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Pui-Sze Chow
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Contemporary Case Studies on Fashion Production, Marketing and Operations

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Preface

The fashion industry is amongst the largest industries in the world. The global fashion market contributes a huge amount of GDP and employs a majority of people in many countries; thus it has pivotal impacts on the global economy. Apart from the volatile demand and fast-moving fashion trends, the dynamics of the industry is constantly affected by the advancement in technology and the ever-changing concerns from the consumers such as sustainability. Whereas continuous investigation and theory development advances the knowledge to tackle the up and coming issues in such a dynamic business environment, the study and reporting of real-world cases help illustrate the application aspect of those theories and generate further insights. A number of real cases in the fashion industry, such as the business model of the fast fashion brand Zara, and the innovative social media marketing approach of the traditional luxury brand Burberry, have even become benchmark textbook examples in the respective disciplines.

In the existing pool of literature, case studies in fashion business are usually documented according to some specific topics. Apparently, there is a lack of a comprehensive collection of examples that relates to the various contemporary issues encountered by the fashion industry. In light of this, we have edited this volume which features a number of case studies to illustrate the different challenges pertinent to the sector nowadays and to showcase the respective state-of-the-art solutions.

This edited volume includes thirteen chapters with diversified topics and geographical contexts (Table 1). According to the nature of the topics, they are organized in four parts, namely: (I) Fashion Production, (II) Fashion Branding and Marketing, (III) Fashion Operations, and (IV) Sustainability and the Fashion Industry. We briefly describe individual chapters as follows:

Table 1 List of chapters and details

Chapter	Topic	Segment	Case(s)	
			Geographical context	Name(s)
Part I: Case Studies on Fashion Production				
1	Domestic manufacturing	Apparel manufacturing firms	US	Tydale, 3fe Apparel, Lela Rose, Trina Turk, and Green 3 Apparel
2	Product development	Apparel trading and manufacturing	Hong Kong	An anonymous international luxury brand
3	Laser application	General	–	Miscellaneous
Part II: Case Studies on Fashion Branding and Marketing				
4	Brand positioning	Vintage retail brands	UK	Minted, City Retro, and an anonymous vintage retail brand
5	Internationalization	Family-owned luxury brands	Italy	Missoni
6	Rebranding and digitalization	Luxury brands	China	Three anonymous European luxury brands
7	Practices and considerations for email customer survey	–	Hong Kong	Local company of an international fashion accessories brand
Part III: Case Studies on Fashion Operations				
8	Role of retail stores	Fast fashion	Global	H&M
9	Click-and-collect process in omnichannel fashion retailing	–	Germany	Decathlon, Galeria Kaufhof, Hunkemoller, and Massimo Dutti
10	Supply chain strategy	Fashion renting companies	US and China	Rent-the-Runway, and Meilizu
Part IV: Case Studies on Sustainability and the Fashion Industry				
11	Sustainable innovation	Apparel supply chains	Hong Kong	TAL
12	Social responsibility programs	Fashion retailers	Brazil	An anonymous Brazilian fashion retailer
13	Used apparel collection programs	–	Global	Eileen Fisher, H&M, Patagonia, and Uniqlo

Part I: Case Studies on Fashion Production

Fashion production has always been facing different challenges owing to the very nature of the fashion products. Quick response is critical to the ever-changing preferences of the end-consumer market. Stringent cost control is necessary for profitability. Use of technology for product innovation and process efficiency offers competitive advantages.

Over the decades, it has been a common practice for fashion brands to outsource the manufacturing process to overseas suppliers (e.g. those in China, Bangladesh, and Mexico) for cheaper production of garments in large volume. Recently, there has been advocates for domestic production in light of the demand for quicker response and sustainability concern. In Chap. 1, Harris presents a study on domestic manufacturing and sourcing in the US apparel industry. Based on the findings of five case studies, the author discusses the niche of domestic apparel manufacturing. A “domestic and balanced sourcing model” is proposed that summarizes the various factors of competitiveness for domestic apparel production.

In Chap. 2, Fung and Choi examine the product development process in the fashion industry with reference to a case study of an international luxury fashion brand. Comparing its approach to product development with that commonly adopted by fashion trading companies in Hong Kong, the authors discuss the implications and provide suggestions to improve the practices of the latter.

In Chap. 3, Yuan, Chen and Luzzi presents a comprehensive review of the use of laser in different areas throughout the apparel production process, from fabric cutting, engraving, to fault detection and inventory management. Illustrated with examples the authors discuss the merits of the application of laser and highlight its potential to enhance environmental sustainability and innovations in apparel production.

Part II: Case Studies on Fashion Branding and Marketing

Branding and marketing play a paramount role to the success of a fashion brand. Proper branding and marketing strategies help a brand to stand out from the competitors and reach the target end-consumers. In Chap. 4, McColl, Canning, Shearer, and McBride explores the branding issue of vintage fashion retail brands. Based on the case studies of three vintage retailers in Glasgow, UK, the authors discuss the various elements that help enhance the positioning and operations of vintage fashion retail brands, including brand story creation, online communications with customers, and personalized customer services.

In Chap. 5, Runfola, Ranfagni and Guercini examine internationalization of Italian family-owned luxury brands. Through the case study on Missoni, one of the internationally reputed luxury brands, the authors discuss the challenges faced by the Italian small-medium-sized family-owned luxury fashion companies nowadays.

They conclude four key assets in managing the internationalization process of this type of luxury family business.

With the booming economy and improved living standard of the people, China has emerged as a very promising market for many western luxury brands. Yet socio-cultural factors may significantly affect the successful entrance of these brands in China. In Chap. 6, Rovai investigates the different branding and digitalization strategies adopted by three European luxury brands to enter into the Chinese market. Observed from these cases, the author emphasizes appropriate "luxury digitalization" strategy as the key to successful market positioning in China.

Working in a market-driven industry, it is crucial for fashion companies to keep updated with the consumers' needs and preferences. With the ease of access to mobile technology, email survey has become a convenient way to collect consumers' opinions. In Chap. 7, Wu and Tso presents an email survey project by a mass market fashion retailer to solicit consumers' perception towards the brand. The authors identify several good practices and discuss various considerations in conducting email survey for fashion retailers.

Part III: Case Studies on Fashion Operations

Fast fashion comprises a considerable segment in the fashion sector. In Chap. 8, Arrigo scrutinizes the roles of directly operated stores in the fast fashion business model. With reference to the case of H&M, one of the largest fast fashion retailers, the author asserts the significance of directly controlled retail network on the fast fashion business model. In particular, the ability to capture timely and extensive market information is paramount to the success of fast fashion business.

With the advance in and the tremendous use of mobile technology, the distribution channels are no longer confined to the traditional brick-and-mortar shops. In fact, an increasing number of fashion companies have been using different online portals to reach their customers. In Chap. 9, Bug, Gordon, and Staudenmaier study the click and collect service, one of the emerging omnichannel retailing services. By comparing the different aspects of the click and collect services offered by four German fashion retailers, the authors assess the current development in omnichannel retailing in Germany and provide recommendations to achieve seamless omnichannel customer experience.

Apart from omnichannel retailing, the concept of sharing economy has started drawing attention in the fashion business domain. With the increasing concern of sustainability, a new business model of fashion renting has emerged recently. In Chap. 10, Lai, Song, Xu and Chiu investigate the supply chain strategies adopted by two fashion-renting companies, namely: Rent-the-Runway in the US and Meilizu in China. Focusing on the delivery and laundry services, the authors compare the outsourcing strategies of the two companies and demonstrate the importance of the fit in the supply chain strategy with the business environment.

Part IV: Case Studies on Sustainability and Fashion Industry

Fashion industry has always been blamed as one of the industries that are most hazardous to the environment. Pollution during the production process and the landfill problem owing to the huge amount of used/unwanted clothing are few examples of the environmental issues rooted from the industry. Apart from the environmental concern, employee welfare and the relationship with other stakeholders lie on the core of corporate social responsibility (CSR) that had drawn attention for business nowadays. With the increased awareness and concern for environmental and social sustainability amongst consumers, fashion companies have been imposing stringent measures in their supply chains to minimize their impact on the environment and enhance social sustainability. Such measures include adoption of sustainability programs to evaluate and monitor supply chain activities, as well as the launching of used apparel collection initiatives to manage post-consumer wastes. The three chapters in this section look into the different sustainability approaches adopted by the industry.

In Chap. 11, Kim and Zorola report the case of TAL, an established apparel manufacturer for numerous famous global brands, with respect to their proactive approaches to sustainability. Based on the findings, the authors propose a "sustainable supply network innovation" model that emphasizes on network of support and co-creation within the apparel supply chain.

In Chap. 12, Moro, Mendes and Amato Neto explore the corporate social responsibility (CSR) program employed by a Brazilian fashion retailer, with a focus on the supplier selection process. With reference to Zadek's five stages of organizational learning (2004), the authors evaluate the merits and drawbacks, and afterwards suggest improvements for implementation of CSR programs.

In Chap. 13, Chow and Li study the used apparel collection (UAC) programs implemented by four fashion retailers. The authors discuss and compare the different features of these UAC programs, and suggest that the type of UAC programs a fashion retailer adopt should fit with its business model.

We are delighted that this book depicts many interesting case studies that complement theories and provide concrete illustrations of the real-world practices in the fashion business sector. We believe readers from both the academia and the private sector will find this edited volume a useful reference that could help them tackle the rising challenges in the fashion industry.

Last but not least, we would like to take this opportunity to sincerely thank Prof. Tsan-Ming Choi for his support and advice for this book project. Special thanks are also due to William Achauer, Vishal Daryanomel, Ravi Krishnan and Jebin Asir Jose for their kind assistance in preparing and completing the book. We are grateful to all authors who have contributed their interesting cases to the book. We are also indebted to the reviewers who devoted their precious time to review and provide us with valuable comments on the submitted chapters.

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Part I
Cases on Fashion Production

Chapter 1
USA Apparel Manufacturing and Domestic Sourcing

Carol Elizabeth Harris

Abstract This chapter presents a study on domestic manufacturing and how domestic manufacturers are surviving in the global marketplace. The study identified garment categories using OTEXA (Office of Textile and Apparel) information that had low percentage change in imports. Five case studies highlighted that the uses of balanced manufacturing and niche market were some of the main reasons why the companies were able to produce garments domestically. The models used as a framework for the analysis did not explain fully why some companies were able to remain competitive and use domestic production. A new model, the 'Domestic and Balanced Sourcing Model' was created to help explain the reasons why some garments are maintaining a domestic presence more than others and how certain companies are able to remain competitive in today's global marketplace.

Keywords Domestic sourcing · Niche products · Business models

1.1 Introduction

Over the past 25 years, the USA apparel manufacturing industry has undergone changes that have resulted in the country being affected by the global shift of the industry.

Increased global production has put the assembly sector of the USA garment industry under a great deal of pressure. Due to the availability of cheaper production costs overseas, manufacturers have found it difficult to retain domestic sewing operations and remain competitive. The result in the shift of manufacturing to overseas locations has been large-scale job losses. US studies on the impact of the Quota phase have shown massive employment disruption as increased global competition leads to even greater pressure on wages (Foo and Bas 2003). In the USA, wage and salary employment in the apparel industry declined 16% between

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the years 2004 and 2014 compared with an increase of 16% for all other industries combined (United States Trade and International Commission, USITC 2014). The decline translates into 153,000 lost jobs over the period, greater than the decrease in almost any other industry (US Department of Labor 2016). Declining employment has been caused by growing imports, fierce cost cutting, pressure imposed by retailers and international competition. A change in trade regulations has almost certainly been the single most important factor influencing future employment (USITC 2014). Many manufacturing companies are establishing overseas units where the workforce is cheaper (Deutsche and Kern 2007). This then leads to the closing of their domestic factories and moving their production overseas. These moves give them the option of reducing prices to remain competitive or increasing their profit margin.

Since the mid-1980s there has been an increase in apparel production worldwide but a decline in domestic production in developed countries (Oh and Moon 2003). This is partly due to '. …result of adverse economic circumstances, shifting patterns of demand, structural changes in distribution, developments in new technology and above all: a sharp escalation in international competition' (Kilduff 2005, p. 182). High-wage apparel manufacturers need to embrace new technologies to enable them to enhance their quick response capabilities which will give them a 'legitimate cost effective role' (Warburton 2004). Kilduff (2005) also points out that in order for USA apparel manufactures to be 'successful', they need to 'invest in new technologies…production and logistics'. More and more companies are sourcing manufacturing offshore but upgraded domestic production in the USA will continue to help 'produce leading edge products' (Kilduff 2005).

1.2 Literature Review

1.2.1 Smaller Firms: Niche Markets

Small firms play a limited role in mass production by providing reserve capacity during peak periods of demand (Scott 2002). They do, however, play a central role for the fashion industry with its highly uncertain markets and to niche market producers when order sizes are too small to outsource offshore. It was suggested by Dana and Hamilton (2007, p. 63) that '…the speed and flexibility of smaller suppliers could have been an asset in helping larger manufacturers to compete against imports'. Italy, however, made different choices to most other developed countries. Small manufacturing firms still continue to maintain a strong domestic foothold in their apparel manufacturing sector (Pellicelli 2006). They specialize in fashionable products which rely on flexibility, specialization and quality. Bailey-Todd (2008) suggested that large firms producing domestically using subcontractors that they have a long working relationship with help maintain domestic production. Bailey-Todd (2008) also states that Benetton, for example, performs the major part of its production in Italy , where it has a wide network of domestic subcontractors that ensure high productivity and flexibility (Bailey-Todd 2008).

The USA has two main areas of apparel manufacturing remaining, Los Angeles County, California and New York City. Apparel manufacturers have an advantage if they are located where there are related industries or clusters. These firms can produce faster due to the close proximity of the fabric and trim suppliers than a company that is located with low subcontractor clusters (Winger 1999). Los Angeles ranks first and NYC second in terms of clothing manufacturing facilities. With the largest number of manufacturing establishments left, LA can boast a strong infrastructure with the appropriate labour and capital for onshore apparel manufacturers to succeed (Bailey-Todd 2008). The area focuses on high value-added activities such as design and marketing. Due to this specialization, high-end fashion producers in LA may gain a competitive advantage (Scott 2002). High fashion that is often produced in LA can be produced with short lead times, quick turnaround and small order quantities (Bonacich 1998). Many firms in LA are, however, small- to medium-sized businesses that supply the niche market and often the firms can consist of less than nine workers (Scott 2002). Bailey-Todd (2008) suggests that historically the workforce in LA has been made up of immigrant workers. It has now transitioned from focusing on mass market to becoming a fashion centre for design-intensive apparel companies, where production and marketing allow the industry to survive (Bailey-Todd 2008). The LA market demands quick turnaround giving local producers an advantage over offshore producers. The ability to have control over quality and make last-minute adjustments based on specific market demands makes domestic production advantageous (Winger 1999). Many companies have invested in new equipment and technology to help stave off competition (Scott 2002). USA companies, especially in NYC and LA, continue to produce niche market apparel that have '…little labor content but commands high prices' (Bailey-Todd 2008, p. 262). New York City is the only other state in the USA that has a significant domestic apparel presence. It is also the major USA fashion centre that houses the design and buying offices of many of the large manufacturers and retailers in the USA (Dana and Hamilton 2007). The bulk of the industry that is left in NYC comprises small manufacturers and contractors that supply clothing to a fragmented set of niche markets (Bailey-Todd 2008). NYC's existing clusters of small manufacturers and contractors can provide quick turnaround times and manufacture products faster than their global counterparts (Crean 2002). Although foreign competition is causing many of these niche markets to decline, many are too small or orders are time-sensitive to be outsourced offshore (Doeringer and Carson 2006). The quick style changes and need for quick responses to new seasons trends require a direct collaboration between producers and designers, which would only be possible where there is a concentration of small and medium producers in close proximity to fashion markets (Kumar and Arbi 2008). NYC is also a centre for training new designers who often aspire to careers as independent designers. Young designers use the apparel producers in the city due to the size of their orders and their inability to meet minimum order quantities for global contractors. However, even these small orders can often be too small to be produced by small contractors (Crean 2002). If, however, there is any prospect for the USA apparel industry to carve out durable market niches for which it has a competitive advantage, it is likely to be in high value-added fashion producers where design, quality and speed matter and where orders are too small to tempt offshore competitors (Doeringer and Carson 2006).

1.2.2 Porter's Five Forces Model

The first concept of competitive advantage strategy was developed by Porter (1998) and is described as taking aggressive action to create a defendable position in the industry. These actions it is suggested will enable a firm to successfully manage competitive forces and create a higher level of economic return (Porter 1998). Porter's Five Forces Model illustrates the competitive strategies that have been implemented by many industries to help them maintain a competitive advantage. The clothing industry is a very competitive marketplace where the main goal is to entice the customer to buy their product. The retailer is constantly thinking of new ways to maintain and increase their customer base through advertising and product type. Independent designer labels also have their own advertisements in magazines and storefronts. The price point is a very important factor for the consumer and, in today's fast-changing marketplace, it is increasingly important. Customers are constantly looking for the best value for money even when buying designer labels. The price point is something that all companies consider no matter what size they are. The apparel industry, due to its low barriers to entry, is one of the most highly competitive manufacturing sectors in the world (Standard and Poor's 2004). As obstacles to trade among nations have declined due to improvements in transportation systems, technology transfer and government cooperation, the industry has seen a rapid increase in globalization. Porter (1998) indicates that potential new entrants pose a threat due to the increased level of capacity they afford. Such additional supply could drive down prices and cut into the profits of current producers. Potential entrants into the clothing industry are very high as the start-up cost is relatively low. Grunsven and Smakman (2001) suggests that due to the low capital investment and low technology needs it is very easy for apparel manufacturers to establish new businesses and low barriers to entry help facilitate competition within the industry. Not only the initial setup is low cost but also the wages are usually significantly lower in the offshore locations adding to their appeal by developed countries. Jones (2006) also pointed out that the apparel industry is not a knowledge-based industry and therefore research and development is not an area that is heavily invested in. Textile development, however, is a constantly evolving area with new fabric developments emerging on a regular basis.

There is not a great amount of research into smaller niche market companies. Jones (2006) pointed out that the UK concentrated on long production runs, whereas Italy adopted management strategies that incorporated niche-marketing policies, which appear to have achieved success. Smaller niche market companies could remain competitive through their product type and being smaller gives the companies greater control of their product and gives them flexibility when reacting quickly to changes in trends and demands. The threat of competition from substitute products occurs if multiple products are found to perform the same function (Porter 1998). Porter (1998) asks whether large companies are more profitable than smaller firms. He suggested that larger firms are more ‘protected by mobility barriers than smaller firms’ (Porter 1998, p. 145) and that they are more insulated from rivalry than smaller companies, and due to this the larger firms will be more profitable than smaller ones. However, smaller firms are able to follow specific strategies, and therefore are able to achieve higher product differentiation or a superior service as in niche market products. Porter (1998) acknowledges that in these instances smaller privately owned companies may be more profitable than larger ones.

1.2.3 Diamond Model

Porter’s five-force model was not really designed with a global marketplace in mind, so he developed the Diamond—Comparative Advantage of Nations model or The Determinants of National Advantage model as it is also known. It was developed for companies that were competing in a global marketplace. Porter included factor conditions, such as skilled labour, as necessary factors for industries to remain competitive in the global market. As mentioned earlier, the USA and many other developed countries are losing their skill base and this is a major concern for companies that still wish to manufacture within the USA. Companies that outsource do so because of attractive low labour costs, but as Warburton and Stratton (2004) stated this does not always produce high-quality work. However, this does not mean that low-cost producers never produce good quality work. Jones (2006, p. 157) suggested that Porter’s diamond framework highlighted the reasons for the use of offshore manufacturing to ‘offset the disadvantages which are predominantly high wages’. Most companies outsource because of the attractive low-cost labour, but this does not always produce high-quality goods. A constantly monitored production process will produce better quality as problems are highlighted through the process rather than at the end. The fashion industry relies upon supporting industries. The textile industry supplies the fabric for the garments and the sewing machine industry provides the equipment to make the product. There is very little fabric manufacturing left within the USA. For the USA, many companies source fabrics from Europe, which are subject to tariffs that were originally put in place to protect the domestic industry, which no longer exists. Also, high exchange rates can affect companies sourcing fabric from outside of the USA. The conflict between the costs of domestic manufacturing and offshore manufacturing is always being debated (Lowson 2003). While domestic manufacturing is more expensive, there can be many hidden costs when using offshore producers. Fogarty (2006) suggests that the hidden costs include export taxes, additional warehousing, transportation and insurance charges. Transportation is one of the greatest costs, but

Porter suggests that transportation improvements have lowered the cost of exchanging goods around the world. This of course does depend on how the product is going to be transported. Porter believes that industries today ‘do not resemble those that the theory of comparative advantage was built on’ (Porter 1998, p. 13). Technology has become an important factor in industry today. As long as the skills to produce the product efficiently and effectively are available alongside the technology, then companies are able to establish new businesses easily (Porter 1998).

1.2.4 Lean and Agile Manufacturing Concepts

According to Halevi, the industrial era that has been dominated by mass production is drawing to a close (Halevi 1999). Halevi postulates that the concept of Agile manufacturing will dominate the manufacturing industry. Agile manufacturing would be suitable for the fashion industry as it often has short product life cycles and high variety (Stratton 2004). Halevi stated that with agile manufacturing ‘competitive advantage will be determined by the new criteria of quality and customer satisfaction’ (Halevi 1999, p. 46). Halevi (1999) suggests that only highly competitive companies will use this approach due to the fact that the products are usually custom designed. This approach would lend itself to niche market products, as they are perceived as being exclusively designed. Although niche market products could fit into this approach, he also stated that the companies that embrace this idea would also consider environmental issues, which at this time many companies within the apparel industry do not. Suri (1998) suggests that Agile manufacturing is an evolving approach, but the core principles of how to implement it are still being evolved. He suggests that agility may take companies beyond Quick Response Manufacturing but QRM can also be applied to custom one of kind products and short production runs. The effect of this strategy is to reduce lead times and costs and thereby improving competitiveness and performance (Jones 2006). Porter (1998) suggests that long lead times require firms to base their decisions on projections rather than demands. Warburton and Stratton (2004) pointed out that it is not unusual for both retailers and manufacturers to make a 25% error in sales forecasting of a significant percentage of styles, but for fashion items this forecasting can be much worse. Porter (1998) pointed out that firms are often left behind even though the decision-making process or placing orders is in itself risky. The Just-in-Time approach is best applied to high-volume products that are repetitive and of a stable demand which for the most part is synonymous with most mass production processes. This is also the idea behind the principle of Lean Manufacturing when the product type is usually commodities with low product variety and long production cycle (Stratton 2004). This approach can be adopted by companies that have little style change and long production runs but is the opposite approach and contradicts the thought process of Agile manufacturing. It was also suggested by Stratton (2004) that Lean and Agile supply approaches could be used together as they enable companies to remain competitive as fashion goods usually have a short production life due to the ever-changing fashion trends. They can also be delivered at speed due to the fact that many niche market products are produced domestically.

1.3 Case Studies

The five companies selected for the case studies were based on the following criteria that each of the companies produces at least one of the garments that have been identified as having a low percentage change in imports from OTEXA website. The low percentage change in imports suggests that the products may be being produced domestically. The garment categories identified were as follows:

- Women's dresses MMF (Man-made Fibres)/Cotton/Wool,
- Men's and boys Wool suits,
- Men's and boys MMF/Cotton shirts not knit,
- Women's MMF shirts not knit,
- Men's and boys Cotton knit shirts,
- Men's and boys Cotton pants and shorts, and
- Women's Foundation Garments.

Two out of the five companies use both domestic and offshore productions, while the other three produce solely in the USA. All of the information was obtained directly from the owners of the companies.

1.3.1 Case Study 1: Tyndale

Tyndale is a privately owned company-based out of Pipersville PA. The owner Robert Whittenberg has been in business for over 20 years offering a varied product line.

Their product base varies from Flame-Resistant (FR) workwear to men's and women's casual wear. Their core business is supply managed apparel services to investor-owned utilities in the USA, but they also produce jeans and knit shirts for independent stores and through their website and catalogue. Whittenberg stated that 'Our made in the USA line is the broadest and deepest available in the market place'. They distribute to all major manufacturers, which enables them to provide virtually any product that their customer base wants. Their main customer is the utility industries which purchases FR garments. The labour union supports 'Made in America' products and is therefore prepared to pay higher prices for their products. In addition, they have a 'Made in the USA' catalogue that they distribute to customers who may be willing to pay a premium for 'Made in the USA' garments. They also sell through independent stores and through their website. One of their customers is a Japanese company that wants ‘Made in America’ jeans. As a manufacturer, Tyndale competes with divisions of VF Corporation (a fictitious name to reflect the more diverse product line.), Dickies, Carhartt and Riverside manufacturing. As service providers, they compete with Cintas and Wearguard who are manufacturers of workwear products. Cintas has a higher design aspect to their work wear collection. Robert Whittenberg, owner, mentioned that ‘we have noticed that many of our competitors have switched from substantially manufacturing in the USA to substantially all imported’. Generally, Tyndale’s pricing is higher than other manufacturers that are selling directly to the end user, but they offset this by providing a ‘better service, broader product choice and “Made in the USA”’, Whittenberg said. Their strength lies in the fact that they can provide garments quickly and cost-effectively with minimum wastage. They can keep products in stock, which enables them to provide their customers with what they wish to buy. Their customers want ‘Made in the USA’ products, whether they are American customers or Japanese customers that want ‘Made in the USA’ jeans. Their ability to be flexible is important but creativity is not. Due to their main business type, their product changes slightly from year to year. Advances in fabric are often the biggest changes that are made to their product. This therefore restricts any creativity that is often associated with the garment industry. They manufacture relatively close in American standards to their main office, which enables them to keep transportation costs down. The IT system that they have allows the customer service team to manage large complicated orders, while still having a personal touch in knowing their customers and their needs. Increased technology has allowed the company to use the most up-to-date computer software to provide the best service to their customers. They are leaders in the Flame-Resistant (FR) area of the industry, Whittenberg commented, which is the feedback he receives from competitors and vendors. They are respected in the industry as an honest and trustworthy organization.

1.3.1.1 Domestic Versus Offshore Production

Tyndale manufactures 100% of its products in the USA mainly in North Carolina and in Pittsburg, which are close to their distribution centre in Pipersville. The ‘Made in America’ label is their business and is a major selling point. Owning their own factories means that Tyndale has no need to subcontract any of their manufacturing, and, are therefore able to have hands-on approach with their production and the quality of the finished product. They have never used offshore manufacturers because of their products quality and their position in the marketplace. There will always be a need for clothing, Whittenberg commented, and the lowest cost producer for the most part is going to be sought. This will almost always be where textiles are also being produced. As a company, Tyndale does not want to use the lowest cost producer as they feel that they will not get the quality of work that they are looking for and therefore cannot match their current workmanship. In addition, their garments are made from domestic textiles, which have economic benefits because of lower transportation costs than international shipping. Whittenberg also believes that it is environmentally friendly to produce domestically as he is not shipping garments around the world. ‘Our customers want products that are made in the USA’ , Whittenberg said. ‘Because our fabrics are expensive compared to our labor costs, it is somewhat cost efficient to do so’. He expressed that US manufacturers are increasingly capable of doing small runs with quick turnarounds, which international manufacturers cannot do because of lead times. Manufacturing in the USA gives the supplier the ability to restock an item when it becomes out of stock. Ninety percent of their business is restocking. Whittenberg commented that you cannot simply stop selling an item just because it is out of stock; you need to get back into a stocking position to give the customer what they need. They manage all of their design and product development in house but send their pattern making and grading to a freelance pattern maker in Pittsburg. They develop two–six new products per year, but also make incremental improvements to their established products throughout the year. They also make order for their larger companies continually. When looking at the market level, Whittenberg commented that quality was a major consideration. ‘I have been able to produce superior products in the USA compared to internationally because there seems to be a general preference towards quality over cost cutting which is difficult to identify internationally’. Tyndale differentiates ‘Made in the USA’ garments from international ones. They include the location of manufacturing on each of their products. They have an IT system that allows them to manage extremely complex service requests for large customers in an efficient manner. The sales department is extremely experienced which enables them to offer their customers the best product for its end use. Over the past 20 years, there has been a huge increase in companies’ abilities to produce overseas. They no longer have to employ people in the same state or even in the same country. Technology for Tyndale has helped with placement of orders rather than outsourcing. They employ around 100 machinists of which many have been with the company since its beginning 20 years ago. Because of this, they have a strong skill base, which is something that many other companies feel that they do not have because of the movement of labour to offshore locations. Whittenberg commented that he thinks that there is not only a lack of skilled labour but also a lack of low-cost labour. Although a lack of skilled labour does not affect Tyndale at the moment, they know that in the future with the prospect of employees retiring they will need to replace and retrain new employees. Whittenberg commented that he terminated two machinists employment with him in the past year because of their inability to produce the standard of work that he is looking for. Over the past 10 years, it has been difficult to source employees in rural areas even though there are not many other jobs. Now urban areas employ mainly Latin and Asian workforces not Americans. Twenty years ago, after high school a girl would go to a sewing factory to find work. Today, they are now moving to the cities to find work in high-tech positions. Whittenberg said that ‘We seek to continue to improve all areas of our business, but we will continue to focus on a narrow segment of the overall FR market place’.