



Modeling of Niche Market Behavior of US Textile and Apparel Firms

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ABSTRACT

Intense competition from low cost producing countries, particularly China, presents a number of challenges for US textile and apparel firms. In order to remain competitive, these firms must find strategies in order to adapt to the changing dynamics. One direction in which US firms are moving is to focus on specialization, or niche marketing. By implementing a niche strategy, US textile and apparel firms are better positioned to insulate themselves from lower priced, commodity products. The current research examined how companies can identify, implement and maintain a successful niche strategy. The data collection consisted of two phases. Phase I used an industry survey with an aim to clarify niche strategy issues and to obtain information to develop Phase II of the study. Phase II used in-depth interviews conducted with US textile and apparel executives of companies deemed to have profitable niche products. The study resulted in an overall niche strategy model in addition to sector models [fiber and yarn producers, mill producers, sewn good manufacturers, "auxiliary" companies]. These models can be used for the identification and implementation of niche markets and/or products that can be used as a global competitive strategy.

Keywords: Niche marketing, competitive strategy, US textile and apparel industry, textile and apparel management

Introduction

Over the past few years, the United States textile and apparel industry has become less competitive in the global marketplace. There are many reasons for this, including overcapacity and low profitability; however, the dramatic increase in imports from low cost producing

countries, particularly China, has potentially had the greatest negative impact on the domestic industry (Johnson, 2004). The increase in textile and apparel imports into the US marketplace is the result of various occurrences including: the Asian financial crisis; liberalized trade agreements; currency manipulation by some exporting countries; and lack of enforcement of trade laws