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Apparel Import Intermediaries' Secrets to Success: Redefining Success in a Hyper-dynamic Environment

Barbara Dyer

Florida State University, Tallahassee, Florida, USA, and

Jung E. Ha-Brookshire

*Textile and Apparel Management, University of Missouri,
Columbia, Missouri, USA*

Abstract

Purpose – The purpose of this study was to obtain an immediate and deeper understanding of apparel import intermediaries' (AII) secrets to success in the hyper-dynamic US apparel market environment.

Design/methodology/approach – Personal in-depth interviews were conducted with 13 US apparel industry experts who provided an insider's lived experience of the industry. Within a holistic hermeneutic analysis, emergent themes were classified into two broad theme categories: the meaning of success and secrets to success.

Findings – The study's informants defined success as a long-term presence, a platform from which they could impact the industry through creative expression. AIIs' secrets to success emerged as (1) immersion knowledge management; (2) simultaneous dual relationship management; and (3) flexibility saturation.

Research limitations/implications – Although qualitative research methods are designed for a deeper understanding of the topic of interest, the study findings of an immediate and lived experience within the apparel industry should be viewed within a narrower context than survey research.

Practical implications – These findings offer timely best practices for apparel firms' success and furnish insights into some of the rarely accessible elements of firm management. The study's results may also offer guidelines for firms in other industries moving toward the apparel industry model of hyper-dynamism.

Originality/value – The study offered a definition and description of a new type of industry environment—hyper-dynamism. The study also revealed for the first time the reality of AIIs, especially how these firms defined success and took action to achieve it. Finally, the findings suggested a possible extension of resource-advantage theory.

Keywords Apparel import intermediary, Environment, Hyper-dynamism, Globalization, Success, Supply chain

Paper type Research paper

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Introduction

The movement of apparel production across international borders has fundamentally transformed the apparel industry, resulting in an extremely challenging business environment (Appelbaum and Christerson, 1997; Dicken, 2003; Jones and Hayes, 2004; Taplin and Winterton, 2004). The apparel import intermediary (AII), a domestic apparel service firm that links domestic wholesalers/retailers and foreign distributors/manufacturers to facilitate import transactions in the global apparel supply chain, represents one of the most significant outcomes of the US apparel industry's transformation. Ha and Dyer (2005, 2006) have recently discussed AIIs' new market environment, their development, and their distinctive functional activities, providing an in-depth analysis of the metamorphosis rendered by overwhelming changes in apparel market conditions. However, the question of what makes certain AII firms successful while others fail has not yet been addressed. The answer to this question could provide best practices for firms' success within the apparel and other industries and furnish special insights into the nature of the current apparel industry for industry analysts and academics.

Much has been written in the management literature about changes in market environments. Ireland and Hitt (2005, p. 64) state, "there is virtually uniform agreement that the complexity, turbulence, and extraordinary changes during the 1980s and 1990s are contributing to the rapid development of an ultracompetitive global economy." However, Ireland and Hitt's statement, in reality, describes a playing field that awaits most firms engaged in global commerce. For other firms, the

complexity, turbulence, and change can be far greater, especially when time drives an industry (Kuivalainen et al., 2004). The apparel industry, fueled by the cyclical nature of fashion, is, perhaps, more time-driven, that is, accelerated, than any other and could be said to operate in a hyper-dynamic environment. Hyper-dynamism in this study is defined as an industry environment characterized by complex market relationships, unpredictable environmental shifts, and intense competition for scarce environmental resources, coupled with accelerated business cycles.

Firm environment and performance have been strongly linked in the management literature and have been assessed traditionally through quantitative measures or post hoc secondary data (Ambler and Kokkinaki, 1997; Dess and Robinson, 1984). Although post hoc industry reports provide important information, this kind of information tends to be unavailable when firms are small, privately held, or new to the industry (Dess and Robinson, 1984). Many AIIs seem to fall under one or more of these criteria, rendering traditional approaches for investigating these firms' performance ineffective. In response, this study sought to obtain an immediate and deeper understanding of AIIs' secrets to successful performance through the perspective of active participants who have been immersed and survived in the hyper-dynamic US apparel industry environment (Wengraf, 2001). Their perspective can provide: (1) essential and timely information that reflects the true realities of the business context; and (2) core, deep factors and processes that post hoc secondary data or other media coverage

often fail to deliver (McCracken, 1988; Wengraf, 2001).

This paper first presents a theoretical framework, an in-depth explanation of hyper-dynamism, and an overview of the role of environment and firm performance measures, followed by the study's conceptual model. Next, the qualitative in-depth interviews and interpretive data analysis are discussed. The study results follow, and, finally, the paper concludes with a brief summary of key findings, the contributions to the literature, the implications of the study findings, and future research opportunities.

Background

Resource-advantage theory of competition framework

Little research has been done to date on AIIIs; however, one advantage of recognizing them as a firm type is an exceptional opportunity to assess how existing theory does or does not adequately explain their reality. The results of Ha and Dyer's (2005, 2006) study of AIIIs' environment, development, and functions highlighted the importance of resources in the very existence of these firms. The previous study, as well as this study, has also emphasized the role of environment and the special consideration needed for firms operating within a hyper-dynamic environment. Based on this logic, the study's research questions have been approached using a resource-advantage (R-A) perspective. The R-A theory of competition defines competition as the process of a disequilibrating and on-going struggle for comparative advantages in resources, with a focus on the firm's unique resources or assortment of resources that achieve superior financial performance in a market environment with heterogeneous and

immobile demands and resources (Hunt, 2000).

A new definition of environment: Hyper-dynamism

The importance of the firm's environment in business practices has been well documented in the management, marketing, and organizational behavior literature. Numerous terms and descriptions for firm environments have been proposed, with Sharfman and Dean (1991) summarizing the three major dimensions of the environment generally accepted in the literature: (1) complexity (the diversity of components in the environment); (2) turbulence (the rate of unpredictable environmental change); and (3) resource availability (the level of competition for scarce resources in the environment) (see Table I). Although each of these dimensions provides an important environmental component, even when all three dimensions are considered together, they fall short of accurately describing certain types of chaotic environments, because they tend to focus on the rate of unpredictable change and fail to account for the impact of predictable, but accelerated, business cycles.

"Take in Table I"

Acceleration of the business cycle could be said to be an issue for most business concerns dealing with today's technology changes, consumer demands, global competition, and a host of factors that have created time pressures. The apparel industry, however, presents a unique environment that is often overlooked, because of an old, outdated industry image, including an assumption of "cheap" labor processes, unsophisticated technology, human rights issues, and the perceived triviality of fashion (Taplin, 2006). In reality, the US apparel industry's environment is characterized by rapid technology change in capital investments and communication

management, increasing information intensity, extremely short production cycles, myriad small batch production demands, fragmentation of businesses processes due to globalization, language and culture management, and legal and ethical matters. The crux of the matter, however, is that next to food, apparel products in general have among the shortest life cycles of any consumer products (Michelle, 2004). The apparel industry must accommodate all the pressures affecting today's markets, but beyond that must also grapple with punishing business cycles driven by the standard eight, and possibly up to monthly, market seasons. Therefore, this study suggests that a new definition of environment, hyper-dynamism, is needed. Hyper-dynamism describes the unique nature of industries, such as the apparel industry, which incorporate high levels of the three established dimensions of environment—complexity, turbulence, and resource scarcity—but also includes the new dimension of acceleration, defined as the speed of predictable business cycles. Hyper-dynamism includes a heady blend of all of the chaotic elements that contribute to the modern business environment—but at hyper-speed.

Environment and firm performance

Traditionally, many researchers considered the external environment a given, or a set of conditions to which the firm can only react or adjust, thus, *de facto* determining firms' activities. For example, Fredrickson and his colleagues argued that certain resources of the firm, such as rational comprehensive processes, would only work in stable environments, not in dynamic environments (Fredrickson, 1984; Fredrickson and Iaquinto, 1989). This view of the firm environment was based on a key underlying assumption of neoclassical economic theory that the environment

strictly determines firms' conduct and performance (Hunt, 2000; Morris et al., 2002). An opposite theoretical argument, suggesting the explanatory or moderating role of firm environment demonstrates the significant changes in how firm environments are now perceived—very differently from the traditional view of stable, static, homogeneous, and equilibrium-oriented environments of the past (Miller and Frisen, 1983; Goll and Rasheed, 1997). This new perspective has led to a whole new body of research, as well as new findings on the role of environments relative to firm performance (Ambler and Kokkinaki, 1997).

The concept of firm performance, a vague and inconsistent construct in the literature, has fostered consistent debate about what in reality composes performance. In this vein, Ford and Schellenberg (1982) examined the four major perspectives on the concept of firm performance. The first view is the goal approach which defines performance in terms of goal attainment, assuming organizations pursue ultimate and identifiable goals (Etzioni, 1964). The second perspective is the systems resource approach which defines performance in terms of the organization's ability to secure scarce and valued resources, emphasizing the relationship between the organization and its environment (Yuchtman and Seashore, 1967). The third perspective is the process approach which defines performance in terms of the behavior of organization participants (Steers, 1977).

Though each of these perspectives has advantages in explaining firm performance, each has been criticized for its unidimensionality. Instead, Connolly and colleagues (1980) have proposed the multiple constituency approach to firm performance, highlighting multiple and subjective evaluative criteria, both directly and indirectly associated with the firm.

Under this view, the firm is an open system and a coalition of diverse constituencies, each possessing different levels of performance expectations for continued membership in the coalition. Supporting this, Ambler and Kokkinaki (1997, p. 665) concluded, after reviewing success-related articles in the recent leading marketing journals, that “success is both particular, against specific objectives, and subjective, in the sense of who selects which goals and which performance benchmarks.”

Conceptual model for AIIs’ secrets to success

Defining AIIs

The generally held relationship between environment and performance suggests that firms do change their activities to meet the demands of their environments (Hunt, 2000). This, in turn, implies that most industries today must evolve and perform in response to today’s new markets that are characterized as highly complex, turbulent, and intensely competitive (Dicken, 2003). When either the firm is new or the environment is changing for an existing firm, it calls into question what dimensions appropriately define performance and, second, demands an understanding of what actions will actually drive those performance dimensions. AIIs have adapted their firms to carry out unique design, marketing, sourcing, and service activities in response to the transformation of the US apparel industry (Ha and Dyer, 2005, 2006).

As stated earlier, this study defines AIIs as domestic apparel service firms that link domestic wholesalers/retailers and foreign distributors/manufacturers to facilitate import transactions in the global apparel supply chain. Domestically, AIIs work closely with all firms interested in selling imported apparel products either to other firms or directly to consumers. Internationally, AIIs work closely with all

firms interested in selling apparel products to foreign markets. While trade data provided by US government or trade organizations clearly capture the movement of apparel products across international borders, it is currently extremely difficult to track domestic movement of foreign products accurately. That is partly due to government business classifications, for example, the North American Industrial Classification System (NAICS), that fail to distinguish between the movement of imports and domestic products once across the border. Furthermore, although numerous terms have been proposed by academics and the apparel trade to describe the firms responsible for the movement of imports domestically, a common terminology to characterize them has not yet developed. In fact, confusion surrounds much of the terminology for intermediary firms. For example, the term, apparel jobber, has been commonly used to refer to intermediaries in the domestic industry, yet it tends to be strongly linked by some to manufacturers and manufacturing activities (Olsen, 1978), which may exclude apparel intermediaries whose focuses include retailer needs. In addition, others view jobbers as firms that take small contracts for existing apparel goods to turn them around quickly, often to move those goods on to other retailers or discount establishments.

Thus, it is proposed that the new term, AII, provides a comprehensive category that includes not only apparel service firms that have acted as intermediaries in the past, such as import wholesalers, import jobbers, import merchant wholesalers, import agents or brokers, import trading companies, and foreign manufacturer’s sales offices or sales branches, but also some of the new intermediary firm types that have resulted from the changes in the apparel industry. Firms making direct sales to the ultimate

consumer, however, would be excluded given a lack of “intermediary” role. Under this new definition firms currently viewed as apparel manufacturers might more accurately be classified as AIIs. For example, Baughman (2004) argued that the 14 leading US apparel firms that are currently classified as apparel manufacturers (NAICS 315) are, in fact, importing or sourcing most of their apparel products, even up to 99%, for domestic sales.

Despite the difficulties of identifying AIIs and tracking their economic contributions, some indirect conclusions about AIIs can be drawn from extant trade data. For example, the United States imported up to \$71.3 billion of apparel products in 2003 (World Trade Organization, 2004). How much of this volume was directly handled by domestic retailers (e.g., Wal-Mart or Target) is unclear; however, it is clear that AIIs take the major responsibility for the overall import volume of apparel in the United States. These AIIs would include the smaller firms that are drawn to the garment centers in New York, Los Angeles, Dallas, Chicago, and Atlanta, as well as the larger firms such as VF Corporation (Greensboro, NC) and Oxford Industries, Inc. (Atlanta, GA) that are still perceived as manufacturers.

Conceptual Model

Given the impact of environment on apparel firms, AIIs offer an excellent model for exploring how firms respond to new market demands, redefine success (if necessary), and reevaluate firm success factors in the hyper-dynamic US apparel market environment. Figure 1 demonstrates the ongoing changes associated with hyper-dynamic market demands and firm responses. It should be noted that the relationships are not just circular, but are also spiraling upward in response to what is

generally seen as an increasingly complex and competitive business environment.

“Take in Figure 1”

Methodology

To obtain a richer, deeper understanding of AIIs, the study explored the lived experiences of their strategic decision makers who have been immersed in and survived the hyper-dynamic US apparel market environment. Their experiences are important because the activities of many AIIs are not addressed by mass media or US government statistics. This quandary is deepened by private ownership in some instances. The result is an unclear picture of AIIs and their activities. Consequently, the research questions for this study were addressed through long, in-depth, yet lightly-structured interviews, using interpretive analysis of the interview texts. These techniques allow the interviewer to see and experience another person’s world through his or her eyes without violating the participant’s privacy (McCracken, 1988) and to reveal depth realities that could be far different from surface appearances. Thus, these techniques are excellent approaches when building a model of a particular reality in the beginning stage of the research cycle (Wengraf, 2001).

Data Collection

The study’s informants were purposively sampled across strategic decision makers of AIIs primarily located in New York City (see Table II). Purposive sampling techniques were especially appropriate for the study’s objectives as they support researchers in generating conceptual models in an exploratory research context (Mason, 1996). These expert informants offered insights into the apparel industry of one of the largest apparel importers in the world. The study’s expert informants were selected

based on their expertise and their ability to detail their own immersion experiences in the hyper-dynamic US apparel market environment (Mason, 1996). The research team approached the study's informants through personal contacts, a business directory, and personal visits to apparel showrooms located in New York City, one of the natural epicenters of US apparel import intermediary firms.

“Take in Table II”

Totally, 13 expert informants participated in the interviews during the summer of 2005. The 13 firms participating represented a range of apparel import intermediary firms. Three were former manufacturers (now import intermediaries as they have abandoned domestic manufacturing facilities); two were foreign manufacturer's US domestic partners; two were traditionally regarded as jobbers; one was an industry consultant who represented all types of apparel firms; and five were specialized apparel service firms providing high levels of design, marketing, sourcing, and service. A review of the transcribed interviews indicated repeating ideas, suggesting information saturation (Mason, 1996). Previous exploratory studies of firm issues using similar methods also suggested that 12 to 20 interviews were sufficient to achieve research goals (Bello et al, 2003; Souchon and Diamantopoulos, 1997). Each interview took between 30 and 60 minutes, with most interviews taking place in the informant's offices, home, or in a hotel lobby. During the interviews, each expert informant was asked to share his/her views on the meaning of his/her firm's success and its unique secrets associated with success. The interviews were audiotaped and then transcribed for analysis purposes.

Data analysis

For data analysis, three cycles of interpretive procedure, a movement from the part to the

whole, were conducted: (1) an intratext cycle; (2) an intertext cycle; and (3) interactive movements between the intratextual and intertextual interpretive cycles (Dutton and Dukerich, 1991; Thompson, 1997). The first part-to-whole cycle, an intratext cycle in which each transcribed interview was read in its entirety, provided a holistic view of the total interview text. The second part-to-whole cycle, an intertext cycle in which the texts were analyzed across interviews, allowed for the emergence of similarities and differences. When the two part-to-whole iterations were completed, interactions between the intratext and intertext cycles were evaluated across different interviews, reflecting back on the previously interpreted interview text in light of newly developed understandings.

During the first part-to-whole cycle, 14 themes related to the meanings of AII's success and their secrets to success emerged. Themes were defined in this research as repeating topics of discussion, capturing the central ideas or relationships across interviews. During the second part-to-whole cycle, each discrete unit of interview data was coded by the unit of its coherent meaning, and the codes were assigned to related themes. The third process, interactive movements between the intratext and intertext cycles, resulted in further consolidation or reassignment of previously analyzed individual codes with newly emerged understanding of the themes. Finally, four broad theme categories that included nine unique themes emerged across the interview texts: (1) two themes under one broad theme category of the meaning of AII's success; and (2) seven themes under the three broad theme categories of AII's secrets to success.

Over time, a holistic interpretation resulting from a fusion of horizons between the researchers' frames of reference, based on a joint tenure of approximately 30 years

of floor experience in retailing and sourcing experience in manufacturing, and the texts being interpreted was achieved (Spiggle, 1994; Thompson, 1997). This fourth and final interpretive process led to the creation of a conceptual model that illustrates the relationships among the broad theme categories and the individual themes explored.

Findings/Interpretation

The meaning of success perceived by AII's

Because successful performance is multidimensional, both subjective and objective, capturing the core meaning of success between the research team and the informants, as well as across the informants, was a fundamental first step (Ambler and Kokkinaki, 1997). At a surface level, the expert informants expressed success as the accomplishment of immediate, short-term goals, including hiring experienced senior managers, finding a wealthier financial partner, acquiring larger inventory spaces, increasing sales by a certain percentage in a given time, or practicing relationship building with new buyers. However, at a deeper level, the study informants shared unconventional views of success that were far different from the traditional managerial emphasis on financial gains or firm growth in size or sales. AII's long-term success at a deeper level emerged as "being able to be who I am," i.e., to freely impact the market through their creative contributions.

Informant 3: We don't want to become the Calvin Klein of the world, because what we want to become is the XXX [her company name] of the world. We don't want to lose focus. We want to maintain the ethics that we started with and grow with it. We don't want to lose sight of who we really are. We know who we are, here.

At a surface level, in order to achieve that freedom, AII's expressed a desire to survive their hyper-dynamic market environment by "staying in business." The legitimacy of their existence appeared to be particularly important for AII's because of their intermediary position in the global apparel supply chain. After all, if domestic retailers and foreign manufacturers conducted business directly, there would be no reason for them. At a deeper level, however, AII's were describing the need to establish a long-term presence in the industry instead of merely surviving as a firm. In an industry where small and medium-sized firms come and go quickly, achieving a stable platform from which to freely impact the market emerged as an important element of AII's competitive advantage.

Informant 5: We provide the product that they can't do themselves, which is why we have the licenses that we have, because if you don't provide the product that the retailer cannot do themselves, you cannot stay in business. So, you have to have the product that has unique point of view, has to be a reason for the retailer to need you. If not, you won't be staying in business.

The secrets to success expressed by AII's

Business managers working under time pressure are quick to answer questions about their businesses based on surface, tip-of-the-tongue responses that call heavily on numbers and routine business jargon. Using the qualitative lens, however, the informants and research team teased out deeper understandings of the secrets to AII's success. At a surface level, each expert informant claimed to have a unique recipe to success. Yet, at a deeper level, three common theme categories emerged across the interview texts: (1) immersion knowledge management; (2) simultaneous

dual relationship management; and (3) flexibility saturation.

Immersion knowledge management. Knowledge, a critical resource for all firms, has been researched heavily from the point of view of knowledge type, magnitude of knowledge changes, and knowledge's impact on firm performance (Kotler, 2003; Marinova, 2004). However, these major streams of research do not seem to reflect the dimensions of knowledge critical to AII's success. Knowledge of the marketplace surfaced with a sense of extreme immediacy that may be unique to the hyper-dynamic apparel market environment, and that immediacy seemed to render traditional marketing strategies ineffective. Moreover, the knowledge needed was described as only being acquired through years of personal experience and immersion on the floor, either on retailers' store floors or manufacturers' production floors. This, in turn, implied that success in AII's appeared to be unusually tied to personnel management. Literally, your firm personnel "can make you or break you."

Informant 4: In our particular situation [a trendy junior market], we don't really have time to go through that (the whole process) because by the time you get there [upper management of the buyer side] and make the decision, the trend has changed. You know, so, that's something that people have to understand.

Informant 1: While you are there [foreign manufacturers' production sites] and check on the deliveries, styles, and stuff, I've been more trained in garment, apparel quality and products. That's how I acquired my expertise that you cannot get from your office. You have no clue as to what is happening [overseas] if you don't go and see. I have seen MANY, MANY companies

hurt because they thought production is as simple as a piece of paper, called a purchase order!

Simultaneous dual relationship management. Developing long-term interactive relationships, i.e., relationship marketing has represented a major thrust in marketing theory and practice since the mid 1980's (Barns, 1994). The study revealed that AII's have two equally critical business channel members, retailers and manufacturers, both of whom have the power to impact their very existence. Consequently, they have faced a distinctive challenge to establish and maintain two equally important types of business-to-business (B2B) relationships simultaneously. That is AII's must manage a B2B relationship with their domestic clients and a B2B relationship with foreign suppliers, exercising a multiple personality approach of being both buyer and seller at the same time while managing two vastly unequal power positions.

With domestic clients, AII's pointed out that they pursued proactive, yet personal and non-contractual relationships, based on 24/7 service designed to please and accommodate client requests on the spot. With foreign manufacturers, AII's shared that they maintained relatively more contractual relationships, yet these contractual relationships ultimately evolved into stable partnerships over time, establishing true interdependency. Ironically, the actions that AII's engaged in with domestic clients, patterned on the literature's recommendations, often seemed to be ineffectual because this part of their B2B relationships were, ultimately, dictated by domestic clients with overwhelming power. With foreign manufacturers, a relationship with a more equal power structure, transactions began with what seemed to be cold, cut-and-dried contracts and evolved

into trust building and long-term partnerships.

Informant 3: We are not a type of sit-backs. We want to know who it is we're selling to. We want to talk to them [our buyers]. We want to develop a relationship with them [our buyers] directly and we have very good relationship with any of our buyers. We are always there when they [retailers] need us.

Informant 2: We have over the years established relationships with a number of manufacturing facilities such that we have significant presence with them and because of that, and they know that we plan our production in advance and we honor our word, we pay our bills, and they can rely on us. They have come to really appreciate it and everything so we in turn were able to assure an appropriate quality, delivery and so that relationship that has been created.

Flexibility Saturation. As external environment becomes more volatile and uncertain, a firm's flexibility becomes an important strategic dimension in the global marketplace (Abbott and Banerji, 2003). Yet, the complex and multidimensional nature of firm flexibility can make it an extremely difficult concept to grasp. The three most common streams of academic research on firm flexibility are: (1) manufacturing system flexibility; (2) small firms' responses to niche opportunities; and (3) transnational corporations' adaptive responses to environmental uncertainty (Power and Reid, 2005; Sanchez and Perez, 2005), with by far the most research having been done on manufacturing system flexibility. While academic research has focused on flexibility from these three perspectives, the study's informants expressed operational flexibility as an *integration* of multiple dimensions of

flexibility. On the surface, this integration appeared to be driven by manufacturing-related activities and, therefore, targeted the aggregate level of supply chain flexibility. In this light, AII's flexibility was expressed as free movement from country to country to meet demands—or what might be called “market choices without boundaries.” This flexibility may well be associated with the apparel industry having become one of the most globally dispersed industries (Dicken, 2003).

Informant 10: If we own the manufacturing, it's as much as the company has been in business for many decades, we would be limited to the United States, we may be out of business by now. As it is, we do have flexibility of being able to move country to country as quotas and restrictions are put in place or lifted as the capabilities of one country go down and another country's capability's ratchet up.

At a deeper level, AII's flexibility emerged as something quite different from the conventional reactive view provided in the extant literature. First, AII's flexibility was described as proactive, i.e., taking full initiative to convert market uncertainties into market opportunities, rather than reactive, i.e., adapting to environmental uncertainty. The study's informants expressed that environmental uncertainties represented a pool of new opportunities that could be anticipated unafraid.

Informant 13: We're constantly on top of what's going on. We take full initiatives to being able to evolve with the times. Being able to evolve with where the fashion is going, and where it's headed, being able to really hit that nail, right on the head basically.

Informant 5: I think that anybody can do anything they want, as long as they

really believe in what they're doing. You have to really believe in that, and then you're gonna be fine. And do not be afraid. Just take a chance. You have to be unafraid to be afraid. If you feel afraid, it's ok as long as you are not really afraid.

Second, and also at a deeper level, the informants extended the concept of flexibility into a firm mindset, a whole organizational culture, that informed every activity of the firm, rather than as capabilities aligned only with certain actions, personnel, or areas of the firm. This flexibility saturation was manifested as versatility, suggesting that these firms leveraged a wide range of resources to carry out firm actions—to the extent that “if you can imagine it, you can make it happen” (see Figure 2 for the study's findings on AII success and secrets to success in the hyper-dynamic US apparel market environment).

Informant 6: I think this company has been successful and we can do many different things. Somebody comes in to us and they want Kids PJs, we make Kids PJs. If someone comes in to us and you know, they want latest sleepwear to make with it, we're very versatile, we're special experts. We'll MAKE whatever it is. We'll SOURCE whatever it is. I think that's the key thing.

Figure 2

Discussion and implications

The movement of apparel production across international borders has transformed the apparel industry, resulting in a challenging business environment and questions about the industry's future (Appelbaum and Christerson, 1997; Dicken, 2003; Jones and Hayes, 2004; Taplin and Winterton, 2004). Jones and Hayes (2004) questioned whether the apparel industry in the UK is moving toward “extinction or evolution” (p. 262),

and Scheffer and Duineveld (2004) asked if the Dutch apparel industry is in its “final demise or regeneration” (p. 340). While the shock of the transformation of the apparel industry has engendered a preoccupation with the change itself, business has gone on with numerous firms successfully engaged in apparel-related businesses in developed economies. These firms, including US AIIs, are making significant impacts on the apparel industry, leading this study to explore an immediate and deeper understanding of AIIs' secrets to success through a qualitative analysis of the views of industry experts who alone can provide an insider's lived experience, a perspective rarely understood by industry outsiders.

The study results included four key findings. First, at a deeper level, AIIs in this study, instead of focusing on sales- or profit-oriented performance, described success as reaching a long-term presence, a platform, from which they could impact the industry through creative expression, i.e., building competitive advantage. Three of the findings addressed these firms' success factors: immersion knowledge management, simultaneous dual relationship management, and flexibility saturation. Interestingly, the success factors described by the informants did not resemble the standard firm success factors proposed in the management literature. AIIs' immersion knowledge, requiring a sense of extreme immediacy, appeared to lead AIIs to put a special emphasis on personal experience gained on the retailers' or manufacturers' floors. AIIs' unique B2B relationships, requiring simultaneous management of two unequal power positions, sought both proactive, personal, non-contractual relationships with domestic clients and contractual, trust-building, long-term partnerships with foreign manufacturers. Finally, AIIs' operational flexibility emerged as a firm mindset that permeated their every activity,

taking full initiative to convert market uncertainties into market opportunities and using versatility to exploit those opportunities.

This study makes several significant contributions to the literature. In reviewing the business environment literature, it became clear that none of the extant dimensions truly captured the reality of the apparel industry environment as expressed by the study informants. It was necessary to create a new definition of environment, hyper-dynamism, to adequately grasp the extent of the complexity, turbulence, resource scarcity, and acceleration issues surrounding the activities that take place within some industries. Presenting this new concept of environment represents a critical contribution, because of its absence in the literature and because the study informants clearly expressed that the pressured environment they have faced has driven AII's planned actions and their implementation of daily operations.

A second important contribution of this research was to elucidate the reality of AII's, who, although often not recognized as a unified group by the government, their clients, the mass media, and academic researchers, are making significant contributions to the US economy. The elucidation was surprising even to this research team who together has close to 30 years of business experience in the apparel industry. Furthermore, the three success factors, immersion knowledge management, simultaneous dual relationship management, and flexibility saturation, were all strongly tied to firm personnel and their internalized personal characteristics. Acquiring and keeping personnel with such characteristics seemed to have strong implications for firm strategies, including hiring, management style, firm size, and opportunity analysis.

Finally, the study may have implications for the resource-advantage (R-A) theory of competition. The study's results showed consistent support for the importance of resources and the process of acquiring those resources, i.e., the process of R-A competition. The findings, however, do not reflect R-A theory's assumed view of superior financial performance as the firm's primary goal. Instead, the results more closely fit a multiple constituency approach to firm performance—as reflected by a focus on the “freedom to be creative” rather than on “becoming a Calvin Klein.” (i.e., becoming a multi-billion dollar company). In sum, the competition process proposed by the theory seemed to be consistent with AII's competition reality, while the theory did not seem to capture AII's performance reality accurately.

Many future research possibilities await researchers in this area. First, empirical testing of the study's results about US AII's' secrets to success would be valuable for both apparel practitioners and academics. The results from this testing may help practitioners reevaluate their supply chain structures in terms of partner selection and efficient resource-leveraging strategies. Given that the study sample was comprised of small and medium-sized, privately owned AII's—which represent the majority of AII's—future researchers may want to explore larger, publicly owned AII's to understand any differences and similarities between these firms. They may also want to expand our understanding of these firms in other developed economies. It may also be fruitful to investigate the meaning of success for other apparel supply chain members, such as retailers and manufacturers, who experience similar hyper-dynamic environments. Finally, the possibility of status quo as an intermediate firm objective may be worth further consideration.

Table I. Dimensions of the Environment

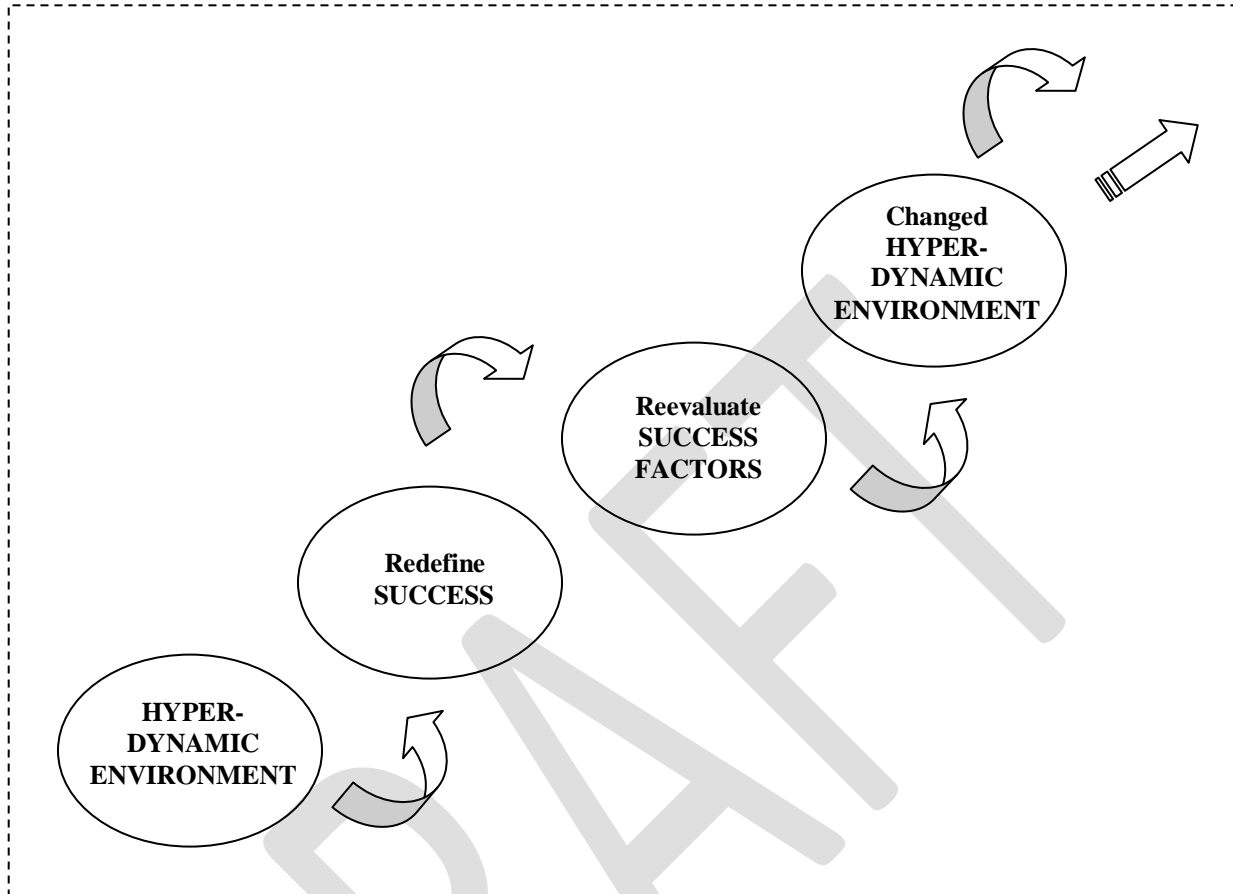
Terms	Definitions
Complexity:	
Complexity	The number and heterogeneity or diversity of factors and components in the environment that the focal unit has to contend with in decision making (Dess and Beard, 1984; Tung, 1979). Related terms include <i>heterogeneity</i> (Aldrich, 1979; Thompson, 1967) and <i>diversity</i> (Mintzberg, 1979).
Turbulence:	
Dynamism	The rate and unpredictability of environmental change (Dess and Beard, 1984).
Routineity	The consistency of variability and analyzability of the stimuli confronting the organizational unit (Tung, 1979).
Turbulence	(1) The high rate of inter-period change (in magnitude and/or direction) in the “levels” or values of key environmental variables; and (2) the extent of uncertainty and unpredictability as to the future values of these variables (Dess and Beard, 1984; Glazer and Weiss, 1993).
Uncertainty	The firm’s inability to understand or to predict the state of the environment due to a lack of information or a lack of understanding of the interrelationships among environmental elements (Milliken, 1987; Matthews and Scott, 1995).
Resource availability:	
Hostility	Intense competition for scarce environmental resources (Mintzberg, 1979). Related terms include <i>illiberality</i> (Child, 1972).
Munificence	The extent to which environmental resources can support sustained growth of an organization based on resource availability (Aldrich, 1979; Dess and Beard, 1984). Related terms include <i>capacity</i> (Aldrich, 1979).
Acceleration:	
Acceleration	The speed of predictable business cycles (study definition).

Table II. Study Informants' Demographic Information

Expert Informants	Position Level	Total Years in the Industry	Main Products of Participant's Firm	Gross Sales of Company (U.S. \$)	Self-rated Company Performance¹
1	President	28	Consulting Service	No Reply	No Reply
2	Vice President National Accounts	30	Uniforms/Corporate Apparel	No Reply	7
3	Director of Marketing & P.R.	7	Children's Apparel	No Reply	7
4	President	21	Ladies' & Juniors' Apparel & Accessories	40 Million	8
5	CEO	30	Sleepwear, Loungewear, & Daywear	Over 100 Million	8
6	Product Development/Sales	15	Ladies' Underwear	No Reply	10
7	Marketing Manager	20	Ladies' Apparel	No Reply	5
8	President	25	Ladies' Underwear	7 Million	6
9	President	33	Ladies' Lingerie	41 Million	7
10	Sales	40	Ladies' Lingerie	80 Million	8
11	Vice President of Merchandising	15	Ladies' Underwear	No Reply	7
12	President	20	Men's Apparel	2.5 Million	5
13	Sourcing Specialist	12	Children's Apparel	No Reply	8

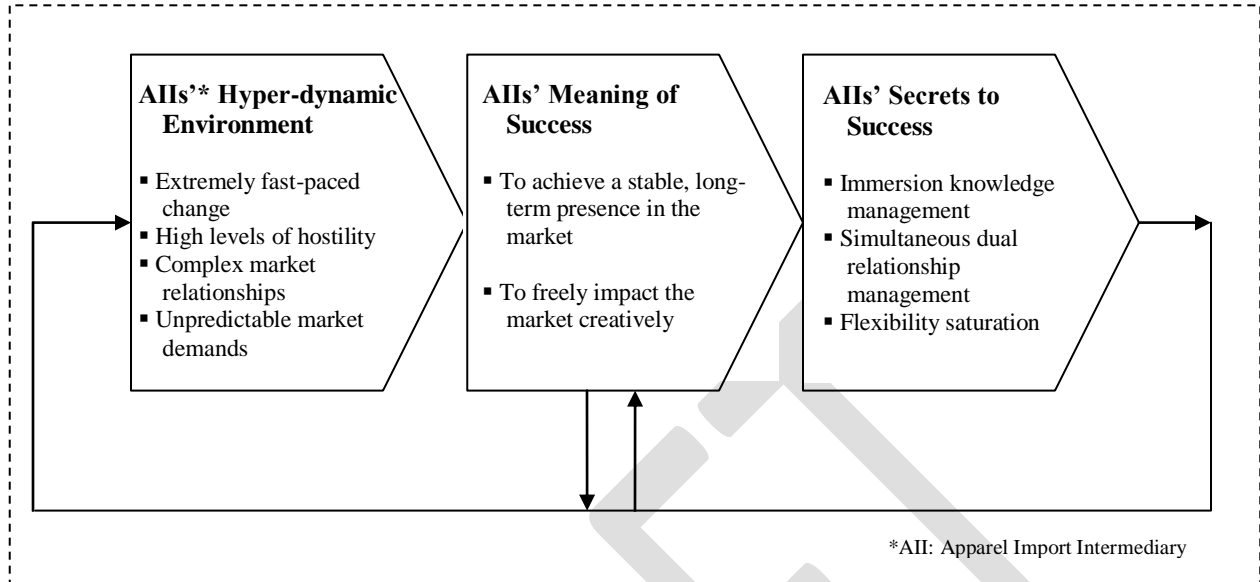
(1) From 1 to 10, with 10 being the best.

Figure 1. Conceptual Model of Research



Note: The relationships among firms' environment, success, and success factors are not just circular, but are also spiraling upward in response to increasing hyper-dynamism.

Figure 2. AIIs' Success and Secrets to Success in a Hyper-dynamic Environment



Note: Conceptual model based on study data.

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