RO2: To conduct a competitive analysis, from secondary sources, on companies that are currently involved in bottomweight niche markets in order to:

RO2A: Understand current situations and strategies;

RO2A1: Sales;

RO2A2: Growth rate;

RO2A3: Headquarters and facilities;

RO2A4: Product mix;

RO2A5: Niche products;

RO2A6: Business strategies related to niche products/markets.

### *Phase II: Concurrent Triangulation*

#### *Deductive Approach*

RO3: To empirically test the model developed by Parrish (2003) to determine:

RO3A: The ability of the model in predicting the potential of a niche market and/or product;

RO3B: The ability of the model in predicting the success of a niche market and/or product.

### *Inductive Approach*

RO4: To conduct in-depth case studies via primary sources with each of the identified companies to determine:

RO4A: Factors that influence the development of a niche strategy, in terms of:

RO4A1: Economic factors;

RO4A2: Technological factors;

RO4A3: Environmental factors;

RO4A4: Political factors;

RO4A5: Other factors.

RO4B: Product/market issues that arise during the implementation of a niche strategy, in terms of:

RO4B1: Product selection;

RO4B2: Manufacturing base;

RO4B3: Marketing strategies;

RO4B4: Other issues.

RO5: To refine the variables in the Parrish Niche Strategy Model (2003) to incorporate the above analysis.

### Research Design

#### *Strategy*

#### *Mixed Methods*

This research used a mixed methods approach and both quantitative and qualitative

data were collected and analyzed. In addition, both primary and secondary data were used. The concept of mixing quantitative and qualitative methods was developed in 1959 by Campbell and Fiske (Creswell, 2003).

The mixed methods approach helps to offset or cancel biases associated with either quantitative or qualitative methods alone (Creswell, 2003). Another advantage of the mixed methods approach is that findings from one method can influence the other method. Mixed methods allow research to be conducted using both open- and closed-ended questions. Also, multiple forms of data are collected and statistical and text analyses can be performed. By combining these methods, the researcher can provide a comprehensive analysis of the research problem.

Table 11

*Decision Choices for Determining a Mixed Methods Strategy of Inquiry*

<b><i>Implementation</i></b>	<b><i>Priority</i></b>	<b><i>Integration</i></b>	<b><i>Theoretical Perspective</i></b>
No Sequence Concurrent	Equal	At Data Collection	Explicit
Sequential–Qualitative first	Qualitative	At Data Analysis	
		At Data Interpretation	Implicit
Sequential–Qualitative first	Quantitative	With Some Combination	

Source: Creswell, J. (2003). *Research design: Quantitative, qualitative, and mixed methods approaches*. Thousand Oaks, CA: Sage Publications.

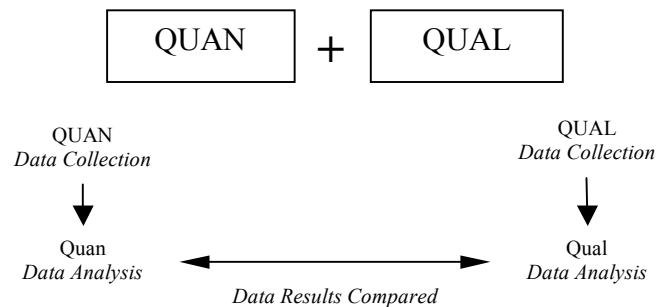
The criteria for selecting the mixed methods approach to be used are shown in Table 11. The priority for collection of qualitative and quantitative data is equal, the data are integrated as both primary and secondary data are collected, and the theoretical perspective is explicit, a theory guides the research (Creswell, 2003). The theoretical perspectives that are utilized in this study are Porter's Generic Competitive Strategies (1980) and the Parrish Niche Strategy Model (2003). Porter (1980) presents the theory that a strategy that can be utilized for facing competition is a focus strategy. A focus strategy can take two forms: focused differentiation and focused cost-leadership. Focused differentiation is a strategy in which a differentiated product is created for a small market segment. In this way, a focused differentiation strategy can be seen as a niche strategy; a niche product is offered to a niche market. According to Parrish (2003), a niche strategy is a way for a company to increase economic competitiveness from increased market share and profitability. In order for companies to effectively utilize niche strategies, an understanding of niche strategies must fully be developed. The Parrish Niche Strategy Model (2003) illustrates the current understanding of niche strategies utilized by the textile and apparel industries. The model contains market potential strategies and success variables. These components of the model were tested, and other components were added, namely factors that influence the development of a niche strategy and issues that arise during the implementation of a niche strategy.

#### *Two Phases: Exploratory and Concurrent Triangulation*

This research was conducted in two phases. The first phase (Phase I) was exploratory in nature. This phase provided understanding of the bottomweights market and of specific

niches within this market. It addressed research objectives RO1 and RO2.

The second phase (Phase II) of this study used a concurrent triangulation strategy. This strategy, shown in Figure 20, involves collecting quantitative (QUAN) and qualitative (QUAL) data simultaneously and comparing results from analysis of each type of data. This strategy was selected because it offers the ability to confirm, cross-validate, or corroborate findings within a single study (Creswell, 2003). Phase II addressed research objectives RO3-RO5.



*Figure 20: Concurrent triangulation strategy.*

Source: Creswell, J. (2003). *Research design: Quantitative, qualitative, and mixed methods approaches*. Thousand Oaks, CA: Sage Publications.

### *Phase I: Exploratory*

In Phase I, both quantitative and qualitative data were collected on products and companies in bottomweight niche markets through secondary research utilizing sources such as retail audits, government resources, and trade publications. Secondary research was necessary in order to explore the bottomweights market in order to identify niche bottomweight products and companies competing in the market with niche products. The output from Phase I was used to select companies for participation in Phase II.

### *Data Collection: Phase I*

Secondary sources were used to develop an understanding of niche bottomweight markets. Sources used for Phase I data collection include e-commerce websites, government websites, online databases, association publications, and trade journals. Qualitative data were also gathered utilizing information contained in the review of literature. Data for Phase I were collected Spring 2005 – Fall 2005. The data collection process is shown in Table 12, along with the sources used and the contribution to the research objective.

Table 12

*Phase I Instrument: Secondary Data Collection*

Step	Process	Sources Used	Contribution to Research Objective
Step 1	<ul style="list-style-type: none"> <li>Identify trends in the apparel industry related to bottomweight niche products</li> </ul>	<ul style="list-style-type: none"> <li>Trade publications</li> <li>Plunkett Research Apparel &amp; Textiles Industry Trends</li> <li>S&amp;P Industry Surveys</li> <li>Internet research, online databases</li> </ul>	<ul style="list-style-type: none"> <li>Identified trends resulting in niche products (RO1)</li> </ul>
Step 2	<ul style="list-style-type: none"> <li>Determine broad possible categories of niche bottomweight products</li> </ul>	<ul style="list-style-type: none"> <li>Literature <ul style="list-style-type: none"> <li>Kotler, 1999</li> <li>Linneman &amp; Stanton, 1991</li> <li>Parrish, 2003</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Provided broad categories of possible niche products (RO1)</li> </ul>
Step 3	<ul style="list-style-type: none"> <li>Determine final categories of niche bottomweight products for further study</li> </ul>	<ul style="list-style-type: none"> <li>Compare results from Steps 1 &amp; 2</li> </ul>	<ul style="list-style-type: none"> <li>Provide structure for further data collection (RO1)</li> <li><i>Results shown in Table 13</i></li> </ul>
Step 4	<ul style="list-style-type: none"> <li>Determine niche products within identified categories</li> </ul>	<ul style="list-style-type: none"> <li>E-commerce sites</li> <li>Trade journals</li> <li>Internet research</li> </ul>	<ul style="list-style-type: none"> <li>Identified specific niche bottomweight products (RO1)</li> <li><i>Results shown in Table 14</i></li> </ul>
Step 5	<ul style="list-style-type: none"> <li>Determine NAICS codes for population identification</li> </ul>	<ul style="list-style-type: none"> <li>NAICS website</li> </ul>	<ul style="list-style-type: none"> <li>Provided guidance for population identification (RO1)</li> <li><i>Results shown in Table 15</i></li> </ul>
Step 6	<ul style="list-style-type: none"> <li>Identify companies competing in each NAICS sector</li> </ul>	<ul style="list-style-type: none"> <li>Plunkett Research Company Profiles</li> <li>Mergent Online</li> <li>Hoover's Company Capsules and Profiles</li> <li>National Retail Federation</li> </ul>	<ul style="list-style-type: none"> <li>Identified companies competing in the bottomweights market (RO1)</li> <li><i>Results shown in Appendix C</i></li> </ul>
Step 7	<ul style="list-style-type: none"> <li>Identify companies competing in the bottomweights market with niche products</li> </ul>	<ul style="list-style-type: none"> <li>Company websites</li> <li>Compare results from Steps 4 &amp; 6</li> </ul>	<ul style="list-style-type: none"> <li>Narrowed population to companies with niche bottomweight products for competitive analysis (RO1, RO2)</li> <li><i>Further information regarding narrowing discussed on page 57</i></li> </ul>
Step 8	<ul style="list-style-type: none"> <li>Validate sample</li> </ul>	<ul style="list-style-type: none"> <li>Leaders from companies competing in bottomweight niche markets</li> </ul>	<ul style="list-style-type: none"> <li>Validate sample for further research (RO2)</li> <li><i>Further information regarding validation discussed on page 64</i></li> </ul>
Step 9	<ul style="list-style-type: none"> <li>Perform a competitive analysis of companies</li> </ul>	<ul style="list-style-type: none"> <li>Company websites</li> <li>Trade publications/associations</li> <li>Internet research, online databases</li> </ul>	<ul style="list-style-type: none"> <li>Understand current situations and strategies (RO2A)</li> <li><i>Results discussed in Chapter 3</i></li> </ul>

Source: Adapted by R. Allen (2005) from Nowell (2005).



Table 13

*Categories of Niche Bottomweight Products*

Urbanwear	Alternative Sizing
Premium Denim	Customer Service
Brand Name	Feature
Western	Image Apparel

Table 14

*Bottomweight Niche Products*

Urban	Sizing
Mark Ecko Enterprises	Just My Size – Sara Lee
Ecko unltd	Kiyonna
G – Unit	Lane Bryant
Complex	Zaftique
Zoo York	Junonia
Mark Ecko Collection	Ashley Stuart
Avirex	Elizabeth – Liz Claiborne
Baby Phat	Liz Claiborne Woman
Phat Farm – Kellwood	Sigrid Olsen
Sean John	Ellen Tracy
Akademiks	Emma James
Rocawear	Tapemeasure
Outkast	<b>Customer Service</b>
Enyce	Lands' End
Pepe	Nordstrom
Pelle Pelle	Bluefly.com
Girbaud	<b>Brand Name / Private Brand</b>
LRG	Tommy Bahama
J. Lo	Docker's
Ruff Ryders	Gap
Shady Ltd.	Eddie Bauer
Triple Five Soul	Nordstrom
Apple Bottoms	L.L. Bean
Avirex	Mary Kate and Ashley Olsen
<b>Premium denim</b>	<b>Feature</b>
Antik Denim	Nanotex
Joe's Jeans	Docker's Stain Defender
James Jeans	Eddie Bauer
Juicy Couture	Travelsmith.com ComfortSizers Trousers
Paige Denim	L.L. Bean – optional finishing
True Religion	Nordstrom – Smartcare
Paper, Denim, and Cloth	Kathmandu – MCS Zipp Off Pants
Seven for all Mankind	Buzz-Off
Citizens of Humanity	L.L. Bean
Rock and Republic	Orvis
Butterfly Jeans	Bass Pro Shops
AG Jeans	Cognis
Diesel	Skintex
Levi	Miss Sixty Low Ty Jeans "Ani-Cellulite" Treated Trousers
Evisu	Carhartt
ABS by Allen Schwartz	Columbia
Calvin Klein	<b>Western</b>
Cambio	Wangler
Chip & Pepper	Cruel Girl
DKNY Jeans	Rockies - Rocky Mountain
Earl Jean	Roper
Halogen	Lawman
Indigo Palms	Cinch
Lucky Brand	Levi
Miss Sixty	<b>Image Apparel</b>
Sacred Blues	Cintas
Serfontaine	Red Kap
Buffalo	Bulwark
Oligo Tissew	Dickies

Table 15

*NAICS Codes: Bottomweights Market*

<b>Fiber/Yarn</b>	
<b>NAICS Code</b>	<b>Description</b>
313111	Yarn Spinning Mills
313112	Yarn Texturizing, Throwing, and Twisting Mills
323221	Cellulosic Organic Fiber Manufacturing
313222	Noncellulosic Organic Fiber Manufacturing
<b>Textile</b>	
<b>NAICS Code</b>	<b>Description</b>
313210	Broadwoven Fabric Mills
313311	Broadwoven Fabric Finishing Mills
<b>Apparel</b>	
<b>NAICS Code</b>	<b>Description</b>
315211	Men's and Boys' Cut and Sew Apparel Contractors
315212	Women's, Girls', and Infants' Cut and Sew Apparel Contractors
315224	Men's and Boys' Cut and Sew Trouser, Slack, and Jean Manufacturing
315225	Men's and Boys' Cut and Sew Work Clothing Manufacturing
315228	Men's and Boys' Cut and Sew Other Outerwear Manufacturing
315234	Women's and Girls' Cut and Sew Suit, Coat, Tailored Jacket, and Skirt Manufacturing
315239	Women's and Girls' Cut and Sew Other Outerwear Manufacturing
315291	Infants' Cut and Sew Apparel Manufacturing
<b>Retail</b>	
<b>NAICS Code</b>	<b>Description</b>
448110	Men's Clothing Stores
448120	Women's Clothing Stores
448130	Children's and Infants' Clothing Stores
448140	Family Clothing Stores
448190	Other Clothing Stores
812331	Linen Supply
812332	Industrial Launderers

Source: Adapted by Allen, R. (2005) from [www.naics.com](http://www.naics.com); Plunkett Research Online (2005). *Company Profiles – Apparel and Textiles Research Center*. Retrieved September 6, 2005 from <http://www.lib.ncsu.edu:2860/Profiles/Default.aspx?Industry=23>

*Sample Selection*

The sample for this study was chosen utilizing a methodology adapted from three previous research studies (Cesca, 2005; Jones, 2005; Nowell, 2005). This research focused

on bottomweights, which represents a significant domestic consumption market for the US textile supply chain. In addition, bottomweights is a product category that has been traditionally strong for the US and in which US companies continue to have a strong presence; however, US manufacturers have been losing market share in the bottomweights market as import penetration continues to rise.

This process of sample selection was necessary in order to conduct competitive analyses, research objective RO2. The companies for the sample were selected from the population of fiber/yarn, textile, apparel, and retail firms that compete in the bottomweights market, including firms that produce denim and image apparel (uniforms). All sectors of the bottomweights supply chain were chosen for study in order to look at niche strategies used by companies to produce, market, and sell niche bottomweight products. Retailers were selected for the study because they not only identify and purchase niche apparel to sell to customers, but are increasingly developing and selling private label products their niche markets. A sample selection process similar to that used by Cesca (2005), Jones (2005), and Nowell (2005) was utilized, specific to each sample category (Table 15).

*Sample 1: Fiber/Yarn*

1. Identify companies competing in the chosen NAICS sectors as fiber/yarn producers.

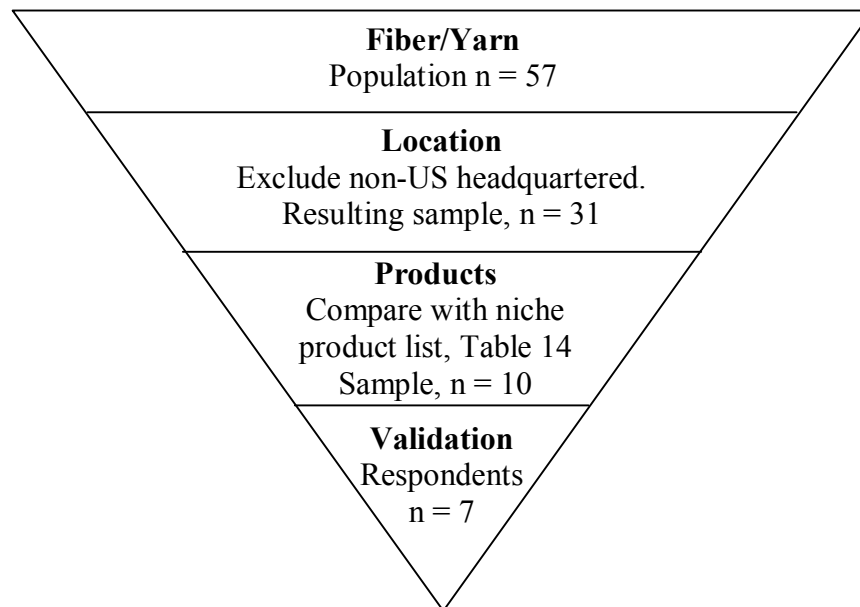
Table 15 lists these codes; corresponding SIC codes can be found in Appendix A.

The identified companies result in a population of 57 companies. These companies are listed in Appendix C (C1: Fiber/Yarn Population).

2. Determine company location. Exclude firms that are not US based (firms included must have corporate headquarters in the US). This resulted in a narrowed group of 31

companies.

3. Determine product mix and manufacturing locations.
4. Compare niche bottomweight products found through secondary research (Table 14) to product mix in order to include only companies with bottomweight products in the identified niches. This resulted in a sample of 10 companies (Table 16).
5. Validate sample with industry leaders involved in the bottomweights market.



*Figure 21:* Fiber/yarn sample selection process.

Table 16

*Fiber/Yarn Sample*

<b>Pre-Validation</b>	
Carolina Mills	Parkdale Mills*
Greenwood Mills	RL Stowe Mills*
Milliken & Company	Southern Mills
National Spinning	Stowe-Phar Mills
National Textiles	Unifi*
* validated	
<b>Companies Added During Validation</b>	
Invista	Wellman
Frontier Spinning Mills	Swift Spinning

*Sample 2: Textile*

1. Identify companies competing in the chosen NAICS sectors as textile producers.

Table 15 lists these codes; corresponding SIC codes can be found in Appendix A.

The identified companies result in a population of 120 companies. These companies are listed in Appendix C (C2: Textile Population).

2. Determine company location. Exclude firms that are not US based (firms included must have corporate headquarters in the US). This resulted in a narrowed group of 28 companies.
3. Determine product mix and manufacturing locations.
4. Compare niche bottomweight products found through secondary research (Table 14) to product mix in order to include only companies with bottomweight products in the identified niches. This resulted in a sample of eight companies (Table 17).
5. Validate sample with industry leaders involved in the bottomweights market.

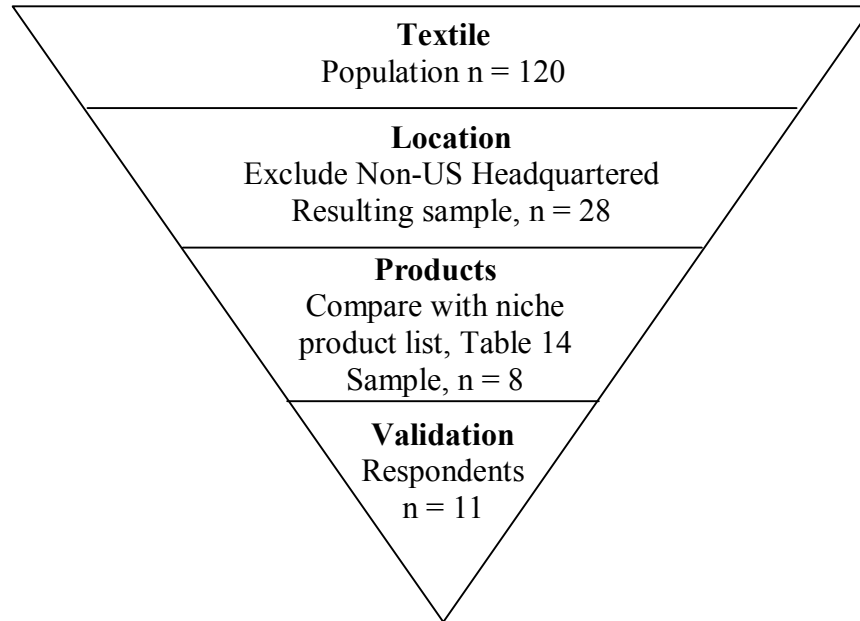


Figure 22: Textile sample selection process.

Table 17

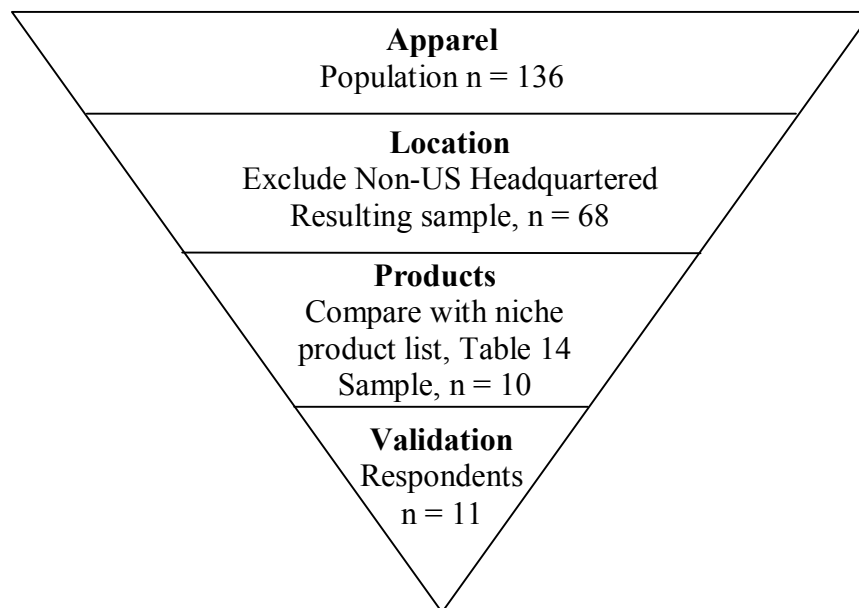
*Textile Sample*

Pre-Validation	
Cone Mills*	Dan River
Galey & Lord Swift Denim*	Delta Woodside
Milliken & Company*	Mount Vernon Mills*
Burlington Industries*	Avondale Mills*
* validated	
Companies Added During Validation	
Inman Mills	Denim North America
Arvind Mills**	Isko**
UCO**	
** non-US headquartered	

*Sample 3: Apparel*

1. Identify companies competing in the chosen NAICS sectors as apparel manufacturers/marketers. Table 15 lists these codes; corresponding SIC codes can be

- found in Appendix A. The identified companies result in a population of 136 companies. These companies are listed in Appendix C (C3: Apparel Population).
2. Determine company location. Exclude firms that are not US based (firms included must have corporate headquarters in the US). This resulted in a narrowed group of 68 companies.
  3. Determine product mix and manufacturing locations.
  4. Compare niche bottomweight products found through secondary research (Table 14) to product mix in order to include only companies with bottomweight products in the identified niches. This resulted in a sample of 10 companies (Table 18).
  5. Validate sample with industry leaders involved in the bottomweights market.



*Figure 23: Apparel sample selection process.*

Table 18

*Apparel Sample*

<b>Pre-Validation</b>	
Kellwood*	Oxford*
VF Corp*	Hartmarx Corporation
Levi Strauss*	Cintas*
Seven for All Mankind*	Tarrant Apparel
Liz Claiborne*	IC Isaacs & Company
* validated	
<b>Companies Added During Validation</b>	
Williamson-Dickie	Columbia Sportswear
Dualstar	Jones New York

*Sample 4: Retail*

1. Identify companies competing in the chosen NAICS sectors as retail companies.  

Table 15 lists these codes; corresponding SIC codes can be found in Appendix A.

The identified companies result in a population of 162 companies. These companies are listed in Appendix C (C4: Retail Population).
2. Determine company location. Exclude firms that are not US based (firms included must have corporate headquarters in the US). This resulted in a narrowed group of 89 companies.
3. Determine product mix and manufacturing locations.
4. Compare niche bottomweight products found through secondary research (Table 14) to product mix in order to include only companies with bottomweight products in the identified niches. This resulted in a sample of 10 companies (Table 19).
5. Validate sample with industry leaders involved in the bottomweights market.



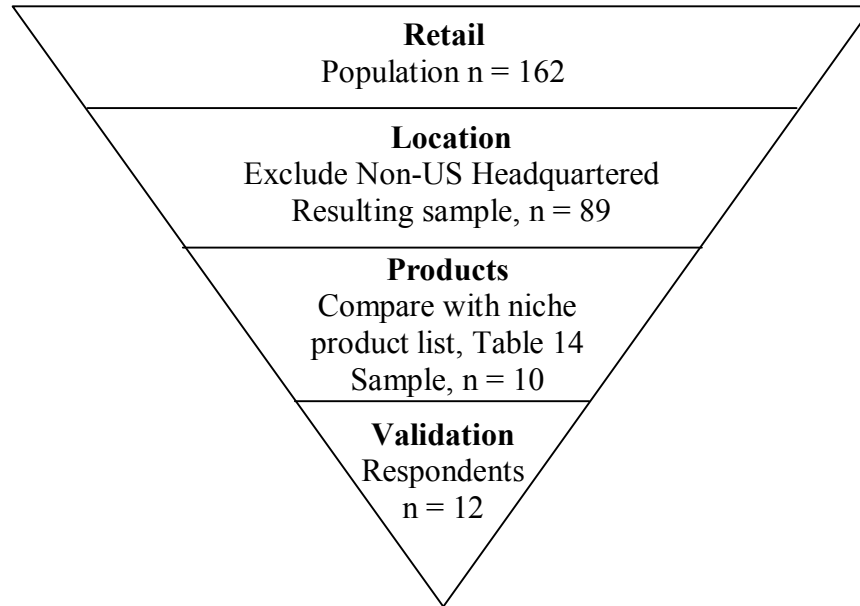


Figure 24: Retail sample selection.

Table 19

*Retail Sample*

Pre-Validation	
Gap*	Kohl's*
Nordstrom*	JC Penney*
Cabela's*	Wal-Mart*
Cintas	Lands' End*
Charming Shoppes*	Sear's
* validated	
Companies Added During Validation	
Pacific Sunwear	American Eagle
Abercrombie & Fitch	Limited Brands
** non-US headquartered	

*Sample Validation*

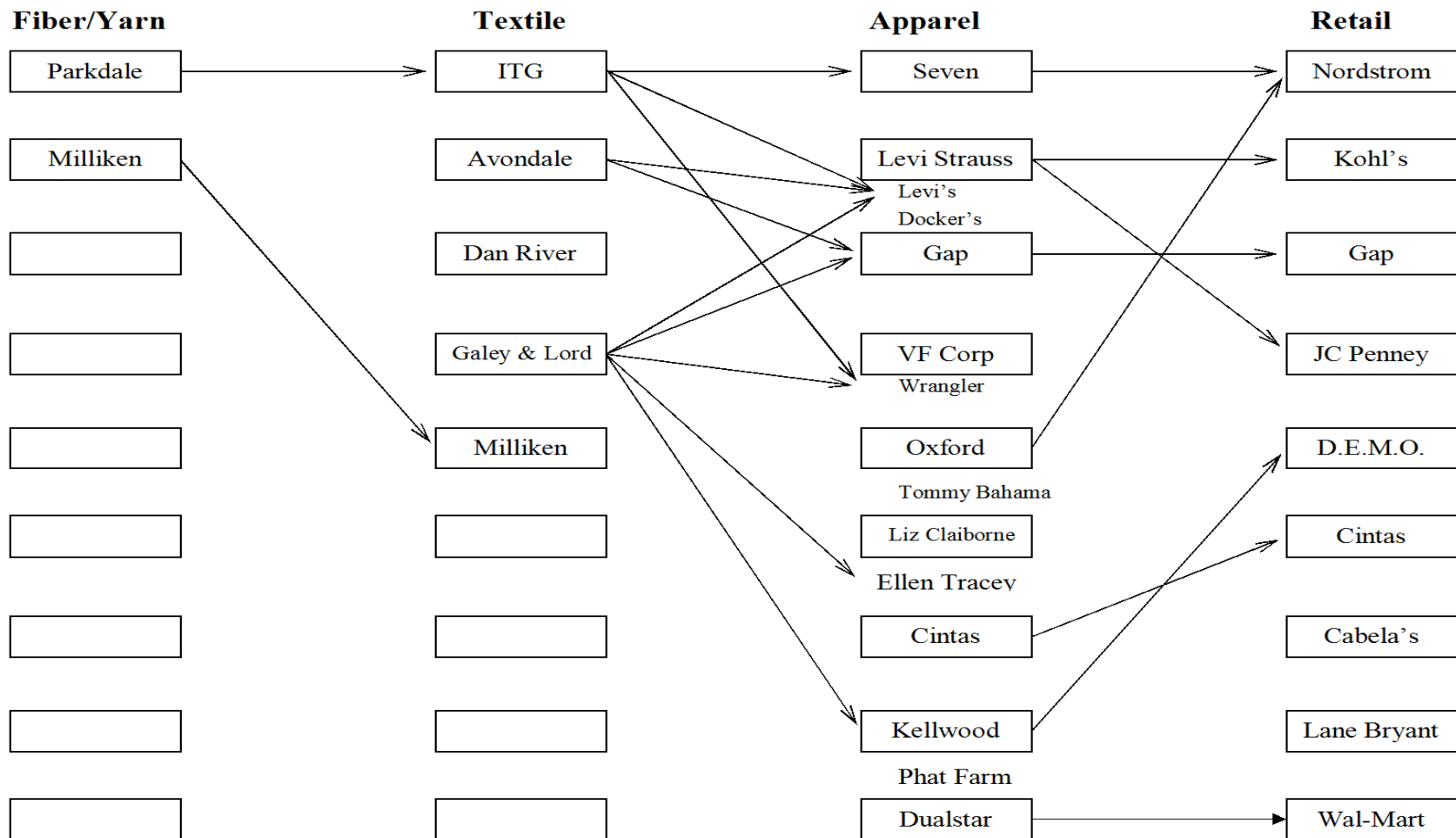
With the increased importance of supply chain management and the trend towards added value through the textile and apparel pipeline, complete supply chains were desired for

the competitive analysis. Using secondary data, preliminary supply chains were diagrammed for validation (Figure 25). These preliminary supply chains did not include all sample companies found during the previous sample narrowing processes previously discussed. Instead, it included all downstream companies (retailers) and only upstream companies (fiber/yarn manufacturers, fabric manufacturers, and apparel manufacturers and marketers) that could be connected through secondary data. A group of leaders from major companies and associations, Table 20, involved in the bottomweights market was chosen to validate the sample. Each company representative was given a list of niche bottomweight products, Table 21, and a copy of the preliminary supply chains and was asked to provide additional connections to the supply chain maps. In addition, each company representative was asked whether each niche product contributed to the study and if other products and/or companies should be included in the study. Based on the results from sample validation, shown in Appendix D, competitive analyses were conducted on the companies to determine the current state of and strategies used by the companies.

Table 20

*Industry Leaders Used to Validate Sample*

	Position
Executive 1	Division Director of New Product Development - Woven and Specialty Applications
Executive 2	Director of New Product Development
Executive 3	Merchandiser
Executive 4	Division Vice President - Denim
Executive 5	Senior Director - Brand Marketing



**Niches:** Urban (Hip-Hop), Image Apparel (Uniforms), Brand Name, Feature (Performance), Premium Denim, Western, Plus-Size

Figure 25: Pre-validation supply chain map.

Table 21

*Pre-Validation Sample Niche Bottomweight Products*

Urban/Hip Hop	Premium Denim
Phat Farm (Kellwood)	Seven for All Mankind
	Levi's Premium
Feature/Performance	Brand Name
Docker's Stain Defender (Levi)	Gap
Buzz-Off	Tommy Bahama (Oxford Industries)
Image Apparel	Mary Kate and Ashley Olsen (Dualstar)
Cintas	Alternative Sizing/Plus-Size
Western	Ellen Tracey (Liz Claiborne)
Wrangler (VF Corp)	Lane Bryant (Charming Shoppes)

*Competitive Analysis*

Once the final Phase I sample was selected and validated, competitive analyses were performed on the companies to determine the current state of the company and strategies that are used by the company. Competitive analyses were conducted using secondary data. The instrument for competitive analysis is shown as Figure 26.

Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters				
1999	1999					
2000	2000					
2001	2001	Locations				
2002	2002					
2003	2003					
2004	2004					
Average Sales 1998-2004	Average Growth Rate 1998-2004					

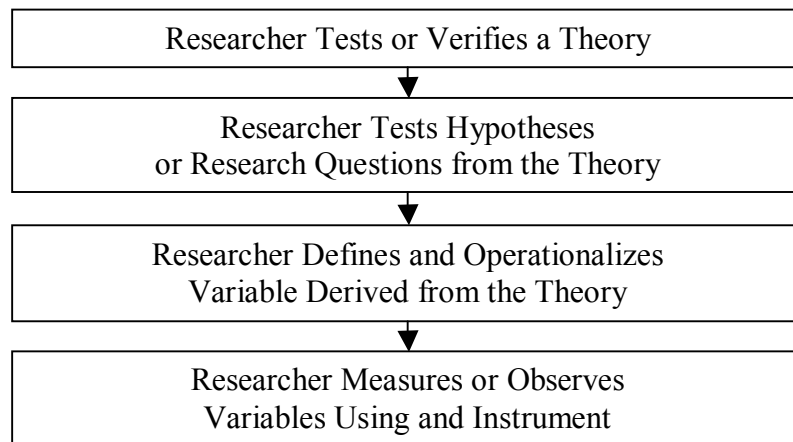
*Figure 26: Competitive analysis instrument.*

Source: Adapted by R. Allen (2006) from H. Nowell (2005).

## *Phase II: Concurrent Triangulation - Deductive and Inductive Logic*

### *Data Collection: Phase II*

Companies that were identified for participation in the study were contacted via e-mail. The same letter (Appendix E) was sent to all contacted companies. The letter explained the purpose of the study and asked for the company's participation in the study. Follow-up e-mails were then sent or phone calls were made to attempt to set up interviews (face-to-face or phone, depending on respondent preference). After setting up visits and conference calls, both qualitative and quantitative data were collected during Phase II of the research using an interview instrument. Deductive logic was used to gather quantitative data, and inductive logic was used to collect qualitative data. Both methods are described below.



*Figure 27: Deductive model of research.*

Source: Creswell, J. (2003). *Research design: Quantitative, qualitative, and mixed methods approaches*. Thousand Oaks, CA: Sage Publications.

### *Deductive Logic*

Quantitative data were gathered during Phase II of the research using deductive logic,

modeled in Figure 27. Deductive logic was used to test the market potential strategies and success variables in the Parrish Niche Strategy Model (2003), meeting research objective RO3.

### *Theory Identification*

Theoretical perspectives that were utilized in deductive logic for this study are: Porter's Generic Strategies (1980) and the Parrish Niche Strategy Model (2003). Porter (1980) presents the theory that a strategy that can be utilized for facing competition is a focus strategy. A focus strategy can take two forms: focused differentiation and focused cost-leadership. Focused differentiation is a strategy in which a differentiated product is created for a small market segment. In this way, a focused differentiation strategy can be seen as a niche strategy; a niche product is offered to a niche market. According to Parrish (2003), a niche strategy is a way for a company to increase economic competitiveness from increased market share and profitability. Niche products are customized for a niche market or a niche market adopts a niche product that meets its needs, so customers are willing to pay more for niche products because they add value for consumers in terms of fulfilling their needs better than any other products. In order for companies to effectively utilize niche strategies, an understanding of niche strategies must fully be developed. The Parrish Niche Strategy Model (2003) illustrates the current understanding of niche strategies utilized by the textile and apparel industries. The model contains market potential strategies and success variables. The deductive portion of Phase II tested these components of the model.

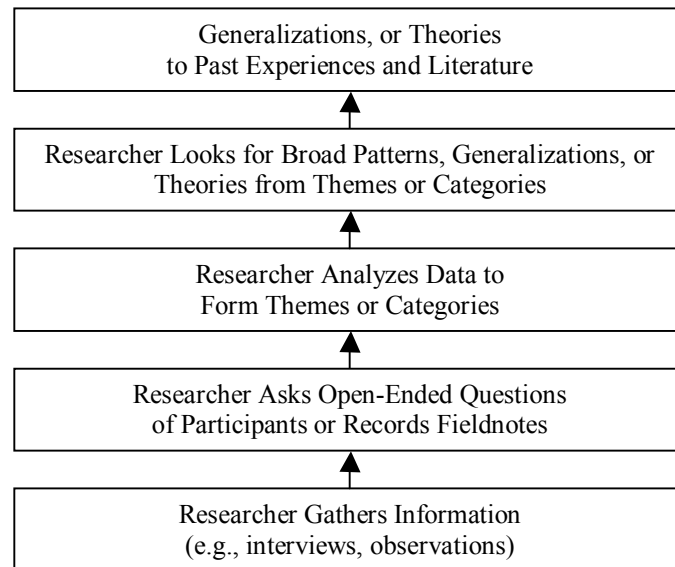
### *Research Questions*

The specific research objectives that were addressed using deductive logic in Phase II

were RO3A and RO3B. Specific research questions addressed were:

1. How does the Parrish Niche Strategy Model (2003) perform in terms of:
  - a. Predicting the potential of a niche market and/or product, in terms of:
    1. Research and development;
    2. Trial and error;
    3. Innovation;
    4. Brand expansion;
    5. Market research;
    6. Customer interviews;
    7. Interaction with retailers;
    8. Analysis of the competition.
  - b. Predicting the success of a niche market and/or product, in terms of:
    1. Quality;
    2. Brand image;
    3. The marketing mix;
    4. Differentiation;
    5. Perceived value;
    6. Knowledge of the consumer;
    7. Strategic alliances;
    8. Demand;
    9. Barriers to entry;
    10. Service level;

11. Market share;
12. Communication;
13. Loyal consumer base.



*Figure 28: Inductive model of research.*

Source: Creswell, J. (2003). *Research design: Quantitative, qualitative, and mixed methods approaches*. Thousand Oaks, CA: Sage Publications.

### *Inductive Logic*

Qualitative data collection for Phase II of the study utilized inductive logic, modeled in Figure 28. Inductive logic was used to provide insight, in terms of research objective RO4. Qualitative data were collected based on the guidelines of R.K. Yin (Yin, 1994). An interview method was used because a greater amount of information could be gathered on a small number of companies than could be gathered through administering a survey to a larger population. These interviews used a researcher-developed interview questionnaire to ensure



consistency and completeness. The goal of the interviews was to identify factors that influence the development of a niche strategy (RO4A) and to determine product/market issues that arise during the implementation of a niche strategy (RO4B).

#### *Variable Measurement and Instrument Development*

Three different instruments were developed for this study. The first instrument, Appendix F1, was used for Fiber/Yarn Manufacturers, Fabric Manufacturers, and Apparel Manufacturers and Marketers. The second instrument, Appendix F2, was used for Retailers. There were only minor differences between the two instruments; wording was changed to reflect that retailers sell or develop products, while other sectors produce products, as well as to offer an opportunity for retailers to add to the market potential and success variables. Additionally, a third instrument was developed for use with auxiliary companies. This instrument, Appendix F3, used questioning designed to gather exploratory data on niche products and markets.

The interview questionnaires for Fiber/Yarn, Fabric, Apparel, and Retail had five parts: 1) Current State, 2) Development, 3) Market Potential, 4) Implementation, and 5) Success. *Current State* questions dealt with niche products, customers, marketing strategy, value-adding, and supply chain relationships. These questions were used to understand the current state of each company. *Development* questions asked respondents what factors influence the development of niche strategies and why the companies developed niche products or pursued niche markets. These questions were used to identify individual development factors in order to determine broad categories of development factors. *Market Potential* questions dealt with strategies used to determine the potential of a niche product or

market. *Implementation* questions related to issues that arise during the implementation of a niche strategy, both broadly, in general terms, and narrowly, specific to marketing strategies, product selection, and manufacturing base. *Success* questions dealt with success variables (Parrish, 2003) of a product, market, and a niche strategy.

Deductive logic was used to develop questions that would gather quantitative data related to market potential strategies and success variables (Parrish, 2003). In order to determine the importance of variables in relation to predicting the potential and success of a niche market and/or product, instrument questions were developed that utilized rank order scales. In addition, three-point Likert scales were used in order to determine the level of importance for each of the market potential and success variables. Questions developed using deductive logic are Q11-14 and Q22-27. Inductive logic was used to develop questions that would gather qualitative data related to factors that influence the development of niche strategies and issues that arise during the implementation of niche strategies. Questions developed using inductive logic are Q1-10 and Q15-21.

#### *Data Analysis*

Data analysis for quantitative data proceeded using the methodology of Parrish (2003). First, quantitative data were transcribed and coded. Next, the data was grouped according to sector category (Fiber/Yarn, Textile, Apparel, and Retail). Mean scores for the variables were also calculated. Lastly, results were compared with findings from previous research (Parrish, 2003). Data analysis for qualitative data proceeded using the methods of Yin (1994) and Parrish (2003). Following data collection, the information gathered using deductive and inductive logic was analyzed in four stages:

1. Interview results were transcribed;
2. Data were analyzed to identify niche strategies used by companies;
3. Data were incorporated into the Parrish Niche Strategy Model (2003).

### *Operational Definitions*

Variables tested using deductive logic via quantitative data collection are defined below. They were defined in order to remain consistent when describing the variables. Providing consistent definitions of variables is important, so bias could be eliminated when respondents questioned the meaning of the variables. Definitions remain consistent with definitions used by Parrish (2003) where applicable. Corresponding instrument questions are listed with definitions.

Analysis of the competition: Performing research to understand the competitive position of firms who are competing with similar products in similar markets [Q11E, 12E].

Barriers to entry: Difficulty of competitors to enter a particular market (Parrish, 2003) [Q24A, 25A].

Brand expansion: Extending an established brand into a new product category [Q13D, 14D].

Brand image: The psychological associations that the brand name brings to the minds of the customer (Kotler, 2003, as cited in Parrish, 2003) [Q22C, 23C].

Communication: The process of exchanging ideas through written, verbal, and non-verbal methods, such as e-mail correspondence, phone conversations, or body language [Q24D, 25D].

Customer interviews: The process of asking open-ended questions to consumers to determine problems, needs, and wants [Q11B, 12B].

Customer service: Efforts of a company to carefully manage all the customer “touchpoints” with the aim of maximizing customer loyalty (Kotler, 2003, as cited in Parrish, 2003) [Q24B, 25B].

Demand: A willingness and ability to purchase a product (www.m-w.com, 2005) [Q26C, 27C].

Differentiation: The process of creating a product that is perceived to be unique (Porter, 1980) [Q22D, 23D].

Trial and error: A method of identifying new product through repeated creation, evaluation, and reformulation [Q13B, 14B].

Innovation: A new idea, method, or product (www.m-w.com, 2005) [Q13C, 14C].

Interaction with retailers: Communications with sellers of products that determine the needs of those sellers [Q11C, 12C].

Knowledge of the consumer: Understanding of the buyers of products, including explicit and implicit wants and needs [Q26A, 27A].

Loyal consumer base: A set of buyers of a product who exhibit devotion related to a particular brand and/or product [Q24E, 25E].

Marketing mix: Product, price, promotion, and placement (Parrish, 2003) [Q22B, 23B].

Market research: The process of identifying, gathering, and analyzing data related to the consumer, including demographics, psychographics, customer behavior, and need identification [Q11A, 12A].

Market share: Percentage of market held by a company (Parrish, 2003) [Q24C, 25C].

Perceived value: Desired worth or usefulness consumers believe products to provide in

relation to price paid for the products [Q22E, 23E].

Quality: The “totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs” (Kotler, 2003, as cited in Parrish, 2003) [Q22A, 23A].

Research and development: The process of investigating new products and processes and applying new ideas in the development of new products and process [Q13A, 14A].

Strategic alliances: Partnerships between companies, either nationally or globally, that complement or leverage their capabilities and resources (Kotler, 2003, as cited in Parrish, 2003) [Q26B, 27B].

## CHAPTER IV

### RESULTS

The results of Phase I data collection were analyzed according to the procedure outlined in Table 12 (Chapter 3). In depth competitive analyses for 41 companies are given in Appendix G. The following results begin with identification of trends in the apparel industry in order to identify and narrow the sample for competitive analyses and ends with summaries of the competitive analyses.

#### Phase I Results: Competitive Analyses

##### *Steps 1-3: Industry Trends and Categories of Niche Bottomweight Products*

When looking at trade publications and other secondary sources, several trends in the apparel industry became apparent, (Step 1, Table 12). Comparison of these trends with broad possible categories of niche bottomweight products (Step 2, Table 12) yielded specific categories of niche bottomweight products (Step 3, Table 12). Eight trends were identified as being significant in the bottomweights market: Urban Apparel, Premium Denim, Brand Name, Western Wear, Alternative Sizing, Customer Service, Feature Apparel, and Image Apparel. These trends were used as categories of niche bottomweight products for further study. A description of each trend/category is listed below.

1. Urban Apparel: Urban apparel is apparel that is influenced by youth living in *urban settings*, as well as the ever growing *hip-hop music* scene. While urban apparel began with young African Americans, its appeal has spread to young people of *various races and ethnicities*. Urban apparel has roots in hip-hop

music, as young consumers emulated their favorite hip-hop artists in terms of clothing and style. The growing fusion of music and entertainment and the mainstreaming of hip-hop music have served as reasons that the market for urban apparel has continued to grow. As hip-hop music expands beyond its original audience, predominately African Americans, so too does urban apparel.

2. Premium Denim: Premium denim is denim that is sold at a high price point. The definitive cut off for defining a premium price varies according to source, although Cotton Incorporated's Lifestyle Monitor (2005) describes premium denim as commanding an *opening price over \$70 a pair*. While premium denim can begin at this retail price point, most premium denim prices range between \$120 and \$300, depending on brand, style, and details. Details for premium denim include *stitching, painting, and studding*. Some details, such as the addition of crystals, can increase the price of premium denim significantly (\$400-\$1000). New brands of premium denim continue to proliferate in the global retail marketplace.
3. Lifestyle Brands: Retailers and apparel manufacturers and marketers are increasingly repositioning traditional brands as lifestyle brands. The ability to *charge a premium* for products is based on an *emotional connection* and companies are capitalizing on this emotional connection by *associating their brands with lifestyles*. The brand name, in effect, is becoming a lifestyle identifier for consumers. People have connections to brands, due to effective positioning, and people will pay for brands they feel represent who they are or who they are

trying to be. In addition, companies are expanding product lines through *brand extension to serve all facets of a consumer's life*. Bass Pro Shops sell home goods, in addition to the usual assortment of hunting apparel and accessories.

Polo has expanded into new markets, such as performance sportswear, in order to provide a full line of products to meet the needs of their consumers from home, to the office, to recreation and relaxation.

4. Western Wear: Western wear has traditionally been a niche market. Cowboys, for example, have a *specific set of functional needs* that need to be met by their clothing. Also, there exists an increased interest in western wear due to the successes of contemporary country music and movies such as *Brokeback Mountain*.
5. Alternative Sizing: As Americans have changed in height and weight, so have the *sizing options for apparel*, especially in bottomweights. The increase in the size of the American consumer has translated into the *success of plus-size retailers* such as Lane Bryant. This retailer understands the needs of its consumer and attempts, through merchandising and marketing, to make its consumer feel comfortable and special, offering consumers fashionability of trend right apparel in sizes that meet the needs of the market.
6. Customer Service: Customer service has long been a niche and is one way to compete against low-cost suppliers of products. If the consumer is focused on price, then they will generally shop in the mass retail channel. However, some retailers such as Nordstrom are able to charge a premium for their products



because they *make the consumer feel special* in their shopping experience.

Strategies, such as *finding out of stock items* in other stores and shipping those items to customers ensure that customers will continue to shop at these stores, as they understand that their needs will be met. In addition, small details such as *thank you notes* reflect that Nordstrom is committed to not only meeting the needs of their customer, but delighting them in the process. Customer service can also be shown through *alterations to products and handling of returns*. *Customization of products* can also be seen as customer service. Mass customization offerings also show a commitment to customer service; through body scanning technologies or embroidery, a consumer could get pants with a customized fit or a company could get uniforms customized with its logo.

7. Feature Apparel: Feature, or performance apparel, is increasing in popularity as the technology behind these products is able to deliver *increased functionality*.

Broad categories of performance related to bottomweights include *repellency attributes, finishes, antimicrobial properties, moisture management abilities, thermal protection, and stain resistance*. By using these features alone, or in combination, companies are able to expand the variety of product offerings.

Consumers will pay more for a product that meets their needs. If a consumer is an avid mountain climber, then enhanced thermal protection would be a value added property and would allow the apparel manufacturer or marketer and the retailer to increase the selling price of these items. If a company was interested in the life span of a uniform, then the product would need to withstand industrial

laundering and would need enhanced soil release properties.

8. Image Apparel: In an age where branding is about making emotional connections to the consumer, image apparel has the potential to be very powerful. Image apparel, or uniforms, allows a company to *brand their personnel* in order to convey to their customers that their *employees represent the brand*. Image apparel must also have *performance attributes*, since the large majority of these products are industrially laundered. These products must contain *soil releasing properties* and should be durable to laundering. In addition, image apparel products contain job specific performance enhancements, such as *flame resistance* for workers in the electrical utilities industry.

*Steps 4-8: Category Specific Niche Bottomweight Products and Sample Identification*

Specific bottomweight products within the chosen categories of niches were then determined (Step 4, Table 12, Chapter 3). These products were identified using a combination of internet research of trade journal and e-commerce web sites, in addition to research of local retail outlets at all price points. The products that were identified are shown in Table 14. After identifying niche bottomweight products, NAICS codes were found for companies that compete in the bottomweights market (Step 5, Table 12). These codes are listed in Table 15 (Chapter 3), and corresponding SIC codes are listed in Appendix A. Using these codes, companies were identified that compete in each NAICS sector (Step 6, Table 12). These companies are listed in Appendix C. The sample for competitive analysis was chosen and validated using the methodology shown in Chapter 3 (Steps 7 & 8, Table 12).

### *Step 9: Competitive Analysis*

Table 22 summarizes the sample that was used for competitive analysis (Step 9, Table 12). Analyses of the individual companies are listed in Appendix G. The information gathered during the competitive analysis includes sales and growth rates from 1998-2005, depending on the availability of data, location of headquarters and facilities, product mix, niche products, business strategies, and business strategies related to niche products. Some of these companies are vertically integrated, performing more than one function in the textile and apparel supply chain, and may therefore be represented in more than one category (Fiber/Yarn, Fabric, Apparel, and Retail). For example, a company producing yarn and fabric are represented in both Fiber/Yarn Manufacturers and Fabric Manufacturers.

Table 22

*Companies for Competitive Analysis – Secondary Data*

Company	Group	Average Sales	Average Growth Rate
Parkdale	Fiber/Yarn	n/a	n/a
RL Stowe	Fiber/Yarn	n/a	n/a
Swift Spinning	Fiber/Yarn	n/a	n/a
Frontier Spinning	Fiber/Yarn	n/a	n/a
Unifi	Fiber/Yarn	\$921,042	-8%
Invista	Fiber/Yarn	n/a	n/a
Wellman	Fiber/Yarn	\$1,108,570	5%
Milliken	Fiber/Yarn, Fabric	\$3,725,000	-5%
Avondale	Fiber/Yarn, Fabric	n/a	n/a
Galey and Lord	Fiber/Yarn, Fabric	\$667,713	-14%
Mt. Vernon	Fiber/Yarn, Fabric	n/a	n/a
Inman Mills	Fabric	n/a	n/a
Arvind Mills	Fabric	n/a	n/a
Isko	Fabric	n/a	n/a
ITG Cone Denim	Fabric	\$531,580	-9%
ITG Burlington Worldwide	Fabric	\$1,535,918	-16%
UCO	Fabric	n/a	n/a
DNA: Denim North America	Fabric	n/a	n/a
Seven for All Mankind	Apparel	n/a	n/a
Liz Claiborne	Apparel	\$3,835,822	11%
Dualstar	Apparel	n/a	n/a
Jones Apparel Group	Apparel, Retail	\$4,292,900	3%
VF Corp	Apparel, Retail	\$5,522,440	2%
Levi Strauss	Apparel, Retail	\$4,247,180	-3%
Gap	Apparel, Retail	\$14,819,400	4%
Oxford	Apparel, Retail	\$936,904	15%
Cintas	Apparel, Retail	\$1,912,451	11%
Kellwood	Apparel, Retail	\$2,342,535	2%
Dickies	Apparel, Retail	n/a	n/a
Columbia	Apparel, Retail	\$851,564	16%
Cabela's	Apparel, Retail	\$1,239,594	13%
Charming Shoppes	Apparel, Retail	\$2,126,269	10%
Land's End	Apparel, Retail	\$1,478,588	2%
Abercrombie & Fitch	Apparel, Retail	\$1,585,455	13%
American Eagle	Apparel, Retail	\$1,405,860	16%
Express	Apparel, Retail	\$7,381,667	1%
Pacific Sunwear (D.E.M.O.)	Apparel, Retail	\$878,685	20%
Nordstrom	Retail	\$6,150,863	7%
Kohl's	Retail	\$8,948,730	18%
JC Penney	Retail	\$14,859,000	2%
Wal-Mart	Retail	\$192,660,833	12%

Source: Adapted by Allen, R. (2006) from Thomson Research, S&P NetAdvantage, and Lexis Nexis Academic.

### *Fiber/Yarn Manufacturers*

The sample size for competitive analysis of Fiber/Yarn Manufacturers was eleven. The majority of these companies are privately held. Financial data were therefore unavailable for these companies; however, financial estimates were available for a few of the companies. Of the eleven companies, sales data or estimates of sales data were found for four companies. Of these four companies, only one showed a positive growth rate, at 5%; the remaining three had negative growth rates ranging between -5% and -14%. The company with the five percent growth rate is the largest domestic producer of polyester staple fibers and brands its fibers. The majority of the fiber/yarn companies are located in the southeast.

Product mixes for these companies include open-end, ring spun, air jet, and vortex yarns, in addition to corespun and heather yarns. As most of the companies are privately held, little information exists regarding strategies utilized by these companies. From available data, several common business strategies were found.

1. Strategic Alliances: Secondary data show that of the eleven Fiber/Yarn companies, six have formed strategic alliances. These alliances, both informal and formal (joint ventures), have been with *equipment and fiber suppliers, other yarn manufacturers, apparel companies, and industry associations*. They have *expanded manufacturing bases, brought new products to market, and brought new technologies* to the industry. These alliances have also caused a *shift in production* from one country to another; Unifi has moved into China due to a joint venture, just as Parkdale moved into Mexico. Another alliance example is the partnership of Parkdale and Wellman, who developed Sensura, a synthetic yarn that mimics cotton yarn. Sensura has the

performance attributes of synthetic yarns with the aesthetic and comfort attributes of cotton, and is used in myriad applications, including bottomweights. Another example is the partnership of VF Corporation with Cotton Incorporated and Mount Vernon Mills to create Wrangler Riggs Workwear. The Wrangler Riggs Workwear line includes both tops and bottoms and features Durashield fabric that helps to decrease abrasion and resulting fiber damage.

2. Innovation: According to secondary data, four of the eleven Fiber/Yarn companies show a commitment to innovation. This innovation has yielded *new products and improvements to existing products* to the market. A commitment to innovation requires investment in *research and development* budgets in order to produce new and different product. This innovation is important for serving niche markets; by creating new and different products, companies can differentiate themselves as suppliers of products that meet or create a need in the market.
3. (Re)Organization of Business: According to secondary data, four of the eleven companies have either reorganized to make their organization flatter or have organized into *business segments that focus on specific markets and certain products*. This allows for an organization to understand the needs of specific markets and to meet those needs. In addition, these business segments can develop products that create a need in the market. By focusing in on specific markets instead of the mass market, companies are better able to serve those specific markets.
4. Branding: three of the eleven companies have pursued branding options. In the textile industry, *ingredient branding is used to inform customers of the identity of a*

*component*, be it a fiber or a yarn. If ingredient branding is successful upstream, it can result in *co-branding* downstream with the final consumer. The best textile example is Lycra®, which is a branded fiber that is recognizable to the final downstream consumer. Another company that is pursuing branding options is Unifi. It has developed myriad *brands of yarns with different end-use properties* such as anti-microbial, moisture management, ultraviolet protection, softness, and colorfastness. These yarns can be marketed to certain consumers with particular end-use requirements.

5. Trend Education: As cited in the literature review, trend analysis is important for serving niche markets. From secondary data, it was found that one company out of eleven is educating customers on trends. Invista conducts *trend workshops with retail and manufacturing clients, mills, designers, and merchandisers in order to educate them on trends in the market*. In 2005, the trends discussed were globalization (influences from different cultures, traditions, and histories), privacy (materials that make customers comfortable), creative consumers (customizing products with luxury to create personal style), blurring the lines between home and work (materials such as carpeting that add durability, functionality, and comfort to home offices). The workshops allow Invista to educate companies about trends, but also serve to highlight how its products can be used to meet the trend needs of their consumers.

#### *Fabric Manufacturers*

The sample size for competitive analysis of Fabric Manufacturers was eleven. Of the eleven companies, sales data or estimates of sales data were found for four companies. Of

these four companies, none showed a positive growth rate. The negative growth rate for the four companies ranged from -5% and -16%. Three of the companies are headquartered outside of the U.S.; the remaining eight are domestic. These international companies were determined during validation as important players in the bottomweights market and were therefore included in the final sample.

Product mixes for these companies include denim and twill fabrics in cotton, synthetic, wool, and fiber blends. The majority of these companies also offer dyeing and finishing of fabrics. From available data, several common business strategies were found.

1. Strategic Alliances: Seven of the eleven companies have entered into strategic alliances, according to secondary data. As discussed above, these *partnerships help bring new products to market or help expand a company's manufacturing base or capabilities*. One of these companies, Cone Mills, entered into a joint venture with a Mexican company in order to expand its manufacturing base. This mill was developed in order to increase competitiveness with international, low-cost producers. Similarly, Galey & Lord entered into a joint venture to expand its manufacturing base into Mexico.
2. Innovation: From secondary data, a commitment to innovation is shown by six of the eleven companies. *Innovation is key to serving niche markets, as these markets require new products to meet their needs*. In addition, new and innovative products could be marketed to targeted consumer segments in the hope that the products create a market niche. In order to meet and create needs in niche markets, innovation in terms of technology is important, but equally important is innovation in terms of



- product design and style.
3. Branding: Branding is pursued by four of the eleven companies that brand their fabrics. Branding is a way for a customer or end use consumer to *quickly identify a product*. Branding is a way for companies to connect with the customer, and if branding is done correctly, then the customer associates all the desired attributes to the brand. Some companies are leveraging brands by using a *licensing strategy*. This strategy allows for a company to produce a brand, albeit for a fee, that is recognizable to consumers. In this way, companies could license a brand and offer branded products to the consumer without having to invest dollars in developing and marketing the brand; the brand already has brand equity and is already positioned in the minds of the consumer. The company, therefore, does not have to spend money on marketing the brand.
  4. (Re)Organization: According to secondary data, three of the eleven companies have organized into business segments to meet the diverse needs of the markets they serve. By focusing on groups of customers with specific needs, *segments of business can understand and meet the needs of a (relatively) small group of customers*. A company utilizing marketing targeted to specific business segments can increase its effectiveness, as a single rifle shot can be more effective than a shotgun. In addition, these business segments can develop products and offer them to the markets they serve in hope of creating a niche.

#### *Apparel Manufacturers and Marketers*

The Apparel Manufacturers and Marketers sample size was nineteen. Traditional

apparel manufacturers are becoming brand marketers; these companies are divesting themselves of manufacturing capabilities and buying brands in order to become brand management companies. In addition, there exist private brands such as the Gap, brands that are sourced and sold exclusively by a retailer. Therefore, this grouping of apparel manufacturers and marketers include brand management companies and private brands. Private brands and brand management companies source their products and are responsible for design, style, and fabrication choices for their products. Financial data were not available for three of these companies. Of the sixteen that financials were available for, only one company had a negative percent growth rate (-3%). Of the remaining fifteen companies, nine had double digit average growth rates. All of the apparel manufacturers and marketers are headquartered in the U.S.

The product mixes for these companies range from denim, to plus size apparel, to intimate apparel, to uniforms, to performance and outdoor apparel. The majority of these companies also serve both men's and women's markets. Though there are several distinct differences in these companies, common business strategies have been identified among these companies.

- I. E-Commerce: Fifteen of the nineteen companies have products available for consumer purchase via e-commerce websites. In addition to distribution through traditional retail stores, apparel manufacturers and marketers are offering their products *direct to the consumer through websites*, which has the added benefit of allowing the company to *communicate directly with the consumer*. E-commerce sites can also have *expanded product offerings* and special *internet only sales and*

*products.*

2. Acquisitions: Eight of the nineteen companies have expanded their businesses through acquisition strategies. These acquisitions are used to *purchase brands in order to diversify brand portfolios, to expand markets, to decrease competition by buying a competitor, and to increase negotiating power with suppliers through increased economies of scale.*
3. Diverse Portfolios: Eight of the nineteen companies have a diverse portfolio of brands. This allows for companies to *decrease the risk associated with pursuing only one market.* These companies have brands that reach the same type of market, such as plus-size, at different price points, as well as brands that appeal to different consumers in varying product categories. In addition, seven of the nineteen companies are organized in a way so that management of products is divided into *business segments.* Dividing a business in such a way allows for a company to *serve niche markets.* The best example is VF Corp which has diverse brands grouped into five coalitions: Jeanswear, Global Intimates, Imagewear, Outdoor, and Sportswear. Some of these brands are sold in mass retail channels; some brands are sold in specialty stores. Some products are niche products and some are mass products. Through the use of business segments and a multi-niche strategy, VF Corp is able to meet the needs of several markets and decrease risk associated with serving only one market.
4. Lifestyle Brands: The increasing popularity of lifestyle branding is shown in secondary data, as eight of the nineteen companies are pursuing lifestyle brands.

Lifestyle branding is the process of positioning a brand for *all aspects of a consumer's life, from work, to home, to vacation*. Lifestyle branding is about creating a lifestyle that is appealing to the consumer and then marketing products with that lifestyle in mind. For example, Oxford Industries has promoted Tommy Bahama as a lifestyle brand. The Tommy Bahama brand is licensed out to offer branded swimwear, fragrance, eyewear, furniture, ceiling fans, and yachts. By creating a lifestyle brand and marketing that lifestyle to consumers, companies can exploit niche markets. Tommy Bahama is a brand that is popular with a certain niche market, and by using the brand name, the company can expand its brand into other products. The hope of lifestyle branding is that consumers *connect with the lifestyle and the brand*, and the *lifestyle brand creates brand loyal consumers*. Then, once brand loyalty is established, companies can charge a premium for their product, thereby increasing profit margins.

5. Blended Sourcing: A blended sourcing strategy is used by seven of the nineteen companies, according to secondary data. This means that some companies *mix producing their own apparel, sourcing apparel they do not have the technology or expertise to produce, and collaborating with companies to produce products that exploit the competencies of both companies*. Blended sourcing allows a company to get *new, different products* to a niche market that will fill their needs.
6. Commitment to Innovation: Six of the nineteen companies show a commitment to innovation. This innovation manifests itself by the *introduction of new products to the market that meet the ever changing needs of the consumer*. This innovation

is in both *technology and trends*. It could take the form of a new performance product that better protects outdoorsmen or a new trend that raises the waistline of women's jeans.

7. Focus on Style and Fashion: Five of the nineteen companies focus on style and fashion in order to attract customers. In niche marketing, it is often important for innovative consumers to have the most *fashion forward apparel*. It is the fashionability and the style that compels innovative, fashion forward consumers to pay more for a product that meets their needs.
8. Brand Expansion: Five of the nineteen companies have expanded their brand into *new product categories*. This expansion could take the form of a women's apparel company into men's or children's clothing, an apparel company expanding into accessories, eyewear, and perfume to *increase lifestyle marketing options*, or *sub-branding* new brands with a company's familiar brand name.

### *Apparel Retailers*

The population for Apparel Retailers was twenty. Apparel marketers are increasingly using mixed distribution strategies, offering their products on their own websites in addition to traditional mass, specialty, and department channels. In some cases, hard to find items in alternative sizes are only available on-line. Therefore, some apparel marketers are included in the competitive analysis.

Financial data were not available for one of these companies. Of the nineteen that financials were available for, only one company had a negative percent growth rate (-3%). Of the remaining eighteen companies, ten had double digit average growth rates ranging

from 10% - 20%. All of the apparel manufacturers and marketers and retailers are headquartered in the United States.

The product mixes for these companies range from premium denim, to plus size apparel, to brand name apparel, to uniforms, to performance and outdoor apparel. The majority of these companies also serve both men's and women's markets. Despite the seemingly disparate markets served by these companies, several common business strategies emerged as a result of secondary research.

1. E-Commerce: By far the most popular strategy among apparel retailers is e-commerce. This strategy is used by eighteen of the twenty companies. By using e-commerce, companies are able to *offer products to markets as well as to connect with customers*. E-commerce sites often show target consumers, products, and other *images that help relate the brand image to the consumer*. In addition, companies can include *surveys and other feedback options* in e-commerce sites, thereby *increasing their ability to understand the needs of their consumers* directly. Consumers often have the option to register with a website, and the companies can then track items browsed and bought by the consumer. Also, e-commerce sites offer *hard to find products*; these products could be nearly sold out or simply low volume products that meet the needs of a small number of clients. A good example of a company that is successfully using e-commerce is Cabela's. The company was left with excess inventories of size 14 and 15 footwear; instead of discounting the footwear, Cabela's used information from registered users to send out customized e-mails to consumers who wore large size

shoes. The result was an 86% click through to the e-commerce site, which was 6 times the normal click through rate.

2. Acquisitions: eight of the companies have used an acquisition strategy. The use of an acquisition strategy facilitates companies *decreasing competition through acquisition of competitors*, in the case of Columbia Sportswear acquiring Mountain Hardware. Kohl's uses an acquisition strategy to *expand into new markets*. The company will acquire existing retailers' locations and then support growth in the new market by building new stores. Charming Shoppes have used an acquisition strategy to acquire new brands, such as Lane Bryant, in order to *expand their brand offerings*. In the case of Charming Shoppes, the acquisition of Lane Bryant did not expand the niches that the company competes in; the acquisition simply allowed the company to *expand its brand portfolio within the alternative/plus-size niche*. Other companies, such as Cabela's, use acquisition to *capture complementary businesses*, such as Ducks Unlimited.
3. Diverse Portfolios: Having a diverse portfolio of brands is the strategy of eight of the twenty companies, according to secondary data. These *brands can serve disparate markets or these brands can complement one another*, offering similar products to similar markets. One good example is Gap, Incorporated. By using a *tiered pricing strategy with good-better-best product offerings*, Gap is able to serve several similar markets. Though the target customers of Old Navy, Gap, and Banana Republic are different, similarities exist in the styling of the products. Old Navy's Special Edition line is a great example of this; jeans in this line *mimic*

*the styling and finishing of premium denim*, though at a level of quality not equal with premium lines. Therefore, Gap, Incorporated is able to target consumers who want the premium look without having to pay a premium price. In addition, retailers such as Nordstrom and Kohl's offer diverse product lines in order to capture sales from multiple markets. For instance, Nordstrom carries *private and national brand products*. These brands range from Seven for All Mankind, to Citizens of Humanity, to Tommy Bahama, to John W. Nordstrom. By offering a wide brand assortment, companies are able to *bring myriad shoppers into their stores and provide them with products that will meet their needs, be they articulated or unarticulated needs*.

4. Lifestyle Brands: The increasing popularity of lifestyle branding is shown in secondary data, as eight of the twenty companies are pursuing lifestyle brands. *Lifestyle branding focuses on marketing products to a consumer group that meet the needs of all aspects of the consumer's lifestyle*. By creating a lifestyle brand and marketing that lifestyle to consumers, companies can exploit niche markets.

## Phase II: Concurrent Triangulation Strategy – Interview Results

Primary data were gathered from eleven companies and twelve respondents. The questionnaire used to administer the interviews was developed using both deductive and inductive logic. Deductive logic was used in order to test market potential strategies and success variables that were identified through previous research (Parrish, 2003). Inductive logic was used to determine factors that influence the development of a niche strategy and



issues that arise during the implementation of a niche strategy.

### *Interview Results: Deductive Logic*

The first step in gathering quantitative data was to ask the respondents to rank order strategies and variables from the Parrish Niche Strategy Model (2003). In some cases, respondents ranked some variables as equally important and therefore some variables were assigned the same ranking. The second step was to ask the respondents to determine how important each variable was using a three-point Likert scale (1=not important, 2=important, 3=very important). The sector of each company is shown in the results: 1=Fiber/Yarn Manufacturers, 2=Fabric Manufacturers, 3=Apparel Manufacturers and Marketers, and 4=Retail Companies. Due to the number of variables that were tested, they were divided into manageable groups in order to not overwhelm respondents with too many rankings at one time. The market potential strategies and success variables were broken down into groupings that reflect push and pull marketing.

### *Market Potential Strategies*

The first group of strategies that was investigated focused on gauging the potential of a niche market. Table 23 shows the rankings that were assigned. In general, respondents ranked *market research* as the most important of the strategies used to gauge the potential of a niche market. *Customer interviews* were ranked as second most important for upstream manufacturers; downstream companies ranked *customer interviews* lower on the scale. *Analysis of the competition*, in general, fell in the middle (3<sup>rd</sup> place) among all respondents, regardless of sector. *Interactions with retailers* was ranked on the low end of the scale for upstream companies, since these companies are so far removed from retailers. However, for

downstream companies, *interactions with retailers* was ranked higher, as retailers are the customers of apparel manufacturers and marketers. *Brand expansion* received a low ranking from upstream companies – these companies tend to not develop their own branded products.

Table 23

*Market Potential Strategies: Rank Order*

Ranking of Market Potential Strategies																
Company	A	B	C	D	E	F	F	G	H	I	J	Mode by Sector				Overall
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	Mode
Market research	1	1	2	1	3	1	1	2	1	1	1	1	1	1	1	1
Customer interviews	2	2	1	1	1	4	5	5	4	5	2	1	2	5	5	2
Interactions with retailers	4	5	4	2	2	2	4	4	2	3	3	4	n/a	2	2	4
Brand expansion	5	4	5	4	4	5	3	1	3	4	*	5	4	3	3	4
Analysis of the competition	3	3	3	3	5	3	2	3	1	2	4	3	3	3	3	3
* omitted by respondent																
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Ranking: 1 to 5, with 1 being the most important																

The market potential strategies were also assigned a level of importance by the respondents. The level of importance indicated by each respondent is shown in Table 24. In general, *market research* was noted as very important in determining the potential of a niche market. *Customer interviews* were determined to be very important for upstream companies; however, downstream customers indicated that *customer interviews* are important. Upstream companies tended to regard their customers as the next step in the supply chain, i.e., yarn manufacturers regard their customers as weavers and knitters; downstream companies regarded their customers as the end use consumers. Upstream companies also assigned a level of importance to *interactions with retailers* as generally important. Though these companies are removed from the retailers, they understand the

importance of interactions with retailers. *Brand expansion* was given the level of importance, generally, as important, while *analysis of the competition* was ranked as either important or very important.

In terms of the mean scores for the importance of the strategies, *market research* received the highest mean importance level. This validated the previous rankings, as *market research* was generally ranked as the most important of the five market potential strategies.

Table 24

*Market Potential Strategies: Level of Importance*

Importance of Market Potential Strategies																
Company	A	B	C	D	E	F	F	G	H	I	J	Mean Score by Sector				Overall
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	Mean
Market research	3	3	2	3	2	3	3	3	2	3	3	2.5	3.0	2.8	2.8	2.7
Customer interviews	3	3	3	3	3	2	2	1	2	3	3	3.0	3.0	2.2	2.0	2.5
Interactions with retailers	1.5	1.5	2	3	3	3	2	2	2	3	3	2.4	2.0	2.5	2.4	2.4
Brand expansion	3	2	1.5	1	1	2	2	2	*	3	*	1.6	2.0	2.3	2.3	1.9
Analysis of the competition	3	2	3	2	1	3	3	2	2	3	2	2.3	2.3	2.5	2.6	2.4
* omitted by respondent																
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Likert scale: 1 = not important, 2 = important, 3 = very important																

*Product Potential Strategies*

The second group of strategies that was investigated focused on gauging the potential of a niche product; Table 25 shows the rankings that were assigned. *Research and development* and *innovation* were assigned the same number of 1<sup>st</sup> and 2<sup>nd</sup> place rankings by the respondents, with ties for first between these two strategies being given by two respondents. The exception to this was the respondent from Company I, who ranked *brand expansion* as the most important of the product potential strategies; Company I is a retailer of

branded, lifestyle products. In general, *trial and error* was ranked third among the strategies; however, respondents indicated that *trial and error* is not the way to gage the potential of a niche product because of time, materials, and money. The respondent from Company G, a publicly held apparel company, stated that *trial and error* should be removed from the list because of responsibility to shareholders. *Brand expansion* was generally ranked low in the list of product potential strategies, especially with upstream manufacturers.

Table 25

*Product Potential Strategies: Rank Order*

Ranking of Product Potential Strategies																
Company	A	B	C	D	E	F	F	G	H	I	J	Mode by Sector				Overall Mode
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	
Research and development	2	1	1	1	2	2	1	1	1	2	2	2	1	2	1	1
Trial and error	3	4	3	3	4	3	4	4*	4	4	3	3	3	4	4	4
Innovation	1	1	2	2	1	1	1	2	2	2	1	1	1	1	2	1
Brand expansion	4	3	4	4	3	4	3	3	3	1	**	4	4	3	3	3
* would omit due to responsibility to shareholders																
** omitted by respondent																
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Ranking: 1 to 4, with 1 being the most important																

The product potential strategies were also assigned a level of importance by the respondents. The level of importance indicated by each respondent is shown in Table 26. *Research and development* was ranked as very important by all respondents, regardless of sector. Also ranked as very important by a majority of the respondents was *innovation*. *Trial and error* was ranked as important, in general, while *brand expansion* was ranked alternatively as important and not important.

From the rankings discussed above, *research and development* and *innovation* were

each assigned six first-place rankings and five second-place rankings. By looking at the mean scores for the level of importance, *innovation* was ranked slightly higher than *research and development*.

Table 26

*Product Potential Strategies: Level of Importance*

Importance of Product Potential Strategies																
Company	A	B	C	D	E	F	F	G	H	I	J	Mean Score by Sector				Overall Mean
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	
Research and development	3	3	3	3	2	3	3	3	3	3	2	2.8	3.0	2.8	3.0	2.8
Trial and error	3	2	2	2	1	2	2	1	2	2	2.5	2.0	2.3	1.9	1.8	2.0
Innovation	3	3	2	3	3	3	3	3	3	3	3	2.8	3.0	3.0	3.0	2.9
Brand expansion	2	2	2	1	2	2	2	2	1	3	*	1.8	1.7	2.0	2.0	1.9
* omitted by respondent																
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Likert scale: 1 = not important, 2 = important, 3 = very important																

*Product Success Variables*

The third group of variables that was investigated from the Parrish Niche Strategy Model (2003) focused on the variables that contribute to the success of a niche product. Table 27 shows the rankings that were assigned. The respondent from Company B felt that *quality* was hard to define, that everyone was at the same *quality*, and that *quality* only becomes an issue when you are producing bad quality. The respondent from Company C provided two responses, denoted as n and b, for both non-branded (n) and branded (b) products. While there were similarities among respondents in terms of ranking market potential and product potential strategies, there were fewer similarities among rankings for product success variables.

Table 27

*Product Success Variables: Rank Order*

Ranking of Success Variables for Niche Products																	
Company	A	B	C	D	E	F	F	G	H	I	J	Mode by Sector				Overall Mode	
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4		
			n	b													
Quality	3	*	2	4	4	4	2	4	1	1	3	3	4	n/a	1	1	4
Marketing mix	3	4	3	5	3	3	1	1	4	5	2	2	3	3	1	1	3
Brand image	5	2	5	1	1	5	3	2	2	4	1	5	5	n/a	2	2	5
Differentiation	2	1	4	2	1	2	4	3	3	3	5	4	2	1	3	3	2
Perceived value	1	2	1	3	5	1	5	5	5	2	3	1	1	n/a	5	5	1
n = non-branded product, b = branded product																	
* omitted by respondent																	
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																	
Ranking: 1 to 5, with 1 being the most important																	

Table 28

*Product Success Variables: Level of Importance*

Importance of Success Variables for Niche Products																
Company	A	B	C	D	E	F	F	G	H	I	J	Mean Score by Sector				Overall Mean
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	
Quality	3	*	2	2	2	3	3	3	3	3	3	2.2	2.5	3.0	3.0	2.6
Marketing mix	2	3	2	3	3	1	3	3	2	2	3	2.2	2.7	2.7	2.6	2.5
Brand image	2.5	2	2	2	2	3	3	3	3	2	3	2.1	2.2	2.7	2.8	2.4
Differentiation	3	3	2	3	3	3	3	2	2	3	3	2.8	3.0	2.5	2.6	2.7
Perceived value	3	3	3	3	1	3	3	3	2	3	3	2.6	2.3	2.8	2.8	2.8
* omitted by respondent																
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Likert scale: 1 = not important, 2 = important, 3 = very important																

Product success variables were also assigned a level of importance by the respondents. Table 28 shows the level of importance for each of these variables. The majority of respondents assigned an importance level of very important to *perceived value*. This is because niche products tend to increase profit margins because customers will pay more for products that meet their needs better than any other products; the value of these

niche products must be perceived as higher than the value of mass products. In addition, respondents generally assigned a very important to *differentiation*. This, coupled with *perceived value*, is important for niche products. Niche products must be differentiated in order for consumers to view niche products as different in the market, providing more value to them than would mass products. The *marketing mix* was also assigned a level of importance, generally speaking, as very important. Product, price, promotion, and placement (the *marketing mix*) is essential in getting the product to the market. *Quality* seemed to be more important to downstream companies, who assigned a level of importance of very important. This also ties in with *perceived value*; consumers seek products that deliver value through the right combination of quality and price. *Brand image* is also more important to downstream companies, as the *brand image* of the apparel conveys the attributes of niche products to consumers. As more companies reposition traditional brands as lifestyle brands, *brand image* will become increasingly more important to downstream companies.

Looking at the mean scores for the level of importance provides insight into the disparity of the rank order scores for the product success variables. The mean scores differ by a small amount – all mean scores correlate to an importance level between important and very important.

#### *Market Success Variables*

The third group of variables that was investigated from the Parrish Niche Strategy Model (2003) focused on the variables that contribute to the success of a niche market. The rank order results for market success variables are shown as Table 29. *Communication*

Table 29

*Market Success Variables: Rank Order*

Ranking of Success Variables for Niche Markets																
Company	A	B	C	D	E	F	F	G	H	I	J	Mode by Sector				Overall
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	Mode
Barriers to entry	3	5	3	5	2	*	5	3	1	***	4	3	5	n/a	n/a	3
Customer service	2	1	4	4	3	**	4	4	4	***	2	4	n/a	4	4	4
Market share	4	3	1	3	5	2	2	2	2	***	5	n/a	3	2	2	2
Communication	1	2	5	1	1	1	1	5	3	***	3	1	1	1	1	1
Loyal customer base	5	4	2	2	3	3	3	1	5	***	1	2	n/a	3	3	3
* omitted by respondent																
** closely tied to loyal customer base																
*** respondent could not rank variables																
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Ranking: 1 to 5, with 1 being the most important																

received the most first place rankings. Respondents felt that *communication* was essential for serving niche markets; companies must communicate the attributes of their products and the goals of their program in order to educate company members, downstream customers, and end consumers. By educating consumers through *communication*, companies can encourage markets to purchase their products, as the consumers will understand the value of products. Downstream companies ranked *market share* as second, because companies must have a large enough share of the market to be profitable. Some respondents indicated that hopefully, there are no competitors in niche markets, so that they could command 100% market share. One respondent from Company F thought that *barriers to entry* should be removed from the listing; in addition, the same respondent felt that *customer service* and a *loyal customer base* came about after companies are successful within niche markets. The respondent from Company I could not assign rankings to the market success variables and felt that all of the company's competitors are using the same mills, the company could push



customer service if necessary, and that a customer base would only be loyal to a certain price level (below that price, the customer would switch products).

Respondents were also asked to assign a level of importance to the market success variables. These ratings are shown in Table 30. *Market share* and *communication* were generally assigned an importance level of very important. A *loyal customer base* would seem to be very important to all companies, but only three respondents assigned a level of very important to a *loyal customer base*.

Looking at the mean scores, *communication* was assigned the highest importance level. This correlates with the rank order assignments; *communication* was ranked first among half of the respondents.

Table 30

*Market Success Variables: Level of Importance*

Importance of Success Variables for Niche Markets																
Company	A	B	C	D	E	F	F	G	H	I	J	Mean Score by Sector				Overall
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	Mean
Barriers to entry	3	2	2	1	3	2	2	2	3	3	3	2.3	2.0	2.5	2.3	2.4
Customer service	3	3	2	2	2	3	2	2	1	3	2	2.3	2.7	1.8	1.7	2.3
Market share	1.5	2	3	3	1	3	3	2	2	3	2	2.1	2.2	2.4	2.5	2.3
Communication	3	3	2	3	3	3	3	2	2	3	3	2.8	3.0	2.6	2.5	2.7
Loyal customer base	1.5	2	2	3	2	3	3	3	1	3	3	2.1	2.2	2.6	2.5	2.4
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Likert scale: 1 = not important, 2 = important, 3 = very important																

*Strategy Success Variables*

Lastly, respondents were asked to rank order strategy success variables. These rankings are shown in Table 31. *Demand*, by and large, was ranked as number one. This is

because companies felt that without *demand* for a product, or *demand* within a market, they would not have a market for their products. This is important because without *demand*, nothing else can happen; this *demand* is necessary to conduct business. The respondent from Company E ranked *demand* as third and stated that *demand* can be created by tapping into unarticulated needs. Respondents from Company F saw all of these variables as so closely tied that they could not separate them. In general, the respondents ranked *knowledge of the customer* second, followed by *strategic alliances*.

Table 31

*Strategy Success Variables: Rank Order*

Ranking of Success Variables for Niche Strategies																	
Company	A	B	C	D	E	F	F	G	H	I	J	Mode by Sector				Overall Mode	
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4		
Knowledge of the customer	3	2	2	2	1	1	1	2	1	1	1	2	2	1	1	1	1
Strategic alliances	2	3	3	3	2	1	1	3	3	3	3	2	3	3	3	3	3
Demand	1	1	1	1	3	1	1	1	2	2	2	1	1	1	1	1	1
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																	
Ranking: 1 to 3, with 1 being the most important																	

Respondents were also asked to indicate the level of importance of each of the strategy success variables, shown in Table 32. *Demand* was rated as very important by all respondents, with the exception of the respondent from Company E. *Knowledge of the customer* and *strategic alliances* were similarly rated, with respondents assigning a rating of important or very important for these variables; however, the mean scores show that *demand* and *knowledge of the customer* are similarly rated, with *strategic alliances* receiving the lowest rating.

Table 32

*Strategy Success Variables: Level of Importance*

Importance of Success Variables for Niche Strategies																
Company	A	B	C	D	E	F	F	G	H	I	J	Mean Score by Sector				Overall
Sector	1,2	2	1	1,2	1	3,4	3,4	3,4	3,4	3,4	3	1	2	3	4	Mean
Knowledge of the customer	2	2	3	3	3	3	3	2	3	3	3	2.8	2.3	2.8	2.8	2.7
Strategic Alliances	3	2	2	3	2	3	3	2	2	2	2	2.5	2.7	2.3	2.4	2.4
Demand	3	3	3	3	1*	3	3	3	3	3	3	2.5	3.0	3.0	3.0	2.8
* respondent felt that demand could be created																
Sector: 1 = Fiber/yarn, 2 = Fabric, 3 = Apparel, 4 = Retail																
Likert scale: 1 = not important, 2 = important, 3 = very important																

*Interview Results: Inductive Logic*

Respondents were asked open-ended questions that were developed using inductive logic. The questions asked about the current state of the company with regards to niche markets, factors that caused the development of a niche strategy, and issues that arise during the implementation of a niche strategy. In addition, open-ended questions were posed to respondents regarding strategies used to gauge the potential of a niche market or product and variables that determine the success of a niche product in order to expand the variables in the Parrish Niche Strategy Model (2003). Summaries of results are presented in tabular form; interview results by topic are not shown in order of importance.

*Current State Issues*

Current state questions dealt with how the company viewed its niche products and customers. In addition, current state questions were asked to determine the marketing strategy of the companies, how the companies add value to niche products, and how supply chain relationships increase value. The following tables provide a comprehensive reporting across all sectors (Tables 33-37). Figures 29 - 32 represent strategies by sector.

Table 33

*Current State Issues: Summary of Results*

Topic	Comments Regarding Current State Issues
<b>Niche Products</b>	<ol style="list-style-type: none"> <li>1. Uniform fabrics</li> <li>2. Authentic branded shuttle loom denim</li> <li>3. Differentiated cotton yarns – Coolmax, Organic, Egyptian</li> <li>4. Denim and twill bottoms for urban market</li> <li>5. Branded performance yarns</li> <li>6. Lifestyle branded sports apparel</li> <li>7. Premium denim</li> <li>8. Lifestyle branded vintage inspired, modern apparel</li> <li>9. Infant apparel</li> </ol>
<b>Customers</b>	<ol style="list-style-type: none"> <li>1. Rental and retail work trades</li> <li>2. Product design team</li> <li>3. Apparel companies</li> <li>4. Dyers, knitters, weavers</li> <li>5. Brands: private label and national brands</li> <li>6. Retailers – department, mass, and specialty stores</li> <li>7. End consumers of apparel: premium jean purchaser; mid-aged, upper income, men and women, metropolitan; preppy, college-aged, upper-middle class, men and women.</li> <li>8. Purchasers of infant apparel: moms, grandparents, and gift givers</li> </ol>
<b>Marketing Strategy – Push or pull?</b>	<ol style="list-style-type: none"> <li>1. Combination of push and pull</li> <li>2. Push new, innovative, performance products</li> <li>3. Pull from European market and reinterpret for urban market</li> <li>4. Push new attributes and pull needed attributes</li> <li>5. Push innovations and trends and pull from customer requests</li> <li>6. Depends on product – look at potential return on investment</li> <li>7. Push products that are developed from the market</li> <li>8. Pull with an eye on the needs and wants of the market and push fabrics that are <i>not</i> trend right</li> <li>9. Push redesigns of products with a history of success and pull from the customer</li> </ol>

Table 33 Continued

<p><b>How company adds value</b></p>	<p><u>Product:</u></p> <ol style="list-style-type: none"> <li>1. Innovation – Research and Development</li> <li>2. Cost quality</li> <li>3. Performance</li> <li>4. Invention – New Product Development</li> <li>5. Design – yarn effects, construction, wash, and dye shade</li> <li>6. Provide fabric that can be laundered to create a specific look</li> <li>7. Amsler ring spun pattern</li> <li>8. Specialty products: organic cotton and pima cotton</li> <li>9. Textile technology</li> <li>10. End product and raw material quality – ensured through testing</li> <li>11. Accessories – details</li> <li>12. Providing the best product (in the industry) to the market</li> <li>13. Redesigning products</li> </ol> <p><u>Service:</u></p> <ol style="list-style-type: none"> <li>1. Service and delivery</li> <li>2. Surpassing manufacturing regulations</li> <li>3. Marketing and advertising</li> <li>4. Improving pack count</li> </ol>
<p><b>How supply chain relationships increase value</b></p>	<ol style="list-style-type: none"> <li>1. Must plan with customers to identify inconspicuous values</li> <li>2. Dual education of customers and company</li> <li>3. Upstream companies have branded and promoted fiber</li> <li>4. Research and development with upstream suppliers to increase technology</li> <li>5. Increasing full-package options by partnering with cut and sew operations in Central America</li> <li>6. Cut and sew companies have high standards which translate into and increased selling price due to quality and value</li> <li>7. Upstream quality combined with downstream quality lead to a quality product</li> <li>8. Communication of the story of the product</li> <li>9. Internally, people within the organization have an understanding of every part of the process</li> <li>10. Relationships with mills allow for understanding the needs of the customers and increasing speed to market</li> <li>11. Look for value improvements in the supply chain</li> <li>12. Need clear direction of the supply chain</li> </ol>

### *Development Factors*

Primary data were gathered relating to the causes of development of niche strategies. These data were gathered related to both product and market. In addition, respondents were questioned regarding the competitive challenges their companies were currently facing and how these challenges influence strategy.

Table 34

### *Development Factors: Summary of Results*

Topic	Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ol style="list-style-type: none"><li>1. Profitability</li><li>2. Economics</li><li>3. Saw the potential in the market</li><li>4. Relationship with apparel company</li><li>5. Opportunity to offer product that is recognizable to the consumer</li><li>6. Survival</li><li>7. Knowledge of market, trends, and competition</li><li>8. Continuous product development process</li><li>9. Founder of brand has strong ties to the market</li><li>10. Under penetrated in the market</li><li>11. Understanding of the needs of the market</li><li>12. Technological competencies to meet the needs of the market</li><li>13. Lifestyle brand requires brand extension into new product categories to meet the needs of all aspects of consumers lifestyle</li><li>14. Ability to be number one or two in the market</li></ol>
<b>Factors causing development of niche products</b>	<ol style="list-style-type: none"><li>1. Ability to deliver products to market</li><li>2. Invested capital - equipment</li><li>3. To meet a need in the market</li><li>4. Ability to produce the products</li><li>5. Licensing of leading moisture management product</li><li>6. Products promote the lifestyle brand</li><li>7. Products used to support brand's originality</li><li>8. Appeal to trendsetter consumer</li><li>9. Product development aligned with marketing</li><li>10. Need for functional products for lifestyle brand</li><li>11. Products evolve and grow with the customer, keeping the attitude of the brand in mind</li><li>12. Redesign and redevelopment to increase value of the products</li></ol>

Table 34 Continued

<b>Competitive challenges and niche strategy development</b>	<u>Competitive Challenges</u> <ol style="list-style-type: none"> <li>1. Low end denim: Asian and domestic competition</li> <li>2. High end denim: Italian and Japanese competition very strong in terms of style and design</li> <li>3. Yarn: low labor and raw material costs in Far East</li> <li>4. Chinese competition – undervalued currency, government subsidies, not a lot of congressional support for industry</li> <li>5. Over capacity of denim worldwide</li> <li>6. Increased competition in the market, which is influencing pricing</li> <li>7. Premium denim becoming commodity market</li> <li>8. Retailers working with Asia to drive prices down</li> <li>9. Trend toward full package sourcing</li> <li>10. Deliveries and timing</li> <li>11. Demand can exceed forecast</li> <li>12. Knock-offs</li> <li>13. Competitors contacting suppliers</li> <li>14. Customers becoming competitors with increases in private labels</li> </ol>
	<u>Strategy Development</u> <ol style="list-style-type: none"> <li>1. Look to growth markets and invest in order to grow and reinvest profits to product/innovation base</li> <li>2. Producing 100 new product lines per year</li> <li>3. Using new fibers such as hemp and flax for denim</li> <li>4. Developing new washes</li> <li>5. Joint ventures in Latin and South America to support growth in the area</li> <li>6. Innovation and partnerships with contractors to increase speed to market</li> <li>7. Continuous product development to shorten sampling time</li> <li>8. Time so that products are trend right and relevant to the market quick enough to maximize potential</li> <li>9. Offer product that perform to meet the needs of the market</li> <li>10. Have to be quick to market</li> <li>11. Add details and quality that competitors cannot knock-off</li> <li>12. Don't show retailers new product early enough to knock-off</li> </ol>

### *Market Potential Strategies*

Respondents were asked open-ended questions related to market potential strategies in order to expand on the findings of Parrish (2003). Table 35 shows a comprehensive

summary of the market potential results. These are incorporated by sector in Figures 29-32.

Table 35

*Market Potential Strategies: Summary of Results*

Topic	Comments Regarding Development Factors
<b>Strategies used to gage the potential of niche product</b>	<ol style="list-style-type: none"> <li>1. Value proposition: what makes the product valuable to the consumer</li> <li>2. Align with corporate strategy and culture</li> <li>3. Customer feedback</li> <li>4. Pre-line products to customers in development phase</li> <li>5. Customer surveys</li> <li>6. Market research coupled with research and development</li> <li>7. Educated guess based on trends, market research, and internal and external feedback</li> <li>8. Potential volume determined through planning, retailer by retailer</li> <li>9. Look at products in the market</li> <li>10. Research and development</li> <li>11. All departments research trends and consumers needs and look for common themes among all departments</li> <li>12. Employ target customers in the company</li> <li>13. Consumer and retailer interviews</li> </ol>
<b>Strategies used to gage potential of niche market</b>	<ol style="list-style-type: none"> <li>1. Market analysis – look for white space in the market</li> <li>2. Statistical analysis of import data, trade data, retail figures, holiday sales data, NPD data, sales figures by market</li> <li>3. Account specific feedback from sales</li> <li>4. Customer interviews – customers bring the need from retail</li> <li>5. Determine volume potential of market</li> <li>6. Potential market share opportunity</li> <li>7. Competitive landscape</li> <li>8. Analyze consumer acceptance of products</li> <li>9. Knowledge of the market</li> <li>10. Sub-brand by age – price-point follows</li> <li>11. Demographic research</li> </ol>

*Implementation Issues*

Respondents were questioned as to what issues arise while developing or selling a



niche product or pursuing a niche market. In addition, respondents were asked about product selection issues, manufacturing base, and marketing strategies that are used for their niche products. The results are shown in Table 36. Results specific to each sector are shown in Figures 39-32.

Table 36

*Implementation Issues: Summary of Results*

Topic	Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ol style="list-style-type: none"> <li>1. Cost quality and delivery</li> <li>2. Innovation</li> <li>3. Ability to profit on value</li> <li>4. Educating customer</li> <li>5. Competition in the market</li> <li>6. Designer issues – designers want to use Italian and Japanese fabric suppliers because of prestige and global aspect of product</li> <li>7. Study international market for trends</li> <li>8. Consumer and retailer receptiveness</li> <li>9. Size of the niche</li> <li>10. Speed to market</li> <li>11. Position in the niche</li> <li>12. Keeping ahead of the competition</li> <li>13. Market acceptance of innovation</li> <li>14. Timing</li> <li>15. Quality</li> <li>16. Changing paradigms internally and externally</li> </ol>

Table 36 Continued

<b>Niche product issues</b>	<ol style="list-style-type: none"> <li>1. Prototyping</li> <li>2. Resourcing</li> <li>3. Budgeting</li> <li>4. Timing</li> <li>5. Ability to produce quality on authentic machines</li> <li>6. Right combination of construction, design, and dye shade</li> <li>7. Understanding the needs of the customer</li> <li>8. Customer specifications</li> <li>9. Availability of raw material</li> <li>10. Pricing</li> <li>11. The “China Threat”</li> <li>12. Functionality</li> <li>13. Testing</li> <li>14. Remembering the needs of the end consumers</li> <li>15. Correctness</li> </ol>
<b>Product selection issues</b>	<ol style="list-style-type: none"> <li>1. Must fit with corporate culture</li> <li>2. Consider strategic objectives</li> <li>3. Dye shade and construction</li> <li>4. Color and design trends</li> <li>5. Look to mills to show appropriate trend right fabrics</li> <li>6. Examine past sales history</li> <li>7. Focus on lead time – the longer the lead time, the less trend right</li> <li>8. Price</li> <li>9. Quality</li> <li>10. Performance</li> <li>11. Internal opinions</li> <li>12. Capability of mills</li> </ol>
<b>Manufacturing base</b>	<ol style="list-style-type: none"> <li>1. Consider fixed assets and invested capital</li> <li>2. Combination of equipment and human resources</li> <li>3. Customers want a move to Latin America in order to offer increased fashionability at lower price points</li> <li>4. 100% US fabric – can use trade agreements to fullest extent – can provide duty free products</li> <li>5. Seek out combination of low price, low minimums, and short cycle time</li> <li>6. Match products to technological capabilities</li> <li>7. Long term manufacturing partners</li> <li>8. Quality</li> <li>9. Speed to market</li> <li>10. Shipping</li> <li>11. Flexible manufacturing organization allows for coordination of manufacturing to aid in adding new suppliers</li> </ol>

Table 36 Continued

<p><b>Marketing strategies</b></p>	<ol style="list-style-type: none"> <li>1. Push: present to retailers</li> <li>2. Pull: consumer surveys</li> <li>3. Coverage in trade press</li> <li>4. Trade shows</li> <li>5. Launch parties</li> <li>6. Promote speed to market</li> <li>7. Promote innovation</li> <li>8. In store promotions, print ads, street teams, point of purchase displays and radio</li> <li>9. Celebrity endorsements</li> <li>10. Cooperative events with department stores</li> <li>11. Show customized collections to customers</li> <li>12. Show customers fabrics and garments made of company's yarn</li> <li>13. Sponsorship of sporting events</li> <li>14. National advertising through print media</li> <li>15. Grassroots marketing, such as outfitting college sports teams</li> <li>16. Communicate brand image through store layout, music, and visuals</li> <li>17. Website used to test new products</li> <li>18. Integrate marketing of brand extensions</li> <li>19. Customize marketing program by retailer</li> </ol>
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### *Product Success Variables*

Respondents were also asked open-ended questions related to product success variables in order to expand on the findings of Parrish (2003). These questions asked how the company contributed to the success of niche products, as well as the reasons that the niche products were successful in the market. Table 37 shows a comprehensive summary of the market potential results.

Table 37

*Success Variables: Summary of Results*

Topic	Comments Regarding Success Variables
<b>Company's contribution to success of niche product</b>	<ol style="list-style-type: none"> <li>1. Providing products to the market that meet expectations</li> <li>2. Align company and customer views for dual profitability</li> <li>3. Provides looks and products that appeal to the customer</li> <li>4. Delivering quality products on time</li> <li>5. Offer the right product at the right price</li> <li>6. Research</li> <li>7. Cross functional approach</li> <li>8. Retailer validation and consumer testing</li> <li>9. Combination of market research and correct marketing</li> <li>10. Company brands the products</li> </ol>
<b>Reasons niche products successful</b>	<ol style="list-style-type: none"> <li>1. Products are leaders in the marketplace</li> <li>2. The products meet or exceed consumer expectations</li> <li>3. Brand has the right look for the market</li> <li>4. Denim serves as the pallet for finishing</li> <li>5. The product performs</li> <li>6. Promoted enough to be identifiable to customers</li> <li>7. Customers have found and brought the niche to the company</li> <li>8. Celebrities have increased the popularity of premium denim</li> <li>9. Innovative products</li> <li>10. Credible, viable brand</li> <li>11. Understand who the customers of the brand are</li> <li>12. Works with other brand extensions of lifestyle brand</li> <li>13. Company is merchant run and the merchants are the target customers of the brand</li> <li>14. Kept to product heritage</li> <li>15. The products are innovative</li> </ol>

## Niche Strategy Model Revisions

The following figures show the revisions that were made to the Parrish Niche Strategy Model (2003). These figures provide rankings for the Market Potential Strategies and Success Variables that were determined by Parrish. These figures also give a breakdown of strategies used by each sector of the textile and apparel supply chains. The models have been expanded to include development factors and implementation issues.

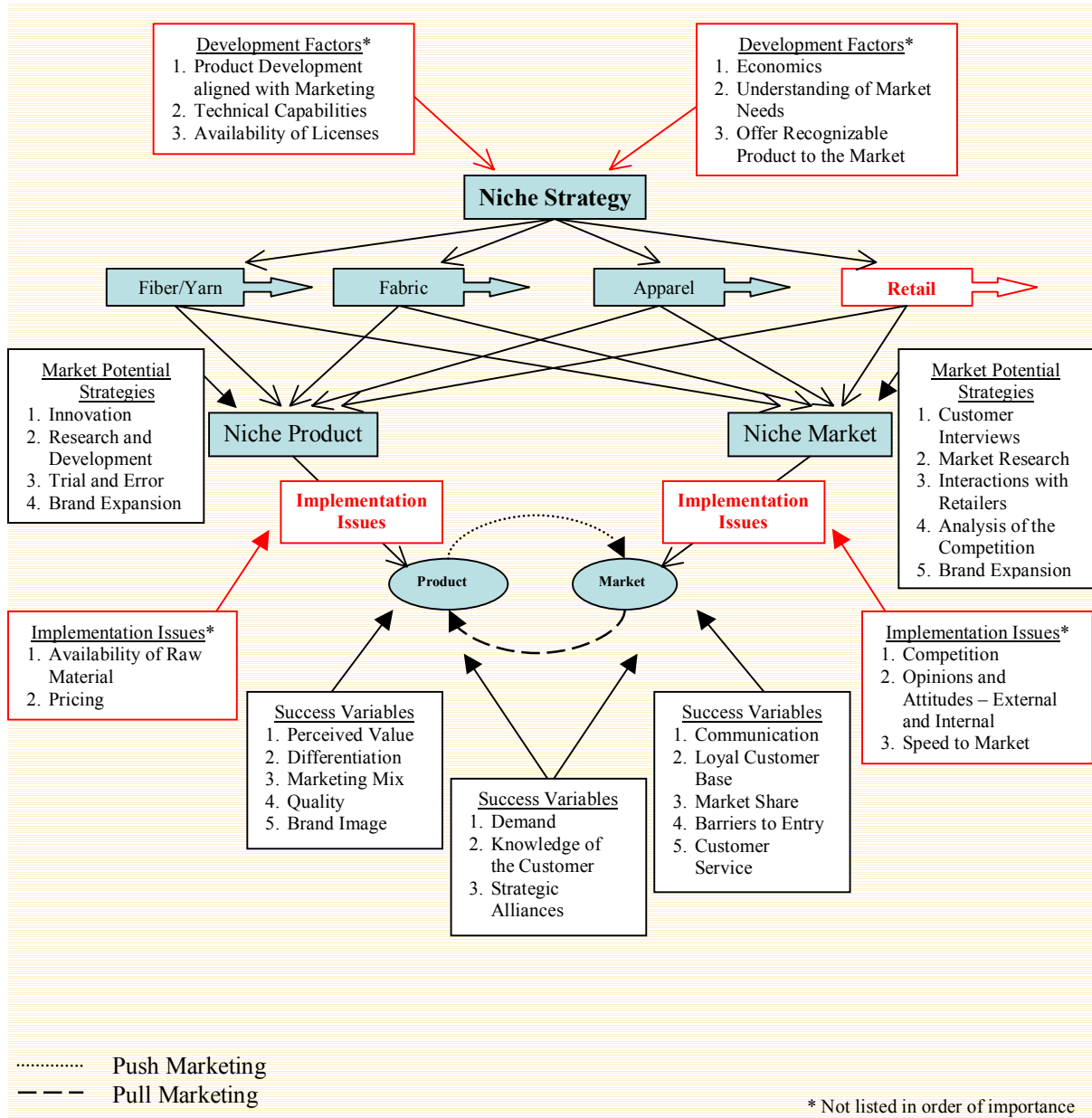


Figure 29: Fiber/yarn manufacturing niche strategy model.

Source: Adapted by R. Allen (2006) from Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

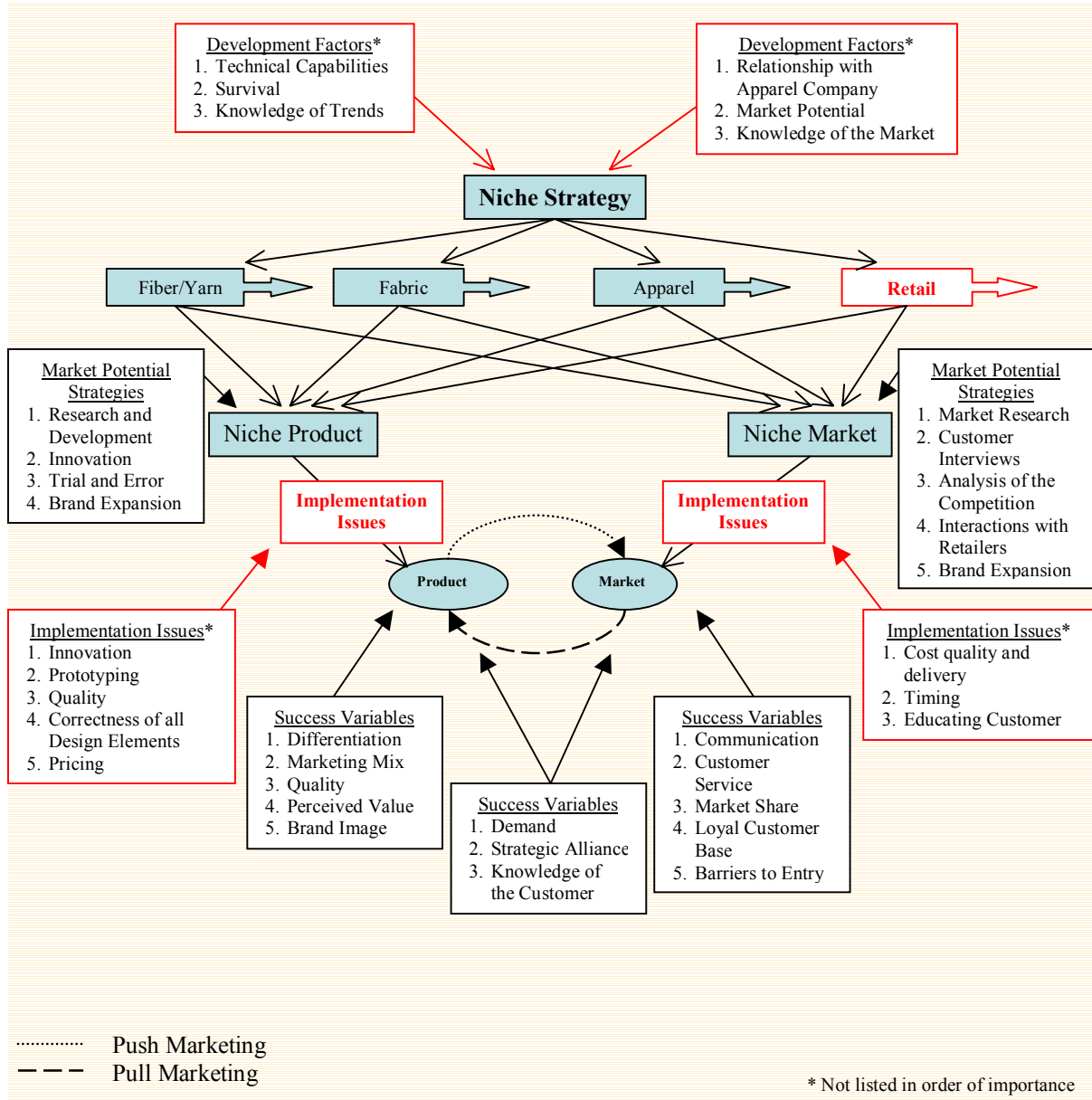


Figure 30: Fabric manufacturing niche strategy model.

Source: Adapted by R. Allen (2006) from Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

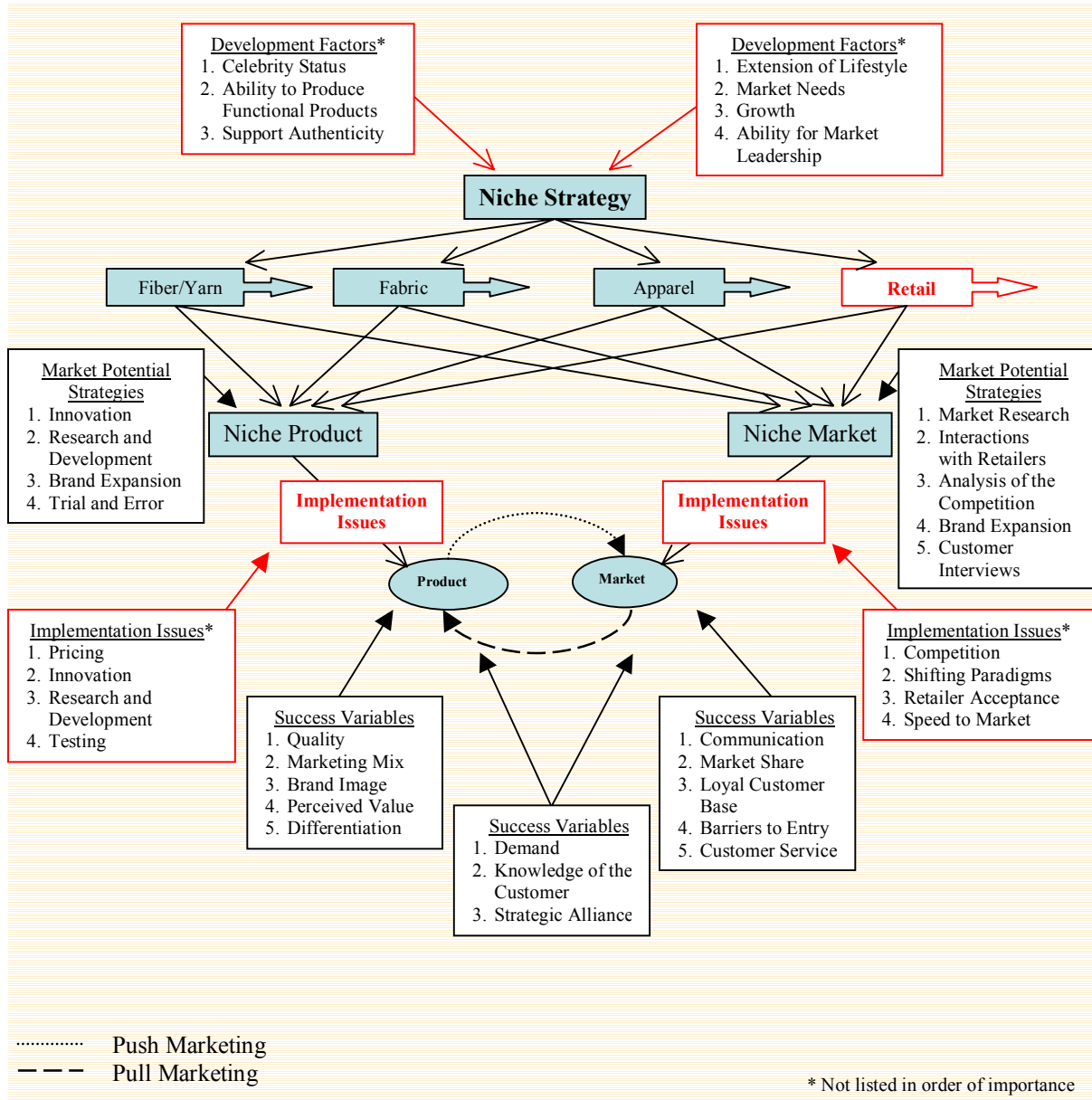


Figure 31: Apparel manufacturing and marketing niche strategy model.

Source: Adapted by R. Allen (2006) from Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

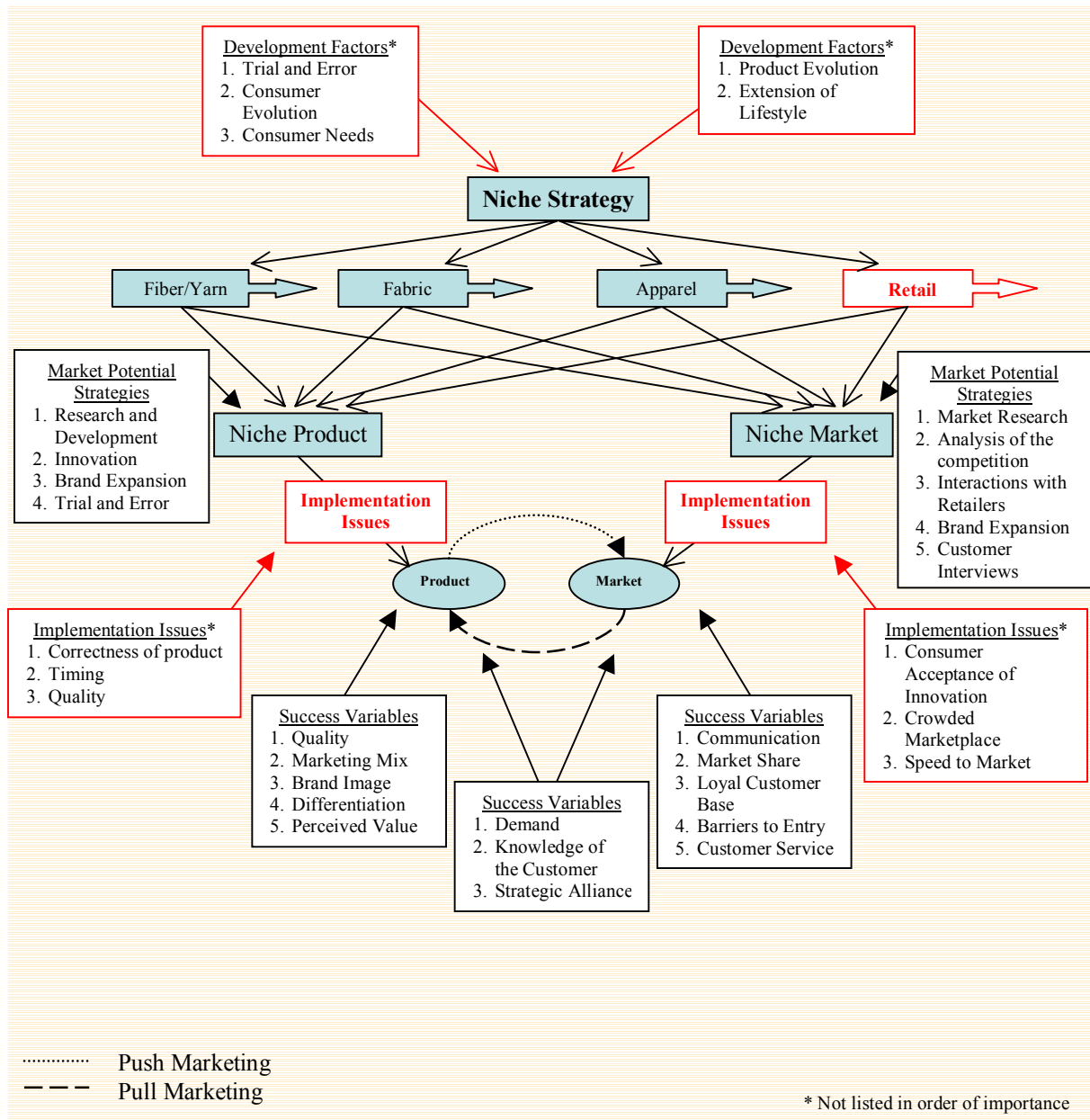


Figure 32: Apparel retailing niche strategy model.

Source: Adapted by R. Allen (2006) from Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>



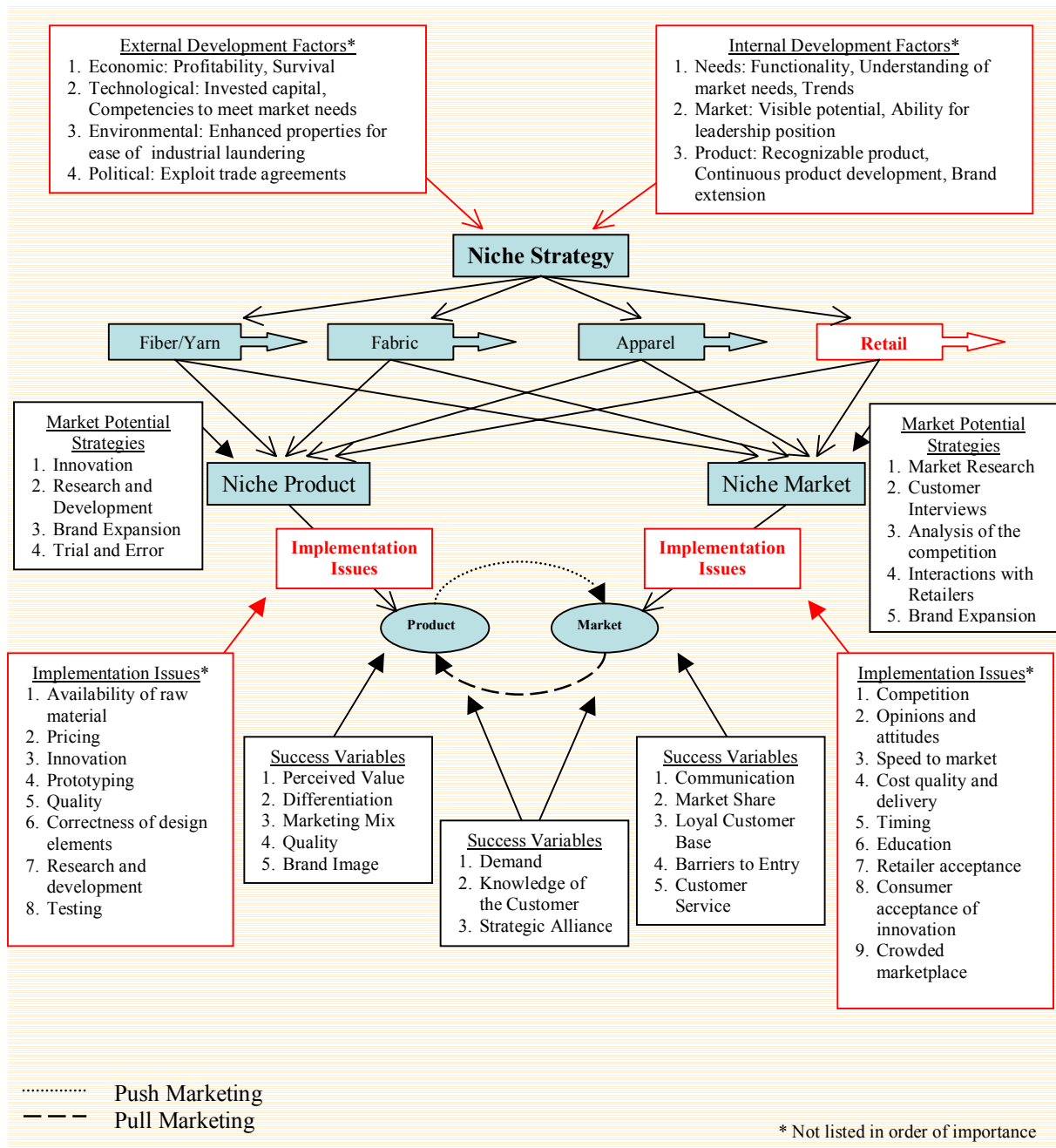


Figure 33: Parrish Allen niche strategy model.

Source: Adapted by R. Allen (2006) from Parrish, E. D. (2003). *Niche market opportunities in the global marketplace*. Doctoral dissertation. North Carolina State University, Raleigh, NC. From <http://www.lib.ncsu.edu/theses/available/etd-06242003-091046>

## **CHAPTER V**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

#### **Summary**

The purpose of this research was to examine companies in the bottomweights market who have identified niche products/markets for use in testing the Parrish Niche Strategy Model (2003). Another purpose of this research study was to analyze factors that contribute to the establishment of niche marketing strategies within the bottomweights market, as well as issues that arise when implementing a niche strategy.

This research used a two-phase methodology. The first phase was exploratory in nature and identified niche bottomweight markets and companies competing in these markets with niche bottomweight products. Secondary data were used conduct competitive analyses on the companies to develop an understanding of the current state of the companies and to assess current strategies used by the companies.

The second phase of the research used a concurrent triangulation strategy to gather primary qualitative and quantitative data through an interview methodology. The interview was conducted using a researcher developed interview instrument which focused on five areas: Current state of the company, Factors that influence the development of niche strategies, Market potential strategies, Issues that arise during the implementation of niche strategies, and Success variables for niche strategies. Information collected during Phases I and II was used to refine the Parrish Niche Strategy Model (2003).

## Summary of Results

- 1) Current strategies used by companies competing in the bottomweights market with niche products:

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Partnerships	1. Partnerships	1. E-Commerce	1. E-Commerce
2. Innovation	2. Innovation	2. Acquisitions	2. Acquisitions
3. (Re)Organization of Business	3. Branding	3. Diverse Portfolios	3. Diverse Portfolios
4. Branding	4. (Re)Organization of Business	4. Lifestyle Brands	4. Lifestyle Brands
5. Trend Education		5. Blended Sourcing	
		6. Commitment to Innovation	
		7. Focus on Style and Fashion	
		8. Brand Expansion	

- 2) Market potential strategies shown by sector in order of importance:

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Customer Interviews	1. Market Research	1. Market Research	1. Market Research
2. Market Research	2. Customer Interviews	2. Interactions with Retailers	2. Analysis of the competition
3. Interactions with Retailers	3. Analysis of the Competition	3. Analysis of the Competition	3. Interactions with Retailers
4. Analysis of the Competition	4. Interactions with Retailers	4. Brand Expansion	4. Brand Expansion
5. Brand Expansion	5. Brand Expansion	5. Customer Interviews	5. Customer Interviews

- 3) Product potential strategies shown by sector in order of importance:

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Innovation	1. Research and Development	1. Innovation	1. Research and Development
2. Research and Development	2. Innovation	2. Research and Development	2. Innovation
3. Trial and Error	3. Trial and Error	3. Brand Expansion	3. Brand Expansion
4. Brand Expansion	4. Brand Expansion	4. Trial and Error	4. Trial and Error

4) Product success variables shown by sector in order of importance:

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Perceived Value	1. Differentiation	1. Quality	1. Quality
2. Differentiation	2. Marketing Mix	2. Marketing Mix	2. Marketing Mix
3. Marketing Mix	3. Quality	3. Brand Image	3. Brand Image
4. Quality	4. Perceived Value	4. Perceived Value	4. Differentiation
5. Brand Image	5. Brand Image	5. Differentiation	5. Perceived Value

5) Market success variables shown by sector in order of importance:

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Communication	1. Communication	1. Communication	1. Communication
2. Loyal Customer Base	2. Customer Service	2. Market Share	2. Market Share
3. Market Share	3. Market Share	3. Loyal Customer Base	3. Loyal Customer Base
4. Barriers to Entry	4. Loyal Customer Base	4. Barriers to Entry	4. Barriers to Entry
5. Customer Service	5. Barriers to Entry	5. Customer Service	5. Customer Service

6) Niche strategy success variables shown by sector in order of importance:

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Demand	1. Demand	1. Demand	1. Demand
2. Knowledge of the Customer	2. Strategic Alliances	2. Knowledge of the Customer	2. Knowledge of the Customer
3. Strategic Alliances	3. Knowledge of the Customer	3. Strategic Alliances	3. Strategic Alliances

7) Factors that influence the development of a niche strategy shown by sector (not in order of importance):

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Economics	1. Technical Capabilities	1. Celebrity Status	1. Trial and Error
2. Technical Capabilities	2. Relationship with Apparel Company	2. Extension of Lifestyle	2. Product Evolution
3. Availability of Licenses	3. Market Potential	3. Market Needs	3. Consumer Evolution
4. Understanding of Market Needs	4. Survival	4. Ability to Produce Functional Products	4. Extension of Lifestyle

5. Product Development aligned with Marketing	5. Knowledge of the Market	5. Growth	5. Consumer Needs
6. Offer Recognizable Product to the Market	6. Knowledge of Trends	6. Support Authenticity	
		7. Ability for Market Leadership	

8) Issues that arise during the implementation of a niche strategy shown by sector (not in order of importance):

<b>Fiber/Yarn</b>	<b>Fabric</b>	<b>Apparel</b>	<b>Retail</b>
1. Availability of Raw Material	1. Cost quality and delivery	1. Pricing	1. Consumer Acceptance of Innovation
2. Pricing	2. Innovation	2. Innovation	2. Crowded Marketplace
3. Competition	3. Prototyping	3. Research and Development	3. Correctness of product
4. Opinions and Attitudes – External and Internal	4. Timing	4. Competition	4. Timing
5. Speed to Market	5. Quality	5. Testing	5. Quality
	6. Educating Customer	6. Speed to Market	6. Speed to Market
	7. Correctness of all Design Elements	7. Shifting Paradigms	
	8. Pricing	8. Retailer Acceptance	

## Conclusions

1) The Parrish Niche Strategy Model (2003) was useful for guiding the development of niche strategies, in terms of both product and market. In addition, the model was useful in assessing variables that are important to the success of a niche strategy, in terms of both product and market.

- a) The Parrish Niche Strategy Model (2003) provided a framework for the study in order to study how a company uses a niche strategy to increase economic competitiveness.
  - b) The research added to the previous findings of Parrish (2003) by identifying factors that influence the development of niche strategies and issues that arise during the implementation of niche strategies.
- 2) Companies are competing in the bottomweights market with a wide variety of niche products that serve the needs of a wide variety of niche markets.
  - 3) Trends play an important role in serving niche markets, although companies should not become trend dependent. Off-trend products can be sold if they are marketed correctly.
  - 4) Lifestyle branding is important for downstream customers in order to quickly and easily communicate the value of niche products.
  - 5) Companies competing in the bottomweights market are vertically or virtually integrating both forwards and backwards. Downstream companies have higher growth rates than upstream companies.
  - 6) Upstream customers are increasingly sourcing from Asia because of speed (from design and development to production and delivery), low minimums, and low cost.
  - 7) There is a trend to full-package sourcing, which domestic manufacturers are attempting to provide through partnerships with downstream companies.
  - 8) The success of the study was due to the strength of the sample. What made the sample strong was:
    - a) The methodology used to select and validate the sample;
    - b) The sample represented leading companies in various sectors and niches;

- c) The openness of the respondents to share information;
  - d) The array of areas of expertise of the respondents.
- 9) Companies need to be innovative not only in terms of technology, but also in terms of style, design, and marketing.
- 10) Changes in manufacturing and retailing require new thinking to increase economic competitiveness, in terms of product, market, and overall strategy. In addition, simply benchmarking against innovative companies will not ensure success – companies should think of new ways of doing business.

#### Limitations

- 1) This research was focused on one product category: bottomweights. While this product category is important to the United States textile industry, results cannot be generalized to other product categories.
- 2) A sample of companies was used in this study, rather than the entire population. With a non-probability convenience sample, results cannot be generalized to the entire population.
- 3) Though the sample for this study was strong, the results are limited due to the size of the sample. Because this research was limited, results may not be able to be generalized to the whole of the US textile and apparel industries.
- 4) Caution should be taken when generalizing results to retailers, as only one brick and mortar retailer was represented. Other companies in the study, in addition to retailing products through a small number of flagship or outlet stores, were also wholesalers

and/or e-tailers of their products.

- 5) Respondent bias may have been present, due to the willingness of the respondents to disclose certain data.

## Recommendations

- 1) Research found that Asian manufacturers have shorter lead times than domestic manufacturers. Future studies could study the ability of Asian manufacturers to beat domestic manufacturers to market.
- 2) Future studies could explore how companies conduct market research.
- 3) Further research could focus on ranking the development factors and implementation issues that were included in the Parrish Allen Niche Strategy Model.
- 4) Future studies could focus solely on retailers of niche products to understand how they meet the needs of their customers.
- 5) It was found during research that Japan is ahead of the curve in terms of performance fabrics. Future research could focus on the capabilities and competencies of Japanese producers of performance fabrics.
- 6) The Parrish Allen Niche Strategy Model could be tested using global companies in order to determine how attitudes and strategies compare with those of domestic manufacturers.
- 7) In general, downstream companies have higher growth rates than upstream companies. Future studies could focus on the differences between these companies and identify strategies used by downstream companies that could be used by upstream companies.
- 8) Future research could look at the life cycle of niche markets over time.



- 9) Full package sourcing was a theme with apparel marketers and retailers. Another theme was using trade agreements to increase the value of products. An investigation of full-package options that would take advantage of trade agreements in the Western Hemisphere is needed to increase the economic competitiveness of the US textile industry.
- 10) Future studies could focus on defining success.

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## **APPENDIX A: SIC CODES**

NAICS Code	Description
315211	Men's and Boys' Cut and Sew Apparel Contractors
SIC Code	Description
2311	Men's and Boys' Suits, Coats, and Overcoats (contractors)
2325	Men's and Boys' Trousers and Slacks (contractors)
2326	Men's and Boys' Work Clothing (contractors)
2329	Men's and Boys' Clothing, NEC (contractors)

NAICS Code	Description
315212	"Women's, Girls', and Infants' Cut and Sew Apparel Contractors"
SIC Code	Description
2337	Women's, Misses', and Juniors' Suits, Skirts, and Coats (contractors)

NAICS Code	Description
315225	Men's and Boys' Cut and Sew Work Clothing Manufacturing
SIC Code	Description
2326	Men's and Boys' Work Clothing (except contractors)

NAICS Code	Description
315228	Men's and Boys' Cut and Sew Other Outerwear Manufacturing
SIC Code	Description
2329	Men's and Boys' Clothing, NEC (men's and boys' other outerwear except contractors)
2369	Girls', Children's, and Infants' Outerwear, NEC (boys' other outerwear except contractors)

NAICS Code	Description
315239	Women's and Girls' Cut and Sew Other Outerwear Manufacturing
SIC Code	Description
2339	Women's, Misses', and Juniors' Outerwear, NEC (except contractors)
2369	Girls', Children's, and Infants' Outerwear, NEC (girls' except contractors)

NAICS Code	Description
448190	Other Clothing Stores
SIC Code	Description
5632	School uniform stores
5699	Uniform stores (except athletic)

NAICS Code	Description
812331	Linen Supply
SIC Code	Description
7213	Linen Supply
7219	Laundry and Garment Services, NEC (diaper service)

NAICS Code	Description
812332	Industrial Launderers
SIC Code	Description
7218	Industrial Launderers

NAICS Code	Description
313210	Broadwoven Fabric Mills
SIC Code	Description
2211	Broadwoven Fabric Mills, Cotton
2221	Broadwoven Fabric Mills, Manmade Fiber and Silk
NAICS Code	Description
313311	Broadwoven Fabric Finishing Mills
SIC Code	Description
2261	Finishers of Broadwoven Fabrics of Cotton
2262	Finishers of Broadwoven Fabrics of Manmade Fiber and Silk
NAICS Code	Description
315211	Men's and Boys' Cut and Sew Apparel Contractors
SIC Code	Description
2311	Men's and Boys' Suits, Coats, and Overcoats (contractors)
2325	Men's and Boys' Trousers and Slacks (contractors)
2326	Men's and Boys' Work Clothing (contractors)
2329	Men's and Boys' Clothing, NEC (contractors)
NAICS Code	Description
315212	"Women's, Girls', and Infants' Cut and Sew Apparel Contractors"
SIC Code	Description
2337	Women's, Misses', and Juniors' Suits, Skirts, and Coats (contractors)
NAICS Code	Description
315224	"Men's and Boys' Cut and Sew Trouser, Slack, and Jean Manufacturing"
SIC Code	Description
2325	Men's and Boys' Trousers and Slacks (except contractors)
2369	Girls', Children's, and Infants' Outerwear, NEC (boys' trousers, slacks, and jeans except contractors)
NAICS Code	Description
315225	Men's and Boys' Cut and Sew Work Clothing Manufacturing
SIC Code	Description
2326	Men's and Boys' Work Clothing (except contractors)
NAICS Code	Description
315228	Men's and Boys' Cut and Sew Other Outerwear Manufacturing
SIC Code	Description
2329	Men's and Boys' Clothing, NEC (men's and boys' other outerwear except contractors)
2369	Girls', Children's, and Infants' Outerwear, NEC (boys' other outerwear except contractors)
NAICS Code	Description
315234	Women's and Girls' Cut and Sew Suit, Coat, Tailored Jacket, and Skirt Manufacturing
SIC Code	Description
2337	Women's, Misses', and Juniors' Suits, Skirts, and Coats (except contractors)
2369	Girls', Children's, and Infants' Outerwear, NEC (girls' suits, coats, jackets, and skirts except contractors)
NAICS Code	Description
315239	Women's and Girls' Cut and Sew Other Outerwear Manufacturing
SIC Code	Description
2339	Women's, Misses', and Juniors' Outerwear, NEC (except contractors)
2369	Girls', Children's, and Infants' Outerwear, NEC (girls' except contractors)
NAICS Code	Description
315291	Infants' Cut and Sew Apparel Manufacturing
SIC Code	Description
2341	Women's, Misses', Children's, and Infants' Underwear and Nightwear (infants' except contractors)
2369	Girls', Children's, and Infants' Outerwear, NEC (infants' except contractors)
NAICS Code	Description
448110	Men's Clothing Stores
SIC Code	Description
5611	Men's and Boys' Clothing and Accessory Stores
NAICS Code	Description
448120	Women's Clothing Stores
SIC Code	Description
5621	Women's Clothing Stores
NAICS Code	Description
448130	Children's and Infants' Clothing Stores
SIC Code	Description
5651	Children's and Infants' Clothing Stores
NAICS Code	Description
448140	Family Clothing Stores
SIC Code	Description
5651	Family Clothing Stores

## **APPENDIX B: NICHE BOTTOMWEIGHT PRODUCTS**



Urban	Sizing
Mark Ecko Enterprises	Just My Size – Sara Lee
Ecko unltd	Kiyonna
G – Unit	Lane Bryant
Complex	Zaftique
Zoo York	Junonia
Mark Ecko Collection	Ashley Stuart
Avirex	Elizabeth – Liz Claiborne
Baby Phat	Liz Claiborne Woman
Phat Farm – Kellwood	Sigrid Olsen
Sean John	Ellen Tracy
Akademiks	Emma James
Rocawear	Tapemeasure
Outkast	<b>Customer Service</b>
Enyce	Lands' End
Pepe	Nordstrom
Pelle Pelle	Bluefly.com
Girbaud	<b>Brand Name / Private Brand</b>
LRG	Tommy Bahama
J. Lo	Docker's
Ruff Ryders	Gap
Shady Ltd.	Eddie Bauer
Triple Five Soul	Nordstrom
Apple Bottoms	L.L. Bean
Avirex	Mary Kate and Ashley Olsen
Premium denim	Feature
Antik Denim	Nanotex
Joe's Jeans	Docker's Stain Defender
James Jeans	Eddie Bauer
Juicy Couture	Travelsmith.com ComfortSizers Trousers
Paige Denim	L.L. Bean – optional finishing
True Religion	Nordstrom – Smartcare
Paper, Denim, and Cloth	Kathmandu – MCS Zipp Off Pants
Seven for all Mankind	Buzz-Off
Citizens of Humanity	L.L. Bean
Rock and Republic	Orvis
Butterfly Jeans	Bass Pro Shops
AG Jeans	Cognis
Diesel	Skintex
Levi	Miss Sixty Low Ty Jeans “Ani-Cellulite” Treated Trousers
Evisu	Carhartt
ABS by Allen Schwartz	Columbia
Calvin Klein	<b>Western</b>
Cambio	Wrangler
Chip & Pepper	Cruel Girl
DKNY Jeans	Rockies - Rocky Mountain
Earl Jean	Roper
Halogen	Lawman
Indigo Palms	Cinch
Lucky Brand	Levi
Miss Sixty	<b>Image Apparel</b>
Sacred Blues	Cintas
Serfontaine	Red Kap
Buffalo	Bulwark
Oligo Tissew	Dickies

## **APPENDIX C: SAMPLE POPULATION**

## Appendix C1: Fiber/Yarn Population

Ads Inc.	Mount Vernon Mills
Albany International	National Spinning
American & Efird	National Textiles
American Dawn	Nisshinbo Industries
Avondale	Nitto Boseki Co Ltd
Blumenthal Print Works	Omnova Solutions
BP Fabrics and Fibers	Parkdale Mills
Brookwood Companies	Paul Reinhart Inc
Burlington Industries	Pittards PLC
Carolina Mills	Plains Cotton Cooperative Association
Chargeurs	Polymer Group Inc.
Chori Company	QST Industries
Coats (United Kingdom)	R L Stowe Mills
Coats North American	Ratti SPA
CULP INC	Reeves Brothers
Day International	Royal Ten Cate NV
Deveaux SA	SI Corp
Dogi International Fabrics	Southern Mills
Dollfuc Mieg	Stowe-Pharr Mills
Fab Industries	Tavex Algodonera SA
Fuji Spinning Company	Teijin Ltd
Greenwood Mills	Toho Tenax Co Ltd
ICG/Holliston	Tomen Corp
Invista	Toyobo Co.
Itochu Corp	Unifi
Klopman International	Unitika Ltd
Kuraray Company Limited	Victoria PLC
Malden Mills	Vincenzo Zucchi SPA
Milliken & Company	

Source: (Hoover's, 2005; Mergent Online, 2005; Plunkett Research, 2005)

## Appendix C2: Textile Population

Albany International Corp (New)  
Algodonera San Nicolas S.A. (Argentina)  
Arvind Polycot Ltd. (India)  
Avondale Mills  
Bibb Co. (The)  
Billon et Cie SA (France)  
Binny Ltd (India)  
Brunswick Technologies Inc.  
BSL Ltd. (India)  
Buettner S.A. Industria e Comercio (Brazil)  
Burlington Industries  
Cheviot Co. Ltd. (India)  
Chung Shing Textile Co., Ltd.  
CMI Industries, Inc.  
Coats Cadena S.A. (Chile)  
Comercial e Industrial Vina S.A. (Chile)  
Companhia de Fiacao e Tecidos Cedro e Cachoeira (Brazil)  
Companhia Fabril Mascarenhas (Brazil)  
Companhia Hering (Brazil)  
Companhia Hering (Old) (Brazil)  
Companhia Industrial Schlosser S.A. (Brazil)  
Compania Colombiana de Tejidos S.A. (Colombia)  
Compania Industrial de Parras, S.A. de C.V. (Mexico)  
Compania Industrial Nuevo Mundo S.A. (Peru)  
Compania Textil Credisa Trutex S.A. (Peru)  
Compania Universal Textil SA (Peru)  
Cone Mills Corp.  
Consoltex Group, Inc. (Canada)  
Crescent Textile Mills Ltd. (The) (Pakistan)  
Culp Inc.  
Da Gama Textile Company Limited (South Africa)  
Daidoh Ltd. (Japan)  
Daiwabo Co., Ltd. (Japan)  
Dan River Inc.

Delta Woodside Industries, Inc.  
Deveaux S.A. (France)  
Dollfus Mieg & Cie- DMC S.A. (France)  
Dominion Textile Inc. (Canada)  
Drummond Group PLC (United Kingdom)  
Dyersburg Corp.  
Empresa Nacional de Comercio Redito e Participacoes SA (Brazil)  
Fabrica de Hilados y Tejidos San Miguel S.A. (Peru)  
Fabrica Victoria de Puente Alto S.A. Textil (Chile)  
Fabritex Peruana S.A. (Peru)  
Fieldcrest Cannon, Inc.  
Forstmann & Co., Inc. (New)  
Foster (John) & Sons Plc (United Kingdom)  
Fuji Spinning Co Ltd Tokyo  
Galey & Lord, Inc.  
Gamma Holding N.V. (Netherlands)  
Garden Silks Mills Ltd. (India)  
Grupo El Asturiano, S.A. de C.V. (Mexico)  
Guangdong Golden Dragon Development Inc.  
Guangdong Meiya Group Co., Ltd.  
Gubb & Inggs Ltd. (South Africa)  
Guilford Mills  
Hallwood Group Inc.  
Hankook Synthetics Inc. (South Korea)  
Hyosung Corp. (South Korea)  
Indo Rama Synthetics India Ltd.  
Interglas Technologies AG (Germany)  
Johnston Industries, Inc.  
Karsten, S.A. (Brazil)  
Kawashima Textile Manufacturers Ltd. (Japan)  
Kitan Consolidated Ltd. (Israel)  
Kohap Corp. (South Korea)  
Kohinoor Industries Ltd. (Pakistan)  
Koninklijke Textielgroep Twenthe N.V. (Netherlands)  
Kuala SA (Brazil)

Kwong Fong Industrial Corp.  
 Luckytex (Thailand) Public Co., Ltd.  
 (Thailand)  
 Marisol S.A. (Brazil)  
 Mayfran International Ltd (Singapore)  
 Michel Thierry S.A. (France)  
 Milliken & Company  
 Mohib Exports Ltd. (Pakistan)  
 Mount Vernon Mills  
 MRM (France)  
 Nankai Worsted Spining Co., Ltd. (Japan)  
 Nippon Felt Co., Ltd. (Japan)  
 Nishat Mills Ltd. (Pakistan)  
 Novel Denim Holdings Ltd  
 Osborne & Little PLC (United Kingdom)  
 P.T. Ever Shine Tex Tbk (Indonesia)  
 Pillowtex Corp (New) (United States)  
 Polymer Group Inc.  
 Quaker Fabric Corp.  
 Ratti S.p.A. (Italy)  
 Raymond Ltd. (India)  
 Romatex Ltd. (South Africa)  
 Sakai Ovex Co Ltd  
 Sam Yang Co Ltd (South Korea)  
 SEET PLC (United Kingdom)  
 Seiren Co., Ltd. (Japan)  
 Shanghai Merchants Holdings Ltd  
 Shijiazhuang Changshan Textile Co Ltd

Silk Industries Plc (United Kingdom)  
 Siyaram Silk Mills Ltd. (India)  
 Springs Industries, Inc.  
 Staroup S.A. Industria de Roupas (Brazil)  
 Synthetic Industries, Inc.  
 Teka Tecelagem Kuehnrich S.A.  
 Texfi Industries, Inc.  
 Textil Progreso S.A. (Chile)  
 Textil Renaux S.A.  
 Thomaston Mills, Inc.  
 Toyobo Co., Ltd. (Japan)  
 Trorion S.A. (Brazil)  
 TTL Industries Ltd. (Thailand)  
 United Chemical Industries Berhad  
 (Malaysia)  
 USI Holdings Ltd.  
 Vicunha Nordeste S.A. - Industria Textil  
 (Brazil)  
 Vicunha Textil (Brazil)  
 Vincenzo Zucchi S.p.A. (Italy)  
 Walker Greenbank PLC (United  
 Kingdom)  
 Wembley S.A. (Brazil)  
 Wentex Textil S.A. (Brazil)  
 Whitehead (David) Textiles Ltd.  
 (Zimbabwe)  
 Worldtex, Inc. (United States)  
 Yorklyde plc (United Kingdom)

Source: (Hoover's, 2005; Mergent Online, 2005; Plunkett Research, 2005)

### Appendix C3: Apparel Population

Ahlers AG (Germany)	Fujian Septwolves Industry Co., Ltd.
Albert S.A. (France)	Gerber Childrenswear Inc
Alexandra Plc (United Kingdom)	Gerry Weber International
Algo Group Inc. (Canada)	Gianni Versace SPA
Amtek Holdings Bhd	Gilden Activewear Inc
Andover Apparel Group, Inc. (The)	Giorgio Armani SPA
Apparel America, Inc.	Glorious Sun Enterprises Ltd
Arcadia Group Plc (United Kingdom)	Good Fellow Group Ltd
Aris Industries, Inc.	Gruppo Ermenegildo Zegna
Armitex Inc.	Guangdong Rieys Group Co., Ltd.
Ashworth Inc.	Gucci Group NV
Benetton Group S.p.A. (Italy)	Guess?, Inc.
Bernard Chaus	Haggar Corp
Big Smith Brands, Inc.	Hampshire Group
Bill Blass	Hartmarx Corp
Brooks Service Group PLC (United Kingdom)	Heshe Holdings Ltd. (Singapore)
Cambuci S.A. (Brazil)	Hua Thai Manufacturing Public Co., Ltd. (Thailand)
Carnival Industrial Corp	Hugo Boss AG
Chanel SA	IC Isaacs & Company
Chapelthorpe PLC	Industria de Diseno Textil SA
Cherokee Inc. (DE)	Innovo Group
Christian Dior SA	IT Holding S.P.A. (Italy)
Christian Dior SA (France)	IT Holdings SPA
Cintas Corp	Jaclyn
Columbia Sportswear	Jalate, Ltd.
Crown Crafts, Inc.	Jean Pascale AG (Germany)
Cygne Designs, Inc.	Jiangsu Hongdou Industry Co., Ltd.
Danskin	Jiangsu Sainty Corp Ltd
Descente, Ltd. (Japan)	Johnson Service Group
Designer Holdings Ltd.	Jordache Enterprises
Diesel SPA	Kasper ASL
DNP Holdings Berhad (Malaysia)	Kellwood
Dolce & Gabbana SPA	Kimuratan, Corp. (Japan)
Donnkenny, Inc.	Kohler & Krenzer Fashion AG (Germany)
Durango Apparel, Inc.	Kwintet a/s
Dylex Ltd. (Canada)	Lafuma SA
Eileen Fisher	Lai Sun Garment (International) Ltd.
El Apparel Inc	Lapine Co., Ltd. (Japan)
Ellis (Perry) International Inc	Levi Strauss & Co
Esquel Group	Levi Strauss Japan K.K. (Japan)
Etienne Aigner AG (Germany, Fed. Rep.)	Liz Claiborne, Inc.
Farah Inc.	Loondon Fog

Manifattura Gaetano Marzotto & Figli  
 SPA  
 Martin International Holdings PLC  
 (United Kingdom)  
 Mast Industries  
 Mossimo Inc.  
 Multimedia Concepts International, Inc.  
 Nautica Enterprises  
 New York & Company Inc  
 Next Inc  
 Ninian & Lester Holdings Ltd. (South  
 Africa)  
 Nitches Inc.  
 Novel Denim Holdings Ltd  
 Oshkosh B'Gosh, Inc.  
 Oxford Industries  
 Paht Fashions  
 Paris Blues  
 Paxar Corp  
 Perry Ellis International  
 Petro Resources Corp  
 Phillips-Van Heusen  
 Polo Ralph Lauren  
 PremiumWear, Inc.  
 Puig Beauty & Fashion Group  
 Puma AG Rudolf Dassler Sport  
 Quiksilver, Inc.  
 Raymond Ltd

Retrospettiva, Inc. (United States)  
 Salant Corp  
 Seven for All Mankind  
 Sirena Apparel Group, Inc.  
 Stefanel S.p.A. (Italy)  
 Stirling Group PLC  
 Superior Uniform Group, Inc.  
 TAL Group  
 Tarrant Apparel Group  
 Ted Baker PLC  
 Tokyo Style Co., Ltd. (Japan)  
 Tommy Hilfiger Corp (Hong Kong)  
 Tommy Hilfiger Corp. (United Kingdom)  
 Too, Inc.  
 Tristate Holdings Limited  
 Tropical Sportswear International  
 U-Right International Holdings Ltd.  
 Vestimenta SPA  
 VF Corp  
 Volcom Inc  
 Warnaco Group Inc  
 Wolf (Howard B.), Inc.  
 Wolford AG (Austria)  
 Worksafe Industries, Inc.  
 Yakira LLC  
 YangtzeKiang Garment Manufacturing Co.  
 Ltd.  
 YKK Corp

Source: (Hoover's, 2005; Mergent Online, 2005; Plunkett Research, 2005)

## Appendix C4: Retail Population

Abercrombie & Fitch	Cox Co., Ltd.
Actif Group PLC (United Kingdom)	Cutter & Buck
Aderans Co. Ltd. (Japan)	DB Actif Ltd. (United Kingdom)
Adonis Knitwear Holdings Ltd. (South Africa)	DEB Shops
Aeropostale	dELiA*s
Alain Manoukian S.A. (France)	Denninghouse Inc. (Canada)
American Eagle Outfitters	Dillard's
American Resources & Development Co.	Dress Barn
Ann Taylor Stores	du Pareil au Meme SA (France)
Aoki International Co. Ltd. (Japan)	EasyKnit International Holdings Ltd.
Aramark	Edison Brothers Stores
Audrey International Bhd (Malaysia)	Etam PLC (United Kingdom)
Aurora Oil & Gas Ltd.	Evans
Bass Pro Shops	Factory 2-U Stores
Bebe Stores	Fashion Africa Ltd. (South Africa)
Belk	Fast Retailing Co., Ltd. (Japan)
Big Dog Holdings	Federated
Brazin Ltd. (Australia)	Filene's Basement
Brice SA	Forminster PLC (United Kingdom)
Buckle	French Connection (United Kingdom)
Burlington Coat Factory	Fujii & Co., Ltd. (Japan)
Cabela's	G & K Services
Cabin Co., Ltd. (Japan)	Gadzooks
Cache	Gantos
Carry Wealth Holdings Ltd	Gap
Casual Male Retail Group	Goody's
Catherines Stores	Groupe Les Ailes de la Mode Inc
Cato	Groupe Zannier S.A. (France)
CFS International Inc.	Gymboree
Charles Voegelé Holding AG (Switzerland)	H & M Hennes & Mauritz AB (Sweden)
Charlotte Russe	Hakuyosha Co., Ltd. (Japan)
Charming Shoppes	Hallenstein Glasson Holdings Ltd.(New Zealand)
Chico's FAS	Harold's Stores
Children's Place Retail Stores	Haruyama Trading Co Ltd.
Christopher & Banks	Hirsch A.G. (Germany)
Cintas	HomeChoice Holdings Ltd. (South Africa)
Citi Trends	Hot Topic
Clothestime	Hubei Mailyard Share Co Ltd
Companhia Nacional do Vestuario (Brazil)	Hunan Huasheng Yixintai Co Ltd
Coachman	J Jill
County Seat Stores	J. Crew
	Jacobs (Jay)

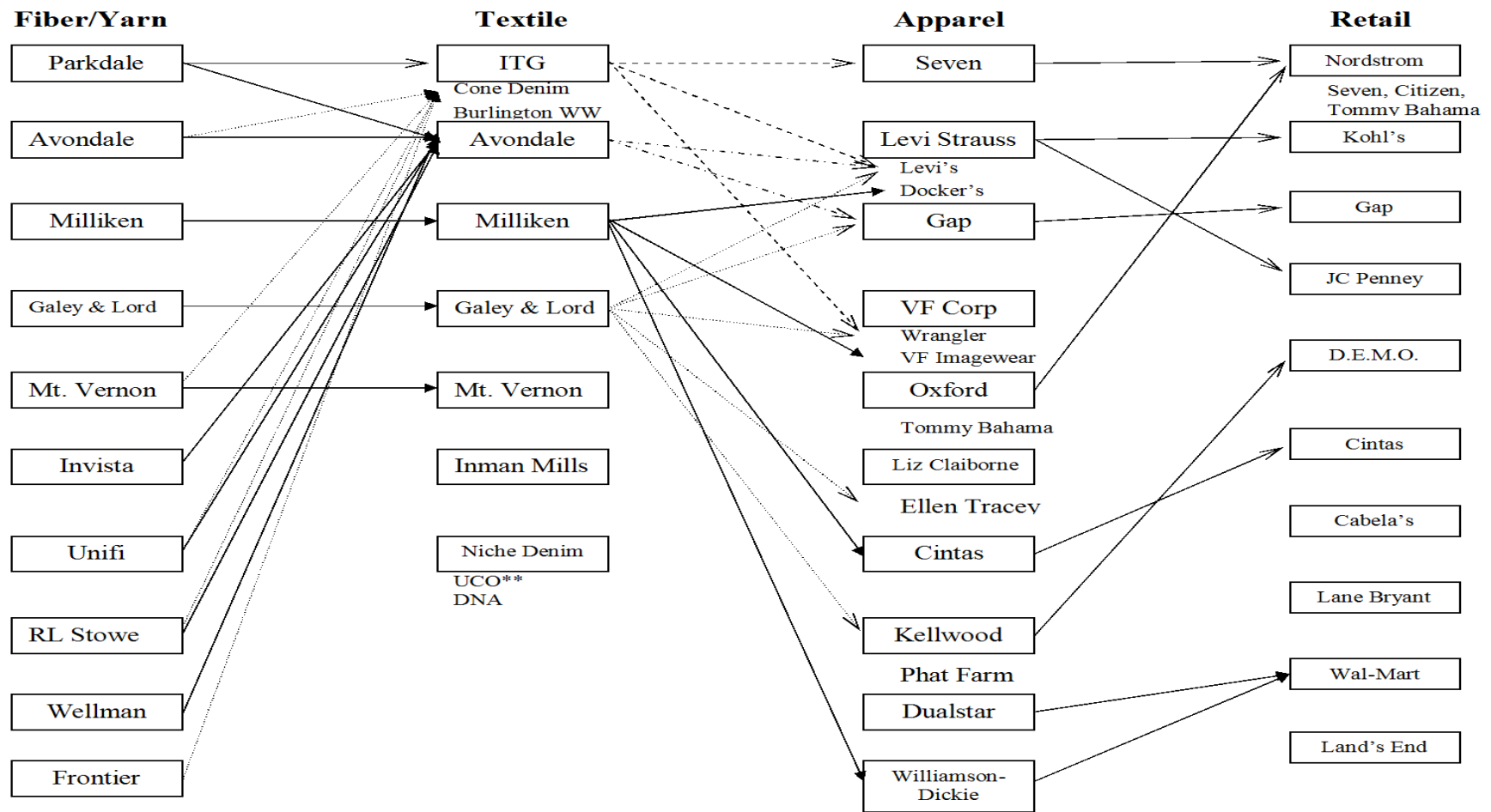


Jacques Vert PLC (United Kingdom)  
 JC Penney  
 Jos. A. Bank Clothiers  
 Joyce Boutique Holdings Ltd.  
 Kenwin Shops  
 King Co., Ltd. (Japan)  
 Kmart  
 Kohl's  
 Konaka Co., Ltd. (Japan)  
 KF Ekonomisk Forening (Sweden)  
 LA Group Ltd (South Africa)  
 La Senza Corp. (Canada)  
 Lamonts Apparel  
 Land's End  
 Limited Brands  
 LL Bean  
 Loehmann's  
 Matalan Plc (United Kingdom)  
 May Department Stores  
 Mayborn Group PLC (United Kingdom)  
 Men's Wearhouse  
 Miller's Retail Ltd.  
 Mothercare Plc (United Kingdom)  
 Mothers Work  
 Nac Co Ltd. (Japan)  
 National Service Industries  
 Neiman Marcus  
 New Look Group Plc (United Kingdom)  
 New Morning Corp  
 Next Group Plc (United Kingdom)  
 Nishimatsuya Chain Co., Ltd. (Japan)  
 Noni B Ltd.  
 Nordstrom  
 Oak Co Ltd (Japan)  
 One Price Clothing Stores  
 Orvis  
 Pacific Sunwear of California  
 Padini Holdings Bhd (Malaysia)  
 Pantorama Industries Inc. (Canada)  
 Paul Harris Stores

Jeans Mate Corp. (Japan)  
 John David Group Plc  
 Petrie Stores Liquidating Trust  
 Phillips-Van Heusen  
 QS Group Plc (United Kingdom)  
 Redwoods Holdings Ltd. (South Africa)  
 Reitmans (Canada), Ltd.  
 Retail Ventures  
 Right On Co Ltd  
 Ross Stores  
 S & K Famous Brands  
 Saks  
 San Francisco Boutiques, Inc.  
 Sears  
 Shanghai Kaikai Industry Co., Ltd.  
 Shen Yang Commercial City Co Ltd  
 Shimamura Co., Ltd. (Japan)  
 Sinn Leffers AG (Germany, Fed. Rep.)  
 Smart Group Holdings Ltd. (South Africa)  
 Stage Stores  
 Stein Mart  
 Suzutan Co., Ltd. (Japan)  
 Syms  
 Talbots  
 Target  
 Theme International Holdings Ltd.  
 TJX  
 Today's Man  
 Too Inc.  
 Tradehold Ltd. (South Africa)  
 Truworths International Ltd (South Africa)  
 Unifirst  
 United Retail Group  
 Urban Outfitters  
 Veeko International Holdings Ltd  
 Wal-Mart  
 Wensum Co. PLC (United Kingdom)  
 Wet Seal  
 Xebio Co., Ltd. (Japan)  
 Zumiez

Source: (Hoover's, 2005; Mergent Online, 2005; www.nrf.com, 2005; Plunkett Research, 2005)

## **APPENDIX D: SAMPLE VALIDATION RESULTS**



**Niches:** Urban (Hip-Hop), Image Apparel (Uniforms), Brand Name, Feature (Performance), Premium Denim, Western, Plus-Size  
 \*\* - International

Figure 34: Post-validation supply chain map.

Table 38

*Post-Validation Niche Bottomweight Products*

<b>Feature/Performance</b>	<b>Premium Denim</b>
Docker's Stain Defender (Levi)	Seven for All Mankind
Buzz-Off	Levi's Premium
Columbia	Lucky Brand
Land's End	<b>Brand Name</b>
<b>Image Apparel</b>	Gap
Cintas	Tommy Bahama (Oxford Industries)
VF Image Apparel	Mary Kate and Ashley Olsen (Dualstar)
<b>Wester</b>	Abercrombie & Fitch
Wrangler (VF Corp)	American Eagle
Levi's	Pacific Sunwear
Cruel Girl	Express
Cinch	Jones New York
<b>Alternative Sizing/Plus-Size</b>	<b>Urban/Hip Hop</b>
Ellen Tracey (Liz Claiborne)	Phat Farm (Kellwood)
Lane Bryant (Charming Shoppes)	
<b>International Companies</b>	
Arvind Mills	
Isko	
UCO	

## **APPENDIX E: INITIAL CONTACT LETTER**

Date

Contact Name  
Company  
Address  
City, State Zip

Dear Contact Name:

<Reference name, company>, suggested that I contact you regarding my research study. My study focuses on the companies competing in all sectors of the bottomweights market (fiber/yarn, textile, apparel, and retail) and examines issues related to niche market strategies. Your company has been selected to participate in this study, and your confidentiality will be secured. Your participation is voluntary.

I will be conducting information interviews in your area the week of \_\_\_\_\_. I would like to set up a time to meet with members of your company in marketing, merchandising, strategy, or new product development during this week if possible. If an on-site visit is not possible during this week I would like to arrange a conference call when convenient. The questionnaire to be administered during the information interview is attached for your review. I will follow-up with you via email or by phone to discuss a possible meeting time. Please let us know when you will be available during this time or if there is someone else that we should contact.

Your cooperation is greatly appreciated. If you have any questions concerning the studies, please contact me via email at the address below.

Sincerely,

Reece Allen  
Graduate Student  
NCSU/ITT  
[rmallen@unity.ncsu.edu](mailto:rmallen@unity.ncsu.edu)

Nancy L. Cassill, Ph.D.  
Professor – NCSU  
[Nancy\\_Cassill@ncsu.edu](mailto:Nancy_Cassill@ncsu.edu)

William Oxenham, Ph.D.  
Professor – NCSU  
[William\\_Oxenham@ncsu.edu](mailto:William_Oxenham@ncsu.edu)

Michelle R. Jones, Ph.D.  
Professor – NCSU  
[Michelle\\_Jones@ncsu.edu](mailto:Michelle_Jones@ncsu.edu)

## **APPENDIX F: INTERVIEW INSTRUMENTS**

**Company \_\_\_\_: Interview Instrument**

**Respondent \_\_ information:**

Title:

Years in position:

Years with company:

Years in industry:

**Current State:**

1. What products do you produce that you consider to be niche products?
2. Who do you consider your customers to be?
3. Do you use a push (product-based) or a pull (market-based) marketing strategy?
4. How do you add value to (niche product) ?
5. Do relationships among members of the supply chain increase the value of this product/market? If so, how?

**Development:**

6. What factors caused you to pursue this market? How did these factors influence the development of your niche strategy?
7. What factors caused you to develop this niche product? How did these factors influence the development of your niche strategy?
8. What sorts of competitive challenges is your company currently facing? What factors influence niche strategy development in this competitive environment? How do these factors influence strategy development?

**Market Potential:**

9. How do you determine the potential of a niche product (push marketing)?
10. How do you determine the potential of a niche market (pull marketing)?



11. Please rank the following in order of importance in determining the potential of a niche market (pull marketing), with 1 being the most important:

- a. Market research \_\_\_\_\_
- b. Customer interviews \_\_\_\_\_
- c. Interactions with retailers \_\_\_\_\_
- d. Brand expansion \_\_\_\_\_
- e. Analysis of the competition \_\_\_\_\_

Why did you assign the rankings you did?

12. Please rate the following on the level of importance in determining the potential of a niche market (pull marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Market Research	1	2	3
b. Customer interviews	1	2	3
c. Interactions with retailers	1	2	3
d. Brand expansion	1	2	3
e. Analysis of the competition	1	2	3

13. Please rank the following in order of importance in determining the potential of a niche product (push marketing), with 1 being the most important:

- a. Research and development \_\_\_\_\_
- b. Trial and error \_\_\_\_\_
- c. Innovation \_\_\_\_\_
- d. Brand expansion \_\_\_\_\_

Why did you assign the rankings you did?

14. Please rate the following on the level of importance in determining the potential of a niche product (push marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Research and development	1	2	3
b. Trial and error	1	2	3
c. Innovation	1	2	3
d. Brand expansion	1	2	3

**Implementation:**

15. What issues arose when pursuing this niche market?
16. What issues arose when developing this niche product?
17. What product selection issues arise when implementing the niche strategy?
18. How was the choice of manufacturing base influenced by your niche strategy?
19. What marketing strategies are utilized when implementing the niche strategy?

**Success:**

20. How does your company contribute to the success of (niche product) ?
21. Why is (niche product) so successful?
22. Please rank the following in order of importance to the success of a niche product (push marketing), with 1 being the most important:
  - a. Quality \_\_\_\_\_
  - b. Marketing mix \_\_\_\_\_
  - c. Brand image \_\_\_\_\_
  - d. Differentiation \_\_\_\_\_
  - e. Perceived value \_\_\_\_\_Why did you assign the rankings you did?
23. Please rate the following on the level of importance to the success of a niche product (push marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Quality	1	2	3
b. Brand Image	1	2	3
c. Marketing Mix	1	2	3
d. Differentiation	1	2	3
e. Perceived Value	1	2	3

24. Please rank the following in order of importance to the success of a niche market (pull marketing), with 1 being the most important:

- a. Barriers to entry \_\_\_\_\_
- b. Customer service \_\_\_\_\_
- c. Market share \_\_\_\_\_
- d. Communication \_\_\_\_\_
- e. Loyal customer base \_\_\_\_\_

Why did you assign the rankings you did?

25. Please rate the following on the level of importance to the success of a niche market (pull marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Barriers to entry	1	2	3
b. Customer service	1	2	3
c. Market share	1	2	3
d. Communication	1	2	3
e. Loyal customer base	1	2	3

26. Please rank the following in order of importance to the success of a niche strategy (push or pull marketing), with 1 being the most important:

- a. Knowledge of the customer \_\_\_\_\_
- b. Strategic alliances \_\_\_\_\_
- c. Demand \_\_\_\_\_

Why did you assign the rankings you did?

27. Please rate the following on the level of importance to the success of a niche strategy (push or pull marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Knowledge of the consumer	1	2	3
b. Strategic Alliances	1	2	3
c. Demand	1	2	3

## Appendix F2: Retail Interview Instrument

### **Company \_\_\_\_: Interview Instrument**

#### **Respondent \_\_ information:**

Title:

Years in position:

Years with company:

Years in industry:

#### **Current State:**

1. What products do you sell that you consider to be niche products?
2. Who do you consider your customers to be?
3. Do you use a push (product-based) or a pull (market-based) marketing strategy?
4. How do you add value to the niche products you sell?
5. Do relationships among members of the supply chain increase the value of these products? If so, how?

#### **Development:**

6. What factors caused you to develop/sell these niche products? How did these factors influence the development of strategy?
7. What factors caused you to pursue these markets? How did these factors influence the development of strategy?
8. What kinds of competitive challenges is your company currently facing? What factors influence niche strategy development in this competitive environment? How do these factors influence strategy development?

#### **Market Potential:**

9. How do you determine the potential of a niche product (push marketing)?
10. How do you determine the potential of a niche market (pull marketing)?

11. Please rank the following in order of importance in determining the potential of a niche market (pull marketing), with 1 being the most important:

- a. Market research \_\_\_\_\_
- b. Customer interviews \_\_\_\_\_
- c. Interactions with retailers \_\_\_\_\_
- d. Brand expansion \_\_\_\_\_
- e. Analysis of the competition \_\_\_\_\_

Why did you assign the rankings you did? Are there other strategies that you use to determine the potential of a niche market?

12. Please rate the following on the level of importance in determining the potential of a niche market (pull marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Market Research	1	2	3
b. Customer interviews	1	2	3
c. Interactions with retailers	1	2	3
d. Brand expansion	1	2	3
e. Analysis of the competition	1	2	3

13. Please rank the following in order of importance in determining the potential of a niche product (push marketing), with 1 being the most important:

- a. Research and development \_\_\_\_\_
- b. Trial and error \_\_\_\_\_
- c. Innovation \_\_\_\_\_
- d. Brand expansion \_\_\_\_\_

Why did you assign the rankings you did? Are there other strategies that you use to determine the potential of a niche product?

14. Please rate the following on the level of importance in determining the potential of a niche product (push marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Research and development	1	2	3
b. Trial and error	1	2	3
c. Innovation	1	2	3
d. Brand expansion	1	2	3

**Implementation:**

15. What issues arose when pursuing the niche markets mentioned earlier?
16. What issues arose when developing/selling the niche products mentioned earlier?
17. What product selection issues arose with these niche products?
18. If the niche products are private brands, where are they sourced? What supply chain issues arise when sourcing these products?
19. What marketing strategies are utilized when implementing the niche strategy?

**Success:**

20. How does your company contribute to the success of these niche products?
21. Can you tell me about the success of these niche products – why are these product successful?
22. Please rank the following in order of importance to the success of a niche product (push marketing), with 1 being the most important:
  - a. Quality \_\_\_\_\_
  - b. Marketing mix \_\_\_\_\_
  - c. Brand image \_\_\_\_\_
  - d. Differentiation \_\_\_\_\_
  - e. Perceived value \_\_\_\_\_Why did you assign the rankings you did? Are there other variables that contribute to the success of a niche product?
23. Please rate the following on the level of importance to the success of a niche product (push marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Quality	1	2	3
b. Brand Image	1	2	3
c. Marketing Mix	1	2	3
d. Differentiation	1	2	3
e. Perceived Value	1	2	3

24. Please rank the following in order of importance to the success of a niche market (pull marketing), with 1 being the most important:

- a. Barriers to entry \_\_\_\_\_
- b. Customer service \_\_\_\_\_
- c. Market share \_\_\_\_\_
- d. Communication \_\_\_\_\_
- e. Loyal customer base \_\_\_\_\_

Why did you assign the rankings you did? Are there other variables that contribute to the success of a niche market?

25. Please rate the following on the level of importance to the success of a niche market (pull marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Barriers to entry	1	2	3
b. Customer service	1	2	3
c. Market share	1	2	3
d. Communication	1	2	3
e. Loyal customer base	1	2	3

26. Please rank the following in order of importance to the success of a niche strategy (push or pull marketing), with 1 being the most important:

- a. Knowledge of the customer \_\_\_\_\_
- b. Strategic alliances \_\_\_\_\_
- c. Demand \_\_\_\_\_

Why did you assign the rankings you did? Are there other variables that contribute to the success of an overall niche strategy?

27. Please rate the following on the level of importance to the success of a niche strategy (push or pull marketing), with 1 being not important and 3 being very important:

	Not Important	Important	Very Important
a. Knowledge of the consumer	1	2	3
b. Strategic Alliances	1	2	3
c. Demand	1	2	3

## Appendix F3: Auxiliary Interview Instrument

### **Company \_\_: Interview Instrument**

#### **Respondent \_\_ information:**

Title:

Years in position:

Years with company:

Years in industry:

1. What is your definition of niche (product, market)?
2. What niches do you see in the apparel industry? What niches do you see in bottomweights?
3. How do you think that niche markets represent growth areas for manufacturers and retailers?
4. How is innovation tied to niche markets/products (product, feature, process, finish, distribution, marketing,)?
5. What factors are important for the success of niche products?
6. How should manufacturers and retailers find niches?
7. Why should manufacturers and retailers pursue niches?
8. What retailers are doing a good job at serving niche markets?
9. What technologies facilitate serving niche markets?
10. What brands are successful as niche marketers?
11. What could the domestic textile industry do to encourage retailers and apparel manufacturers/marketers to source their products from the US?



## **APPENDIX G: COMPETITIVE ANALYSES**

## Appendix G1: Competitive Analysis – Parkdale

Parkdale						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	<b>Headquarters</b>	Ring Spun, 100% Carded Cotton (5/1 - 20/1 Ne)	Coolmax	Acquisition of competitors.	
		P. O. Drawer 1787	Ring Spun, 100% Combed Cotton (8/1 - 40/1 Ne)	Thermolite	Automation of plants.	
1999	1999	Gastonia, NC 28053	Ring Spun, 50/50 Combed Cotton/Poly (8/1/40/1 Ne)	Premium Cottons	Joint venture with Unifi:	
			Ring Spun, 100% Polyester	Hydrotec	Parkdale America (64% Ownership)	
2000	2000	<b>Locations</b>	Ring Spun, 100% Sensura	Prematouch Collection		
		<i>Plants by Location &amp; Plant Number</i>	Open End, 100% Carded Cotton (5/1 - 30/1 Ne)	Amsler Yarns	Opened Mexican Mill to supply	
2001	2001	Gastonia, NC (1, 2, 10)	Open End, 100% Combed Cotton (14/1 - 36/1 Ne)	Corded Yarns	Burlington Industries	
		Lexington, NC (3, 4)	Open End, 50/50 Carded Cotton/Poly (8/1 - 38/1 Ne)	Expanded Count Range	Focused on research	
2002	2002	Kings Mountain, NC (5, 19)	Open End, 65/35 Carded Cotton/Poly (10/1 - 36/1 Ne)	Deep Dye Cottons	Developing higher-value	
		Thomasville, NC (6)	Air Jet, 50/50 Carded Cotton/Poly (10/1 - 40/1 Ne)		specialty yarns with Cargill	
2003	2003	Belmont, NC (8, 9, 14, 15, 16, 17)	Vortex, Poly Combed Cotton (20/1 - 50/1 Ne)		Dow and Wellman Industries	
		Salisbury, NC (11)	Vortex, Poly Carded Cotton (20/1 - 40/1 Ne)		Developed Sensura with	
2004	2004	Lowell, NC (18)	Vortex, 100% Combed Cotton (20/1 - 40/1 Ne)		Wellman	
* privately held		Mineral Springs, NC (21)			Partnership with Zellweger -	
Average Sales		Landis, NC (22, 23, 24)			shows commitment to new	
1998-2004	Average Growth Rate 1998-2004	Boonville, NC (25)			technology	
		Walnut Cove, NC (26)			Commitment to research and	
		Eden, NC (27)			development to foster	
		Sanford, NC (28, 29)			Innovation	
		Hillsville, VA (30, 32, 33, 34, 35)			"That's the Parkdale	
		Sparta, NC (36, 37)			difference...innovation leading	
					to precision"	
		<i>Fiber Distribution Centers</i>			Focus on single product	
		Belmont, NC				
		Eden, NC				
		Sanford, NC				
		Salisbury, NC				
		<i>Fiber Research Center</i>				
		Belmont, NC				

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G2: Competitive Analysis – Milliken

Milliken						
Sales 1998-2004 (millions of dollars)*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Fabrics (knitted, woven, nonwoven)	Milliken Visa - Water absorbing polyester	Commitment to innovation.	VisaEndurance used for
		920 Milliken Rd.	Yarns		Commitment to education	EnduraSkin line of
1999	1999	Spartanburg, SC 29303	Chemicals	Millitron - inkjet printer for carpet	through Milliken University	hunting apparel by Bass
			Airbags	Millad - clarifying agent for		Pro Shops
2000	2000	Locations	Automotive textiles	plastics		Developed StainSmart
\$4,000		Over 65 Facilities Worldwide	Apparel and uniform fabrics	Innova uniform fabric: poly with		fabric to aid in stain
2001	2001	Australia, Belgium, Brazil,		look and feel of cotton		prevention and soil
\$3,900	-2.50%	Denmark, France, Germany, Japan,		VisaEndurance odor controlling		release
2002	2002	Spain, and the UK		fabrics		
\$3,600	-7.69%					
2003	2003					
\$3,400	-5.56%					
2004	2004					
*estimated						
Average Sales 1998-2004	Average Growth Rate 1998-2004					
\$3,725	-5.25%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

### Appendix G3: Competitive Analysis – Avondale

Avondale						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Open-end, ring-pun, heathered, and stock-dyed yarns	Denim - yarn dyed fashion colors, traditional indigo, and black denims	Licensing of Nanotex	Differentiation through product
1999	1999	PO Box 1109	Fabrics for utilitywear, denim, apparel, and sportswear	Coated fabrics	Investment in technology	quality and service, including on-
2000	2000	506 South Broad Street	Garment dying of fleece and knitted apparel		Innovation	time delivery and sales support
2001	2001	Monroe, GA 30655			Commitment to quality	
2002	2002	Locations			Corporate strategy:	
2003	2003				manufacture high quality at low	
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G4: Competitive Analysis – Galey and Lord

Galey and Lord						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Textiles: Cotton, denim, corduroy, workwear fabrics	Denim	Joint venture - Swift Denim-Hidalgo - produces denim fabric in Mexico	
		980 Avenue of the Americas	Dyed and printed fabrics for home fashions	Workwear fabrics	Reorganized into four divisions:	
1999	1999	New York, NY 10018	Customers include: Levi's, Haggar, Tropical Sportswear, VF Services, Polo Ralph Lauren, Gap, Liz Claiborne, American		Sportswear, Jeans, Specialty Markets, and Uniform	
\$812,278			Trouser, and Oxford Industries.			
2000	2000	Acquired by Patriarch Partners, LLC				
\$828,837	2.04%		Uniform fabrics customers include: Riverside Manufacturing, Garment Corp of America, Superior Uniforms Group, Landau			
2001	2001	Locations	Uniforms, and Kellwood			
\$714,584	-13.78%					
2002	2002					
\$546,050	-23.58%					
2003	2003					
\$436,817	-20.00%					
2004	2004					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
\$667,713	-13.83%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G5: Competitive Analysis – Mount Vernon Mills

Mount Vernon						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	<b>Headquarters</b>	Denim: indigo and black, washed, over-dyed, and stretch fabrics	Amtex brand flame resistant fabric	Six business segments: The Apparel Fabrics Group, the Consumer Products Group, the Greige Fabrics Group, the Brentex Group, the La France Industries Group, and the Transportation Group	Three-way partnership with VF Corp and Cotton Incorporated to develop new denim product: Wrangler Riggs
1999	1999	PO Box 100		ComfortZone stretch		Workwear sold at JC Penney, Cabela's,
2000	2000	503 S. Main Street	Twills, drills, duck, and plain weave fabrics - most piece dyed	fabrics in denim and twill (98% cotton, 2% Lycra)		Bass Pro Shops, and Tractor Supply
		Mauldin, SC 29662			"Centralized Policies / Decentralized Management"	
2001	2001	<b>Locations</b>	Consumer products division: infant bedding and institutional			
		Trion, GA	Greige fabrics group: home textiles and boat cover materials			
2002	2002	Alabama				
		Georgia	La France products:			
2003	2003	South Carolina	transportation, automotive, home furnishings, contract, industrial, and specialty; medical, institutional, and industrial			
2004	2004	Texas				
		California				
		Mississippi				
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G6: Competitive Analysis – RL Stowe

RL Stowe						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Corespun yarns - natural and dyed			
		PO Box 351	Mercerized cotton yarns - natural and dyed			
1999	1999	Belmont, NC 28012	Package dyed and bleached yarns (100% cotton, ring-spun or open-end; 100% PET yarns, Coolmax Corespun			
2000	2000		Pima Yarn - natural and dyed			
			Combed cotton, ring spun - natural and dyed			
2001	2001	Locations	Karded cotton - ring spun			
		Belmont, NC (Chronicle, National, Stowe, Helms)	Combed open end - natural and dyed			
2002	2002	Lupton City, TN (Lupton)				
2003	2003	Chattanooga, TN (Chattanooga)				
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G7: Competitive Analysis – Swift Spinning

Swift Spinning						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	<b>Headquarters</b>	Combed ring spun cotton (4.5/1 - 40/1)		Opened Marubeni Denim & Swift Spinning in 1998 - Sold to Denim North America in 2001	
1999	1999	16 Murtec Dr Columbus, GA 31907	Carded ring spun cotton (4.5/1 - 20/1)			
2000	2000	Owned by Marubeni Corporation of Tokyo, Japan	Used by Polo, Liz Claiborne, JC Penney, Sears, Mervyns, Tommy Hilfiger, Gold Toe, Land's End, LL Bean, and Eddie			
2001	2001	<b>Locations</b>				
2002	2002	2 plants in Columbus, GA				
2003	2003					
2004	2004					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.



# Appendix G8: Competitive Analysis – Frontier Spinning

Frontier Spinning						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Carded open end:		Joint venture with Gildan	
		1823 Boone Trail Road	100% cotton yarns 4/1 to 32/1		Activewear to build yarn spinning plant in Cedartown, GA	
1999	1999	Sanford, NC 27330	Poly cotton yarns 6/1 to 39/1			
			Air jet poly cotton yarns 12/1 to 50/1			
2000	2000		Vortex poly cotton yarns 14/1 to 50/1			
			Heather yarns 4/1 to 30/1 100% cotton			
2001	2001	Locations	slub yarns 4/1 to 12/1			
2002	2002					
2003	2003					
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G9: Competitive Analysis – Unifi

Unifi						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	<b>Headquarters</b>	Multi-filament polyester and nylon textured yarns	Many brands of yarns: Reflexx, A.M.Y., Sorbtek, Mynx, Augusta, Inhibit, aio, Repreve, Satura, Microvista, Textra, Sultra, Nowa, Eclypse, Merano, Dacron, Sedora, Micromattiqu, Softec	Joint venture with Sinopec Yizheng Chemical Fiber Co. to form Yihua Unifi Fibre Industry Co. in China	Exiting nonprofitable businesses -
1999	1999	7201 West Friendly Avenue PO Box 19109 Greensboro, NC 27419	Polyester: textured, dyed, twisted, and beamed yarns			"The commodity product are more under pressure from the Asian factor than the specialty and differentiated yarns." -Bill Lowe, Unifi VP, CEO, and CFO
2000	2000		Nylon: textured nylon and covered spandex products		Consolidation of factories	
\$1,280,000					Downsizing and organizational change - reduced number of managers to create a flatter organization	
2001	2001	<b>Locations</b>				
\$1,077,082	-16%	Mayodan, NC				
2002	2002	Yadkinville, NC				
\$864,168	-20%	Staunton, VA				
2003	2003	Reidsville, NC				
\$798,391	-8%	Kinston, NC				
2004	2004	Brazil				
\$707,169	-11%	Columbia				
2005	2005					
\$799,446	13%					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
\$921,042	-8%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G10: Competitive Analysis – Invista

Invista						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Worlds largest producer of nylon and spandex	Lycra, Stainmaster, Thermolite, and Coolmax	Offer trend workshops to customers: retail and manufacturing clients, mills, designers, and merchandisers	Ingredient and co-branding - provides hangtags for apparel utilizing products
1999	1999	Wichita, Kansas	Adi-Pure, Anshuibao, Antron, Aquator, Avantige+Lycra, Avora FR, C12, Celbond, Comforel, Cordura, Dacron, DBE, Dytek, ESP, Fine denier staple fibers, chemical intermediates, Nylon 6 6, Phenrez, Polarguard, Polyester staple	Sensations: scented finishes on Lycra blend fabrics	Five divisions: Apparel, Performance and Textile Fibers, Interiors, Expanding into Asia	Provides trend information to customers
2000	2000	Acquired by Koch Industries				
2001	2001	Locations				
2002	2002	Plants in the Americas, Europe, and Asia				
2003	2003					
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G11: Competitive Analysis – Wellman

Wellman						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	1041 521 Corporate Center Drive Fort Mill, SC 29715	Largest US producer of polyester staple fibers	Fortrel brand polyester: Fortrel Microspun, Spunnaire, Fortrel EcoSpun, ComFortrel, Fortrel Bactishield Other brands: Sensura, Ultura, and ComFortrel Plus	Develop branded fibers	Refocus strategy towards more differentiated, value- added products
1999	1999				Revised pricing structure of Fortrel to reflect security in supply of raw materials	
2000	2000	Locations			Development of innovative fibers	
\$1,069,250		Florence, SC				
2001	2001	Bay St. Louis, MS				
\$1,045,300	-2%	Johnsonville, SC				
2002	2002					
\$1,014,000	-3%					
2003	2003					
\$1,109,300	9%					
2004	2004					
\$1,305,000	18%					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
\$1,108,570	5%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G12: Competitive Analysis – ITG Cone Denim

ITG Cone Denim						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
<b>1998</b>	<b>1998</b>	<b>Headquarters</b>	Denims: denim and piece-dyed bottomweight fabrics (khaki)	White Oak brand of premium denim	Divided into three business segments: denims, commission finishing, and decorative fabrics	
\$660,900		804 Green Valley Rd, Suite 300	Commission finishing: custom printing and plain shade dyeing on a contract fee basis		Cone Denim Jiaxing Limited building plant in China with Novel Holdings Limited	
<b>1999</b>	<b>1999</b>	Greensboro, NC 27408	Decorative fabrics: design and distribution of decorative home textiles		History of innovation: first continuous indigo rope range, first to weave denim on shuttleless weaving machines, first to design and build a continuous raw stock dyeing machine for cotton, first to use high-volume instrument technology to test cotton	
\$548,900	-17%				Purchased by Wilbur Ross in 2004 under umbrella group ITG	
<b>2000</b>	<b>2000</b>	<b>Locations</b>			Parras Cone de Mexico - joint venture between Cone Mills and Compania Industrial de Parras	
\$552,600	1%				Restructuring and downsizing	
<b>2001</b>	<b>2001</b>				Joint venture with Isko (Turkish denim producer)	
\$449,900	-19%					
<b>2002</b>	<b>2002</b>					
\$445,600	-1%					
<b>2003</b>	<b>2003</b>					
<b>2004</b>	<b>2004</b>					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
\$531,580	-9%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G13: Competitive Analysis – ITG Burlington Worldwide

ITG Burlington Worldwide						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
<b>1998</b>	<b>1998</b>	<b>Headquarters</b>	Woven worsted and worsted blend fabrics, woven synthetic fabrics, 100% nylon and polyester or nylon blended with wool, rayon, lycra, and other fibers	Activewear: waterproof, windproof, water resistant	Investment in color technology	Partnership with Outlast Technologies and Ciba to develop Smart Fabric Technology using micro-
\$2,010,414		804 Green Valley Rd.		Barrier products: for healthcare,	Was created to license Nanotex and to help mills market products	
<b>1999</b>	<b>1999</b>	Greensboro, NC 27408	Denim fabrics and home textiles	pharmaceutical, and food & beverage industries		
\$1,651,686	-18%		Military fabrics	Uniform fabrics		
<b>2000</b>	<b>2000</b>			Stretch denim with Lycra and T-400		
\$1,620,247	-2%					
<b>2001</b>	<b>2001</b>	<b>Locations</b>				
\$1,403,905	-13%					
<b>2002</b>	<b>2002</b>					
\$993,336	-29%					
<b>2003</b>	<b>2003</b>					
<b>2004</b>	<b>2004</b>					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
\$1,535,918	-16%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G14: Competitive Analysis - UCO

UCO						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Yarn: open-end and ring spun cotton, poly, blends, Tencel and Sensura	Cashmere denim	To offer a market-oriented range of product with high added value	Development of phase change denim with Outlast Europe
1999	1999	Bellewue, 1	Markets: Apparel, upholstery, carpets, terry cloth, and ticking	Phase change denim		
2000	2000	9050 Gent (Ledeberg)		Supima denim	Permanent renewal and modernization of the production equipment	Bought a US company to be closer to US customers
2001	2001	Belgium	Fabric: Denim, fabric for UCO Sportswear			
2002	2002	Locations	Dyeing - denim		A flexible organization with minimal structures and far-reaching decentralization	
2003	2003	Belgium (4 Locations)	Finishing - mechanical and chemical			
2004	2004	Rockingham, NC				
		Snyder, Texas				
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G15: Competitive Analysis – Denim North America

DNA: Denim North America						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Denim	Supima - Pima cotton denim	Marketing strategy stresses authenticity and inspiration	Collaborated with Supima and Vogue to create denim editorial
		1 Marubeni Drive				
1999	1999	Columbus, GA 31907			Niche markets - making each yard of denim as specific as possible	
2000	2000				Cost driven, from overhead to processes	
2001	2001	Locations			Believe that service and price drive the business	
2002	2002					
2003	2003					
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.



# Appendix G16: Competitive Analysis – Inman Mills

Inman Mills						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Woven cotton, poly/cotton, polyester, and other blended greige goods			Differentiating its products
		PO Box 207				
1999	1999	300 Park Rd.				
		Inman, SC 29349				
2000	2000					
2001	2001	Locations				
		3 plants: Saybrook in				
2002	2002	Inman, SC and Ramey				
		and Mountain Shoals in				
2003	2003	Sales offices in SC,				
		NY, and CA				
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G17: Competitive Analysis – Arvind Mills

Arvind Mills						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters Naroda Rd	Denim		Expanding from fabric exporter to garment exporter	Developed Dockers
1999	1999	Ahmdabad - 380 025	Woven cotton fabric		Uses new technology to create innovative products	Defiance with Levi and Nanotex
2000	2000	India				Moved away from commodity products to more specialized products
2001	2001	Locations				
2002	2002					
2003	2003					
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G18: Competitive Analysis – Isko

Isko						
Sales 1998-2004*	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Denim		Partnered with Cone Mills to supply Levi Europe	
		Ingeol, Bursa	Novelty denim		Uses the latest technology	
1999	1999	Turkey	Stretch denim		Maintains balance between trends and innovation	
			Woven cotton fabrics			
2000	2000		Corduroy			
			Cotton stretch fabrics			
2001	2001	Locations				
2002	2002					
2003	2003					
2004	2004					
*privately held						
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G19: Competitive Analysis – Seven for All Mankind

Seven for All Mankind							
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products	
1998	1998	Headquarters	Premium denim	Premium denim	Propelled Bloomingdale's denim department after stock sold out in one weekend.	a	
		5175 S. Soho St.	T-shirts	Studded denim apparel	Innovative in stlye	a	d
1999	1999	Vernon, CA 90058			Goal was to develop premium jean with better fit	b	e
2000	2000				Mission - to make the not-so-perfect body look perfect	b	
2001	2001	Locations			Think of business as body sculpting	b	e,f
					Position to the consumer on an emotional level	b	
2002	2002				Expanded into menswear and childrenswear	b	
					Listen to the consumer to stay ahead	b	g
2003	2003				Announced plans to broaden product assortment to knits, shirts, pants and license accessories and fragrances to create a lifestyle brand	b	h
2004	2004				Hybrid model of production - have self produced, licensed, and collaborated products	c	
Average Sales 1998-2004	Average Growth Rate 1998-2004						

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G20: Competitive Analysis – Liz Claiborne

Liz Claiborne						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Women's, men's, and children's apparel, accessories and fragrance products	Dana Buchman, Elisabeth, Ellen Tracey, Emma James, Enyce, Juicy Couture, Lucky Brand	Focus on "institutional collaboration" for supply chain management: collaborative relationships inhouse and with domestic and global suppliers	a
1999	1999	1441 Broadway New York, NY 10018	Operates three segments: wholesale apparel, wholesale non-apparel, and retail		Acquisition strategy in order to diversify	b
2000	2000		Brands included Axxcess, Bora Bora, Caiborne, Crazy Horse, Curve, and First Issues		Remain trend-right ad design product for all levels of distribution	c
3,104,141		Locations			Develop exclusive lines for retailers: Crazy Horse (JC Penney), First Issues (Sears), and Russ (Wal-Mart)	c
2001	2001					
3,488,522	0.12					
2002	2002					
3,717,503	0.07					
2003	2003					
4,241,115	0.14					
2004	2004					
4,632,828	0.09					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
3,836,822	0.11					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G21: Competitive Analysis – Jones Apparel Group

Jones Apparel Group						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
<b>1998</b>	<b>1998</b>	<b>Headquarters</b> 250 Rittenhouse Circle Bristol, PA 19007	Four reporting units: Wholesale better apparel, Wholesale		Multi-brand strategy	
			moderate apparel, Wholesale		Mixed distribution strategy	
<b>1999</b>	<b>1999</b>		footwear & accessories, and retail		Global sourcing strategy	
			Apparel, footwear, and accessories		Design oriented	
<b>2000</b>	<b>2000</b>	<b>Locations</b>	Brands include Anne Klein, Jones		Marketing savvy	
4,147,400			New York, Nine West, I.e.i., Evan-		Acquisition of brands	
<b>2001</b>	<b>2001</b>		Picone, Gloria Vanderbilt		Increased lifestyle brands	
4,073,800	-1.77%				Acquired Barney's New York to expand into retail	
<b>2002</b>	<b>2002</b>					
4,312,200	5.85%					
<b>2003</b>	<b>2003</b>					
4,339,100	0.62%					
<b>2004</b>	<b>2004</b>					
4,592,000	5.83%					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
4,292,900	2.63%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G22: Competitive Analysis – Levi Strauss

Levi Strauss						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
<b>1998</b>	<b>1998</b>	<b>Headquarters</b>	Jeans	Levi's Vintage Clothing line	Use CPFR system with members of supply chain	Levi's Vintage Clothing line recreates historic apparel including Levi's shrink to fit jeans
		1155 Battery Street	Jeans-related pants	Levi's Capital E brand to replace Levi's Premium	Opening own stores	
<b>1999</b>	<b>1999</b>	San Francisco, CA 94111	Casual and dress pants		Expanding Signature line to a good-better-best assortment with core, trend, and Authentics lines	Developing Andy Warhol collection with the Warhol Foundation
<b>2000</b>	<b>2000</b>		Tops		Mixed advertising strategy for Signature line	Development of Original Spin jeans for mass customization of jeans
4,650,826			Jackets		Promoted Docker's as the first khaki pants	
<b>2001</b>	<b>2001</b>	<b>Locations</b>	Related accessories		Attempted to reach female market with better fits	Use of advertising campaign to highlight performance of Go Khaki line with Stain Defender
4,276,025	-0.08		Levi's		Attempted to reach male market with sexier styles	
<b>2002</b>	<b>2002</b>		Dockers		Focus on innovation to revive the line	
4,145,866	-0.03		Levi Strauss Signature		Use of edgy advertising	
<b>2003</b>	<b>2003</b>				Established virtual vertical supply chains to deal with competitive pressures	
4,090,730	-0.01					
<b>2004</b>	<b>2004</b>					
4072455	0.00					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
4,247,180	-0.03					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G23: Competitive Analysis – Gap, Inc.

Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Gap: casual apparel	Stress Free line of performance apparel	Use market research to guide decision making	Tailoring store assortment to individual stores via focus groups, mystery shoppers, interviews with customers, shopper surveys, demographics, and analysis of store sales
1999	1999	Two Folsom Street San Francisco, CA 94105	Banana Republic: dress-casual and tailored clothing and accessories, more high end apparel products than Gap at affordable prices	Added Women's Plus Size and Maternity products	Providing trendy apparel	
2000	2000		Old Nacy: apparel, shoes, and accessories targeted to low-income customer		Copnsolidating vendors to improve supply chain performance	
13,673,000						
2001	2001	Locations	Fourth & Towne: apparel, shoes, accessories		Sizing initiative to increase correctness of sizes to improve margins	
13,848,000	0.01	3,000 Stores in:	Sub-brands: Gap Adult, GapKids, babyGap, and GapBody			
2002	2002	US			Growing brands through expansion	
14,455,000	0.04	Canada			Offering of cross-brand credit card	
2003	2003	UK			Increased used of technology	
15,854,000	0.10	France			Development of Fourth & Towne to target women over 35	
2004	2004	Japan				
16,267,000	0.03					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
14,819,400	0.04					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.



## Appendix G24: Competitive Analysis – VF Corporation

VF Corp						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters 105 Corporate Center Boulevard Greensboro, NC 27408	Jeans, intimate apparel, imagewear, knitwear, outdoor apparel, children's apparel, and other apparel	Wrangler Western and Wrangler 47 premium line	Divided business into 5 coalitions: Jeanswear, Global Intimates, Imagewear, Outdoor, and Sportswear	Sub-branding of Lee jeans, but keeping Lee name attached to each sub-brand to capitalize on brand equity
1999	1999				Operates 180 full-price and 320 outlet stores	
2000	2000		Lee	Kipling	Licenses NFL, MLB, NBA, NHL, NASCAR, NIKE, Tommy Hilfiger, and Harley-Davidson Motor Company names for apparel	Emotional branding such as sponsorship of sporting events to increase lifestyle attributes of brands
5,747,879			Rustler	Napapijri		
2001	2001	Locations US, Canada, Europe, China, Brazil, Argentina, Chile, France, and Spain	Rider			
5,518,805	-3.99%		Vanity Fair	Red Kap - imagewear brand with significant market share - 10-K	Purchase fabric from domestic and international suppliers for cut and sew operations in Mexico and the Caribbean Basin	
2002	2002		Lily of France			
5,083,523	-7.89%		Licenses: Tommy Hilfiger and Natori (intimates)			
2003	2003		Vans		Increasingly using contractors in Asia and the Caribbean Basin for full-package sourced goods	
5,207,459	2.44%				For international businesses, relies on international suppliers for raw materials that are converted in Europe	
2004	2004				OR source from the Middle East, Africa, and the Far East	
6,054,536	16.27%					
Average Sales 1998-2004	Average Growth Rate 1998-2004				Developed retail outlets to showcase lifestyle brands	
2,002	1.71%				Goal of building outdoor and sportswear	
					Acquiring lifestyle brands to increase consumer loyalty by using authentic product	
					Use on economies of scale in operations to gain competitive edge	
					Relies on broad range of distribution channels	

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G25: Competitive Analysis – Oxford Industries

Oxford						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Menswear group: branded and private label shirts, slacks, suits, and sportscoats	Tommy Bahama group: lifestyle branded casual attire, operates stores and restaurants, and licenses brand (eyewear, swimwear, fragrance)	Acquired Tommy Bahama brand in 2003	Promotes Tommy Bahama lifestyle brand with licensing agreements for eyewear, ceiling fans, and yachts
1999	1999	222 Piedmont Avenue NE Atlanta, GA 30308			Acquiring major lifestyle brands	Sponsorship of Tommy Bahama
2000	2000		Womenswear group: private label women's sportswear, outerwear, dresses, and swimwear	Tommy Bahama Indigo Palms Denim	Outsources most of apparel from Asia	Challenge golf event
2001	2001	Locations	Licenses Dockers, Tommy Hilfriger and Lanier		Sells brands at Nordstrom and Neiman Marcus outlets.	Marketed Indigo Palms denim as separate from Tommy Bahama in order to create a niche in denim for a more mature customer
812,495		Manufacturing locations:				
2002	2002	Mexico				
677,264	-0.17	Caribbean				
2003	2003	Central America				
764,602	0.13	Asia				
2004	2004					
1,116,552	0.46	Retail: 55 owned stores				
2005	2005	Tommy Bahama retail: 29 stores and 6 store/café combinations				
1,313,609	0.18					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
936,904	0.15					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G26: Competitive Analysis – Cintas

Cintas						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Corporate identity uniforms	Soft Sutiting Collection of micro-fiber tailored apparel	Wides sales and distribution area	
		6800 Cintas Boulevard	Supplies: restroom supplies, first aid, and safety products		Support growth through acquisitions	
1999	1999	PO Box 625737			Focus on Six Sigma to improve process and product innovation	
		Cincinnati, OH 45262-5737	Shirts, pants, jackets. Hats, belts, and footwear		Offer poly/wool blends to enhance image of employees in industries such as the hotel industry	
2000	2000				Attend trade shows to advertise new products	
2001	2001	Locations				
1,476,945		14 manufacturing facilities in US and Canada				
2002	2002					
1,751,568	0.19					
2003	2003				Partnership wioth the National Propane Gas Association for provide official unifrms to member companies	
1,901,991	0.09				Educates consumers about the value of uniform programs	
2004	2004					
2,160,700	0.14					
2005	2005					
2,271,052	0.05					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
1,912,451	0.11					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G27: Competitive Analysis – Kellwood

Kellwood						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Women's sportswear: blazers, dresses, sweaters, blouses, vests, tops, skirts, and pants	Phat Fashions	Launched Sag Harbor advertising campaign	Acquired Phat Fashions in 2004
		600 Kellwood Parkway		Gerber Childrenswear		
1999	1999	PO Box 14374	Men's sportswear: Woven and knit shirts, pants, jeans, socks, and outerwear		Offering imprintable children's apparel for adding hospital logos	
		St. Louis, MO 63178				
2000	2000		Soft goods: intimate apparel, children's apparel, and recreation products		Expanded distribution and style offerings	
2,362,174			Sag Harbor			
2001	2001	Locations				
2,281,763	-0.03					
2002	2002					
2,166,554	-0.05					
2003	2003					
2,346,481	0.08					
2004	2004					
2,555,704	0.09					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
2,342,535	0.02					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G28: Competitive Analysis – Dualstar

Dualstar						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Apparel, fragrances, cosmetics, furniture, and home textiles	Mary Kate and Ashley brand apparel		
1999	1999					
2000	2000					
2001	2001	Locations				
2002	2002					
2003	2003					
2004	2004					
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

Appendix G29: Competitive Analysis – Williamson-Dickie

Dickies						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Workwear		Developed mail order database	Marketing to Hispanic market
		509 W. Vickery Blvd.	Shirting			Licensed Dickies brand for creation of
1999	1999	Fort Worth, 76104	Coveralls			Dickies Girl brand
			Denim			Enhanced products with cell phone
2000	2000					pockets and longer inseams to appeal to
						younger demographic
2001	2001	Locations				Supplies to Pacific Sunwear to market
						to younger demographic
2002	2002					Incorporates features such as Teflon,
						Cool-Max, and wrinkle free to improve
2003	2003					performance and value of apparel to gain
						premium price from product
2004	2004					Licensed Dickies brand to Dino do
						Milano to produce Dickies brand tops
Average Sales 1998-2004	Average Growth Rate 1998-2004					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G30: Competitive Analysis – Columbia Sportswear

Columbia						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters 14375 Northwest Science Park Drive Portland, OR 97229	Outerwear: clothing accessories for outdoor activities (skiing, snowboarding, hiking, hunting, and fishing)	Convent brand snowboard apparel	Discounts for early orders to facilitate inventory management	Committed to innovative , functional product design
1999	1999		Sportswear: Hiking shorts, water sport trunks, fleece and pile products, sweaters, knit and woven shirts, sweats, and jeans	Mountain Harwear brand of technically advanced products	Stagger shipments of orders to improve inventory management	Market brand as outdoor, active, authentic, value-oriented, and distinctly American
2000	2000		Rugged footwear	Hunting and fishing products	Use of "Mother Boyle" in advertising campaign to increase brand recognition	Utilizes concept shops and focus areas within customer's stores
614,825		Locations	Accessories: hats, caps, scarves, gloves, mittens, and headbands	Sorel brand outerwear		Increased emphasis on style
2001	2001			GRT brand of outdoor performance apparel		Licensed brand to World Wide Cycle Supply for a line of bikes
779,581	0.27			PFG brand performance fishing gear		Acquired Mountain Hardwear
2002	2002					
816,319	0.05					
2003	2003					
951,786	0.17					
2004	2004					
1,095,307	0.15					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
851,564	0.16					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G31: Competitive Analysis – Nordstrom

Nordstrom							
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products	
1998	1998	Headquarters	Apparel, shoes, and accessories for women, men, and children	Premium denim	Divided into six SBU's: Full-line store group, Nordstrom rack group, Nordstrom product group, Nordstrom direct, Nordstrom credit, & Nordstrom faconnable	Integrated plus-size clothing into catalog	e
		1617 Sixth Avenue		Tommy Bahama			
1999	1999	Seattle, WA 98101		Performance apparel			
				John Nordstrom	Increased commitment to merchandise management and other technologies	a	
2000	2000			Signature Line		b	
5,511,908						c	
2001	2001	Locations			Offer gift cards at grocery stores	d	
5,607,687	0.02	151 full line stores throughout US			Use of "Reinvent Yourself" ad campaign to differentiate from traditional department stores		
2002	2002	49 "Nordstrom Rack" stores in the US					
5,944,656	0.06	One clearance store - "Last Chance"					
2003	2003	One shoe store - "Nordstrom"					
6,558,678	0.10	Five "Faconnable" boutiques					
2004	2004	6 distribution centers					
7,131,388	0.09						
Average Sales 1998-2004	Average Growth Rate 1998-2004						
6,150,863	0.07						

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.



# Appendix G32: Competitive Analysis – Kohl's

Kohl's						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Apparel, shoes, accessories, and home products		Central merchandising tailors assortments to regional preferences	Increase in lifestyle brand offerings
1999	1999	N56 W17000 Ridgewood Drive Menomonee Falls, WI 53051	Home textiles		New markets: enter with "critical mass" to establish presence, supported by extensive advertising and promotions	Targeting Hispanic consumers with Daisy Fuentes line
2000	2000					Increased fashion offering with apt. 9 brand
6,151,996						Entering four different size markets such as small town
2001	2001	Locations			New market entry often accomplished through acquiring existing retailers' locations - this is followed by building new stores	Position as a fun place to shop
7,488,654	21.73%	731 stores in 41 states				
2002	2002	6 distribution centers: Wisconsin, Ohio, Virginia, Missouri, New York, California			Uses integrated marketing approach: circulars, direct mail, radio, print, internet, and television advertising	
9,120,287	21.79%					
2003	2003					
10,282,094	12.74%					
2004	2004					
11,700,619	13.80%					
Average Sales 1998-2004	Average Growth Rate 1998-2004				New positioning statement "Expect Great Things"	
8,948,730	17.51%				Position as the shopping destination for busy moms	
					Expansion strategy based on regional overhead expenses and regional operating efficiencies	
					Inventory control and expanded, higher-price, better quality merchandise improving margins	
					Offers products such as Dockers at value prices when compared to traditional department stores	
					Exclusive vendor of Candie's brand apparel and accessories	

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G33: Competitive Analysis – JC Penney

JC Penney						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Apparel, shoes, accessories, and home products		Utilizing brand managers to increase sales of private brands	a
1999	1999	6501 Legacy Drive Plano, Texas 75024	Private brands: Stafford menswear, Arizona denim, Worthington careerwear, and JC Penney Home collection		Enlisted designer Nicole Miller to create Nicole line of dressy casual apparel	a
2000	2000				Using centralized merchandising organization to increase inventory turns, reduce mark-downs, and increase in-stock offerings	b
2001	2001	Locations			Increased marketing to middle aged women	c
14,491		1,017 JCPenney department stores throughout the United States and Puerto Rico			Use mixed distribution strategy: catalog, store, and internet	
2002	2002				Increase in off-mall stores to make JC Penney a destination store	d
14,771	0.02				Differentiation via off-mall, mixed-distribution, and private brands	e
14,815	0.00				Expanding to young consumers with private labels: Bisou Bisou, Emme (plus size line), and Habernera (Latino line)	f
2003	2003					
14,815	0.00					
2004	2004					
15,357	0.04					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
14,859	0.02					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

Appendix G34: Competitive Analysis – Pacific Sunwear (D.E.M.O.)

Pacific Sunwear (D.E.M.O.)						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	<b>Headquarters</b>	Casual apparel, footwear, and accessories	D.E.M.O. - Urban and hip-hop inspired apparel for men and women ages 16 to 24	Suppliers must use EDI	
1999	1999	3450 East Miraloma Ave Anaheim, CA 92806	Popular fashion items			
2000	2000		D.E.M.O., Pacsun, and Pacsun outlets			
2001	2001	<b>Locations</b>				
589,707		Stores concentrated in Northeast, Southwest, Midwest, and California				
2002	2002					
685,352	16.22%					
2003	2003					
847,150	23.61%					
2004	2004					
1,041,456	22.94%					
2005	2005					
1,229,762	18.08%					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
878,685	20.21%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G35: Competitive Analysis – Cabela’s

Cabela's						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Hunting, fishing, marine, and camping merchandise		Use of consistent branding in all distribution channels	
1999	1999	One Cabela Dive Sidney, NE 69169			Acquisition of complementary businesses such as the Ducks Unlimited catalog	
2000	2000				Use of targeted specialty catalogs focused on one outdoor activity	
947,392			Casual and outdoor apparel and footwear, optics, vehicle accessories, gifts, and home furnishings with an outdoor theme		Use of e-commerce to offer specialized and hard-to-find merchandise	
2001	2001	Locations	National, regional, and Cabela's brands		Use of direct mail customer database to identify locations for stores	
1,077,599	13.74%	10 stores in 8 states				
2002	2002					
1,224,581	13.64%				Merchandising team to cater to regional and local needs	
2003	2003					
1,392,423	13.71%					
2004	2004		5 general product categories:			
1,555,974	11.75%		Hunting Equipment		Source from ~4,000 suppliers in over 99 countries	
Average Sales 1998-2004	Average Growth Rate 1998-2004		Fishing & Marine		Uses avid sportsment as employees	
1,239,594	13.21%		Camping Equipment		Use of personalized marketing via e-mail - very effective in selling overstocks of products without markdowns	
			Clothing & Footwear		Retail stores set as destinations stores with wildlife displays, aquariums, restaurants, and other attractions that reinforce lifestyle image	
			Gifts		Expanded private label program to 1/3 of sales	
					Uses employees to try out products and provide products	
					Launched workwear catalog in 2003	

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## Appendix G36: Competitive Analysis – Charming Shoppes

Charming Shoppes						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Sportswear, dresses, coats, lingerie, accessories, and casual footwear		Uses strip malls and lifestyle shopping centers: convenience to customer and lower occupancy costs	
		450 Winks Lane				
1999	1999	Bensalem, PA 19020-5993				
2000	2000		Juniors, misses, large-size, and girls-size		Lane Bryant was acquired in 2001	
1,607,079					Translating latest fashion trends into plus-sizes in order to be the first to market with these products	
2001	2001	Locations	Lane Bryant, Fashion Bug, and Catherines			
1,993,843	24.07%	Lane Bryant: 722 stores in 46 states	Plus Sizes		Use of target direct-mail advertising, as well as radio, tv, and print advertising in conjunction with strategically timed fashion shows	
2002	2002				Use of e-commerce websites	
2,412,409	20.99%	Fashion Bug: 1,028 stores in 45 states	Bundle of Joy, Figure, LA Blues, Catherines, C.S.T. Studio, Maggie Barnes, Anna Maxwell, Liz & Me, Serenada, Capistrano, Venezia, Cacique, Elemental Stretch, and Modern Woman		Development of Figure magazine featuring Charming Shoppes products along with topics such as health, fitness, beauty, food, and entertaining	
2003	2003	Catherines: 471 stores in 44 states				
2,285,680	-5.25%					
2004	2004					
2,332,334	2.04%					
Average Sales 1998-2004	Average Growth Rate 1998-2004	Two distribution centers: Greencastle, Indiana and White Marsh, Maryland				
2,126,269	10.46%		Catherines: offers sizes over 28 and petite plus-sizes		Use of mixed sourcing strategy (domestic and foreign suppliers)	
					Purchased 42% of Lane Bryant merchandise from Mast Industries, a contract manufacturer and apparel importer that is a wholly owned subsidiary of Limited Brands	
					Set up stores so that full length mirrors are at the rear of the store and fold clothes to give a slimmer look	
					Compiled detailed profiles on 16 million customers	
					Former American Idol Kimberly Locke as spokesmodel	

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G37: Competitive Analysis – Wal-Mart

Wal-Mart						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	<b>Headquarters</b>	Apparel, fabrics, notions, stationary, books, shoes,	Mary Kate and Ashley brand	Everyday Low Prices	
1999	1999	702 SW Eighth Street Bentonville, AR 72716	housewares, hardware, electronics, home furnishings, small appliances, automotive accessories, cameras, health and beauty products,		Owns 37% of The Seiyu, a Japanese retailer	
2000	2000				E-commerce via www.walmart.com	
180,787,000					Use of Retail Link to understand consumer behavior at specific stores	
2001	2001	<b>Locations</b>				b
204,011,000	12.85%	Stores in US, the UK, Argentina, Brazil, Canada,				
2002	2002	China, Germany, South Korea, Mexico, and Puerto Rico				
229,616,000	12.55%					
2003	2003					
256,329,000	11.63%					
2004	2004					
285,222,000	11.27%					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>	1,353 Discount Stores	Supercenters and Neighborhood Markets			
		1,713 Supercenters	carry a full selection of grocery items			
		551 Sam's Clubs				
		85 Neighborhood Markets				

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G38: Competitive Analysis – Land's End

Land's End						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
<b>1998</b>	<b>1998</b>	<b>Headquarters</b>	Apparel: tops and bottoms, swimsuits, outerwear		Varied distribution strategy: Direct mail via general and specialty catalogs, e-commerce via website, and use of outlet stores	
1,466,121		Land's End Lane	Accessories			
<b>1999</b>	<b>1999</b>	Dodgeville, WI 5359	Footwear		Use of combined editorial and visual elements to promote benefits and features of products.	a
1,416,886	-0.03		Home products			
<b>2000</b>	<b>2000</b>		Soft luggage		Three segments: Core, Specialty, and International	a
1,462,283	0.03	<b>Locations</b>	For men, women, and children		Addition of My Virtual Model to website - allows for virtual try-on of clothes	a
<b>2001</b>	<b>2001</b>	US, Japan, Germany, and the UK			Develop new products in house in order to incorporate innovations and styling preferences of customers	a
1,569,062	0.07				Use a mixed sourcing strategy (80% foreign production, 20%	a
<b>2002</b>	<b>2002</b>					
<b>2003</b>	<b>2003</b>					
<b>2004</b>	<b>2004</b>					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
1,478,588	0.02					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

Appendix G39: Competitive Analysis – Abercrombie & Fitch

Abercrombie & Fitch						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Casual apparel, personal care, and accessories	Brands: Abercrombie & Fitch, abercrombie, and Hollister Co.	Mixed distribution channels: stores, catalog, and website	Position stores as trend-right niche destinations leading to success of Hollister and Ruehl
		6301 Fitch Path			Repositioned brand in 1992 as a fashion oriented casual apparel business for 18-22 year olds	Merchandise Ruehl No. 925 stores as New York studio apartments
1999	1999	New Albany, OH 43954	For men, women, and children	Ruehl brand added in 2004 for consumers age 22-30	Developed abercrombie brand for 7-14 years olds	Use of brand tiers at different price points catered to different demographics
2000	2000				Developed Hollister Co. brand for 14-18 year olds	Working to increase denim inventories at A&F stores - added Ezra Fitch line of premium denim
\$1,237,604		Locations			Developed RUEHL brand for 22-35 year olds	Using urban flagship stores as the new growth medium
2001	2001	351 Abercrombie & Fitch stores			Catalog developed after successful launch of A&F Quarterly - catalog replaced A&F Quarterly in December 2003	
\$1,364,853	10%	167 Abercrombie stores				
2002	2002	260 Hollister stores				
\$1,595,757	17%	5 Ruehl stores				
2003	2003					
\$1,707,810	7%					
2004	2004					
\$2,021,253	18%					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
\$1,585,455	13%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.



# Appendix G40: Competitive Analysis – American Eagle

American Eagle						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
<b>1998</b>	<b>1998</b>	<b>Headquarters</b>	Casual apparel, accessories, and footwear		Market to young adult market	
		150 Thorn Hill Drive			New retail concept, Martin + Rosa, targeted to 25-40 year olds	
<b>1999</b>	<b>1999</b>	Warrendale, PA 15086			Lifestyle branding	
<b>2000</b>	<b>2000</b>					
1,058,454						
<b>2001</b>	<b>2001</b>	<b>Locations</b>				
1,271,248	20.10%	846 stores in the US and				
<b>2002</b>	<b>2002</b>	Canada				
1,382,923	8.78%					
<b>2003</b>	<b>2003</b>					
1,435,436	3.80%					
<b>2004</b>	<b>2004</b>					
1,881,241	31.06%					
<b>Average Sales 1998-2004</b>	<b>Average Growth Rate 1998-2004</b>					
1,405,860	15.94%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

# Appendix G41: Competitive Analysis – Limited Brands

Limited Brands						
Sales 1998-2004	Growth Rate 1998-2004	Headquarters and Locations	Product Mix	Niche Products	Business Strategies	Business Strategies re: Niche Products
1998	1998	Headquarters	Women's and men's apparel	Apparel: Express and Limited brands	Owns Mast Industries, a contract manufacturer and apparel importer	
1999	1999	Three Limited Parkway PO Box 16000 Columbus, OH 43230	Three reporting segments: Victoria's Secret, Bath and Body Works, and Apparel	Express marketed to casual, professional, and urban men and women	Developed Henri Bendel to appeal to chic, trend right consumers	
2000	2000					
9,080,000						
2001	2001	Locations				
8,423,000	-7.24%					
2002	2002					
8,445,000	0.26%					
2003	2003					
8,934,000	5.79%					
2004	2004					
9,408,000	5.31%					
Average Sales 1998-2004	Average Growth Rate 1998-2004					
7,381,667	1.03%					

Source: Adapted by R. Allen, (2006) from Thomson Research, S&P NetAdvantage, Business Source Premier, Textile Technology Index, World Textiles, and company website.

## **APPENDIX H: COMPANY INTERVIEW RESULTS – CURRENT STATE ISSUES**

Appendix H1: Company A Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>Uniform fabrics</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Rental and retail work clothing trades</li> <li>Rental – rent, clean, and re-rent</li> <li>Retail – bought by employee at Wal-Mart or JC Penney, home kept, clean or wear</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>Blend of both</li> <li>For push, offer new performance attributes: offer the customer a longer life cycle or environmentally friendly apparel</li> <li>For pull, add attributes that are important to the customer: soil release or easy care – brand out attributes</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>Add value through 5 elements:               <ol style="list-style-type: none"> <li>Service and delivery</li> <li>Innovation</li> <li>Cost quality</li> <li>Performance</li> <li>Invention (NPD)</li> </ol> </li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>Yes – you must plan with the customers</li> <li>Company holds “summit meetings” with customers to discuss opportunities in the supply chain or market and how to capitalize on trends. Held twice per year, once at home office and once with customers. Must determine the inconspicuous values (to company and customers) – “what makes you well makes me well”</li> </ul>

Appendix H2: Company B Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• Authentic branded shuttle loom denim used in the premium market</li> <li>• Wire selvedge on denim produced on shuttle looms</li> <li>• Sub-brand of company is authentic denim produced on vintage looms with selvedge</li> <li>• Separate merchandising for branded denim</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product design team</li> <li>• Apparel company is final customer</li> <li>• Sending to cutters in Los Angeles</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Combination of push and pull</li> <li>• Push – push product through looking for adoption                         <ul style="list-style-type: none"> <li>• Push innovations and trends</li> <li>• Create lines twice a year to show to customers</li> </ul> </li> <li>• Pull – customers place specific requests                         <ul style="list-style-type: none"> <li>• Have to work one year in advance</li> </ul> </li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• Design – yarn effects, construction, and collaborative efforts to create dye shades</li> <li>• Provide customers denim that can be finished to create desired look</li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Yes, through the ability for dual education – the company educates the customer and the customer educates the company</li> <li>• Importance of vintage reflected in research conducted at second hand stores and company's fabric archive</li> <li>• Need education of what the customer is looking for</li> <li>• Customers of the company exist in mass channel (Wal-Mart) – disposable clothing, as well as “denim eroticas” – customers who research the look and feel of future premium denim purchases</li> </ul>

Appendix H3: Company C Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• Coolmax Cotton</li> <li>• Organic Cotton</li> <li>• Egyptian Cotton</li> <li>• Amsler Ring Spun – main stream in denim</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Dyers, knitters, and weavers</li> <li>• Sell commodity yarns – companies need a large infrastructure</li> <li>• Enhance the brand to the customer</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Depends on product</li> <li>• Customer or company identifying the need in the market                             <ul style="list-style-type: none"> <li>• Look at potential and return on investment</li> </ul> </li> <li>• Push example – Coolmax Cotton – Invista promotes heavily</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• Amsler Ring Spun pattern</li> <li>• Organic Cotton</li> <li>• Pima Cotton</li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Coolmax Cotton – yes, because Invista has invested money in promoting</li> <li>• Pima – allows customers the choice</li> </ul>

Appendix H4: Company D Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• Sales yarn, denim, cotton twills for sportswear, poly/cotton twills for workwear, and coated fabrics</li> <li>• 100 million yards of denim sold annually, so must market products to small subsets of large market</li> <li>• Must differentiate from competition</li> <li>• Compete in and service all tiers of distribution <ul style="list-style-type: none"> <li>▪ Mass market &lt; \$20</li> <li>▪ Mid-tier – Levi, Lee, Kohl's, JC Penney, Department stores</li> <li>▪ Top – Abercrombie &amp; Fitch, Polo, Tommy Hilfiger</li> <li>▪ Super Top – Seven for All Mankind, True Religion, Chip &amp; Pepper, Citizens of Humanity</li> </ul> </li> <li>• Fitting windows of opportunity through product</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Brands – branded (Levi) and private label (Faded Glory, Arizona). A lot with surfwear (Hurley and Quicksilver)</li> <li>• Retailers – Abercrombie &amp; Fitch, American Eagle, Private label for Dillard's, Federated, and Target</li> <li>• High End Brands</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Some of both: Product – based with an eye on markets, Market – constantly changes so much</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• High end – through textile technology</li> <li>• Mass – open-end spun, Premium – ring-spun</li> <li>• Dye shades</li> <li>• Specialty products – new fibers, organic cotton</li> <li>• Company works with fiber, yarn, and chemical suppliers</li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Yes – Research and development working with fiber, yarn, and chemical suppliers to increase technology</li> <li>• Company opened own apparel company and is working with cut and sew operations in Mexico, Guatemala, and Nicaragua to increase full-package options, which is the trend with retailers</li> <li>• Product development process:</li> <li>• Market research – world travel for inspiration</li> <li>• Trade fairs and shows – Japan and Europe (for fashion)</li> <li>• Listening to customers and matching views of the company and the customer</li> <li>• Customers are looking to the company for trends – relying on the company for direction</li> </ul>

Appendix H5: Company E Interview Results – Current State Issues

<b>Topic</b>	<b>Executive’s Comments Regarding Current State Issues</b>
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• Branded performance yarns</li> <li>• Provide particular attributes</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Two levels <ul style="list-style-type: none"> <li>• Direct customers – knitters and weavers</li> <li>• Downstream customers - brands and retailers</li> </ul> </li> <li>• Marketing group focuses on brands and retailers <ul style="list-style-type: none"> <li>• Can’t show a cone of yarn, so have to knit/weave fabrics, produce garments, and have a story to communicate to the customer</li> </ul> </li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• “Push/pull”</li> <li>• Direct customers – calling on brands and retailers</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• Performance attributes – added during manufacture of the yarn</li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Absolutely <ul style="list-style-type: none"> <li>• Communication – have to communicate your story</li> <li>• Hard part – communicating to the final consumer</li> </ul> </li> </ul>



Appendix H6: Company F Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• All products produced by the company cater to the urban market.</li> <li>• Moving to a lifestyle brand, but urban is still a niche market</li> <li>• Denim and twill bottoms</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Cater to African Americans, affluent or otherwise</li> <li>• Crossing over to a lifestyle brand based on an urban setting, which caters to any young urban consumer age 19-35 – African Americans, Hispanics, Asians</li> <li>• Department and specialty stores</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Combination of push and pull: Pull from the European market, reinterpret for urban market and introduce to American urban market</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• At a sourcing level: <ol style="list-style-type: none"> <li>1. products made in factories that meet or surpass manufacturing regulations and US customs requirements</li> <li>2. quality of the fabrics used to produce products</li> <li>3. accessories, such as tags, buttons, and rivets</li> <li>4. high standard of quality for products, which requires extensive testing of products</li> </ol> </li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Supply chain relationships absolutely increase the value of the products.</li> <li>• The company uses factories with high standards, which can translate into an increase in the selling price of a garment because of quality and value.</li> <li>• Start with fiber and fabric quality and have quality in sewing and finishing – all lead to a quality product</li> </ul>

Appendix H7: Company G Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• Sport products and apparel</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Men and women</li> <li>• Upper end of income</li> <li>• Generally, age 30 to 60</li> <li>• Very international</li> <li>• Well traveled</li> <li>• Several homes in different locations</li> <li>• Participate in various activities</li> <li>• Highly educated</li> <li>• Metropolitan</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Push</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• Everything is about the product               <ul style="list-style-type: none"> <li>• Is about making it the best it can be and the best in the industry</li> <li>• The company stands behind that</li> </ul> </li> <li>• A lot of R&amp;D on the upfront side               <ul style="list-style-type: none"> <li>• As well as employing some of the top people in the industry in different parts of the business to enable them to bring the best things together to make the best product</li> </ul> </li> <li>• Marketing and advertising</li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Absolutely</li> <li>• There are organizations within the larger company that are specialized               <ul style="list-style-type: none"> <li>• The leaders of each part of the process build the bridges to have an overall understanding of what kind of practices are involved and understanding how each person's actions effect what comes before and after them in the process</li> </ul> </li> </ul>

Appendix H8: Company H Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• Premium jeanswear;</li> <li>• Authentic archival reproductions of company's original products</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Generally, male and female jeanswearers age 12-50</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Did not understand the question</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• Not a high volume opportunity</li> <li>• Primarily an equity driver – supports brand's "originality" position</li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• No, relationships do not increase the value of the product</li> </ul>

Appendix H9: Company I Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• Vintage inspired clothing</li> <li>• Recreate vintage feel with modern fabrics</li> <li>• Products reflect lifestyle</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Preppy</li> <li>• White, upper middle class</li> <li>• Kids, high school age, college age, young professional age</li> <li>• Started with niche (college) and have expanded brand</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Use combination of push and pull</li> <li>• Pull – look at the market</li> <li>• Push – using fabrics that are not trend right                             <ul style="list-style-type: none"> <li>• Making jeans that are light in color, heavy weight, and destroyed – contrary to current trends</li> </ul> </li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• Trims - with a close eye to detail</li> <li>• Wash – looking for a certain feel                             <ul style="list-style-type: none"> <li>• Shop for vintage jeans and recreate the look</li> </ul> </li> <li>• Quality of materials – looking for quality materials at low cost</li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Relationships are important</li> <li>• Develop relationships with mills</li> <li>• Helps to understand what customers want</li> <li>• Relationship with vendors help increase speed to market</li> </ul>

Appendix H10: Company J Interview Results – Current State Issues

Topic	Executive's Comments Regarding Current State Issues
<b>Niche Products</b>	<ul style="list-style-type: none"> <li>• One piece infant garments</li> <li>• Shorts and pants</li> <li>• Training pants</li> <li>• One piece underwear</li> <li>• Seasonal – long johns and thermals</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Target prenatal moms</li> <li>• Parent/mom</li> <li>• Grandparent</li> <li>• Gift giver</li> <li>• For newborns to age 2.5 years</li> </ul>
<b>Marketing Strategy</b>	<ul style="list-style-type: none"> <li>• Both push and pull</li> <li>• Push – experience products with a track record of success</li> <li>• Pull – focus on the needs of the consumer</li> <li>• Talk with the consumer</li> <li>• Develop innovation products</li> </ul>
<b>Value</b>	<ul style="list-style-type: none"> <li>• Add value in three ways               <ol style="list-style-type: none"> <li>1. Improving pack count                   <ul style="list-style-type: none"> <li>• Value = total price value</li> <li>• Have increased pack count without increasing price</li> <li>• Though margins are smaller, there is an increase in volume leading to an overall increase in profit</li> </ul> </li> <li>2. Changing fabrications and adding embellishments</li> <li>3. New innovative products</li> </ol> </li> </ul>
<b>Supply Chain Relationships</b>	<ul style="list-style-type: none"> <li>• Yes, supply chain relationships add to the value of the products</li> <li>• Business is a collaborative effort</li> <li>• Need clear direction</li> <li>• Supply chain looking for value improvements</li> </ul>

## **APPENDIX I: COMPANY INTERVIEW RESULTS – DEVELOPMENT FACTORS**

Appendix I1: Company A Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets and products</b>	<ul style="list-style-type: none"> <li>• Economics, profitability, sustainability, offering jobs to employees, ability to deliver products to market, invested capital, “Made in America”</li> <li>• Economics is the core driver for growth</li> </ul>
<b>How factors influence development of strategy</b>	<ul style="list-style-type: none"> <li>• Growth is supported by profitability – lead to markets where can grow, growth for profit... reinvest profits to product/innovation base – the cycle: purchase-improve-sustain-profit-grow</li> </ul>
<b>Niche strategy development</b>	<ul style="list-style-type: none"> <li>• Allot a certain percentage of resources to niche development in order to identify the next generation of products. The evolution of needs vs. wants – customer expectations drive development of niche products.</li> <li>• Look at the evolution of the niche: I need pants, I need blue pants, I need blue pants that are easy care, I need blue pants that are easy care and durable, I need blue pants that are easy care, durable, and comfortable... What is the next edge?</li> <li>• Consumers are also more brand conscious – they understand what the brand stands for and they expect that from the brand.</li> </ul>
<b>Why pursue niche</b>	<ul style="list-style-type: none"> <li>• History – to meet a need in the market</li> <li>• Met need at various times: <ol style="list-style-type: none"> <li>1. as a supplier of unfinished fabrics</li> <li>2. increased profitability by securing the niche</li> <li>3. began finishing the fabric – added value</li> <li>4. become a market leader – i.e., become the best competitor</li> </ol> </li> </ul>

Appendix I2: Company B Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>History: had the ability to produce the products, saw the potential of the market and has always had a relationship with a prominent apparel company               <ul style="list-style-type: none"> <li>Has changed fabrics to meet the needs of the company over time</li> <li>Fabric construction is vintage, but dyeshades are not                   <ul style="list-style-type: none"> <li>Moved from indigo to sulfur dyes</li> </ul> </li> <li>Relationship with company is exclusive                   <ul style="list-style-type: none"> <li>Original selvedge exclusive to company's products</li> </ul> </li> </ul> </li> <li>Strategy – had the ability and had to act on it</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>Sees market and product as one in the same</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>Low end markets – a lot of Asian competition               <ul style="list-style-type: none"> <li>Also a lot of domestic competition</li> </ul> </li> <li>High end – not much domestic competitions               <ul style="list-style-type: none"> <li>A lot of competition from Italian and Japanese companies</li> <li>Italian is competitive in terms of style and design</li> <li>Price wise, the company is competitive</li> <li>Due to competition from style and design, must stay focused</li> <li>Company producing 100 new product lines/year</li> <li>Using fibers such as hemp and flax</li> <li>Developing new washes such as slasher dyed pigments</li> </ul> </li> </ul>



Appendix I3: Company C Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• Coolmax is the most recognized moisture management brand</li> <li>• Invista promotes the brand</li> <li>• Does well in the sock market</li> <li>• Strategy: offer a recognizable brand to the customers, so the company does not need to educate the customers</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• Coolmax Cotton – up to 50% cotton</li> <li>• Cheaper, so more people can afford the Coolmax Cotton</li> <li>• It is the leading brand of moisture management products</li> </ul>
<b>Competitive challenges and niche strategy development</b>	<ul style="list-style-type: none"> <li>• Lower labor costs in the Far East</li> <li>• Lower polyester costs in the Far East</li> <li>• Laws restricting the development of plants</li> <li>• Making presence known in South America and Latin America</li> <li>• Joint venture plants in Mexico and Columbia               <ul style="list-style-type: none"> <li>• To serve adjacent markets</li> </ul> </li> <li>• 1<sup>st</sup> mill – in Mexico – with Burlington               <ul style="list-style-type: none"> <li>• Burlington plant in Mexico was across the street, so had a steady customer</li> </ul> </li> <li>• 2<sup>nd</sup> mill – in Columbia               <ul style="list-style-type: none"> <li>• Ease of entry into the market, to support a growing market in the area</li> </ul> </li> </ul>

Appendix I4: Company D Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• Survival – no way to survive as a commodity – must differentiate to provide value</li> <li>• Know markets, trends, competition</li> <li>• Set up development process</li> <li>• Continuous product development, though they have two seasons for focus – January (for spring one year ahead) and July (for fall/back to school one year ahead)</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• There is not a lot of differentiation</li> <li>• It is really market driven, but must have the right product</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>• Competition in a global market – China <ul style="list-style-type: none"> <li>• Undervalued currency</li> <li>• Government subsidies to gain market share</li> <li>• Small amount of involvement of the US government, though safeguards</li> </ul> </li> <li>• Not a lot of congressional support for the textile industry</li> <li>• Overcapacity of denim worldwide <ul style="list-style-type: none"> <li>• Could be lessened by growing middle class in developing countries</li> </ul> </li> <li>• Advantages – close to market <ul style="list-style-type: none"> <li>• Speed to market and innovation helping company to deal with competitive challenges</li> <li>• Strategy – innovation and partnerships with contractors (aids in speed to market)</li> <li>• Continuous product development allows samples to be sent to customers quickly</li> </ul> </li> </ul>

Appendix I5: Company E Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• Understanding of the needs of the market</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• Takes a long time</li> <li>• Product development has to be aligned with marketing</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>• Coming from Asia, but not only from Asia                             <ul style="list-style-type: none"> <li>• Retailers working with Asia to drive prices down</li> </ul> </li> <li>• Price is biggest issues</li> <li>• Trend toward full package</li> <li>• Offer products that perform to meet the needs of the market</li> </ul>

Appendix I6: Company F Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• The founder of the company has prestige in the hip hop world</li> <li>• The market is innate to his point of view</li> <li>• Clothing is expression</li> <li>• It is an extension of his lifestyle</li> <li>• The brand really embodies who he is</li> <li>• Urban is now broader than it used to be                             <ul style="list-style-type: none"> <li>• It is about a lifestyle</li> <li>• It is sophisticated</li> <li>• It is a youth market who want self expressive item</li> </ul> </li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• The product and market are thought of as very closely tied to one another</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>• Need to be quicker and sharper with price</li> <li>• Timing to get merchandise out that is relevant quick enough to maximize potential</li> <li>• Price has become very important because of increased competition</li> </ul>

Appendix I7: Company G Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• Within the company's stable of lifestyle brands there are different needs                         <ul style="list-style-type: none"> <li>• The need for the office</li> <li>• The need for leisure time</li> </ul> </li> <li>• So being able to fill that need for sport/athletic wear – the reason why the brands were developed</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• Develop products that meet the needs of customers for all aspects of their lifestyles</li> <li>• The need is about functionality, so need products that function</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>• Price is not really an issue</li> <li>• Deliveries can be a challenge</li> <li>• Demand can exceed forecast</li> <li>• Timing within the organization can be a challenge                         <ul style="list-style-type: none"> <li>• There can be factors that don't allow you to be on a perfect calendar</li> </ul> </li> </ul>

Appendix I8: Company H Interview Results – Development Factors

<b>Topic</b>	<b>Executive's Comments Regarding Development Factors</b>
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• Pursue the premium jeansweaver b/c it's a growth opportunity segment and we are under penetrated</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• Developed brand of authentic products as a press/marketing vehicle to support brand's originality</li> <li>• Develop premium jeanswear products to drive relevance with trendsetter consumers</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>• Competitively, the market is proliferating with jeans brands and it is commodifying the category</li> <li>• Represent most of the share in our price points</li> </ul>

Appendix I9: Company I Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• Tried many different markets</li> <li>• Finally caught on with preppy youth with attitude</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• Products evolve and grow with the customer                             <ul style="list-style-type: none"> <li>• Constant product development</li> <li>• Constant product evolution</li> <li>• Very organic process</li> </ul> </li> <li>• Keep in mind the attitude of the brand</li> <li>• Products make customers look cool</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>• A lot of knock offs of the products</li> <li>• Competitors call suppliers to find out what the company is doing</li> <li>• Have to be very quick to market</li> <li>• Add details and quality in order to keep customers</li> </ul>

Appendix I10: Company J Interview Results – Development Factors

Topic	Executive's Comments Regarding Development Factors
<b>Factors causing service of niche markets</b>	<ul style="list-style-type: none"> <li>• Goal is to be number one (or number two) in the niche                         <ul style="list-style-type: none"> <li>• Or don't be in the niche</li> </ul> </li> <li>• Accomplish through product and placement</li> </ul>
<b>Factors causing development of niche products</b>	<ul style="list-style-type: none"> <li>• More into redevelopment</li> <li>• Able to accomplish through package and design differences</li> </ul>
<b>Competitive challenges and Niche strategy development</b>	<ul style="list-style-type: none"> <li>• Competitors are buying from the company</li> <li>• Due to the growth of private brand</li> <li>• Biggest competitor is a large children's apparel company</li> <li>• Strategy: don't show new product to retailers early enough to knock off</li> </ul>



## **APPENDIX J: COMPANY INTERVIEW RESULTS – MARKET POTENTIAL**

Appendix J1: Company A Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential										
Potential of niche market	<ul style="list-style-type: none"> <li>Market analysis: look at white space in the market – locations and size</li> </ul>										
Market potential variables	<table> <tr> <td>a. Market research</td><td>1</td></tr> <tr> <td>b. Customer interviews</td><td>2</td></tr> <tr> <td>c. Interactions with retailers</td><td>4</td></tr> <tr> <td>d. Brand expansion</td><td>5</td></tr> <tr> <td>e. Analysis of the competition</td><td>3</td></tr> </table> <ul style="list-style-type: none"> <li>Market research – understanding that white space is there. “If someone can do x, then I would buy it.” Important for identification of the problem.</li> <li>Brand expansion – the brand is not the product – the brand is what you think of the product – brand expansion is not a given</li> <li>All other responses fall somewhere in between these two.</li> </ul>	a. Market research	1	b. Customer interviews	2	c. Interactions with retailers	4	d. Brand expansion	5	e. Analysis of the competition	3
a. Market research	1										
b. Customer interviews	2										
c. Interactions with retailers	4										
d. Brand expansion	5										
e. Analysis of the competition	3										
Importance of market potential variables	<table> <tr> <td>a. Market research</td><td>3</td></tr> <tr> <td>b. Customer interviews</td><td>3</td></tr> <tr> <td>c. Interactions with retailers</td><td>1.5</td></tr> <tr> <td>d. Brand expansion</td><td>3</td></tr> <tr> <td>e. Analysis of the competition</td><td>3</td></tr> </table> <ul style="list-style-type: none"> <li>Retailers are focused on % margin / square foot and do not care about anything else. Exe: Snapper will not sell lawnmowers in Wal-Mart because of brand dilution</li> </ul>	a. Market research	3	b. Customer interviews	3	c. Interactions with retailers	1.5	d. Brand expansion	3	e. Analysis of the competition	3
a. Market research	3										
b. Customer interviews	3										
c. Interactions with retailers	1.5										
d. Brand expansion	3										
e. Analysis of the competition	3										

Appendix J2: Company B Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential										
<b>Potential of niche market</b>	<ul style="list-style-type: none"> <li>• Statistical analysis of import data, trade data, retail figures, holiday sales data, NPD data, sales figures by market</li> <li>• Extensive market research</li> <li>• Feedback from sales on specific accounts</li> </ul>										
<b>Market potential variables</b>	<table> <tr> <td>a. Market research</td><td>1</td></tr> <tr> <td>b. Customer interviews</td><td>2</td></tr> <tr> <td>c. Interactions with retailers</td><td>5</td></tr> <tr> <td>d. Brand expansion</td><td>4</td></tr> <tr> <td>e. Analysis of the competition</td><td>3</td></tr> </table> <ul style="list-style-type: none"> <li>• Customer interviews allow for face-to-face feedback</li> <li>• Brand is the basis for survival</li> <li>• Some analysis of the competition conducted</li> </ul>	a. Market research	1	b. Customer interviews	2	c. Interactions with retailers	5	d. Brand expansion	4	e. Analysis of the competition	3
a. Market research	1										
b. Customer interviews	2										
c. Interactions with retailers	5										
d. Brand expansion	4										
e. Analysis of the competition	3										
<b>Importance of market potential variables</b>	<table> <tr> <td>a. Market research</td><td>3</td></tr> <tr> <td>b. Customer interviews</td><td>3</td></tr> <tr> <td>c. Interactions with retailers</td><td>1.5</td></tr> <tr> <td>d. Brand expansion</td><td>2</td></tr> <tr> <td>e. Analysis of the competition</td><td>2</td></tr> </table>	a. Market research	3	b. Customer interviews	3	c. Interactions with retailers	1.5	d. Brand expansion	2	e. Analysis of the competition	2
a. Market research	3										
b. Customer interviews	3										
c. Interactions with retailers	1.5										
d. Brand expansion	2										
e. Analysis of the competition	2										

Appendix J3: Company C Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential										
Potential of niche market	<ul style="list-style-type: none"> <li>• Canvassing customers</li> <li>• Customers bring the need from retail</li> </ul>										
Market potential variables	<table> <tr> <td>a. Market research</td><td>2</td></tr> <tr> <td>b. Customer interviews</td><td>1</td></tr> <tr> <td>c. Interactions with retailers</td><td>4</td></tr> <tr> <td>d. Brand expansion</td><td>5</td></tr> <tr> <td>e. Analysis of the competition</td><td>3</td></tr> </table> <ul style="list-style-type: none"> <li>• Interactions with retailers – removed from the retailer                             <ul style="list-style-type: none"> <li>• Retailers are becoming more aloof – want full package products</li> </ul> </li> <li>• Brand expansion – brand is promoted by the fiber maker, so not promoted by spinner</li> </ul>	a. Market research	2	b. Customer interviews	1	c. Interactions with retailers	4	d. Brand expansion	5	e. Analysis of the competition	3
a. Market research	2										
b. Customer interviews	1										
c. Interactions with retailers	4										
d. Brand expansion	5										
e. Analysis of the competition	3										
Importance of market potential variables	<table> <tr> <td>a. Market research</td><td>2</td></tr> <tr> <td>b. Customer interviews</td><td>3</td></tr> <tr> <td>c. Interactions with retailers</td><td>2</td></tr> <tr> <td>d. Brand expansion</td><td>1.5</td></tr> <tr> <td>e. Analysis of the competition</td><td>3</td></tr> </table>	a. Market research	2	b. Customer interviews	3	c. Interactions with retailers	2	d. Brand expansion	1.5	e. Analysis of the competition	3
a. Market research	2										
b. Customer interviews	3										
c. Interactions with retailers	2										
d. Brand expansion	1.5										
e. Analysis of the competition	3										

Appendix J4: Company D Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential										
<b>Potential of niche market</b>	<ul style="list-style-type: none"> <li>• Premium market is a small volume market</li> <li>• Have to ask is it worth going after this market</li> <li>• Invest in product development, so must charge x amount</li> <li>• How much volume will this market bring</li> <li>• Must determine selling price, volume potential, and cost to produce</li> </ul>										
<b>Market potential variables</b>	<table> <tr> <td>a. Market research</td><td>1</td></tr> <tr> <td>b. Customer interviews</td><td>1</td></tr> <tr> <td>c. Interactions with retailers</td><td>2</td></tr> <tr> <td>d. Brand expansion</td><td>4</td></tr> <tr> <td>e. Analysis of the competition</td><td>3</td></tr> </table> <ul style="list-style-type: none"> <li>• Market research and customer interviews are the most important</li> <li>• Brand expansion is a minor factor</li> <li>• History</li> <li>• Retailers – becoming customers</li> <li>• Have to be aware of the competition                             <ul style="list-style-type: none"> <li>• Hopefully not going after the same market</li> </ul> </li> </ul>	a. Market research	1	b. Customer interviews	1	c. Interactions with retailers	2	d. Brand expansion	4	e. Analysis of the competition	3
a. Market research	1										
b. Customer interviews	1										
c. Interactions with retailers	2										
d. Brand expansion	4										
e. Analysis of the competition	3										
<b>Importance of market potential variables</b>	<table> <tr> <td>a. Market research</td><td>3</td></tr> <tr> <td>b. Customer interviews</td><td>3</td></tr> <tr> <td>c. Interactions with retailers</td><td>3</td></tr> <tr> <td>d. Brand expansion</td><td>1</td></tr> <tr> <td>e. Analysis of the competition</td><td>2</td></tr> </table>	a. Market research	3	b. Customer interviews	3	c. Interactions with retailers	3	d. Brand expansion	1	e. Analysis of the competition	2
a. Market research	3										
b. Customer interviews	3										
c. Interactions with retailers	3										
d. Brand expansion	1										
e. Analysis of the competition	2										

Appendix J5: Company E Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential										
Potential of niche market	<ul style="list-style-type: none"> <li>• Knowledge of the market</li> <li>• Crunching some numbers to look at the opportunity for pounds, which is often difficult because retailers cannot think in terms of thousands of pounds of yarn (have to show fabric)</li> </ul>										
Market potential variables	<table> <tr> <td>a. Market research</td><td>3</td></tr> <tr> <td>b. Customer interviews</td><td>1</td></tr> <tr> <td>c. Interactions with retailers</td><td>2</td></tr> <tr> <td>d. Brand expansion</td><td>4</td></tr> <tr> <td>e. Analysis of the competition</td><td>5</td></tr> </table> <ul style="list-style-type: none"> <li>• Hope that the competition is not thinking of the same niche market as you</li> </ul>	a. Market research	3	b. Customer interviews	1	c. Interactions with retailers	2	d. Brand expansion	4	e. Analysis of the competition	5
a. Market research	3										
b. Customer interviews	1										
c. Interactions with retailers	2										
d. Brand expansion	4										
e. Analysis of the competition	5										
Importance of market potential variables	<table> <tr> <td>a. Market research</td><td>2</td></tr> <tr> <td>b. Customer interviews</td><td>3</td></tr> <tr> <td>c. Interactions with retailers</td><td>3</td></tr> <tr> <td>d. Brand expansion</td><td>1</td></tr> <tr> <td>e. Analysis of the competition</td><td>1</td></tr> </table>	a. Market research	2	b. Customer interviews	3	c. Interactions with retailers	3	d. Brand expansion	1	e. Analysis of the competition	1
a. Market research	2										
b. Customer interviews	3										
c. Interactions with retailers	3										
d. Brand expansion	1										
e. Analysis of the competition	1										

Appendix J6: Company F Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential		
Potential of niche market	<ul style="list-style-type: none"> <li>Cater all products to one niche market, so do not explore new markets.</li> </ul>		
Market potential variables		Respondent Sales	Respondent Sourcing
	a. Market research	1	1
	b. Customer interviews	4	5
	c. Interactions with retailers	2	4
	d. Brand expansion	5	3
	e. Analysis of the competition	3	2
Importance of market potential variables		Respondent Sales	Respondent Sourcing
	a. Market research	3	3
	b. Customer interviews	2	2
	c. Interactions with retailers	3	2
	d. Brand expansion	2	2
	e. Analysis of the competition	3	3

Appendix J7: Company G Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential	
Potential of niche market	<ul style="list-style-type: none"> <li>Market research</li> </ul>	
Market potential variables	a. Market research b. Customer interviews c. Interactions with retailers d. Brand expansion e. Analysis of the competition	2 5 4 1 3
Importance of market potential variables	a. Market research b. Customer interviews c. Interactions with retailers d. Brand expansion e. Analysis of the competition	3 1 2 2 2



Appendix J8: Company H Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential	
Potential of niche market	<ul style="list-style-type: none"> <li>Potential share opportunity; competitive landscape; consumer receptiveness</li> </ul>	
Market potential variables	a. Market research b. Customer interviews c. Interactions with retailers d. Brand expansion e. Analysis of the competition	1 4 2 3 1
Importance of market potential variables	a. Market research b. Customer interviews c. Interactions with retailers d. Brand expansion e. Analysis of the competition <ul style="list-style-type: none"> <li>* omitted from rating</li> </ul>	2 2 2 * 2

Appendix J9: Company I Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential												
<b>Potential of niche market</b>	<ul style="list-style-type: none"> <li>Follow the consumers                             <ul style="list-style-type: none"> <li>Sub-brand by age – price point follows</li> </ul> </li> <li>Have pushed the age as high as possible, while still staying true to brand                             <ul style="list-style-type: none"> <li>Moving into new categories</li> </ul> </li> </ul>												
<b>Market potential variables</b>	<table> <tr> <td>a. Market research</td><td>1</td></tr> <tr> <td>b. Customer interviews</td><td>5</td></tr> <tr> <td>c. Brand expansion</td><td>3</td></tr> <tr> <td>d. Analysis of the competition</td><td>4</td></tr> <tr> <td>    • Added Area of expertise</td><td>2</td></tr> </table>	a. Market research	1	b. Customer interviews	5	c. Brand expansion	3	d. Analysis of the competition	4	• Added Area of expertise	2		
a. Market research	1												
b. Customer interviews	5												
c. Brand expansion	3												
d. Analysis of the competition	4												
• Added Area of expertise	2												
<b>Importance of market potential variables</b>	<table> <tr> <td>a. Market research</td><td>3</td></tr> <tr> <td>b. Customer interviews</td><td>3</td></tr> <tr> <td>c. Brand expansion</td><td>3</td></tr> <tr> <td>d. Analysis of the competition</td><td>3</td></tr> <tr> <td>    • Added Area of expertise</td><td>3</td></tr> <tr> <td>    • When forget any of these, you fail</td><td></td></tr> </table>	a. Market research	3	b. Customer interviews	3	c. Brand expansion	3	d. Analysis of the competition	3	• Added Area of expertise	3	• When forget any of these, you fail	
a. Market research	3												
b. Customer interviews	3												
c. Brand expansion	3												
d. Analysis of the competition	3												
• Added Area of expertise	3												
• When forget any of these, you fail													

Appendix J10: Company J Interview Results – Market Potential

Topic	Executive's Comments Regarding Market Potential
<b>Potential of niche market</b>	<ul style="list-style-type: none"> <li>• Research process</li> <li>• Company looking at Canada and Mexico - look at demographics                             <ul style="list-style-type: none"> <li>• Population trends</li> <li>• Is there a niche</li> <li>• Does the brand resonate with the new market</li> </ul> </li> <li>• Is there opportunity for profit</li> </ul>
<b>Market potential variables</b>	<ul style="list-style-type: none"> <li>a. Market research 1</li> <li>b. Customer interviews 2</li> <li>a. Interactions with retailers 3</li> <li>c. Brand expansion *</li> <li>d. Analysis of the competition 4</li> <li>• * Omitted brand expansion</li> </ul>
<b>Importance of market potential variables</b>	<ul style="list-style-type: none"> <li>a. Market research 3</li> <li>b. Customer interviews 3</li> <li>c. Brand expansion 3</li> <li>d. Analysis of the competition 2</li> <li>• Have to consider the competition, but not a focus</li> </ul>

## **APPENDIX K: COMPANY INTERVIEW RESULTS – PRODUCT POTENTIAL**

Appendix K1: Company A Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential								
Potential of niche product	<ul style="list-style-type: none"> <li>• The value proposition: what makes the product valuable and why the product is valuable to the customer.</li> <li>• Use a progressive stage gate type process for NPD: objectives must meet the needs of the organization, must align with strategy and culture, and must answer the unarticulated need.</li> </ul>								
Product potential variables	<table> <tr> <td>a. Research and development</td><td>2</td></tr> <tr> <td>b. Trial and error</td><td>3</td></tr> <tr> <td>c. Innovation</td><td>1</td></tr> <tr> <td>d. Brand expansion</td><td>4</td></tr> </table> <ul style="list-style-type: none"> <li>• Innovation – niche products are focused in one area – drives invention/improvement. Innovation means doing things over and over to create new things for new uses.</li> <li>• R&amp;D – do we have the technology – do we own, license, buy, or create?</li> <li>• Trial and error – prototyping – exe: make something for right handed people, but maybe need it for left handed users. Trial and error could be in market or delivery to market. Exe: Teflon and Post-It Notes are examples of bad products that found other uses via trial and error.</li> </ul>	a. Research and development	2	b. Trial and error	3	c. Innovation	1	d. Brand expansion	4
a. Research and development	2								
b. Trial and error	3								
c. Innovation	1								
d. Brand expansion	4								
Importance of product potential variables	<table> <tr> <td>a. Research and development</td><td>3</td></tr> <tr> <td>b. Trial and error</td><td>3</td></tr> <tr> <td>c. Innovation</td><td>3</td></tr> <tr> <td>d. Brand expansion</td><td>2</td></tr> </table>	a. Research and development	3	b. Trial and error	3	c. Innovation	3	d. Brand expansion	2
a. Research and development	3								
b. Trial and error	3								
c. Innovation	3								
d. Brand expansion	2								

Appendix K2: Company B Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential	
Potential of niche product	<ul style="list-style-type: none"> <li>• Response from customer</li> <li>• Designer and sales in LA preline products to customers in the development phase</li> </ul>	
Product potential variables	a. Research and development b. Trial and error c. Innovation d. Brand expansion	1 3 1 2
Importance of product potential variables	a. Research and development b. Trial and error c. Innovation d. Brand expansion	3 2 3 2

Appendix K3: Company C Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential	
Potential of niche product	<ul style="list-style-type: none"> <li>Customer surveys</li> </ul>	
Product potential variables	a. Research and development      1 b. Trial and error                      3 c. Innovation                              2 d. Brand expansion                      4	<ul style="list-style-type: none"> <li>Research and development – made past errors thinking there were products available in market – also, failure of “synthetic cotton”</li> </ul>
Importance of product potential variables	a. Research and development      3 b. Trial and error                      2 c. Innovation                              2 d. Brand expansion                      2	

Appendix K4: Company D Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential								
<b>Potential of niche product</b>	<ul style="list-style-type: none"> <li>• A lot of times, they think potential is large when it is actually small and vice versa <ul style="list-style-type: none"> <li>• Market research doesn't always help to predict</li> <li>• Always hopes that products are successful</li> </ul> </li> <li>• A lot of money spent of product development</li> <li>• Must be focused (costs important) to make R&amp;D pay off</li> </ul>								
<b>Product potential variables</b>	<table> <tr> <td>a. Research and development</td><td>1</td></tr> <tr> <td>b. Trial and error</td><td>3</td></tr> <tr> <td>c. Innovation</td><td>2</td></tr> <tr> <td>d. Brand expansion</td><td>4</td></tr> </table> <ul style="list-style-type: none"> <li>• Have to match the look to R&amp;D</li> <li>• Trial and error – indigo dyeing is an art and a science</li> <li>• Exe: developed new yarns and they didn't have enough character in the fabric – reworked the yarns and found them to have too much character</li> </ul>	a. Research and development	1	b. Trial and error	3	c. Innovation	2	d. Brand expansion	4
a. Research and development	1								
b. Trial and error	3								
c. Innovation	2								
d. Brand expansion	4								
<b>Importance of product potential variables</b>	<table> <tr> <td>a. Research and development</td><td>3</td></tr> <tr> <td>b. Trial and error</td><td>2</td></tr> <tr> <td>c. Innovation</td><td>3</td></tr> <tr> <td>d. Brand expansion</td><td>1</td></tr> </table>	a. Research and development	3	b. Trial and error	2	c. Innovation	3	d. Brand expansion	1
a. Research and development	3								
b. Trial and error	2								
c. Innovation	3								
d. Brand expansion	1								



Appendix K5: Company E Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential	
Potential of niche product	<ul style="list-style-type: none"> <li>Look at products in the market                             <ul style="list-style-type: none"> <li>Are you trying to replace a product?</li> <li>Are you trying to tie on to something - a new trend?</li> </ul> </li> </ul>	
Product potential variables	a. Research and development b. Trial and error c. Innovation d. Brand expansion	2 4 1 3
Importance of product potential variables	a. Research and development b. Trial and error c. Innovation d. Brand expansion	2 1 3 2

Appendix K6: Company F Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential		
Potential of niche product	<ul style="list-style-type: none"> <li>• Guess: you want to look for fashion appropriate products</li> <li>• Then determine price                             <ol style="list-style-type: none"> <li>1. Look for new items</li> <li>2. Believe in them</li> <li>3. Get feedback from retail and sales</li> </ol> </li> </ul>		
Product potential variables		Respondent Sales	Respondent Sourcing
	a. Research and development	2	1
	b. Trial and error	3	3
	c. Innovation	1	1
	d. Brand expansion	4	2
	<ul style="list-style-type: none"> <li>• Sourcing: Research and development combined with innovation result in a new product</li> <li>• Sales: Brand is just a continuation of what you have</li> </ul>		
Importance of product potential variables	a. Research and development	3	
	b. Trial and error	2	
	c. Innovation	3	
	d. Brand expansion	2	

Appendix K7: Company G Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential	
Potential of niche product	<ul style="list-style-type: none"> <li>Research and development</li> </ul>	
Product potential variables	a. Research and development 1 b. Trial and error 4* c. Innovation 2 d. Brand expansion 3	<ul style="list-style-type: none"> <li>Would exclude trial and error. "There has to be a pretty significant business plan in place before you jump into any kind product or market and just put a product out there and see if it works out- A publicly held company is held responsible for shareholders funds, so we are very calculated about how we introduce things to the market."</li> </ul>
Importance of product potential variables	a. Research and development 3 b. Trial and error 1 c. Innovation 3 d. Brand expansion 2	

Appendix K8: Company H Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential	
Potential of niche product	<ul style="list-style-type: none"> <li>Potential volume determined by ground up planning – retailer by retailer</li> </ul>	
Product potential variables	a. Research and development b. Trial and error c. Innovation d. Brand expansion	1 4 2 3
Importance of product potential variables	e. Research and development f. Trial and error g. Innovation h. Brand expansion	3 2 3 1

Appendix K9: Company I Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential								
<b>Potential of niche product</b>	<ul style="list-style-type: none"> <li>• The company is merchant run                             <ul style="list-style-type: none"> <li>• The merchants are the target customers of the stores</li> </ul> </li> <li>• Design – looks at trends</li> <li>• Concept – looks at what people are wearing and what's "hot"</li> <li>• R&amp;D and sourcing – work with the mills, who have an eye on the trends</li> <li>• <b>Strategy:</b> Look for common themes among all departments</li> </ul>								
<b>Product potential variables</b>	<table> <tr> <td>a. Research and development</td><td>2</td></tr> <tr> <td>b. Trial and error</td><td>4</td></tr> <tr> <td>c. Innovation</td><td>2</td></tr> <tr> <td>d. Brand expansion</td><td>1</td></tr> </table> <ul style="list-style-type: none"> <li>• The combination of innovation and R&amp;D are essential</li> </ul>	a. Research and development	2	b. Trial and error	4	c. Innovation	2	d. Brand expansion	1
a. Research and development	2								
b. Trial and error	4								
c. Innovation	2								
d. Brand expansion	1								
<b>Importance of product potential variables</b>	<table> <tr> <td>a. Research and development</td><td>3</td></tr> <tr> <td>b. Trial and error</td><td>2</td></tr> <tr> <td>c. Innovation</td><td>3</td></tr> <tr> <td>d. Brand expansion</td><td>3</td></tr> </table>	a. Research and development	3	b. Trial and error	2	c. Innovation	3	d. Brand expansion	3
a. Research and development	3								
b. Trial and error	2								
c. Innovation	3								
d. Brand expansion	3								

Appendix K10: Company J Interview Results – Product Potential

Topic	Executive's Comments Regarding Product Potential	
Potential of niche product	<ol style="list-style-type: none"> <li>1. Research process</li> <li>2. Consumer and retailer interviews <ul style="list-style-type: none"> <li>• Look for test subjects</li> </ul> </li> <li>3. Innovation process with moms, daycares, and hospitals <ul style="list-style-type: none"> <li>• Test in stores</li> </ul> </li> </ol>	
Product potential variables	<ol style="list-style-type: none"> <li>a. Research and development 2</li> <li>b. Trial and error 3</li> <li>c. Innovation 1</li> <li>d. Brand expansion *</li> <li>• * omitted</li> </ol>	
Importance of product potential variables	<ol style="list-style-type: none"> <li>a. Research and development 2</li> <li>b. Trial and error 2.5</li> <li>c. Innovation 3</li> <li>d. Brand expansion *</li> <li>• * omitted</li> </ol>	

## **APPENDIX L: COMPANY INTERVIEW RESULTS – IMPLEMENTATION ISSUES**

Appendix L1: Company A Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Cost quality and delivery</li> <li>• Innovation</li> <li>• Ability to profit on value</li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Prototyping – technical solution</li> <li>• Resourcing – full time equivalents</li> <li>• Budgeting</li> <li>• Timing</li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Is it a culture fit?</li> <li>• Does it meet the strategic objectives?</li> <li>• Does it fit the mission and vision statement?</li> <li>• Will we make a profit?</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• Fixed assets – blessing and curse                             <ul style="list-style-type: none"> <li>• Exe: dye jets – assets need to make a profit</li> </ul> </li> <li>• Highest capability and most economic</li> <li>• Process control becomes less crucial as market becomes more saturated</li> <li>• Make sure that fixed assets are performing above expectations</li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• Push: present to retailers (trade shows, advertisements, prototyping)</li> <li>• Pull: consumer surveys (does it add value, does it improve the quality of life, how much would you pay)</li> <li>• Then combine retailer and customer</li> </ul>



Appendix L2: Company B Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• The ability to produce quality fabric on old equipment</li> <li>• Education customers (the less aware brands) <ul style="list-style-type: none"> <li>• Some customers understood the product immediately</li> </ul> </li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Getting the right combination of construction, design, and dye shade</li> <li>• Ability to finish the product into “knock out” jeans</li> <li>• Weekly product development meetings <ul style="list-style-type: none"> <li>• Designers and product development from plants attend</li> <li>• Create for open lines</li> <li>• Work together on customer requests, but must understand the needs of the customer</li> </ul> </li> <li>• Some customers have fabric specifications, some have finished specifications, and some have both <ul style="list-style-type: none"> <li>• 11.5 to 13.5 oz is the range for fashion denim</li> <li>• Lower weight denim resulting in problems with finishing</li> <li>• One retailer requesting higher weight denim for stone washing</li> </ul> </li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Dyeshade and construction</li> <li>• Color trends, such as green casted indigo shades <ul style="list-style-type: none"> <li>• Designers create trends – no color services for denim</li> </ul> </li> <li>• Design trends like cross hatching</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• Combination of machinery and talents at one plant to produce fabric</li> <li>• Customers want to move to Mexico – has a joint venture with a plant in Mexico <ul style="list-style-type: none"> <li>• Adding Amsler equipment to offer higher fashion products at lower price points <ul style="list-style-type: none"> <li>▪ Mass markets wanting higher fashionability</li> </ul> </li> </ul> </li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• Coverage in trade press such as monthly DNR article</li> <li>• Launch party in New York for new line</li> <li>• Visibility at trade shows</li> </ul>

Appendix L3: Company C Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Availability of raw material</li> <li>• Price</li> <li>• Availability of competing products in the market</li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Need supplier of raw material</li> <li>• Competition with moisture management products                             <ul style="list-style-type: none"> <li>• Premium product</li> <li>• Does customer need it?</li> </ul> </li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Knew of other moisture management products</li> <li>• Were customers going to buy it?</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• For premium product, blended with combed cotton and ring spun</li> <li>• Made in one plant – demand is not large enough to demand its own plant                             <ul style="list-style-type: none"> <li>• Running the product every other week</li> </ul> </li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• Identify the end user – hosiery or shirting                             <ul style="list-style-type: none"> <li>• Look at what the customer is using now</li> </ul> </li> <li>• Size of customer base</li> <li>• Consistency</li> <li>• How much will customer pay</li> <li>• Need continuous purchases</li> </ul>

Appendix L4: Company D Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Designer issues – have own ideas about how things should be</li> <li>• Have to match the product to the designer</li> <li>• A lot of premium designers don't want to use US denim for prestige reasons                             <ul style="list-style-type: none"> <li>• Want to use Japanese and Italian denim to create mystique with their products</li> <li>• It is a selling point – global</li> <li>• It is a problem for the company</li> </ul> </li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Pricing for new and different products                             <ul style="list-style-type: none"> <li>• Want to use ring-spun yarns and certain dyes for premium product</li> </ul> </li> <li>• Tommy and Polo want the ultimate product but don't want to pay for premium                             <ul style="list-style-type: none"> <li>• See a move to China to offset</li> </ul> </li> <li>• China is always part of the conversation with retailers                             <ul style="list-style-type: none"> <li>• Threatening to source from China for the price they want, so it is actually "The China Threat."</li> <li>• Gap brand is doing more in Asia</li> </ul> </li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Mass and Mid-tier – can't put all of the bells and whistles</li> <li>• Ends, picks, yarns, dye shade, and finishing have to be considered for each tier</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• 100% US – Advantage</li> <li>• Ship fabric to Mexico, Central America, South America, and Caribbean                             <ul style="list-style-type: none"> <li>• Garments come in to the US duty free</li> </ul> </li> <li>• Competition in Mexico only qualifies for NAFTA                             <ul style="list-style-type: none"> <li>• To be duty free must be sewn in US, Canada, and Mexico</li> <li>• Cost of the needle in Mexico has risen drastically since NAFTA</li> </ul> </li> <li>• Cost of needle is still low in South America, Latin America</li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>▪ Speed to market</li> <li>▪ Duty free</li> <li>• Innovation</li> </ul>

Appendix L5: Company E Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Have to think about: <ul style="list-style-type: none"> <li>• Are you the first or second in the niche?</li> <li>• How big is this niche?</li> <li>• Can you do it better than anyone else?</li> <li>• How quickly can you get there?</li> <li>• How long is the plan? <ul style="list-style-type: none"> <li>• Nobody wants a five year plan</li> </ul> </li> <li>• What would it cost us?</li> </ul> </li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Issues between market and product very related</li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Price, price, price</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• Everything produced in the U.S.</li> <li>• Match products to technology capabilities</li> <li>• Nothing to do with demand</li> <li>• In China, made a decision to product added value product – the branded product – because everyone else in China is producing commodity product</li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• Each product has to be approached differently</li> <li>• Respondents strategy is to understand who her customer's customer is, to see their product on the floor, to understand the price point, to see the fabrics they use, to see the lifestyle that they represent, are they upmarket or downmarket, and whether they are a baby boomer or a junior <ul style="list-style-type: none"> <li>• Once understand that, then know what to market to them</li> </ul> </li> <li>• A lot of companies say that I am going to call on xyz brand, and I am going to take them everything that I've got and that's a big mistake</li> <li>• Have samples in showroom – both knitted and woven fabrics and sample garments <ul style="list-style-type: none"> <li>• Weavers and knitters (technically not supposed to see each others fabric samples – have certain agreements with mills that developed fabric whereby the company donated the yarn for the fabric and therefore, they have the right to show it to other customers so they can see the yarn in a fabric) they like to see the garment samples, but it is not very relevant to them – garments only relevant when showing commercial program to mills to encourage them to buy yarn x.</li> </ul> </li> </ul>

Appendix L6: Company F Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Pricing – need to look at the competition               <ul style="list-style-type: none"> <li>• The company prices based on the competition</li> <li>• If the competition will lower the price of the brand, will not lower the company to the level of the competition</li> </ul> </li> <li>• Innovation – transcends price issue - Important to look at whether the product is needed or wanted</li> <li>• Research and development – study the market internationally               <ul style="list-style-type: none"> <li>• Look at the fusion of entertainment and fashion</li> </ul> </li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Same as niche market issues</li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Will visit domestic mills and see fabrics - will determine based on history what products will and will not sell</li> <li>• Have to ship goods when appropriate based on fabric weight - Examine history of past sales</li> <li>• Conduct market research</li> <li>• Price point affects fabric purchases</li> <li>• Manufacturers should know the trends</li> <li>• Focus is speed to market, and the company can get things faster from China than from domestic suppliers               <ul style="list-style-type: none"> <li>• The longer the lead time, the less trend right</li> </ul> </li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• Produce with NAFTA countries, CBTPA countries, ANDEAN countries, and Asian countries               <ul style="list-style-type: none"> <li>• When using NAFTA, purchase materials from American companies in Mexico</li> <li>• Look for a low price, with lower minimums (need 1200 yds of fabric, not 5000 yds), and a short cycle time</li> <li>• Can buy from Asia for 1/3 the price</li> <li>• Cycle time is longer in the US (including product development, sampling, and shipping time)</li> <li>• Asia is offering lower minimums, is flexible, and has equipment for the job – exe: Most Mexican mills run only 5 pocket jeans - need equipment and flexibility</li> </ul> </li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• Marketing done via: In store promotions, print ads, street teams who support local events, point of purchase displays, radio</li> <li>• Celebrity and hip hop artists endorsements – wear clothing at events and on television</li> <li>• Cooperative events with department stores – meet and greet with company founder and celebrities – tie into radio campaign</li> </ul>

Appendix L7: Company G Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Looking at what the competition is doing and making sure that you are keeping ahead of that</li> <li>• Being aware of what the marketplace is ready for, because of innovation</li> <li>• Being aware of the different markets that exist, whether it be in the US, Europe, or Japan and what the needs are of the different markets – that can be a challenge understanding that and how you have to adapt your products to that end customer</li> <li>• Any time you talk about sports, you talk about functionality – making sure that whatever you're developing is ultimately functional for that end use</li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• You can have testing issues                             <ul style="list-style-type: none"> <li>• Exe: if a product is supposed to wick and it doesn't, or if it supposed to have a certain level of breathability and it doesn't.</li> <li>• Colorfastness issues</li> </ul> </li> <li>• So there are just different things that are attributed to the makeup of the product, whether that be materials or trim</li> <li>• Look at the construction – is it durable</li> <li>• Look at whether the apparel will fit over the boot with the ski</li> <li>• Keeping in mind the needs of the end user and really concentrating on details for the most hardcore user. In the middle, you are usually ok, but you need to meet the needs of the consumer who uses these products daily</li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Making sure that the materials are of quality and that they will perform for the end use consumer</li> </ul>

<p><b>Manufacturing base</b></p>	<ul style="list-style-type: none"> <li>• Very calculated</li> <li>• The company has long term partners <ul style="list-style-type: none"> <li>• In sport and other products</li> <li>• So look at those partners first to see if they have the capability to produce these kinds of products - If they do, then stick with those partnerships</li> <li>• If not, then look at the business from both sides; see the business plans of other partners and see if they align with the business plans of the company. Is the new partner willing to make needed investments on the factory side, in machinery or added labor, to develop that business with the company? If that is the case, then the company will go down that road.</li> <li>• If neither, then have to look outside <ul style="list-style-type: none"> <li>• Especially if there is a certain construction or a new technique that only one factory is producing, then it is about finding and forging new relationship</li> </ul> </li> </ul> </li> <li>• Hardly use any domestic suppliers <ul style="list-style-type: none"> <li>• The sport market does not have a lot of ability to manufacture in the US. There just aren't factories that have the ability to work on these products – It is just too expensive</li> <li>• As far as materials, its all done overseas because of technology, and keeping up with innovation, and research and development</li> <li>• There are no factories in the US that have decided to go that route – mostly in Japan for materials – they are on the cutting edge</li> </ul> </li> <li>• Do not focus on full package <ul style="list-style-type: none"> <li>• Use pseudo FOB: Dictate the materials – the factories do not the option to change suppliers – tell the suppliers what to buy and who to buy it from and then they sell it to the company on FOB.</li> </ul> </li> </ul>
<p><b>Marketing strategies</b></p>	<ul style="list-style-type: none"> <li>• Professional athlete sponsors</li> <li>• National advertising – print media</li> <li>• Co-sponsorship of events <ul style="list-style-type: none"> <li>• Or vendor to have presence at the event</li> <li>• Large televised events – a lot of visibility and coverage</li> </ul> </li> <li>• Grassroots marketing – outfitting college teams</li> </ul>

Appendix L8: Company H Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Consumer and retailer receptiveness</li> <li>• Crowded marketplace</li> <li>• Right product</li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Same as niche market issues</li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Same as niche market issues</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• Did not know</li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• Depends: <ul style="list-style-type: none"> <li>• Sometimes just public relations</li> <li>• Sometimes more traditional marketing e.g. advertising</li> </ul> </li> </ul>



Appendix L9: Company I Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Correctness</li> <li>• Timing – speed to market</li> <li>• Quality</li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Sometimes you are wrong</li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Opinions – designers versus merchants                             <ul style="list-style-type: none"> <li>• Everyone has a different opinion</li> <li>• President has ultimate final decision</li> </ul> </li> <li>• Supply – for example, want imperfect, vintage feeling fabrics, but suppliers are all set to run very continuous, perfect product</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• Quality</li> <li>• Speed – lateness is a big factor</li> <li>• Shipping – cost versus time</li> <li>• Domestic versus global                             <ul style="list-style-type: none"> <li>• All denim is pretty competitive</li> <li>• Suppliers have to understand the concept of the brand</li> <li>• Domestic suppliers are faster initially because of ease of communication, but slower with lead times and development</li> <li>• Global suppliers are faster in terms of lead times and development, but slower to understand concept of the brand</li> <li>• Harder to add a supplier than to use an existing supplier because of the communication issue</li> </ul> </li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• All marketing done in store</li> <li>• Communicate brand image</li> <li>• Store layout</li> <li>• Trims and hangtags</li> <li>• Stores in home office for developing store layout</li> <li>• Reset each week</li> <li>• No advertisements except in company website</li> <li>• Use website as a testing ground for new products</li> <li>• Not a major profit center for the company</li> </ul>

Appendix L10: Company J Interview Results – Implementation Issues

Topic	Executive's Comments Regarding Implementation Issues
<b>Niche market issues</b>	<ul style="list-style-type: none"> <li>• Changing internal and external paradigms                             <ul style="list-style-type: none"> <li>• Making sure internally, everyone is comfortable with the product</li> <li>• Changing wholesale/retail opinions of products</li> </ul> </li> </ul>
<b>Niche product issues</b>	<ul style="list-style-type: none"> <li>• Retailer acceptance                             <ul style="list-style-type: none"> <li>• Have to do work, but will pay off</li> </ul> </li> </ul>
<b>Product selection issues</b>	<ul style="list-style-type: none"> <li>• Not really any issues if the company stays with its core competencies</li> <li>• Sizing can be an issue</li> </ul>
<b>Manufacturing base</b>	<ul style="list-style-type: none"> <li>• Flexible manufacturing organization that understands the core competencies of the manufacturing facilities                             <ul style="list-style-type: none"> <li>• Can add new products or new facilities without problems</li> </ul> </li> </ul>
<b>Marketing strategies</b>	<ul style="list-style-type: none"> <li>• Company produces the branded apparel, however, has a tie with other branded product, so integrates marketing with brand</li> <li>• Customize marketing programs in store                             <ul style="list-style-type: none"> <li>• Coupons, promotions</li> <li>• Develops unique programs by client</li> </ul> </li> </ul>

## **APPENDIX M: COMPANY INTERVIEW RESULTS – PRODUCT SUCCESS**

Appendix M1: Company A Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>• Providing the market products that meet expectations, fit with strategic expectations, provide profit for growth</li> <li>• Must align views of company and customer for dual profitability</li> <li>• Meet to discuss win-win situations – need to align initiatives, how can we both score</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>• These products are leaders in the marketplace</li> <li>• They meet or exceed consumer expectations</li> <li>• See success as the success of customers</li> <li>• Meet customers that will pay for product improvements</li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td> <td>3.5</td> </tr> <tr> <td>b. Marketing mix</td> <td>3.5</td> </tr> <tr> <td>c. Brand image</td> <td>5</td> </tr> <tr> <td>d. Differentiation</td> <td>2</td> </tr> <tr> <td>e. Perceived value</td> <td>1</td> </tr> </table> <ul style="list-style-type: none"> <li>• Perceived value – critical (exe: to a drowning man, a life ring is critical)</li> <li>• Create value and create energy to own</li> <li>• By meeting x need, I do not need it anymore</li> <li>• Differentiation is the basis of the niche</li> <li>• Quality – you need the right quality</li> <li>• Branding – there is a risk from associating too heavily with a brand or getting away from the core of the brand</li> </ul>	a. Quality	3.5	b. Marketing mix	3.5	c. Brand image	5	d. Differentiation	2	e. Perceived value	1
a. Quality	3.5										
b. Marketing mix	3.5										
c. Brand image	5										
d. Differentiation	2										
e. Perceived value	1										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td> <td>3</td> </tr> <tr> <td>b. Marketing mix</td> <td>2</td> </tr> <tr> <td>c. Brand image</td> <td>2.5</td> </tr> <tr> <td>d. Differentiation</td> <td>3</td> </tr> <tr> <td>e. Perceived value</td> <td>3</td> </tr> </table>	a. Quality	3	b. Marketing mix	2	c. Brand image	2.5	d. Differentiation	3	e. Perceived value	3
a. Quality	3										
b. Marketing mix	2										
c. Brand image	2.5										
d. Differentiation	3										
e. Perceived value	3										

Appendix M2: Company B Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>Provides looks and products that appeal to the consumer</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>The brand has the right look for the market</li> <li>Denim serves as the pallet for the laundries/finishers</li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td><td>*</td></tr> <tr> <td>b. Marketing mix</td><td>3</td></tr> <tr> <td>c. Brand image</td><td>2</td></tr> <tr> <td>d. Differentiation</td><td>1</td></tr> <tr> <td>e. Perceived value</td><td>2</td></tr> </table> <ul style="list-style-type: none"> <li>*Quality is hard to define. It doesn't mean much anymore. Quality is an implied expectation – everyone is at the same quality, although bad quality will automatically result in problems</li> <li>Differentiation is what makes company's products different from the competition</li> </ul>	a. Quality	*	b. Marketing mix	3	c. Brand image	2	d. Differentiation	1	e. Perceived value	2
a. Quality	*										
b. Marketing mix	3										
c. Brand image	2										
d. Differentiation	1										
e. Perceived value	2										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td><td>*</td></tr> <tr> <td>b. Marketing mix</td><td>3</td></tr> <tr> <td>c. Brand image</td><td>2</td></tr> <tr> <td>d. Differentiation</td><td>3</td></tr> <tr> <td>e. Perceived value</td><td>3</td></tr> </table>	a. Quality	*	b. Marketing mix	3	c. Brand image	2	d. Differentiation	3	e. Perceived value	3
a. Quality	*										
b. Marketing mix	3										
c. Brand image	2										
d. Differentiation	3										
e. Perceived value	3										

Appendix M3: Company C Interview Results – Product Success

<b>Topic</b>	<b>Executive's Comments Regarding Success Factors of Niche Products</b>		
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>Delivering quality products on time</li> </ul>		
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>It performs</li> <li>It is promoted enough at retail to be identifiable – and with premium product</li> </ul>		
<b>Success variables for niche product</b>	<p>Niche product Non-branded Exe: Pima</p> <p>a. Quality 2</p> <p>b. Marketing mix 3</p> <p>c. Brand image 5</p> <p>d. Differentiation 4</p> <p>e. Perceived value 1</p>	<p>Niche product Branded Exe: Coolmax Cotton</p> <p>4</p> <p>5</p> <p>1</p> <p>2</p> <p>3</p>	
<b>Importance of variables to success of niche products</b>	<p>Niche product Non-branded Exe: Pima</p> <p>a. Quality 2</p> <p>b. Marketing mix 2</p> <p>c. Brand image 2</p> <p>d. Differentiation 2</p> <p>e. Perceived value 3</p>	<p>Niche product Branded Exe: Coolmax Cotton</p> <p>2</p> <p>3</p> <p>2</p> <p>3</p> <p>3</p>	

Appendix M4: Company D Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>• Provide the right product <ul style="list-style-type: none"> <li>• If not, they will go elsewhere</li> </ul> </li> <li>• Offer the right product and the right price</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>• Customers have built a marketing campaign <ul style="list-style-type: none"> <li>• Have found the niche and brought the niche to the company</li> </ul> </li> <li>• The company is growing – found consumers that bought into their marketing strategy</li> <li>• Premium denim – celebrities have increased the popularity of the products</li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td><td>3</td></tr> <tr> <td>b. Marketing mix</td><td>2</td></tr> <tr> <td>c. Brand image</td><td>1</td></tr> <tr> <td>d. Differentiation</td><td>1</td></tr> <tr> <td>e. Perceived value</td><td>4</td></tr> </table> <ul style="list-style-type: none"> <li>• Brand image – for jean brand, not for the company</li> <li>• Perceived value – doesn't mean as much for premiums as it does at a low tier</li> </ul>	a. Quality	3	b. Marketing mix	2	c. Brand image	1	d. Differentiation	1	e. Perceived value	4
a. Quality	3										
b. Marketing mix	2										
c. Brand image	1										
d. Differentiation	1										
e. Perceived value	4										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td><td>2</td></tr> <tr> <td>b. Marketing mix</td><td>3</td></tr> <tr> <td>c. Brand image</td><td>2</td></tr> <tr> <td>d. Differentiation</td><td>3</td></tr> <tr> <td>e. Perceived value</td><td>1</td></tr> </table>	a. Quality	2	b. Marketing mix	3	c. Brand image	2	d. Differentiation	3	e. Perceived value	1
a. Quality	2										
b. Marketing mix	3										
c. Brand image	2										
d. Differentiation	3										
e. Perceived value	1										

Appendix M5: Company E Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>• The company sells the yarn</li> <li>• Combination of market research and correctness in marketing</li> <li>• Have to take the same product and put a spin on it to sell to another market</li> <li>• Exe: have taken performance yarns for activewear and tried to market for use in intimates, but must determine language to use to market the product</li> <li>• Exe: branded stretch yarn is big in bottomweights</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>• Big program with very large, U.S. apparel company</li> <li>• Everyone wants stretch jeanswear – everyone wears them tight, so want to have some stretch</li> <li>• Program for denim made in turkey made from yarn produced in china for large, European based fast fashion retailer</li> <li>• Lightweight stretch denim program – mill in china – to go into lifestyle retailer</li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td><td>4</td></tr> <tr> <td>b. Marketing mix</td><td>3</td></tr> <tr> <td>c. Brand image</td><td>5</td></tr> <tr> <td>d. Differentiation</td><td>2</td></tr> <tr> <td>e. Perceived value</td><td>1</td></tr> </table> <ul style="list-style-type: none"> <li>• Marketing mix – price is really important</li> </ul>	a. Quality	4	b. Marketing mix	3	c. Brand image	5	d. Differentiation	2	e. Perceived value	1
a. Quality	4										
b. Marketing mix	3										
c. Brand image	5										
d. Differentiation	2										
e. Perceived value	1										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td><td>2</td></tr> <tr> <td>b. Marketing mix</td><td>1</td></tr> <tr> <td>c. Brand image</td><td>2</td></tr> <tr> <td>d. Differentiation</td><td>3</td></tr> <tr> <td>e. Perceived value</td><td>3</td></tr> </table>	a. Quality	2	b. Marketing mix	1	c. Brand image	2	d. Differentiation	3	e. Perceived value	3
a. Quality	2										
b. Marketing mix	1										
c. Brand image	2										
d. Differentiation	3										
e. Perceived value	3										



Appendix M6: Company F Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products		
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>The company is the product</li> </ul>		
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>Innovative products</li> <li>Celebrity driven</li> <li>Founder stays on message</li> <li>It is a credible, viable brand</li> <li>Founder is a prominent black American</li> </ul>		
<b>Success variables for niche product</b>		Respondent Sales	Respondent Sourcing
	a. Quality	2	4
	b. Marketing mix	1	1
	c. Brand image	3	2
	d. Differentiation	4	3
	e. Perceived value	5	5
	<ul style="list-style-type: none"> <li>Sales: marketing mix and quality affect image</li> <li>Sourcing: have a sophisticated customer who understands technical details about construction, fiber content, accessories, and quality</li> </ul>		
<b>Importance of variables to success of niche products</b>		Respondent Sales	Respondent Sourcing
	a. Quality	3	3
	b. Marketing mix	3	3
	c. Brand image	3	3
	d. Differentiation	3	2
	e. Perceived value	3	3
	<ul style="list-style-type: none"> <li>Differentiation is part of the marketing mix</li> </ul>		

Appendix M7: Company G Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>Produce products that are innovative and perform to meet the needs of the brand's consumer</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>Understanding who the brand's customer is</li> <li>Knowing what they buy from the company on other levels and being able to translate that into sporting needs</li> <li>The line is only one extension of the brand</li> <li>Many other brand extensions that meet the needs of all aspects of the consumers lifestyle</li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td><td>1</td></tr> <tr> <td>b. Marketing mix</td><td>4</td></tr> <tr> <td>c. Brand image</td><td>2</td></tr> <tr> <td>d. Differentiation</td><td>3</td></tr> <tr> <td>e. Perceived value</td><td>5</td></tr> </table>	a. Quality	1	b. Marketing mix	4	c. Brand image	2	d. Differentiation	3	e. Perceived value	5
a. Quality	1										
b. Marketing mix	4										
c. Brand image	2										
d. Differentiation	3										
e. Perceived value	5										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td><td>3</td></tr> <tr> <td>b. Marketing mix</td><td>2</td></tr> <tr> <td>c. Brand image</td><td>3</td></tr> <tr> <td>d. Differentiation</td><td>2</td></tr> <tr> <td>e. Perceived value</td><td>2</td></tr> </table>	a. Quality	3	b. Marketing mix	2	c. Brand image	3	d. Differentiation	2	e. Perceived value	2
a. Quality	3										
b. Marketing mix	2										
c. Brand image	3										
d. Differentiation	2										
e. Perceived value	2										

Appendix M8: Company H Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>• Research</li> <li>• Cross functional approach</li> <li>• Retailer validation</li> <li>• Consumer testing</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>• No answer</li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td><td>1</td></tr> <tr> <td>b. Marketing mix</td><td>5</td></tr> <tr> <td>c. Brand image</td><td>4</td></tr> <tr> <td>d. Differentiation</td><td>3</td></tr> <tr> <td>e. Perceived value</td><td>2</td></tr> </table>	a. Quality	1	b. Marketing mix	5	c. Brand image	4	d. Differentiation	3	e. Perceived value	2
a. Quality	1										
b. Marketing mix	5										
c. Brand image	4										
d. Differentiation	3										
e. Perceived value	2										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td><td>3</td></tr> <tr> <td>b. Marketing mix</td><td>2</td></tr> <tr> <td>c. Brand image</td><td>2</td></tr> <tr> <td>d. Differentiation</td><td>3</td></tr> <tr> <td>e. Perceived value</td><td>3</td></tr> </table>	a. Quality	3	b. Marketing mix	2	c. Brand image	2	d. Differentiation	3	e. Perceived value	3
a. Quality	3										
b. Marketing mix	2										
c. Brand image	2										
d. Differentiation	3										
e. Perceived value	3										

Appendix M9: Company I Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>The company brands the products so that they are successful with the consumers</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>The company is merchant run and they know the market</li> <li>Stay in touch with the customer – concept and design constantly watching the customer</li> <li>Interpret trends for their customer, so must know what the customer wants</li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td> <td>3</td> </tr> <tr> <td>b. Marketing mix</td> <td>2</td> </tr> <tr> <td>c. Brand image</td> <td>1</td> </tr> <tr> <td>d. Differentiation</td> <td>5</td> </tr> <tr> <td>e. Perceived value</td> <td>3</td> </tr> </table> <ul style="list-style-type: none"> <li>Marketing mix includes merchant</li> <li>Differentiation is in all the other aspects (a,b,c,e)</li> </ul>	a. Quality	3	b. Marketing mix	2	c. Brand image	1	d. Differentiation	5	e. Perceived value	3
a. Quality	3										
b. Marketing mix	2										
c. Brand image	1										
d. Differentiation	5										
e. Perceived value	3										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td> <td>3</td> </tr> <tr> <td>b. Marketing mix</td> <td>3</td> </tr> <tr> <td>c. Brand image</td> <td>3</td> </tr> <tr> <td>d. Differentiation</td> <td>3</td> </tr> <tr> <td>e. Perceived value</td> <td>3</td> </tr> </table>	a. Quality	3	b. Marketing mix	3	c. Brand image	3	d. Differentiation	3	e. Perceived value	3
a. Quality	3										
b. Marketing mix	3										
c. Brand image	3										
d. Differentiation	3										
e. Perceived value	3										

Appendix M10: Company J Interview Results – Product Success

Topic	Executive's Comments Regarding Success Factors of Niche Products										
<b>Contribution to success</b>	<ul style="list-style-type: none"> <li>Produce and market the products</li> </ul>										
<b>Reasons niche products successful</b>	<ul style="list-style-type: none"> <li>Not all products are successful                             <ul style="list-style-type: none"> <li>25-50% of new products successful</li> </ul> </li> <li>One piece garments – kept to product heritage                             <ul style="list-style-type: none"> <li>Improved price, value, and product</li> </ul> </li> <li>Part art, part science                             <ol style="list-style-type: none"> <li>Be innovative</li> <li>Challenge yourself</li> <li>Listen to the consumer and the retailer</li> </ol> </li> </ul>										
<b>Success variables for niche product</b>	<table> <tr> <td>a. Quality</td><td>3</td></tr> <tr> <td>b. Marketing mix</td><td>2</td></tr> <tr> <td>c. Brand image</td><td>5</td></tr> <tr> <td>d. Differentiation</td><td>4</td></tr> <tr> <td>e. Perceived value</td><td>1</td></tr> </table>	a. Quality	3	b. Marketing mix	2	c. Brand image	5	d. Differentiation	4	e. Perceived value	1
a. Quality	3										
b. Marketing mix	2										
c. Brand image	5										
d. Differentiation	4										
e. Perceived value	1										
<b>Importance of variables to success of niche products</b>	<table> <tr> <td>a. Quality</td><td>3</td></tr> <tr> <td>b. Marketing mix</td><td>3</td></tr> <tr> <td>c. Brand image</td><td>2</td></tr> <tr> <td>d. Differentiation</td><td>2</td></tr> <tr> <td>e. Perceived value</td><td>3</td></tr> </table>	a. Quality	3	b. Marketing mix	3	c. Brand image	2	d. Differentiation	2	e. Perceived value	3
a. Quality	3										
b. Marketing mix	3										
c. Brand image	2										
d. Differentiation	2										
e. Perceived value	3										

**APPENDIX N: COMPANY INTERVIEW RESULTS – MARKET AND STRATEGY  
SUCCESS**

Appendix N1: Company A Interview Results - Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies
<p><b>Success variables for niche markets</b></p>	<p>a. Barriers to entry 3</p> <p>b. Customer service 2</p> <p>c. Market share 4</p> <p>d. Communication 1</p> <p>e. Loyal customer base 5</p> <ul style="list-style-type: none"> <li>• Communication – have to communicate your objectives – otherwise, people don't know (Exe: the Catholic Church converting from Latin to English)</li> <li>• Loyal customer base – must have people that see the value of the products</li> <li>• Barriers to entry – problems could be solutions</li> <li>• Market share – owning too much of a market can be an enemy</li> <li>• Leads to overextending capabilities such as service</li> <li>• Can lead to inflexibility and liability</li> <li>• Have knowledge of the customer already</li> <li>• There must be demand and you must be able to satisfy that demand</li> <li>• Alliances – need to be close enough to align – must work together, but must not dominate.</li> </ul>
<p><b>Importance of variables to success of niche markets</b></p>	<p>a. Barriers to entry 3</p> <p>b. Customer service 3</p> <p>c. Market share 1.5</p> <p>d. Communication 3</p> <p>e. Loyal customer base 1.5</p>
<p><b>Success variables for niche strategies</b></p>	<p>a. Knowledge of the customer 3</p> <p>b. Strategic alliances 2</p> <p>c. Demand 1</p>
<p><b>Importance of variables to success of niche strategies</b></p>	<p>a. Knowledge of the customer 2</p> <p>b. Strategic alliances 3</p> <p>c. Demand 3</p>

Appendix N2: Company B Interview Results – Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies										
<b>Success variables for niche markets</b>	<table border="0"> <tr> <td>a. Barriers to entry</td><td>5</td></tr> <tr> <td>b. Customer service</td><td>1</td></tr> <tr> <td>c. Market share</td><td>3</td></tr> <tr> <td>d. Communication</td><td>2</td></tr> <tr> <td>e. Loyal customer base</td><td>4</td></tr> </table> <ul style="list-style-type: none"> <li>• The company is selling denim and customer service                             <ul style="list-style-type: none"> <li>• Customer service through shared web page, order tracking, free fabric sampling, and packing of fabric for ease of spreading and cutting</li> </ul> </li> <li>• Not a lot of influence over barriers to entry</li> <li>• If get customer service right and communicate to a large percentage of the market, then will achieve a loyal customer base – the company has very loyal customers</li> </ul>	a. Barriers to entry	5	b. Customer service	1	c. Market share	3	d. Communication	2	e. Loyal customer base	4
a. Barriers to entry	5										
b. Customer service	1										
c. Market share	3										
d. Communication	2										
e. Loyal customer base	4										
<b>Importance of variables to success of niche markets</b>	<table border="0"> <tr> <td>a. Barriers to entry</td><td>2</td></tr> <tr> <td>b. Customer service</td><td>3</td></tr> <tr> <td>c. Market share</td><td>2</td></tr> <tr> <td>d. Communication</td><td>3</td></tr> <tr> <td>e. Loyal customer base</td><td>2</td></tr> </table>	a. Barriers to entry	2	b. Customer service	3	c. Market share	2	d. Communication	3	e. Loyal customer base	2
a. Barriers to entry	2										
b. Customer service	3										
c. Market share	2										
d. Communication	3										
e. Loyal customer base	2										
<b>Success variables for niche strategies</b>	<table border="0"> <tr> <td>a. Knowledge of the customer</td><td>2</td></tr> <tr> <td>b. Strategic alliances</td><td>3</td></tr> <tr> <td>c. Demand</td><td>1</td></tr> </table>	a. Knowledge of the customer	2	b. Strategic alliances	3	c. Demand	1				
a. Knowledge of the customer	2										
b. Strategic alliances	3										
c. Demand	1										
<b>Importance of variables to success of niche strategies</b>	<table border="0"> <tr> <td>a. Knowledge of the customer</td><td>2</td></tr> <tr> <td>b. Strategic alliances</td><td>2</td></tr> <tr> <td>c. Demand</td><td>3</td></tr> </table>	a. Knowledge of the customer	2	b. Strategic alliances	2	c. Demand	3				
a. Knowledge of the customer	2										
b. Strategic alliances	2										
c. Demand	3										



Appendix N3: Company C Interview Results – Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies	
<b>Success variables for niche markets</b>	a. Barriers to entry 3 b. Customer service 4 c. Market share 1 d. Communication 5 e. Loyal customer base 2 • Size of market – is it worth the while? • Don't want customer to go to the competition • All of these are barriers to entry • *Did not understand what I meant by communication	
<b>Importance of variables to success of niche markets</b>	a. Barriers to entry 2 b. Customer service 2 c. Market share 3 d. Communication 2 e. Loyal customer base 2	
<b>Success variables for niche strategies</b>	a. Knowledge of the customer 2 b. Strategic alliances 3 c. Demand 1	
<b>Importance of variables to success of niche strategies</b>	a. Knowledge of the customer 3 b. Strategic alliances 2 c. Demand 3	

Additional comments:

- Organic/pima cottons are growing.
- Wal-Mart is forecasting its organic cotton from Turkey.
- High cost of organic cotton limits the size of the market.
- Wal-Mart is interested in promoting organic to offset image problems.

Appendix N4: Company D Interview Results – Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies										
<b>Success variables for niche markets</b>	<table> <tr><td>a. Barriers to entry</td><td>5</td></tr> <tr><td>b. Customer service</td><td>4</td></tr> <tr><td>c. Market share</td><td>3</td></tr> <tr><td>d. Communication</td><td>1</td></tr> <tr><td>e. Loyal customer base</td><td>2</td></tr> </table> <ul style="list-style-type: none"> <li>• Communication – about getting message out and creating image</li> <li>• Customer base follows if buy into image</li> <li>• Market share – new brands every day, gain market share through communication and a loyal customer base</li> <li>• Customer service – must have the right product in the right size – more so in mass</li> <li>• Barriers to entry – not worried about who is coming up</li> </ul>	a. Barriers to entry	5	b. Customer service	4	c. Market share	3	d. Communication	1	e. Loyal customer base	2
a. Barriers to entry	5										
b. Customer service	4										
c. Market share	3										
d. Communication	1										
e. Loyal customer base	2										
<b>Importance of variables to success of niche markets</b>	<table> <tr><td>a. Barriers to entry</td><td>1</td></tr> <tr><td>b. Customer service</td><td>2</td></tr> <tr><td>c. Market share</td><td>3</td></tr> <tr><td>d. Communication</td><td>3</td></tr> <tr><td>e. Loyal customer base</td><td>3</td></tr> </table>	a. Barriers to entry	1	b. Customer service	2	c. Market share	3	d. Communication	3	e. Loyal customer base	3
a. Barriers to entry	1										
b. Customer service	2										
c. Market share	3										
d. Communication	3										
e. Loyal customer base	3										
<b>Success variables for niche strategies</b>	<table> <tr><td>a. Knowledge of the customer</td><td>2</td></tr> <tr><td>b. Strategic alliances</td><td>2.5</td></tr> <tr><td>c. Demand</td><td>1</td></tr> </table> <ul style="list-style-type: none"> <li>• Must create demand</li> <li>• Now have a lot of inexperienced personnel in the retail/apparel industry, so have to teach the customer what they need to know <ul style="list-style-type: none"> <li>• A lot of market research being done by company in order to educate customers</li> </ul> </li> <li>• Strategic alliances can only help business develop brand image <ul style="list-style-type: none"> <li>• Joint product development with a company in Columbia <ul style="list-style-type: none"> <li>• Both companies showing samples to their customers</li> </ul> </li> </ul> </li> </ul>	a. Knowledge of the customer	2	b. Strategic alliances	2.5	c. Demand	1				
a. Knowledge of the customer	2										
b. Strategic alliances	2.5										
c. Demand	1										
<b>Importance of variables to success of niche strategies</b>	<table> <tr><td>a. Knowledge of the customer</td><td>3</td></tr> <tr><td>b. Strategic alliances</td><td>3</td></tr> <tr><td>c. Demand</td><td>3</td></tr> </table>	a. Knowledge of the customer	3	b. Strategic alliances	3	c. Demand	3				
a. Knowledge of the customer	3										
b. Strategic alliances	3										
c. Demand	3										

Appendix N5: Company E Interview Results – Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies	
Success variables for niche markets	a. Barriers to entry 2 b. Customer service 3 c. Market share 4 d. Communication 1 e. Loyal customer base 3 <ul style="list-style-type: none"> <li>Customer service and loyal customer base are closely related</li> </ul>	
Importance of variables to success of niche markets	a. Barriers to entry 3 b. Customer service 2 c. Market share 1 d. Communication 3 e. Loyal customer base 2	
Success variables for niche strategies	a. Knowledge of the customer 1 b. Strategic alliances 2 c. Demand 3 <ul style="list-style-type: none"> <li>You can create demand by tapping into what customers don't know they want</li> <li>How? – Look, listen, and see more</li> </ul>	
Importance of variables to success of niche strategies	a. Knowledge of the customer 3 b. Strategic alliances 2 c. Demand 1	

Appendix N6: Company F Interview Results – Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies		
Success variables for niche markets		Respondent Sales	Respondent Sourcing
	a. Barriers to entry	*	5
	b. Customer service	**	4
	c. Market share	2	2
	d. Communication	1	1
	e. Loyal customer base	3	3
	<ul style="list-style-type: none"> <li>*did not think should be on the list</li> <li>**customer service and loyal customer base come after enter market</li> <li>If you can't communicate, then you can't do other things</li> </ul>		
Importance of variables to success of niche markets		Respondent Sales	Respondent Sourcing
	a. Barriers to entry	2	2
	b. Customer service	3	2
	c. Market share	3	3
	d. Communication	3	3
	e. Loyal customer base	3	3
Success variables for niche strategies	a. Knowledge of the customer	1	
	b. Strategic alliances	1	
	c. Demand	1	
	<ul style="list-style-type: none"> <li>Need strategic alliances of vendors and suppliers</li> <li>All of these are part of the whole</li> <li>Everything has to be working together</li> <li>Have increasingly knowledgeable customers <ul style="list-style-type: none"> <li>Retailers and marketers have educated customers to highlight certain attributes of themselves – as a result, customers are very sophisticated and knowledgeable</li> </ul> </li> <li>Certain fibers won't sell well</li> </ul>		
	a. Knowledge of the customer	3	
	b. Strategic alliances	3	
	c. Demand	3	
Importance of variables to success of niche strategies			

**Additional comments:**

- Need to look at the value proposition
- Savvy customers want a different type of value
- If you create an emotional attachment, then can get price flexibility
  - More significant in the luxury market because it is the most emotional and least practical
- Need to be innovative and creative

Appendix N7: Company G Interview Results – Market and Strategy Success

<b>Topic</b>	<b>Executive's Comments Regarding Success Factors of Niche Markets and Strategies</b>	
<b>Success variables for niche markets</b>	a. Barriers to entry	3
	b. Customer service	4
	c. Market share	2
	d. Communication	5
	e. Loyal customer base	1
<b>Importance of variables to success of niche markets</b>	a. Barriers to entry	2
	b. Customer service	2
	c. Market share	2
	d. Communication	2
	e. Loyal customer base	3
<b>Success variables for niche strategies</b>	a. Knowledge of the customer	2
	b. Strategic alliances	3
	c. Demand	1
<b>Importance of variables to success of niche strategies</b>	a. Knowledge of the customer	2
	b. Strategic alliances	2
	c. Demand	3

Appendix N8: Company H Interview Results – Market and Strategy Success

<b>Topic</b>	<b>Executive's Comments Regarding Success Factors of Niche Markets and Strategies</b>	
<b>Success variables for niche markets</b>	a. Barriers to entry	1
	b. Customer service	4
	c. Market share	2
	d. Communication	3
	e. Loyal customer base	5
<b>Importance of variables to success of niche markets</b>	a. Barriers to entry	3
	b. Customer service	1
	c. Market share	2
	d. Communication	2
	e. Loyal customer base	1
	<ul style="list-style-type: none"> <li>• For category, customer service is not important</li> </ul>	
<b>Success variables for niche strategies</b>	a. Knowledge of the customer	1
	b. Strategic alliances	3
	c. Demand	2
<b>Importance of variables to success of niche strategies</b>	a. Knowledge of the customer	3
	b. Strategic alliances	2
	c. Demand	3

Appendix N9: Company I Interview Results – Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies
<b>Success variables for niche markets</b>	<ul style="list-style-type: none"> <li>a. Barriers to entry</li> <li>b. Customer service</li> <li>c. Market share</li> <li>d. Communication</li> <li>e. Loyal customer base <ul style="list-style-type: none"> <li>• Respondent could not rank these variables</li> <li>• Everyone is using the same mills</li> <li>• Can push customer service</li> <li>• Have to watch market share</li> <li>• Communication is definitely the most important, but the company does no advertising/marketing</li> <li>• If the price is low enough, then consumers will go elsewhere</li> <li>• <b>Added:</b> Market knowledge and Focus on objectives</li> </ul> </li> </ul>
<b>Importance of variables to success of niche markets</b>	<ul style="list-style-type: none"> <li>a. Barriers to entry 3</li> <li>b. Customer service 3</li> <li>c. Market share 3</li> <li>d. Communication 3</li> <li>e. Loyal customer base 3</li> <li>f. Market knowledge 3</li> <li>g. Focus on objectives 3</li> </ul>
<b>Success variables for niche strategies</b>	<ul style="list-style-type: none"> <li>a. Knowledge of the customer 1</li> <li>b. Strategic alliances 3</li> <li>c. Demand 2 <ul style="list-style-type: none"> <li>• Once you understand the customer, have to understand what the customer wants</li> </ul> </li> </ul>
<b>Importance of variables to success of niche strategies</b>	<ul style="list-style-type: none"> <li>a. Knowledge of the customer 3</li> <li>b. Strategic alliances 2</li> <li>c. Demand 3</li> </ul>

Appendix N10: Company J Interview Results – Market and Strategy Success

Topic	Executive's Comments Regarding Success Factors of Niche Markets and Strategies	
<b>Success variables for niche markets</b>	a. Barriers to entry	4
	b. Customer service	2
	c. Market share	5
	d. Communication	3
	e. Loyal customer base	1
<b>Importance of variables to success of niche markets</b>	a. Barriers to entry	3
	b. Customer service	2
	c. Market share	2
	d. Communication	3
	e. Loyal customer base	3
<b>Success variables for niche strategies</b>	a. Knowledge of the customer	1
	b. Strategic alliances	3
	c. Demand	2
	• Strategic alliances can be important	
<b>Importance of variables to success of niche strategies</b>	a. Knowledge of the customer	3
	b. Strategic alliances	2
	c. Demand	3

Additional comments: Were approached to do a clothing line with a new mom who is a celebrity – declined because, even though she is an icon, she could be gone tomorrow

- Better questions would be: Is the product innovative? Is there demand for the product? Will the products be profitable?