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AN INVESTIGATION OF MICRO-BUSINESS  
MANAGEMENT PRACTICES AND THEIR LINKS TO  
COMPETTIVENESS IN EMERGING FASHION  
BUSINESSES

LYNNE J. HAMMOND

PH.D.

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## ACKNOWLEDGEMENTS

# An Investigation of Micro-Business Management Practices and their links to competitiveness in Emerging Fashion Businesses.

A PhD Thesis  
Submitted by

Lynne J. Hammond

to

University College for the Creative Arts/University of Kent at  
Canterbury

## In partial fulfilment for the Degree of Doctor of Philosophy

Abstract

An investigation of Micro-Business Management Practices and their links to  
competitiveness in Emerging Fashion Businesses

KIAD/UKC April 2006

Next Institute for Art and Design

Next Institute for Art and Design, Head of Business Development and Knowledge  
Transfer, at Next Institute of Art and Design.

Keywords

Business management practices of the micro-businesses and UK fashion education systems  
growth & competitiveness. However, the awareness of  
the importance of these practices is the high number of graduates  
who are not aware of the importance of these practices in the market  
place. This research will provide an overview of the current state of the  
industry and the importance of these practices in the market place.

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I would like to thank my family for the support and commitment during the many years of study.

## Abstract

### **An Investigation of Micro-Business Management Practices and their links to competitiveness in Emerging Fashion Businesses**

Lynne Jean Hammond  
Kent Institute of Art and Design

Lead Supervisor: Doctor David Hawkins, Head of Business Development and Knowledge Transfer, at Kent Institute of Art and Design.

#### **Abstract**

Britain produces some of the best designers in the world, and UK fashion education systems provide a continuous flow of exceptional talent into the industry. However, the numbers of British designer brands being created are low in comparison to the high number of graduates being educated. Often fashion start-ups are not able to sustain a presence in the market place after their initial entry, and are not able to realise and recognise their growth potential. Various research studies have been conducted into this sector, and suggest *'The UK is renowned for producing excellent designers. Indeed, at present our designers are riding the crest of a wave and are recognised around the world as global leaders in terms of creativity. There is no doubt that the UK has and can continue to produce creative talent but channelling that creative talent into viable business requires a different and specific set of skills in areas like marketing, distribution and long term financial planning'* (Bruce in Coates, 1997, introduction).

It has been recognised that there is considerable public finance and government support for the Designer Fashion sector, (Malcolm Newbury 2003) but is the support adequate, and are specialist support systems improving the fragile problems in the early stages of establishing a company. The designer fashion sector matters as it is meeting the needs of increasing consumer affluence and global consumption of fashion products and services. Increasing pressure of global market competition has compelled organisations to be more responsive to the needs of the consumer where creativity is seen as a competitive advantage.

The next generation of fashion designers must be equipped to manage professionally new situations, continuous change and highly competitive environments. The findings will provide both educationalist and national/ regional support services with evidence on how to focus their support resources to improve the SMEs' commercial potential as well as provide fashion designers with better understanding of the management capabilities needed to start a fashion company. In addition, the research will provide fashion educators with insights into fashion company practices and consider the need for new curriculum contents that should be included in fashion design courses.

Key Words: Small business development, Creative Management Practices, Marketing and Promotion Strategies, Networking

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## Abbreviations

The following abbreviations are used in this thesis

| Abbreviation | Meaning   |
|--------------|---|
| NGD          | New Generation Designer                                 |
| BFC          | British Fashion Council                                 |
| LFW          | London Fashion Week                                     |
| GFW          | Graduate Fashion Week                                   |
| DTI          | Department of Trade and Industry                        |
| BCIA         | British Clothing Industry Association                   |
| TCSG         | Textile and Clothing Strategy Group                     |
| CAPITB       | Clothing and Allied Products Industrial Training Board  |
| BKCEC        | British Knitting and Clothing Export Council            |
| OETH         | L'Observatoire Europeen Du Textile et de L'Habillement  |
| EU           | European Union  |
| SME          | Small Medium Enterprises                                |
| CITG         | Creative Industries Task Group                          |
| DCMS         | Department of Creative, Media and Sport                 |
| CIMD         | Creative Industries Mapping Document                    |
| OECD         | Organisation for Economic Co-operation and Development  |
| SCGEP        | Software, Computer Games, and Electronic Publishing     |
| DF           | Designer Fashion  |
| GVA          | Gross Value Added                                       |
| NESTA        | National Endowment for Science, Technology and the Arts |

## Chapter 1 The Project Outline

### 1.0 Statement of the problem

*“Starting a business is an experiment, and as such, by definition, carries the risk of failure as well as the potential for survival. Failure tends to come from two directions poor management and in particular, vulnerability to downturns in the economy as a whole.”* (Cressy 1996) The failure rate in the UK, drawn from VAT deregistration, suggests failure rates of up to 60 per cent within four years. (Day, 2000)

Britain produces some of the best designers in the world, and UK fashion education systems provide a continuous flow of exceptional talent into the industry. However, the number of British designer brands being created is low in relationship to the high number of graduates being educated each year. Often fashion start-ups are not able to sustain a presence in the market place after their initial entry, and are not able to realise and recognise their growth potential. Various research studies have been conducted into this sector, and suggest *‘The UK is renowned for producing excellent designers. Indeed, at present our designers are riding the crest of a wave and are recognised around the world as global leaders in terms of creativity. There is no doubt that the UK has and can continue to produce creative talent but channelling that creative talent into viable business requires a different and specific set of skills in areas like marketing, distribution and long term financial planning’* (Bruce in Coates, 1997, introduction).

What are the barriers to their business growth, and what are the key management capabilities that need to be strengthened and how can they be better supported. The research attempts to reveal insights into some of the short and long term challenges faced by the designer fashion sector. The purpose of the research is to explore the practices and activities of the micro fashion enterprise in order to strengthen key management capabilities so as to improve their commercial value, and competitiveness. The central research question is what management practices of micro designer fashion companies can be strengthened to improve their competitiveness.

### 1.1 Purpose of the study

The purpose of the investigation is to understand some of the key issues surrounding designer fashion business and management capabilities and how their performances impact on the growth potential of the company. The study will propose a set of recommendations that might be considered by specialist sector organisations, government bodies and educational planners. It has been recognised that there is considerable public finance and government support for the Designer Fashion sector, (Malcolm Newbury 2003) but is the support adequate, and are

specialist support systems improving the fragile problems in the early stages of establishing a company.

The thesis perspective has been influenced by the experience and background of the researcher. The researcher has extensive experience of working in an educational environment at senior management levels at both undergraduate, and postgraduate levels. With over 20 years in managing fashion design education, the researcher has been responsible for writing and implementing new curriculum design and has had to constantly stay informed of fashion industry developments. Fashion design education has become a highly responsible activity and must be viewed as being integral to the long-term success of the fashion industry. The curriculum must be aligned with fashion industry changes and must accommodate new challenges facing the international market place. It is outside the scope of this thesis to provide an analysis of academic courses and their contents, but the findings will indicate some of the management weaknesses of fashion start-up companies, which could be used by fashion educators in their curriculum planning and developments.

The next generation of fashion designers must be equipped to manage professionally new situations, unpredictable markets and continuous change. The findings will provide both educationalist and national/ regional support services with evidence on how to focus their support resources to improve the SME's commercial potential as well as provide fashion designers with better understanding of the management capabilities needed to start a fashion company. In addition, the research will provide fashion educators with insights into fashion company practices and consider the need for new curriculum contents that should be included in fashion design courses.

The majority of fashion designers are often trained to be creative and artistic without embedding and applying their ideas to commercial environments. The study attempts to address the issues of creativity and its relationship to commercialisation and productivity. Chapter 2 is a critical account of reasons why this situation has occurred and what factors contribute to them not being able to reach their potential beyond the entry stage.

Aims of the study are as follows:

1. To explore the value and importance of the creative industries and in particular the designer fashion industry sector in terms of its economic and social benefits (Chapter 2)
2. To review existing literature on small business theories, product development models and contemporary creative management issues (Chapter 3)

### 1.2 Objectives

3. To identify the fashion specific management practices and activities to reveal insights into their business performances and behaviours. (Chapter 5)
4. To examine the key management processes that are essential to business growth and change through comparative analysis of the start up and emerging fashion companies (Chapter 6)
5. To evaluate the strengths and weaknesses of their management capabilities in order to provide policy makers and educators with insights for change and propose a set of initiatives to achieve higher commercial value and sustainability. (Chapter 7)

### Research questions and objectives

The central research question is what management practices of micro designer fashion companies can be strengthened to improve their competitiveness. Creative individuals dominate the designer fashion sector, with limited business knowledge and management skills to produce and sell their fashion collections. With the advent of globalisation, this is forcing fashion companies to introduce new approaches to remain commercially competitive. (Dicken, 1999) These market and consumer competitive pressures will put even greater demands on future fashion start-ups. There has to be a greater urgency for more sophisticated support than already exists, and involving better co-ordination of many players. Better research and planning has to be conducted to initiate new proposals to help them grow and sustain a presence in the market place, but what type of support is needed. In the early stages of the company, the designer/owners has to manage all processes involved in the launching the business and does require considerable wide-ranging expertise and competences to begin to operate. Three sub-questions have been developed to inform the objectives of the research design and analysis.

- Is the creative function managed efficiently throughout the fashion product development processes so this competitive advantage can produce profitable results?
- Is commercialisation of product/services managed effectively in their business practices so as to achieve better sustainability?
- What type of initiatives and support mechanisms could be developed to strengthen their growth potential and sustainability?

## 1.2 Definitions

This section puts forward some of the key definitions that help to explain and describe the terminology and concepts that are used throughout the study. The concept of designer fashion industry is relatively new and is made of very complex and different forms of organizations. The concept involves broad definitions that relate to the numerous and diverse activities that make up this sector. The designer fashion industry does not just involve the production of fashion products or services but incorporates the messages, symbols and ideas involved in the media aspects of contemporary culture.

### Designer Fashion Industry Definition

The Malcolm Newberry (2003) report defines the **designer fashion industry** as:

*'Individuals or teams that combine creativity and originality to produce a clothing collection with a specific or 'signature' identity, exemplified by, but not restricted to, the type of company that participates at international trade shows such as London Fashion Week and its equivalents. Fashion designers may produce diffusion lines in addition to their 'flagship' collections and range from established designers with an international reputation or 'brand' to 'cutting edge' newcomers.'* (p.2)

### Designer Fashion Company Definition

Caroline Coates and Helen Storey owned a fashion design company, which went into liquidation. From these experiences and with the support from the Department of Trade and Industry and the British Fashion Council, she conducted research into the main issues facing designers wanting to start up their own company and produced the Designer Fact File. This study by Coates (1997 p.10) explores the creative and business talent that is required to sustain the fashion business. She argues that *'It is a highly creative art form although one that requires mathematical formulae for its execution but at the same time needs a commercial framework to sustain itself. The trick is to get the two to come together cohesively. It has a major impact on the creative and cultural life of Britain. Most fashion designer companies in Britain are established by creative people lured by the chance for recognition and wide acclaim for their product, but to achieve success there must be an understanding of business. In reality, when running a business, designing falls into the background of the day-to-day number crunching and problem solving takes over. The sector is difficult to categorise and not easy for an outsider to understand, thus, it can be perceived as high risk and has often been regarded with scepticism, as glamour and froth.'*

Coates (1997) argues that a successful fashion design company has to be based not just on creative talent, but must be balanced with commercial knowledge. Her experience of managing a small fashion designer company has given critical insights into some of the problems and issues

that creative individuals might face when embarking upon their own business initiatives. She stresses the need for raising awareness into the realities of running a business over the design activity, and the ability to combine both the creativity and commercial functions. However, the two functions are at odds, as creativity is about divergent thinking whereas commerciality is concerned with convergent applications.

Worsley-Taylor in Coates outlines five key aspects, which she believes are important in building and sustaining a fashion designer company. She emphasises the following:

1. The ability to create contemporary brand identities
2. A strong personality and individualism
3. The ability to co-ordinate the multiple activities involved from marketing to production
4. The creative abilities to present and communicate ideas and concepts
5. The ability to manage a team of specialists.

These five aspects demonstrate the diversity of talent required in running and managing complex business situations. She stresses that one of the most aspects of building a new company is critical need for a dynamic team as a important contributing factor for managing the company; however this contradicts the need for strong individualism. Strong personalities often find it difficult to interact within group situations. These five aspects have provided the basis for literature review.

### **Fashion Designer Definitions**

In order to succeed, various studies indicate that fashion designers need strong personalities to formulate new companies. They will need a vision of the marketplace, consumers, economics, geography and the importance of the education process. Designers have to play many diverse roles in the growth of their companies. A successful fashion designer according to Coates (1997) *'must link together, the creativity, originality and character.'* Design is a term which applies to a wide range of professions, but this has been applied in particular to fashion that demonstrates the interplay between creative freedom and commercial constraint.

*'The term designer has been abused since the 1980s, when so many brands gave themselves designer labels. A designer collection should have a positive identity and a strong creative direction. The best designers are truly individual; they have enormous influence and are a source of inspiration to the fashion industry as a whole. Fashion is an applied art, incorporating design, cut and manufacturing and the top designer collections demonstrate excellence in all three. A top designer also oversees every aspect of the collection and the way it is presented, from the catwalk to the advertising campaign. The most important thing, in structuring a designer business, is the team, everybody must have their area of expertise and it cannot all be left up to the individual.'* (Worsley-Taylor. In Coates, 1997 p.12).

### **Designer Labelling Definition**

Designer labelling is defined as products that have high differentiation and originality. Designer collections are produced traditionally twice a year around seasonal changes and presented at international catwalk shows. The term label is synonymous with the fashion designer who has originated and created the collections, and normally trades under their own name. Designer labels are worn by celebrities and key influencers, and are then quickly copied or modified by mass-market suppliers for high street retailers and stores. Designer fashion plays an important role in the fashion system as the originator of new looks and experimenter of contemporary styles.

### **Small and Micro Business Definitions**

Micro and small sized enterprises are socially and economically important, since they represent 99% of all enterprises in the EU and provide around 65 million jobs and contribute to entrepreneurship and innovation. In the UK there are an estimated 4.3 million business enterprises at the start of 2004. This compares with an estimated 4.0 million business enterprises at the start of 2003. Almost all of these enterprises (99.3%) were small (0-49 people). (Source)

According to the UK Small Business Service, there is no single definition of a small firm, mainly because of the wide diversity of businesses. Definitions take into account either the number of employees or the financial turnover. The best description of the key characteristics of a small firm remains that used by the Bolton Committee in its 1971 Report on Small Firms. The report states that a small firm is an independent business, managed by its owner or part owners and having a small market share. The Bolton Report also adopted a number of different statistical definitions. It recognized that size is relevant to sector - i.e. a firm of a given size could be small in relation to one sector where the market is large and there are many competitors; whereas a firm of similar proportions could be considered large in another sector with fewer players and/or generally smaller firms within it. ([www.sbs.org.uk](http://www.sbs.org.uk))

Similarly, it recognized that it may be more appropriate to define size by the number of employees in some sectors but more appropriate to use turnover in others. According to Government Reports, it is most usual to measure size according to numbers of full-time employees or their equivalent. The Companies Act of 1985 states that a company is "small" if it satisfies at least two of the following criteria: a turnover of not more than £5.6 million; a balance sheet total of not more than £2.8 million; not more than 50 employees. A medium sized company must satisfy at least two of the following criteria: a turnover of not more than £22.8 million; a balance sheet total of not more than £11.4 million; not more than 250 employees. For statistical purposes, the Department of Trade and Industry usually uses the following definitions: micro firm:

0 - 9 employees; small firm: 0 - 49 employees; medium firm: 50 - 249 employees; large firm: over 250 employees.

However, in practice, schemes, which are nominally targeted at small firms, adopt a variety of working definitions depending on their particular objectives. In February 1996, the European Commission adopted a communication setting out a single definition of SMEs. The Commission now applies this across Community programmes and proposals. The communication also includes a (non-binding) recommendation to Member States, the European Investment Bank and the European Investment Fund encouraging them to adopt the same definitions for their programmes. The communication permits them to use lower threshold figures, if desired. The communication explains that existing SME definitions in Community programmes may continue to be used until 31 December 1997. After that date, the single definition must be used. The single definition must be used if programmes are modified in the meantime. ([www.sbs.org.uk](http://www.sbs.org.uk))

The European Report (2005) has developed the most recent definition of SME's and explains their key characteristics, as "*micro, small and medium-sized enterprises (SMEs) play a central role in the European economy. They are a major source of entrepreneurial skills, innovation and employment. In the enlarged European Union of 25 countries, some 23 million SMEs provide around 75 million jobs and represent 99% of all enterprises. However, they are often confronted with market imperfections. SMEs frequently have difficulties in obtaining capital or credit, particularly in the early start-up phase. Their restricted resources may also reduce access to new technologies or innovation. Therefore, support for SMEs is one of the European Commission's priorities for economic growth, job creation and economic and social cohesion. The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.*" Extract of Article 2 of the Annex of Recommendation 2003/361/EC."

More recently, there has been awareness of the micro company having an important role especially in the creative industries. The number of people employed by the company, being 0-9 people, determines the micro business definition by the Department of Trade and Industry. However, the micro businesses are very small businesses often with no full time employees and usually not more than four part-time employees. The businesses tend to be privately owned, partnerships or sole proprietorships.

### 1.3 Limitations and significance of the study

The Designer Fashion Industry is emerging as a new business sector, with very limited research has been undertaken to understand their distinctive characteristics and activities. The research is an attempt to arrive at some form of an analysis of the management practices that could be used for inform further research studies and be applied to policy making. It is critical that the tensions that exist between the management of creativity and its relationship to commercialisation is better understood and how these processes could be more efficient and effectively be supported. There are still very limited academic journals and conferences, which are focusing specifically on fashion product development strategies. Only one UK journal exists that is specific to this area, the Journal of Fashion Marketing and Management. This has made the research study more difficult, and has created issues of appropriate theoretical frameworks for analysis and discussion

Small firms, and fashion designers are different. The study is significant because of the increasing importance of the fashion industry to world economies. Traditional research approaches of management research have been predominantly positivist/quantitative methodologies and explore generic contexts. The majority of researchers have had a background of traditional sciences, economics, psychology and sociology. In addition, government funding agencies, which largely drive the positivistic quantitative methods using data being primarily generated from statistical packages such as SPSS.

However, alternative approaches are emerging, that seek to present insights and theoretical concepts that explore not just the factual elements but begin to reveal individual and unique characteristics and circumstances taking into account the personalities active within it. (Chell and Haworth, 1992) To fully comprehend these issues and relationships involved in emerging new industries and their sub-cultures, it is imperative to embark upon in-depth qualitative research programmes. The study attempts to explore the management of creative fashion design processes and practices using case study approaches.

### Rationale and design of the study

The selection of a suitable paradigm was based on two important assumptions. The first is the ontological issues, in terms of how do people view their reality and the importance of the researcher to recognise the individuality, personality and attributes of the individual involved in the research process. Eisner (1985) argues strongly for the recognition of the value and role of the people in research. This constructivist approach embraces the notion of multiple realities and accepts that each individual constructs their own reality as they interpret and perceive their world. The second assumption surrounds the epistemological questions, which examines the nature of the relationship between the researcher and the subject of the research. As the researcher has

extensive experience of the companies and their activities and has formed close relationships with them, the knowledge gained is value-laden by nature and does involve multiple reality paradigms. Further explanations and commentary of the research philosophical stance is included in Chapter 4.

The role of the researcher in the study has also influenced the nature of the study. As the researcher has worked full time in the academic environment, the study has been conducted through a part time route. The constraints and difficulties of trying to research when working in a professional environment has resulted in a somewhat fragmented set of findings over an extended period of the research project. The difficulties of researching into emerging sectors have required extensive breadth and depth of diverse theories from a wide range of disciplines to inform the finding analysis stage.

The data collection procedures have been through primary and secondary methods. The procedure for collection the data was a set of interview questions devised from business, marketing, team and product development theories and concepts. The method of collecting the data was through semi-structured interviews, in-depth interviews and artefact analysis. Content analysis has been used to inform the concepts and frameworks. Secondary research has been conducted using company documentation and artefacts to verify and substantiate the data findings.

### **Outcomes of the study and its relation to theory and literature**

The outcomes of the study will provide a set of conceptual frameworks that could be used for future research. The theoretical concepts have been drawn from four main perspectives: the small business literature, product development models, creative management models and marketing entrepreneurial theories. More in-depth analysis of each of these four perspectives is required to understand the relationships between creativity, commercialisation, and entrepreneurs. For the purposes of this study of entrepreneurs is explored through the management processes involved in fashion design and product development. It is outside the scope of this thesis to understand the significance of the individual entrepreneur.

Entrepreneurship is best understood as a process, with individuals persistently searching for opportunities usually grounded in the market place and their efforts to marshal resources to exploit these opportunities. (Hill & McGowan, 1999)

## Chapter 2

### 2.0 Why does the Designer Fashion Sector Matter?

The designer fashion sector matters as it meets the needs of higher consumer affluence and rises to global consumption of fashion products and services. Increasing pressure of global market competition has compelled organisations to be more responsive to the needs of the consumer. *"No longer can they assume that markets are stable, or that the demand for their products and services will be reasonably predictable. Product Life Cycles have shortened and profit margins declined in many economic sectors. Customers, whether they are manufacturers or consumers of finished goods, are more demanding in their requirements, forcing businesses to be more responsive to their needs."* (Davis & Scase 2003 p.10)

This has resulted in changes in organisation structures, experiences and expectations of work as well as rewards and working relationships. The creative industries have less clearly defined hierarchical management structures with job roles loosely defined and non-clarification of reporting mechanisms. This is in contrast to more scientific management where duties and responsibilities are subject to systematization and rational approaches. The creative industry integrates the management function into mechanisms of mutual adjustment. (Davis & Scase 2003) According to this informal management concept, interpersonal negotiation and patterns of mutual reciprocity tend to shape the execution of tasks and the definition of organizational goals in relation to specific circumstances and conditions. Creative industries reduce the need for formal managerial control however; these self-managing mutual adjustment practices are by their very nature inefficient and perceived as problematic. These concepts of flexibility, individualism and irrational approaches can be seen as essential characteristics of the fashion industry and is important to maintain these features, but these informal practices need to be balanced with more awareness of strategic and market needs.

### 2.1 Value and contribution of the designer fashion industry

Fashion businesses represent a growing part of the economy, and are creating new jobs and wealth to replace those lost from declining industries. In addition, they contribute significantly to the country's export market, both regionally and locally. They provide local communities with flexible employment opportunities and work patterns not available in any other industry.

#### Economic and Employment Value

The Industrial Statistics Overview for 2004 from the UK Fashion Export Council illustrates a picture of the changes to the UK Clothing and Textile Industry from 1995 to 2004. (Table 1) The UK figures indicate a decline in employment, a decline in the number of companies operating in

the industry, a decline in investment, a decline in turnover, a decline in exports, but an increase in imported goods. (Table 2) This indicates a highly competitive market place, where the UK is not able to sustain a stable position. However, Table 3 indicates the a significant rise in total expenditure of consumption of fashion goods, especially the increase in Womenswear Fashion.

**Table 1 Total UK Employment (UKFEC)**

| Year | Total ('000) | Apparel ('000) | Textiles ('000) |
|------|--------------|----------------|-----------------|
| 1995 | 368          | 216            | 152             |
| 1996 | 372          | 218            | 154             |
| 1997 | 370          | 219            | 151             |
| 1998 | 334          | 195            | 139             |
| 1999 | 307          | 177            | 130             |
| 2000 | 272          | 156            | 116             |
| 2001 | 242          | 135            | 107             |
| 2002 | 225          | 127            | 98              |
| 2003 | 199          | 108            | 91              |
| 2004 | 182          | 96             | 86              |

Source: BATC estimates on ONS Labour Market Trends

**Table 2 EU Apparel & Textile Industry**

|                                     | 1999           | 2000           | 2001           | 2002           | 2003          |
|-------------------------------------|----------------|----------------|----------------|----------------|---------------|
| <b>Turnover (billion €)</b>         |                |                |                |                |               |
| - Textiles                          | 92.8           | 99.2           | 97.9           | 93.8           | 87.7          |
| - Apparel                           | 96.3           | 97.3           | 96.9           | 93.7           | 88.2          |
| <b>- Total</b>                      | <b>189.1</b>   | <b>196.5</b>   | <b>194.8</b>   | <b>187.5</b>   | <b>175.9</b>  |
| <b>Investment (billion €)</b>       |                |                |                |                |               |
| - Textiles                          | 5.5            | 6.0            | 5.2            | 4.7            | 4.1           |
| - Apparel                           | 1.1            | 1.3            | 1.1            | 1.0            | 0.9           |
| <b>- Total</b>                      | <b>6.6</b>     | <b>7.3</b>     | <b>6.3</b>     | <b>5.7</b>     | <b>5</b>      |
| <b>Companies</b>                    |                |                |                |                |               |
| -Textiles                           | 32,759         | 31,776         | 30,823         | 30,299         | 29,390        |
| - Apparel                           | 82,970         | 79,886         | 76,935         | 72,601         | 68,876        |
| <b>- Total</b>                      | <b>115,729</b> | <b>111,662</b> | <b>107,758</b> | <b>102,900</b> | <b>98,266</b> |
| <b>Extra EU Imports (billion €)</b> |                |                |                |                |               |
| -Textiles                           | 16.6           | 19.5           | 19.7           | 18.9           | 18.0          |
| - Apparel                           | 41.4           | 48.3           | 50.8           | 51.3           | 53.0          |
| <b>- Total</b>                      | <b>58.0</b>    | <b>67.8</b>    | <b>70.5</b>    | <b>70.2</b>    | <b>71.0</b>   |
| <b>Extra EU Exports (billion €)</b> |                |                |                |                |               |
| -Textiles                           | 19.9           | 23.3           | 24.3           | 24.3           | 23.4          |
| - Apparel                           | 12.9           | 15.0           | 16.4           | 16.5           | 16.7          |
| <b>- Total</b>                      | <b>32.8</b>    | <b>38.3</b>    | <b>40.7</b>    | <b>40.8</b>    | <b>40.1</b>   |

Source: Euratex/CTCOE/OETH Provided by the British apparel & Textile Confederation

**Table 3 Total UK Consumer Expenditure**

| Year | Total (£m) | Menswear (£m) | Womenswear (£m) |
|------|------------|---------------|-----------------|
| 1995 | 28,745     | 6,029         | 12,985          |
| 1996 | 30,433     | 6,399         | 13,782          |
| 1997 | 32,070     | 6,742         | 14,522          |
| 1998 | 33,729     | 7,070         | 15,228          |
| 1999 | 35,382     | 7,889         | 17,013          |
| 2000 | 38,809     | 7,899         | 16,103          |
| 2001 | 39,809     | 8,227         | 17,721          |
| 2002 | 41,944     | 8,659         | 18,650          |
| 2003 | 43,320     | 9,078         | 19,552          |
| 2004 | 45,417     | 9,522         | 20,509          |

Source: ONS Consumer Trends

Contrary to the decline of the clothing and textile industry, is the new emerging economies related to creative products and services. The UK Creative industries are currently growing at a rate of 16% per annum (Ball, 2003 p.11) and are defined as "Those which have their origin in individual creativity, skill and talent and which a potential for wealth and job creation through the generation and exploitation of intellectual property." (DCMS, 2001, p.11) The creative economy is growing a rapid rate, and its annual growth in the Organisation for Economic Co-operation and Development (OECD) countries through the 1990s was twice that of the service industries overall and four times that of manufacturing overall (Howkins, 2002).

The Designer Fashion Industry has emerged over the last 5 years to be recognised as an important contributor to the Creative Industries and has been the subject of several government reports to investigate their value and significance. The Creative Industries Mapping Document (CIMD) illustrates that the creative industries accounted for 8.2% of Gross Value Added (GVA) in 2001, and has grown on average of 8% per annum between 1997 and 2001. In addition, exports by the creative industries contributed 11.4 billion to the balance of trade in 2001. This equated to around 4.2% of all goods and services exported.

The Creative Industries are made up of 11 sectors: Advertising, Architecture, Crafts, Design, Designer Fashion, Film, Video and Photography, Music, Visual and Performing Arts, Publishing, Software, Computer Games and Electronic Publishing (SCGEP), Television and Radio and Art, Antiques trade. Designer Fashion Gross Value Added has increased from 1997 from 280 million to 320 million in 2001. The number of people employed in this sector has also increased from 89,400 in 1997 to 123,900 in 2002. This significant increase in employment is very positive compared to the traditional industries involved in Clothing and Textiles Manufacturing.

### Social and Inclusion Contributions

The Creative Enterprise have a set of characteristics and values that challenge conventional business values and models for success and offer a new way of working. (Ball 2003) The report Future Directions for Employability Research in the Creative Industries presents a set of characteristics that indicates the differing values of the creative enterprises towards how they run and manage their businesses. The creative industries enable social inclusion for disadvantage groups as it still uses manual skills in the production of the products as well as high technological skills to communicate the products to consumers.

**Table 4 Characteristics of Creative Enterprises (Ball, 2003)**

|                                     |  |
|-------------------------------------|--|
| The corporate v the individual      | For creative enterprises the concept of intellectual property belonging to the individual and not the corporate is of prime importance. This is characterised by reliance on a flexible pool of highly skilled freelancers |
| The competitive v the collaborative | The sector thrives on networking and collaboration with other professionals and this is extended to higher education providers and government agencies that support growth in this area                                    |
| Financial return v multiple returns | Creative enterprises reap both financial and non-economic gain, contributed to the social and cultural fabric of society and the regeneration of urban and rural communities.  |
| Short-termism v longer term view    | Creativity cannot guarantee quick returns, involves making mistakes and learning from failures   |
| Manufacture v intellectual property | Challenges facing traditional manufacturing models and methods of production. The new creative professional integrates design with production and intellectual property is an intangible commodity.                        |

The model explores the important dimensions that characterise creative entrepreneurs, freelance working patterns, networking structures, long term financial gains, and intangible commodities and methods. These creative businesses normally offer a range of flexible bespoke activities geared to the individual needs of clients. A further study by Leadbeater and Oakley (1999) highlights the important characteristics of young entrepreneurs in the creative industries as that of independence and autonomy. Creative enterprises are small in size, but have a distinctive characteristic, which is related to a set of lifestyle values.

A study of owner managers of creative businesses into the important factors that contribute to success was conducted by Ball & Price (1999) and found the following in descending order):

- Design skills
- Hard work
- Commitment
- Innovation and the development of new work
- Professionalism and originality
- Business knowledge

- Contacts
- Good organisation
- Market research and creating a professional image

Factors working against success include:

- Poor business knowledge
- Poor market research and professional skills
- Low self-confidence
- Limits on output capacity
- Long working hours
- Little understanding about what is involved in being self-employed.

The study reveals the tendency of taking on too much work coupled with high personal standards and unwillingness to delegate. The Creative Industries rely on an unstable flexible workforce of freelance and contract workers. This proves disadvantageous in terms of pay levels, and working conditions, but this mode of working is one of the key strengths of the sector. The challenges facing this sector are how to support these multi-track working patterns and high levels of self-employment without constraining their entrepreneurial and creative abilities. The Creative Industries Mapping Document (2001) acknowledges the importance of the freelance worker (over 50% of workers in the audio-visual sector are freelancers) in the considerable growth of the sector.

Over the last three years, educational institutions are responding to new initiatives in the form of enterprise centres, Masters' programmes, resources and training programmes that support new creative talent post-graduation for business start up. (Ball, 2003). Regional development funding from the Higher Education Innovation Fund (HEIF) is providing support for the preparation for business start up through incubation units.

Further research (NESTA, 2002) into what helps and hinders creativity found that the most important enhancing factors were that:

- Creatives have a strong need to collaborate with other Creatives
- 75% said creativity is more likely to develop and thrive in a tolerant and diverse culture
- 94% said they felt being able to learn from mistakes an important and integral part of the creative process.
- Personal satisfaction and social benefit are important motivating factors for creativity

The research explores the challenges for creative business in terms of how collaborative and inter-dependent practices can be maintained in the face of competitive pressures and consistent financial stability. These issues are forming part of future regional and national strategies at both levels to identify best practice, new models for the creative industries, and continuing professional development initiatives.

## 2.2 What factors inhibit their growth potential?

A second reason could be attributed to the current education system in the UK. According to Britain produces some of the best designers in the world, and our education systems provide a continuous flow of exceptional talent into the industry. *"Britain produces amazingly talented designers. Indeed, the talents of British designers and technicians power many global fashion houses. Yet, paradoxically, the bulk of British-based fashion start-ups fail by the wayside."* (Goonatilake, 2003) However, the number of British designers creating new brands is low in comparison to other European Fashion Capitals (Mostyn 2005) *'The UK is renowned for producing excellent designers. Indeed, at present our designers are riding the crest of a wave and are recognised around the world as global leaders in terms of creativity. There is no doubt that the UK has and can continue to produce creative talent but channelling that creative talent into viable business requires a different and specific set of skills in areas like marketing, distribution and long term financial planning'* (Bruce in Coates, 1997, introduction). A number of reasons are explored that might account for this situation.

### **Start-up financial Strategies**

The first reason could be linked to the way in which start-ups are financed. One of the most recent studies that has attempted to explore these issues has been conducted by Goonatilake. He suggests that SMEs are confronted with market imperfections and have frequent difficulties in obtaining capital, particularly in the early start-up phases. Their restricted resources make it difficult to compete and grow, and he suggests this is because of financing difficulties.

- The form of start-up capital is bank loans, being one of the worst forms of capital
- Venture capitalists fail to see fashion companies as high growth companies
- Venture capitalists see poor execution of ideas and lack of exit routes
- Poor execution results from lack of management expertise
- Start-ups managed by designers who have little interest in the business side.

In addition, a fashion company lifecycle involves the following development processes:

- Designers get noticed through college shows
- Either join established company or start their own label
- Start to sell in small numbers in opinion form boutiques
- If first collection sells well, these shops place orders for larger collections next season
- Large department stores might order the following season.

The entry strategies are particularly fragile as the season cycle does require fashion start-ups to provide cash flow to produce the collections that have been ordered. This involves the fabrics and labour has to be paid for before the collections are delivered to the boutiques.

### **Education favours art over commerce**

A second reason could be attributed to the current education system in the UK. According to Foroohar (2005 Newsweek) UK *"design schools focus more on art than commerce, turning out edgy innovators rather than savvy retailers."* Education systems create competitive environments for attracting students to fashion design courses and use high impact events such as catwalk shows to communicate the more glamorous side of the business. University fashion departments' use sophisticated marketing strategies to promote education courses that can in turn create false expectations of the fashion industry career opportunities.

The curriculum content has little emphasis on the business and marketing aspects of the industry, which often results in limited knowledge of the commercial realities of the working as a fashion designer. The curriculum contents tend to favour the visual development of portfolio and styling elements of collection development. In the final stage of the courses, the fashion departments show -case the graduates work through catwalk shows. The university catwalk shows are not organised by the students themselves but use the services of highly professional show production teams to manage these events. The catwalk shows are videoed and become an important marketing tool for the universities to attract future student applicants to the courses. The catwalk shows use professional models, hair, make-up artists, stylists, photographers, and catwalk production experts to ensure they are highly professional and attract press coverage. The costs of staging such events are high and often involve sponsorship deals to provide additional resources. Start-up companies cannot replicate this standard of catwalk show in their early stages of development.

After the students complete their degree programmes, there is limited bridging initiatives to help them develop small businesses. Students are deterred from embarking on postgraduate courses because of the high costs of studying for another year, and debts from student loans. In addition, a low number of postgraduate courses do not stress fashion as a commercial activity. Too often small fashion businesses fail to reach their potential, they start with a strong presence but find it difficult to sustain their commercial activities after the first graduation catwalk show.

### **Decline of the UK Manufacturing Industry**

A third reason for start-ups not sustaining their presence in the market place is the decline in manufacturing facilities in the UK. This has created a situation where new designer fashion companies find it difficult to source factories that are willing to produce small orders on a seasonal basis. The garment construction methods are normally more complex than high street ranges. Retailers are sourcing production offshore, which has led to a sharp fall in the number of small manufacturers being able to compete with low wage economies. In addition, UK manufacturing has suffered a number of supply chain problems, and has led to poor

communication between designers and manufacturers, and lack of investment in research and development.

### **London not recognised as an important fashion capital**

A fourth reason for their apparent struggle to enter the market place could be linked to London still not being recognised as an important fashion capital. It does not attract the same level of press and buyer attention as the other fashion centres, of Paris, Milan and New York. Reasons given for this weakness is the lack of infrastructures supporting the designer fashion industry. (Mostyn 2005) In addition, London's low profile in the international fashion industry is the small numbers of British Brands competing in the global market place compared to France and Italy. Both these national industries are heavily financially supported by the Government to ensure they provide economic benefits to national employment figures.

The designer fashion sector until recently has been dominated by four main centres of business; Paris, Milan, New York and London. These four fashion capitals have been the main source of designer luxury goods, and they are presented through catwalk events twice a year. The catwalk show has been critical in presenting and marketing the collections to an international audience. However, there is increasing importance now attached to new and emerging centres of fashion such as Australia, Brazil and Hong Kong.

USA designers have made quicker transitions than their European counterparts from the 'individual designer' to commercial direction or to a diffusion organisation. The Womenswear industry in New York, in contrast to that of haute couture in Paris, has its origins in ready-to-wear, and essentially mass-produced and mass marketed enterprises (Rantisi, 2001). Examples of these ready to wear designer labels include companies such as Ralph Lauren, Calvin Klein and Donna Karen. The American model is predominately based on licensing agreements for both the mainline designer collections and diffusion lines. The larger USA companies have significant licensed business ventures linked to joint venture retail in Japan. Licensing agreements are made to sell the brands name and corporate identity, which is then placed on a range of different merchandise. This extends the brands power into new market places without the risk of heavy investment into buying physical premises.

The Italian industry has followed a different growth pattern, using the success of its designers to export directly. Large organisations such as Gucci, Armani and Valentino have also developed diffusion merchandise across the USA and Europe without damaging their design names. The Italian model is based on local manufacturing facilities that support high quality designer brand goods. The success of the Italian industry has been the central area of a recent research report that explores the question 'Why is the British textile and clothing industry less successful than the

Italian counterpart?' The comparative study of the British and Italian textile and clothing industries, by Owen & Cannon Jones (2003) report concludes that Italy has a domestic market that values style, and consumers devote a higher share of their income to clothing than do the British, French and Germans. In addition, the retailing structures are very different, with a dominance of small independent stores, as compared to the retail chains and department stores of the UK. The report identifies *'not only does the British consumer spend less, and buy lower quality products than his Italian counterpart; he/she is perhaps less confident about choosing individualistic or idiosyncratic clothes, and therefore more inclined to seek the reassurance and guidance provided by the department store.'* (p.57). Another important difference between the two industries, is the way in which the companies are organised, with the UK being made up of public companies, compared to the Italian which is made up of family firms. The strong affiliation with the family model is very different to the Anglo-Saxon model.

In France, the designer names have become larger corporations, which have maximised the profitability of the designer name by linking it with other products such as perfume, and cosmetics. The use of the designer name to endorse other products has been a successful marketing strategy. The French Government have been supportive to the needle trades, and French design firms and supporting industries are mutually co-operative and willing to experiment. The government gives subsidies to couturiers who use more than 90% French fabrics in their collection. In 1989 the French Government provided seven million francs to build a salon for showing collections at the Louvre. (Jenkyn Jones, 2002)

In the UK, the industry has been dominated by large retailers, who until recently have used diffusion ranges from the leading fashion designers. Only a handful of successful designer labels, such as Paul Smith, Nichol Farhi, and Ghost have managed long-term international businesses. In the British Designer Fashion Report (1998), commissioned by the Department of Trade and Industry (DTI), Walker indicates the strengths and weaknesses of the four fashion capitals, and compares the economic and structural differences:

**Table 5 Estimated Sales Value in the Major Countries (figures relate to 1996)**

| Country        | Estimated value | Strengths                     | Structure   |
|----------------|-----------------|-------------------------------|---|
| United Kingdom | £600 million    | Design and retailing          | Made up mainly of small companies   |
| France         | £900 million    | Couture and Perfume licensing | Large couture houses with licensed products, fragrances plus small designer companies |
| Italy          | £1.5 billion    | Manufacturing and fabrics     | Major brands, manufacturers own brands, small designer companies                      |

|               |              |   |   |
|---------------|--------------|---|---|
| United States | £5.2 billion | Commercial transactions of designs/merchandising, marketing brands, product licensing | Dominated by four major brands, numerous licences, large number of medium sized companies, several small ones |
|---------------|--------------|---|---|

### Small UK Domestic Market

A fifth reason for their difficulties is the size of the domestic market is small in comparison to other European fashion centres and is heavily dominated by the large retailers. One of the earlier reports to begin to identify the role of the fashion industry in economic performance was conducted by Kurt Salmon in 1991. The report, commissioned by the British Fashion Council was a study into designer labels. It concluded that: *'The UK industry is a cottage industry and on an international scale.'* Since then, despite recession and difficult economic conditions, many designer labels have been set up and have seen the consolidation and expansion of many of the early names. The survey and subsequent statistics collated for this study (Dec 96 to May 97) also indicates that the designer sector is growing and is no longer just the cottage industry described in 1991. The British Fashion Designer report (Cheshire, 1998) compiled by Department of Trade and Industry and EMAP identifies some of the strengths, weaknesses, opportunities and threats associated with this sector.

**Table 6 SWOT Analysis of the Designer Fashion Sector (DTI & EMAP, 1998)**

| <b>Strengths</b>   | <b>Opportunities</b>   |
|--|--|
| Design Excellence & Design Colleges<br>High Profile of British Design innovation world wide<br>London Fashion – Biannual<br>BFC.BKCEC. BFA support<br>Brit designers at Dior, Chloe, Givenchy & fashion houses world wide<br>Designer/retailer diffusion lines underpinning some SMW businesses  | British Fashion Designer Conference<br>Exports markets e.g. USA, Asia, S.America, Europe<br>Product diversification<br>Creative Industries Task Force<br>Designer Menswear<br>Brand reorientation of the High St. and increasing consumer interest in brands<br>Promote existing help available<br>Reorganisation of the BFC |
| <b>Weaknesses</b>  | <b>Threats</b>   |
| Business under capitalised<br>Designer lack business training, lack of technical, marketing training in colleges<br>Lack of quality, flexibility domestic garment manufacturing<br>Slow to adopt product licensing<br>Over dependence on UK & Japanese markets<br>UK lacks brand stables<br>Relatively small domestic market<br>Ability of some to deliver to contract<br>Low use of government help available | Currency Fluctuations<br>Uncertainty in Asian export market<br>Italy manufacturing<br>USA Marketing<br>France/USA product licensing  |

The SWOT analysis study conducted by the DTI/EMAP did begin the centralised process of identifying in a more formal manner, some of the major challenges and problems facing the designer sector. Since this earlier research, several other reports have explored the fashion designer sector to ascertain its role and level of importance in the creative industries. However, this first report has prompted government actions to create greater localised and more proactive business link agencies to provide greater support and information for the small creative company. One such specialist business link centre is based at Portobello, West London, which has been the heart of small emerging fashion design companies for the last ten years.

*"Britain is unique amongst developed market economies in having an undervalued, under-financed, under developed fashion industry. The reasons for the failure of British designer firms are not difficult to identify, and related to an retail environment dominated by middle market chain stores, to a clothing production system afflicted in a large part by mass production, to a consuming public wedded to notions of quantity rather than quality, and more specifically, to a cultural legacy which feminises and trivialises clothing consumption and until recently dismissed male consumption practices as insignificant and unimportant."* (Crewe & Goodrum, 2000, p.27)

#### **Low Government support for the Designer Fashion Industry**

A sixth reason is the low priority of government support for this specialist sector. Government financial and developmental support has been relatively low in the past towards the fashion industry. The government has tended to commission various task groups to monitor the progress of the industry. These studies and reports have tended to emphasis macro issues affecting the industry and there are limited attempts have been conducted to identify how this has happened and what could be done to improve the survival rates of small fashion companies. The Textile and Clothing Strategy Group (TCSG) Report (2000) makes comments about designers and support for designers, and notes that:

- There is a need for "more effective use by the industry of the UK's design talent
- The UK is known world wide for the quality of its design, but UK design graduates are often not attracted to working in the UK clothing manufacturing sector
- Many UK manufacturers are wary of UK design graduates, because of what they perceive as a lack of necessary technological or commercial understanding."

The most recent study commissioned by the Department of Trade and Industry, and conducted by the British Fashion Council in conjunction with Malcolm Newberry Consulting Company (February 2003) was to investigate *"More effective use by the industry of the UK's design talent"*. The project had four objectives to investigate quantified outputs, of the impact of the designer fashion industry on the wider UK textiles and clothing industry: an analysis of the business

support needs of the sector; mapping study of the major elements and sources of relevant generic and specific business support for UK fashion designers from the public and private sectors and mapping study of current gaps in provision. The reports conclusions state that although there does exist enough Government support for the designer sector, there are apparent problems with inaccessible, complex and muddled schemes, which are poorly marketed. In addition, the agencies administering the support tend to be generalists, with limited specialist knowledge of the creative industries.

### **2.3 Relationship to other parts of the study**

This chapter has explored some of the key reasons why SMEs' find it difficult to sustain a presence in the market place and remain competitive. Various studies undertaken into the designer fashion sector puts forwards a range of possible solutions that could be adopted to improve the current situation. The first proposal is to separate the role between the designer and the business personnel (Goonatilake, 2003). He argues that by having separate roles could improve the fashion company's chances of sustainability and growth. An example of this business model in operation is taken from the film and music industry where the director has complete creative control over the output, while producers take on the business and operational side of the business.

However, this proposal of having separate roles does not take into account the fast changing nature of fashion products, and the season cycle, which has direct implications on fashion business processes. Quick response provides a competitive advantage demanded by aspirational consumers. This fast turnover of the product cycle is central to the business, and does require new fashion businesses to take a holistic view of their operations and processes.

#### **Relationship to the literature review**

This chapter has identified the breadth of knowledge and skills needed to launch a new fashion business. It indicates the numerous challenges that are necessary to enter the market place, manage the processes, practices and activities to sustain a presence. The literature review has been conducted to consider theoretical frameworks such as fashion product development, small business growth theories, generic management concepts, and contemporary marketing theories that consider the relevance of networking.

#### **Relationship to the research design**

The factors explored in this chapter, have also guided the design of the research. The questions have been designed to explore some of the issues indicated in this chapter. However, the chain of evidence has revealed further in-depth research is needed that takes into consideration key themes and issues that are challenging this sectors ability to remain competitive. It is outside the scope of this study is to begin to identify all of the issues that could improve our knowledge of these enterprises.

## Chapter 3 Literature Review

### 3.0 Introduction

The chapter is divided into three sections, which outline the main areas of the literature review.

- Product development theories and models, which have been examined to identify the specialist and generic nature of how products have been developed.
- Generic business and management theories which have been explored to identify established models of small business development, organisational and entrepreneurial models
- Contemporary management and marketing models related to the creative industries.

A review of published literature has been undertaken from a range of perspectives, from industrial reports, business and management journals and academic books. The literature review has been organised into subheadings for ease of reference and to manage the complex units of analysis. The literature pertaining to product development has been explored from both a national and international perspective as well as from generalist and specialist dimensions. The general business and management section has been approached through reviewing established small business growth models, from organizational and entrepreneurial perspectives and traditional management functional theories. The third level of analysis has been undertaken through exploring contemporary management perspectives related to creative environments. The literature search has revealed some of the key theoretical models, and research studies associated with the aspects of traditional and emerging marketing directions, creative and aesthetic brand and product development management strategies.

The research studies relating to the specialist apparel research appear to make very limited reference to the nature of fashion as a driving force in product development and tend to emphasise product development for clothing. Little attention has been paid to the type of creative development process involved in developing new brands and designer labels. The majority of research studies have focused on the identification of product success and failure, without making reference to the complexities and importance of the external and internal mechanics of the fashion company and how they manage the early stages of business growth.

The research studies related to New Product Development (NPD) have not addressed in detail the key issues of anticipating marketing and lifestyle trends, which are particular and unique to the development of fashion products. This important aspect of the product development process is critical to identifying and producing best sellers which normally

require at least 12 months lead time from idea to shop. The time to market is a key area for all fashion companies to address, with fast track innovation being the norm.

The literature related to business, marketing and management gave insights into the patterns and workings of external and internal practices of small firms. The research studies were generic in nature, and did not explore in depth some of the critical success factors required for sustainable performance in creative environments.

Literature related to creative business cultures has been explored through management theories in order to gain important critical perspectives of the contradictory nature of freedom and mechanisms of control. These contrasting polarized concepts highlight the tensions and conflicts of structural and cultural constraints of the creative company. Networking has been explored through research studies that identify generic structural models that contribute to small business development. The most recent networking research studies have been selected because they are related to apparel and design based companies.

### **3.1 Product Development Theories/Studies**

A review of literature has been undertaken in relation to specialised apparel and fashion related product development. Generic models of product development have been reviewed from a range of academic journals, such as *Clothing and Textile Research Journal*, *International Clothing Science and Technology*, *Journal of Fashion Marketing and Management*, trade journals, such as *Drapers Record*, *Fashion Business International*, and reference books. These sources have provided specialist knowledge and insights into the product development process for the apparel industry.

Various definitions of product development have been sourced in industrial literature and reference books. The main sources have been journals and trade magazines dedicated to fashion marketing and management. Product development has been defined as that which involves the design and engineering of products that are serviceable for the target consumer, taking into account the market, manufacture and profit (Frings, 2002). The definitions associated with product development for the apparel industry all make reference to marketing, but few acknowledge its importance, especially the promotional aspects of communicating the product to the consumer and the identification of future lifestyle trends.

In summary, most researchers or authors defined product development, as a chain of activities, methods and processes that transform customer needs into product. However, the range of activities and the order of activities within the process of development had different emphases placed upon it by authors.

### **Sequential Models of Fashion/Apparel Product Development**

Early research studies in this area are related to the apparel industry. The research studies centre on the sequential nature of the product development process, and focus on the functional activities involved. These sequential models provide general overviews of the range and scope of activities used in the development of products, and suggest that a product design moves in turn through a series of phases or stages. The different functions involved have traditionally taken place in single departments with very limited interaction occurring between the departments.

### **British Theoretical Models**

British product development literature acknowledges various factors that have an influence upon new product initiation. An early theoretical model of fashion product development has been identified by Carr & Pomeroy (1992), the process of product development being based on 14 linear activities, which are sequential in nature. The main process is based on the activities of market research, design concept, market screening, prototype pattern, pattern adaptation, testing, production patterns, grading, marker making, production templates, specification, feedback from manufacturing and feedback from the marketplace.

This early model shows a traditional chain of events that would be undertaken during the product development process. The sequencing of the events would be conducted in a predetermined order, with clearly defined roles and responsibilities allocated to the company in designing and producing the product. Carr & Pomeroy (1992) state that there are four main objectives of the process: the origination of styles, development of samples, refinement of business objectives and the attainment of commercial products. They view fashion design as a commercial not a creative activity. The model does, however, provide a functional view of product development processes that are generic to the majority of clothing and fashion companies in the business of producing products. This traditional approach is driven by market pull activities (Trott, 1998).

Sequential models all make reference to the main functions involved, but have limitations in that they omit critical parts and are of a generic nature. They provide little in-depth analysis or evaluation of the practices and processes, and make no reference to the importance of innovation and creativity in developing products for the changing marketplace. They provide simple overviews of the main activities, without acknowledging the iterative nature of design and prototype development. The constant movement from one process to another involved in getting the products right is time consuming, labour intensive, and requires inputs from many specialist players.

The advantage of sequential models is in identifying the clearly defined roles and responsibilities involved in the separate departments. Although specialist knowledge is needed to make informed decisions about the functions, it hinders the cross pollination of continuous ideas needed to produce rapid fashion products with short production runs. This fosters specialist units, whose members do not always understand the differences between the creative team and the technical team.

The disadvantage of sequential models is in the slow and inefficient manner in which the product proceeds from one activity to another. This segmented and non-integrated model poses problems in the context of rapidly changing consumer needs and demands. The communication between creative individuals and technical personnel becomes difficult due to differences in their roles and responsibilities. This creates barriers to innovation and not working as an integrated team has been highlighted as the cause of much company failure.

The fashion product is made from fabrics, which are not precision based. The fabrics are pliable and require extensive handling skills and experience to cut them to fit the body. Achieving best sellers with the right fashion content requires inputs from many specialists as well as the resources and technology.

#### **Process Models of Product Development**

A further recent process-led study has been undertaken by Le Pechoux, Little & Istook (2001) who refers to the importance of innovation in creating new fashions. They explore the creative phase of the apparel design process and put forward a theory of pattern language for innovation management. The theory articulates the dynamic structure of the archetype. The pattern language concept for the apparel design process could be used to channel creative efforts and enhance communication between design team members by providing them with a common language for creative fashion design.

In contrast to the innovation-led product development process, Sinha (2001) outlines the 5 main stages involved in the generic fashion design process as a management activity. Table 8 maps the processes which are divided into the main phases of: research and analysis; synthesis; selection; manufacture; and distribution. However, the overall design of a new collection is influenced by three main factors; business/market requirements; personal taste/inspirations/market trends; and sales figures.

**Table 7 Generic Fashion Design Process (Sinha, 2001)**

|         |   |
|---------|---|
| Phase 1 | <p><b>Research and Analysis</b></p> <p>Based on three main areas:</p> <p>Based on last season's retail figures, current market trends for colour and fabric, shape. Fabric exhibitions and future trend information</p> <p>No of designers available, finance and time</p> <p>Company direction</p> |
| Phase 2 | <p><b>Synthesis</b></p> <p>New/repeat styles, new/repeat fabrics, new/repeat colours</p> <p>Arrival of fabrics, Sample making, quality control</p> <p>Market requirements as perceived by the designers/company</p>   |
| Phase 3 | <p><b>Selection</b></p> <p>Method of distribution</p> <p>Market requirements as perceived by retailers</p> <p>Selection by designers, company directors, models</p>   |
| Phase 4 | <p><b>Manufacturing</b></p> <p>Concerned with the production of selected samples according to the order specifications. The second longest phase, varying between 20% and 45% of the design process</p>   |
| Phase 5 | <p><b>Distribution</b></p> <p>Manufactured samples were delivered to the appropriate retail outlets for selling to the public. This was the longest phase of the design process, varying between 25% and 50%.</p>   |

Each phase has a set of interlinking activities that overlap, and problems are continuously being responded to ensure the smooth flow of the product through its development.

#### **American Product Development Models**

American Apparel Product Development studies have been conducted by Burns & Bryant (1997). Table 8 shows the eight steps proposed as part of the generic theoretical model of apparel development, which features functional activities as being important to the success of new products. Their model features marketing as an important activity but mid-way through the process, not driving the process. However, market research is undertaken at the first stage of the process.

**Table 8 Model of Apparel Product Development (Burns & Bryant, 1997)**

|        |   |
|--------|---|
| Step 1 | Research (market, consumer, fashion and fabric/trim research) |
| Step 2 | Designing the Line  |
| Step 3 | Design development and style selection                        |
| Step 4 | Marketing the line  |
| Step 5 | Preproduction   |
| Step 6 | Sourcing  |
| Step 7 | Apparel Production  |
| Step 8 | Distribution  |

These sequential models all consider marketing as an important part of successful product development, but are only introduced midway through the process. However, the function of marketing is ill defined at the early stages of the process, and does include some aspects of market research. The degree of market research undertaken by companies is limited and not well documented.

#### **Concurrent Models of Fashion/Apparel Product Development**

Another model of product development for the apparel industries has been proposed and presented in the form of concurrent design. Concurrent design has been defined by Wang & Kilduff (1999) as: *'a high level concept involving the modelling, planning and controlling of product development with respect to the product's features, the design process, project resources and team membership.'* According to their research, four different aspects form the concurrent design environment. (Table 9) The structure of concurrent design activities is the dynamic relationship that exists between these aspects and activities. The concurrent design model suggests that this approach can make the greatest impact on reducing product cycle time and hence time to market.

**Table 9 Concurrent Design Model (Wang & Kilduff, 1999)**

| Aspects   | Description                                | Activities    |
|-----------|--|---------------|
| Product   | Representation of product aspects          | Modelling     |
| Process   | Product life cycle aspects, design process | Planning      |
| Resources | Knowledge tools, available to design       | Controlling   |
| Teams     | Groups of people with common goal          | Co-ordinating |

Wang & Kilduff (1999) highlight the problems of co-ordination in the product development process, and suggest that the team is the cornerstone of effective team working. They suggest that optimal design performance and hence design productivity, are the effective co-ordinators of the design process. They also explored team effort in the process, which is central to co-ordination. These later models all highlight the need for new methodologies, leading to the development of a management support environment in which product development occurs. These models suggest that team working and the co-ordination of the activities are central to the success of new products.

Although Eckert & Demaid (1997) propose a model of concurrent design for improving the knitwear design process, the nature of the product determines the processes involved in designing and producing this specialist product. Knitwear has a strong technical input, which requires a designer to have knowledge of the manufacturing processes needed to create the fabric and stitch patterns. The product development is highly specialist, differing from casual or tailoring product development.

Further research by Wang & Kilduff (1996), stresses how the global nature of the textile/apparel industry has a bearing upon the product development process. Their research centred on the attitudes of managers and project workers in the British Textile industry. Their findings indicate that one of the most important determinants of new product success was design management. With the traditional roles of manufacturing, sales and distribution being redefined due to international trading conditions, competitive success reflects the need for a design-led product development process.

Another advocate of the non-sequential product development process is May-Plumlee & Little (1998). Table 10 outlines the No-interval coherently phased product development model for apparel. The model incorporates parallel processing and multiple convergence points. It outlines the overlapping stages and fuzzy gates, which allow for various items within an apparel line to be selectively advanced or recycled through previous development phases. The six-phase apparel product development process model includes the following phases of line plans and research, initiation, translation, line marketing and pre-product and line optimization.

**Table 10 No interval Coherently Phased Product Development (May-Plumlee & Little, 1998)**

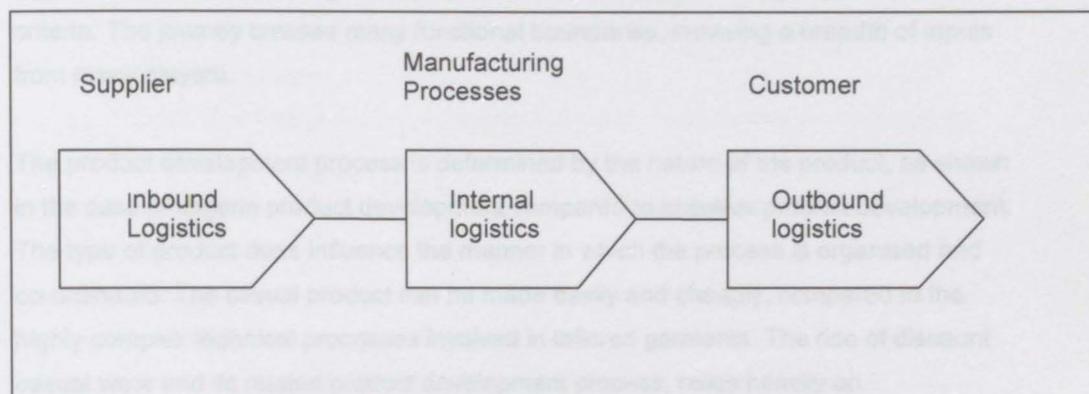
|         |  |
|---------|--|
| Phase 1 | Line planning and research.<br>Includes the marketing and sales forecast plan, target customer research, and merchandising and design contribute to the first phase. |
| Phase 2 | Initiating development of the specific products  |
| Phase 3 | Translates the line from sketches and specifications to actual samples of the product line   |
| Phase 4 | Line is marketed to retail channels through markets and calls by sales representatives   |
| Phase 5 | Pre-production, involves translating the prototype and first patterns in sample sizes into the complete size range required for sales to the consumer                |
| Phase 6 | Line optimization. Improvements and modifications made to the line to enhance sales or to better balance a line which as erratic sales.                              |

### Supply Chain Models

Other perspectives on product development management, in particular the mass market sector, are related to how the supply chain becomes a key determinant in achieving high levels of customer satisfaction at lower costs. Through focusing on consumer needs this will give the company a competitive advantage over its rivals. Hines (1995) puts forward a supply chain model (Figure 1) that improves the information flow along the supply chain to overcome the strategic partnership problems that are experienced during the development of products from fibre to retailer. The logistics model highlights the need for

strategic alliances throughout the process, which will benefit all parties involved in producing the product. The logistic strategies show the relationship between the firm and its suppliers and the firm and its customers.

**Figure 1 Logistics: the Link in the Chain (Hines 1995)**



### Marketing-Led Studies

Other research studies related to the designer fashion sector, have examined the role and importance of marketing in achieving successful product development results. One such study by Moore & Murphy (2000) indicates that a recent development within the UK fashion sector has been the adoption by younger consumers of products that have been previously targeted towards older customer groups. The research explores examples of four brand growth options: marketing penetration of existing products within existing markets; market development of existing products within new markets; new product development for offering new products within existing markets; and diversification of new products into new markets.

They use case studies on four companies: Kangol, Mulberry, Clarks and a French Designer. Their research findings identified the importance of marketing communications and public relations, in particular in the process of extending the appeal of fashion brands within younger market segments. They stress that little attention has been given to the role that fashion companies play in this process of market extension and development. The strategy of implementing market extensions to existing product groups has been shown to be successful in repositioning the company to new consumer groups. There appears to be a strong correlation between marketing strategies and product strategies in achieving successful sales figures.

The majority of research studies related to apparel and fashion indicate the importance of functional activities in a sequential manner. These sequential models focus on the management of the separate nature of the different aspects involved in developing products. These activity-driven product development models for the apparel industry do not focus on the multi-faceted range of specialists needed in the process. Very few

research studies concentrate on the nature of the process and the interactions of the people involved in the various functions. The processes cross over, overlap, move backwards and forwards, and require contributions from a diverse range of inputs. The management of the product through its journey from idea to product is complex and requires constant monitoring and evaluation to ensure it meets company and product criteria. The journey crosses many functional boundaries, involving a breadth of inputs from many players.

The product development process is determined by the nature of the product, as shown in the case of lingerie product development compared to knitwear product development. The type of product does influence the manner in which the process is organised and co-ordinated. The casual product can be made easily and cheaply, compared to the highly complex technical processes involved in tailored garments. The rise of discount casual wear and its related product development process, relies heavily on manufacturing offshore with low-skilled labour to produce the product, whereas the tailored garment is heavily reliant on highly skilled labour to carry out the intricate detailing needed in developing structured products.

The unique factor in the success of the fashion company is that the strong individual leadership of creative individuals normally influences them. The strength of the design director can have a major impact on how the design process is conducted and co-ordinated. The constant moves of designers in the job market contribute to a volatile and unpredictable employment climate.

#### **Generic Product Development Models/Studies**

Reviews of studies into new product development have been undertaken primarily by American research teams, and primarily concerned with factors influencing success and failure of new products. The majority of early research studies have explored science-based and engineering based industries rather than the creative industries, with very limited research into the fashion industries. *The Journal of Product Innovation and Management*, and *The Design Management Journal*, have provided the main source of research literature and studies.

#### **Success/Failure Models of Product Development**

An earlier research study by Hollins & Hollins (1991) provides some valid insights into product failure. They investigated 160 companies, and found 2 main causes of product failure: poor market research into customer wants and therefore not fulfilling the potential customers needs better than their competition: and second, the inadequacy of specifications at the early stages of the design process, to assist the Front End activities. The design of a successful product involves a process that requires management. It is the continuous supply of new products that is a key factor in surviving in an increasingly

competitive world. The research tracks step by step the design process, to identify the weaknesses in the process management.

Further research into product development activities by Inwood & Hammond (1993) outlines 5 main factors that contribute to successful new product development:

1. Total product management: developing all aspects of a product, not just its looks and how it is made;
2. Simultaneous engineering: the rapid and parallel development of marketing, industrial design, engineering and production;
3. Risk Management: deliberate planning activity to allow the phased reduction of risk from any sources;
4. Marketing: the management activity, which seeks to anticipate and fulfil customer requirements profitably;
5. Team Building: the activities that lead to good team work facilitate communication and encourage an innovation culture.

Recent predictive studies and government reports into what makes successful product development are linked to innovation management. A survey, *Winners: How Today's Successful Companies Innovate by Design*, carried out by Thackara (1997), highlights the need for innovation in the product development process. According to Thackara (1997), innovation means two things: first, the commercialisation of a technologically changed product in such a way that the new design delivers improved service to the user: and second, improvement in the way an item is produced – which may involve new equipment, new management and organisational methods, or all of these. The European Commission (1995) says: '*innovation is not just an economic mechanism, nor a technical process: innovation is above all a social phenomenon through which individuals, companies, and societies express their creativity, needs and desires*'.

Thackara (1997) gives a prediction regarding working life in 2020. He suggests some new concepts for the future: a society of abundance, market forces driven production side of economy, basic survival of all assured with or without a job, flexible career path associated with every job, much more flexible work arrangements, more complex compensation arrangements, possibility of simultaneous jobs with different employers, greater range of possibilities of work locations, decentralised work locations, objective (not product) driven, flexible work flows, flatter hierarchies, self-regulation of work habits, flexible teams, networking, new incentive arrangements, less clear lines between work and education, and blurred lines between work and non work.

Being innovative also demands an ability to anticipate needs, rigorous but flexible organisation, and a capacity to meet tight deadlines and to control costs. There are

nearly 16 million businesses in the fifteen countries of the European Union (based on 1997 figures), 99 percent of which have fewer than 50 employees. However, these small and medium sized enterprises (SME's) account for over two-thirds of all jobs, and create the bulk of national wealth. Another study, by Simon (1996), looked at the strategies of low profile but high-performance German companies. Simon (1996) discovered that innovation was one of the pillars on which the world market leadership of his 'hidden champions' is built; many pioneered a new product or created a market. These companies made innovation an explicit priority not just in their products, but also in every facet of their day-to-day operations. For them, innovation is not a spectacular jump into the future, but a continual process that never stops.

Innovative companies tend to organise their activities in teams, the purpose of which is to co-ordinate different disciplines through the life of a project. They recognise that innovation depends upon communication processes within organisations, as much as between them and that the best way to co-ordinate product conception, production, design and distribution is to bring the specialist teams together from the outset. Coordinating these different inputs are complex and demanding. The benefits of teamwork has been explored by numerous management theories, but getting teams in practice to function effectively is another, much harder, task.

#### **New Product Development Studies**

Much of NPD literature is dedicated to identifying NPD performance dimensions that drive the business success of a company. Traditionally, such dimensions have been examined at the project level, and have only recently been extended to the product development function as a whole. One study by Khurana & Rosenthal (1998) highlights the importance of planning and early product development management as keys to success. They discovered that any firm that hopes to compete on the basis of innovation clearly must be proficient in all phases of the new-product-development process. The real keys to success can be found in the activities that occur before management makes the go/no-go decision for any NPD project.

They emphasised that the most significant benefits can be achieved through improvements in the performance of the front-end activities – product strategy formulation and communication, opportunity identification and assessment, idea generation, product definition, project planning and executive reviews. The research outcomes highlighted that the greatest success comes to organisations that take a holistic approach to the front end. A successful approach to the front end effectively links business strategy, product strategy and product-specific decisions. Forging these links requires a process that integrates such elements as product strategy, development portfolio, concept development, overall business justification, resource planning, core team roles, executive reviews and decision mechanisms.

Some empirical studies of NPD performance stretch across industries while others are industry specific. Both groups of studies typically share the implicitly assumption that performance dimensions can be generalised to different market environments. Recent work has challenged this assumption and suggests that the relevant NPD performance dimensions change across industries. A further research project undertaken by the centre for Research into Innovation, Culture and Technology at Brunel University, explored the abilities and competences needed by Industry in order to identify and acquire new technology (Woolgar, 1996). The study used a set of assessment criteria to identify how companies approached product development. They researched 9 areas to establish if companies were efficient and effective in their business practice that included:

1. Leadership;
2. Policies and Strategy,
3. People Management,
4. Resources,
5. Processes,
6. Customer Satisfaction,
7. People Satisfaction,
8. Impact on Society,
9. Business Results.

#### **Consumer and Market Perspectives Product Development Models**

A contrast to this approach of studying product development is the work of Veryzer (1997) who emphasises consumer analysis rather than analysing the management of the process. His research studies explore the design's role in shaping consumers perceptions of products, and he puts forward a design perception model that helps bridge the language gap between business and design managers by providing a more concrete way to articulate the value of design. In order for a product to be successful – to satisfy customer needs and achieve high sales volumes – its design must adequately address the interface between the user and product. At the same time, the growing complexity of many products and the relative freedom from technical constraints that previously defined or limited product configurations has increased the need for effective design and design management. Even so, far too many business managers and non-designers, see the design element as mysterious and somewhat arbitrary. In some cases, design is under-utilised because the contribution that it can make to the overall success of a product goes unrecognised by key members of the development team.

Porter (1980) presents a strategic framework to explain how the importance of product development might change over time, with the changing industry context. This framework is based on the product life cycle model. The product life cycle comprises

four stages: embryonic, growth, mature and decline. The product life cycle model predicts that marketing is more important than the development phases in high growth industry because market awareness and volume building are the key challenges. Product development and manufacturing matter more when the industry matures, requiring frequent variant introductions at low cost and also links to the complexity of the product and also legal aspects.

### 3.2 Generic Business and Management Theories

Literature reviews have been undertaken from established business and management studies. This subsection identifies three dimensions of business management models that contribute to the organisational, functional and performance of the small, medium enterprise. The literature review has been undertaken using business journals, such as Harvard Business Review to identify key established studies that present business models, in particular exploring growth patterns.

#### Small Business Growth Model

This section reviews a number of empirical studies, which are related to the elements of small business growth, considering the entrepreneur, firm and strategy perspectives taken mainly from the United Kingdom and the United States. The majority of the studies have used quantitative analysis to examine the relationships of small firm growth. The problems associated with these types of studies is the difficulty of comparability, due to the individual nature of the studies conducted, the time periods used for growth assessment, the sample sized used, and industry sector differences.

The concept of growth has been considered in the literature through various research approaches: actual employment change over a period of time, rate of employment growth (Hakim, 1989), firms seeking growth and those which were not, (Kallenberg & Leicht, 1991). In addition, the studies were conducted over different time periods, ranging from short periods of growth (Woo et al., 1989) to studies selected to compare fast growing businesses, to less rapidly growing firms of a similar age and locations (Wynarczyk et al., 1993).

#### Organisational Growth Models

An earlier model, which charts the phases of growth, is by Greiner (1972). He maintains that growing organizations move through five distinguishable phases of development each of which contain a relatively calm period of growth that ends with a management crisis. He argues that since each phase is strongly influenced by the previous one, a management with a sense of its own organization's history can anticipate and prepare for the next developmental crisis. He puts forward a model, which helps companies turn their organizational crisis into opportunities for future growth. He also argues that the future of an organization may be less determined by outside forces than it is by the

organization history, and describes two main types of change experienced by companies as evolution and revolution periods of growth. As a company progresses through developmental phases, each evolutionary period creates its own revolution. Five key dimensions emerge as essential for building a model of organizational development, the age of the organization, the size of the organization, stages of evolution, stages of revolution and growth rate of the industry.

He outlines five phases of growth as creativity, direction, delegation, co-ordination and collaboration. Table 11 outlines the main characteristics of these five main phases in progression terms, whereas Table 12 outlines the evolutionary developments of business management strategies. Faster growth industries tend to experience all five phases more rapidly, while those in slower growth industries encounter only two or three phases over many years. Each phase is both an effect of the previous phase and a cause for the next phase.

**Table 11 The Five Phases of Growth Model (Greiner, 1972)**

| Size of organisation | Phase 1  | Phase 2   | Phase 3   | Phase 4  | Phase 5   |
|----------------------|--|---|---|--|---|
| Large                |  |   |   |  | Crisis?<br>Growth through<br><b>collaboration</b> |
|                      |  |   |   | Crisis of <b>Red Tape</b><br>Growth through<br><b>coordination</b> |   |
|                      |  |   | Crisis of <b>control</b><br>Growth through<br><b>delegation</b> |  |   |
|                      |  | Crisis of <b>Autonomy</b><br>Growth through<br><b>direction</b> |   |  |   |
|                      | Crisis of <b>leadership</b><br>Growth through<br><b>creativity</b> |   |   |  |   |
| Small                |  |   |   |  |   |
| Age of organisation  | Young  |   |   |  | Mature  |

**Table 12 Organization Practices during the evolution in the Five Phases of Growth (Greiner, 1972)**

|                            | <b>Phase 1<br/>Creativity</b>     | <b>Phase 2<br/>Direction</b> | <b>Phase 3<br/>Delegation</b> | <b>Phase 4<br/>Co-ordination</b> | <b>Phase 5<br/>Collaboration</b> |
|----------------------------|-----------------------------------|------------------------------|-------------------------------|----------------------------------|----------------------------------|
| Management focus           | Make & Sell                       | Efficiency of operations     | Expansion of market           | Consolidation of organisation    | Problem solving & innovation     |
| Organization Structure     | Informal                          | Centralised & functional     | Decentralised & geographical  | Line-staff & product groups      | Matrix of teams                  |
| Top Management Style       | Individualistic & entrepreneurial | Directive                    | Delegative                    | Watchdog                         | Participative                    |
| Control System             | Market results                    | Standards & cost centres     | Reports & profit centres      | Plans & investment centres       | Mutual goal setting              |
| Management Reward Emphasis | Ownership                         | Salary & merit increases     | Individual bonus              | Profit sharing & stock options   | Team bonus                       |

### Six Staged Growth Model (Churchill and Lewis)

Churchill & Lewis (1983) have developed a small business framework, which outlines five stages of small business growth. Table 13 illustrates each stage as characterized by an index of size, diversity, and complexity and described by five management factors; managerial style, organisational structure, extent of formal systems, major strategic goals and the owner's involvement in the business.

**Table 13 Small Business Growth Model (Churchill & Lewis, 1983, adapted)**

|                         | Stage 1   | Stage II  | Stage III D   | Stage III G  | Stage IV  | Stage V   |
|-------------------------|---|---|---|--|---|---|
|                         | Existence   | Supervised  | Success - Disengagement   | Success Growth   | Take-off  | Resource Maturity   |
| Management Style        | Direct supervision  | Supervised Supervision  | Functional  | Functional   | Divisional  | Line and Staff  |
| Organization Structure  | Simple  | Simple  |   |  | Decentralised   |   |
| Extent of formal system | Minimal to non-existent<br>No planning  | Minimal<br><br>Cash flow planning   | Basic   | Developing   | Maturing<br><br>Operational and strategic planning  | Extensive   |
| Major Strategy          | Existence   | Survival  | Maintaining profitable status quo   | Get resources for growth   | Growth  | Return on investment  |
| Business and Owner      | Owner does everything   | Owner gives well defined orders to limited number of employees                                  | Owner monitors strategy   |  |   |   |
| Main problems           | Obtaining customers and delivering the service or product<br>Cash flow<br>Expanding the customer base | Relationship between revenues and expenses<br>Replacement of capital assets<br>Financing growth | Key decisions to exploit companies accomplishments and expand or maintain stability and profitability.<br>Using the company as a platform for growth.<br>Disengagement issues.<br>Start new enterprise, leave, retire | Consolidates company and marshals resources for growth.<br>Hiring new people to manage the company's future. | Financing rapid growth.<br>Delegation with controls on performance or abdication<br>Tolerate a high debt equity | Consolidate and control financial gains<br>Retain the advantages of small size, including flexibility of response and the entrepreneurial spirit. |

Several factors, which change in importance as the business grows and develops, are prominent in determining ultimate success or failure. Table 14 shows Churchill & Lewis Model that identifies eight such factors that relate to the company, and relate to the owner.

**Table 14 Factors Affecting Growth (Churchill & Lewis, 1983)**

|   | Factors related to company   | Factors related to owner  |
|---|--|---|
| 1 | Financial resources, including cash flow and borrowing power   | Owners goals for him/herself and for the business   |
| 2 | Personnel resources, relating to numbers, depth, and quality of people, particularly at the management level   | Owners operational abilities in doing important jobs such as marketing, inventing, producing and managing distribution                    |
| 3 | Systems resources, in terms of the degree of sophistication of both information and planning and control systems   | Owners managerial ability and willingness to delegate responsibility and to manage the activities of others                               |
| 4 | Business resources, including customer relations, market share, supplier relations, manufacturing and distribution processes, technology and reputation, all of which give the company a position in its industry and market | Owners strategic abilities for looking beyond the present and matching the strengths and weaknesses of the company with his or her goals. |

As a business moves from one stage to another, the importance of these factors change. They view the factors as alternating among three levels of importance, first, key variables that are absolutely essential for success and must receive high priority, second, factors that are clearly necessary for the enterprises success and must receive some attention, and third, factors of little immediate concern on top management.

### Five Staged Growth Model

Scott & Bruce (1987) infer that the small firm moves from the first stage, Inception, through to the fifth stage, Maturity. Table 15 show the key management and organisation dimensions that change as the business moves from start up to maturity.

**Table 15 Five Stages of Small Business Growth (Scott & Bruce, 1987)**

| Stage        | Top Management Role      | Management Style                 | Organisation Structure           |
|--------------|--------------------------|----------------------------------|----------------------------------|
| 1. Inception | Direct Supervision       | Entrepreneurial, individualistic | Unstructured                     |
| 2. Survival  | Supervised supervision   | Entrepreneurial, administrative  | Simple                           |
| 3. Growth    | Delegation/co-ordination | Entrepreneurial, co-ordinate     | Functional, centralised          |
| 4. Expansion | Decentralised            | Professional, administrative     | Functional, decentralised        |
| 5. Maturity  | Decentralised            | Watchdog                         | Decentralised functional/product |

During the first stage of business conception, it is entirely the entrepreneur who founds the firm. The owners are the most important asset of the business providing all its managerial skill, direction and capital. During the second stage of survival, the owner manager usually remains in control of the business and undertakes minimal formal planning, and can operate in this stage for long periods of time.

Some analysts consider the growth of small companies through identifying the various stages of change. These Stage Models consider change through a set of growth dimensions, which are used to present the different phases a company, would go through in their life cycle. Both Churchill & Lewis (1983) and Scott & Bruce (1987) have proposed five stage models of SME Growth incorporating the following stages: Start Up; Survival; Growth; Take Off; Maturity.

The limitations of these stage models, is that not all firms start at stage 1 and move to stage 5, due to different types of management roles which do not move in parallel with the organisational structure. Firms may achieve a particular stage, most notably survival, and never have any intention of moving beyond that stage. The value of the stage model tends to describe, rather than predict, future growth patterns.

In contrast to stage models, the growth of small firms has been considered from another perspective that explores entrepreneurial activities that have impact on the success of the company.

### Entrepreneur Models of Growth

Entrepreneurial studies have been undertaken through exploring both British and American companies. In particular the Babson Centre for Entrepreneurial Studies in America provides intensive and highly focused research into entrepreneurs. ([www3.babson.edu](http://www3.babson.edu)).

### Entrepreneurial Phased Growth Model

*'Entrepreneurs are the heroes of market driven economies around the world. They generate and act on new ideas; they are willing to take risks; and they create jobs at rates that embarrass their large-scale corporate counterparts.'* (Osborne 1994, p.80)

The Osborne (1994) study explored why many owner managed companies fail to escape their initial entrepreneur phase, and discovered that the internally focused conventional explanations, inadequate growth capital, exceeding the entrepreneur's personal span of control, the development of bureaucratic practices, and the loss of entrepreneur energy, were only minor factors accounting for growth stall in the Phase One companies. The author found the major reason they stopped growing was they failed to understand and respond to the complex set of changing opportunities and obstacles that were developing outside the firm. Table 16 maps the differences between phase one companies, (who had failed to grow) and phase two companies (who had continually grown).

**Table 16 Entrepreneur Phases Differences (Osborne 1994)**

| Phase One   | Phase Two  |
|---|--|
| Sales and or product driven approach to growth                                | Marketing driven approach  |
| Internally focussed attitudes   | Environmentally focused  |
| Modes, uneven investments in marketplace intelligence                         | Systematic market information systems                                |
| Tendency not to have executives devoted to marketing and strategic management | Marketing department or equivalent function                          |
| Only modest changes in original market concept                                | Many changes to original marketing concept and product configuration |

The role of the entrepreneur in the growth of the small firm has been explored in numerous studies: considering the relationship between the entrepreneur, the firm and strategies (Storey, 1994) and start-up resource choices to facilitate the growth patterns of the company (Hart, et al., 1995).

### Factors Influencing Growth

Storey (1994) considers the growth of small firms by categorising three components, which are the starting resources of the entrepreneur, the firm and strategy. These three components are considered through a variety of different elements and are shown in Table 17. The model presents factors influencing the growth in small firms through a set of separate elements, related to the entrepreneur, the firm and the strategy.

**Table 17 Factors Influencing Growth in a Small Firm (Storey 1994)**

| The entrepreneur/resources     | The firm      | Strategy                        |
|--------------------------------|---------------|---------------------------------|
| 1. Motivation                  | 1. Age        | 1. Workforce                    |
| 2. Unemployment                | 2. Sector     | 2. Management training          |
| 3. Education                   | 3. Legal form | 3. External equity              |
| 4. Management experience       | 4. Location   | 4. Technological sophistication |
| 5. Number of founders          | 5. Size       | 5. Market positioning           |
| 6. Prior self employment       | 6. Ownership  | 6. Market adjustments           |
| 7. Family History              |               | 7. Planning                     |
| 8. Social marginality          |               | 8. New products                 |
| 9. Functional skills           |               | 9. Management recruitment       |
| 10. Training                   |               | 10. State support               |
| 11. Age                        |               | 11. Customer concentration      |
| 12. Prior business failure     |               | 12. Competition                 |
| 13. Prior sector experience    |               | 13. Information and advice      |
| 14. Prior firm size experience |               | 14. Exporting                   |
| 15. Gender                     |               |                                 |

Source, Storey (1994)

The entrepreneurial dimension identifies fifteen characteristics of the individual/individual who provide the main source of managerial resources to the small business. The entrepreneur and their access to resources can be identified prior to the business, and these elements can be measured or assessed prior to starting the business. Although some of the elements are difficult to measure, the characteristics of the entrepreneur resources components can be identified prior to the business start-up, not to the business, which is established. The business characteristics dimension identifies six elements made by the entrepreneur upon starting the business, which are not operational elements. These provide indicators, which remain constant and are used to examine the growth performance implications of entrepreneurial characteristics. The Strategy characteristic dimension identifies fourteen elements, which relate to the firm once it has been started. The approaches taken concerning managerial actions are likely to be associated with rates of growth.

Hart et al., (1995), suggest that the ability of new venture to succeed is enhanced due to the entrepreneurship of the firm's owner. They conclude that resources that can be acquired or accessed in the marketplace ought not to limit opportunity choices, but entrepreneur-specific industry knowledge and reputation are assets that can only be developed over time and that they have greatest value when applied in a similar context.

Their potential contribution to a new venture's performance indicates that these inalienable resources should be considered in the initial choice of opportunity, and can be the source of the new venture's unique competitive advantage.

### **Entrepreneurial Individualism Model**

Curran et al., (1976 p.85) argue that the:

*'key to growth lies in the means attached to participation in the firm by the actors involved. The small firm, in this view, is an ongoing social entity constructed out of the meanings and actions of those who participate in the firm or who are 'outsiders' in relation to the firms as a social grouping but nevertheless interact with the participants'.*

This approach is based on a social action perspective that examines the social environment in which specific individuals within small firms interact. Their perspective looks at the strong influence of the owner-manager on the small firm's organization style, and looks at the meanings behind why the entrepreneur goes it alone. Economic individualism, in the form of founding and operating a business of one's own is one of the most legitimate of all culturally prescribed forms of individualism. The authors explored the social backgrounds and orientations of these people, especially first generation entrepreneurs. They suggest that three latent identities occur with some frequency in relation to the small firm entrepreneur.

1. The artisan identity. Centres on intrinsic satisfactions of which the most important are personal autonomy at work, being able to pick the persons you work with, status within the work place and satisfaction at producing a quality product with personal service.
2. The classic entrepreneur identity. Earnings and profit become a core component in entrepreneur's definition of his role and hence in the way he acts out his role. Maximisation of financial return is not the sole goal, but it is given greater importance compared to the intrinsic satisfaction associated with the artisan identity.
3. The manager identity. The entrepreneur latent social identity centres on meanings and goals concerned with recognition by significant others of managerial excellence. Other goals and values stressed here are security, and a concern to ensure that the benefits will go to this family.

Another study into facilitating entrepreneurship was conducted by Maniukiewicz, et al (1999). They investigated small SME's in Aberdeen to explore the business start up processes, barrier and commitment to launching business ventures. The authors used a range of measures to ascertain the barriers and commitment to business start up. The barrier statements consisted of the following questions:

- *I need to learn more about what is involved in running a business*
- *I need to know more about how suited I am to running my own business*

- *I need to develop my business idea more fully*
- *I need to know more about how I could raise financed to help me start my own business*
- *I need to feel more confident that I am able to run my own business*
- *I need to learn more about the size of the market for my products and services*
- *I need some support to help me give up my job to start my own business*
- *I need to feel more confident that someone with my background could start a successful company*
- *I am worried about the impact on my family*

The commitment statements consisted of the following questions:

- *I am already running my own business*
- *I have decided to start and know when I'll start trading*
- *I have to make a few more decisions before I can make the commitments*
- *I've always been interested but I need to establish a sound business idea*
- *It appeals but I'm not sure I have what it takes*
- *I'm at the very early stages of formulating my ideas*
- *I'm looking around to see what I want to do with my future*

The author discovered that people did not understand the full potential of networking, and had to be coached in its best practice in order that there was a 'win win' environment created for all. The study made clear that networks within business communities are extremely important, if not the most important factor in sustaining business.

### **Management, Marketing and Team Studies**

A review of marketing literature has been undertaken from a range of perspectives, from established earlier general marketing theories, fashion specific marketing and contemporary marketing approaches. The literature review examines the generic and specific marketing theories from both an American and British viewpoint.

### **Marketing Mix Models**

These accepted models are offered from Kotler (1988), Porter (1980), and Fifield (1992) who view marketing from traditional perspectives, such as the marketing mix dimensions such as the 4 P's, competitive, and strategy theories used by companies. These writers present marketing as a set of processes, and strategies that can improve the business capabilities and competences. In contrast to the process/strategy models, contemporary marketing is now being studied from the individualist and relationship standpoints, such as word of mouth, viral, relationship and buzz marketing. These new approaches are more conducive to the way the creative industries integrate marketing into their company structures, through more personal and social network transfers.

One of the most influential writers in marketing studies is Kotler. He pioneered the American view of conventional marketing as a key force in business developments. He put forward the concept of the marketing mix, which consisted of the 4 P's, product, price, place and promotion as key ingredients to successful marketing strategies. Kotler (1988) offers a definition as:

Figure 2 Model of Business Strategy (Fifield, 1992)

*'Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.'*

Marketing arises from four core concepts:

- Needs, wants and demands
- Products: utility, satisfaction and value
- Exchange: transactions and relationships
- Markets: marketing and marketers

Kotlers (1988 p.xvii) views on marketing are expressed as:

*'Marketing as the business function that identifies unfulfilled needs and wants, defines and measures their magnitude, determines which target markets the organization can best serve, decides on appropriate products, services and programs to serve these markets, and calls upon everyone in the organization to think and serve the customer.'*

He approached the activity of marketing from the consumers' perspective and realised the importance of serving the customer's needs. He goes onto say (Kotler, 1988)

*'Market-oriented thinking is a necessity in today's competitive world. There are too many goods chasing too few customers. Some companies are trying to expand the size of the market, but most are competing to enlarge their share of the existing market. As a result there are winners and losers. The losers are those that bring nothing special to the market. The winners are those who carefully analyze needs, identify opportunities, and create value-rich offers for target customer groups that competitors can't match.'*

However, the 4 P's has now been extended to include the 7 P's of marketing, and includes packaging, people and plans. (Wilson & Bates, 2003) New marketing strategies have to take into account comprehensive mixes of approaches, which inform the marketing and sales objectives. Other marketing literature has been reviewed from a more strategic angle encompassing a British perspective. The concept of marketing has been applied to present models of business strategies and how they relate to the marketing function. Fifield (1992 p.13) defines the concept of marketing strategy as: *'the process by which the organization translates its business objective and business strategy into market activity'*. Figure 2 shows the model of business objectives in relation to its strategic market strategy, whereas Figure 3 shows in more detail the processes involved in strategic marketing activities. This model presents marketing as a fundamental part of the business objectives.

*the range of feasible strategic moves which the firm might expect to be able to make in response to the firm's competitors' actions. This range of moves might occur in response to the firm's competitors' actions.*

Figure 2 Model of Business Strategy (Fifield, 1992)

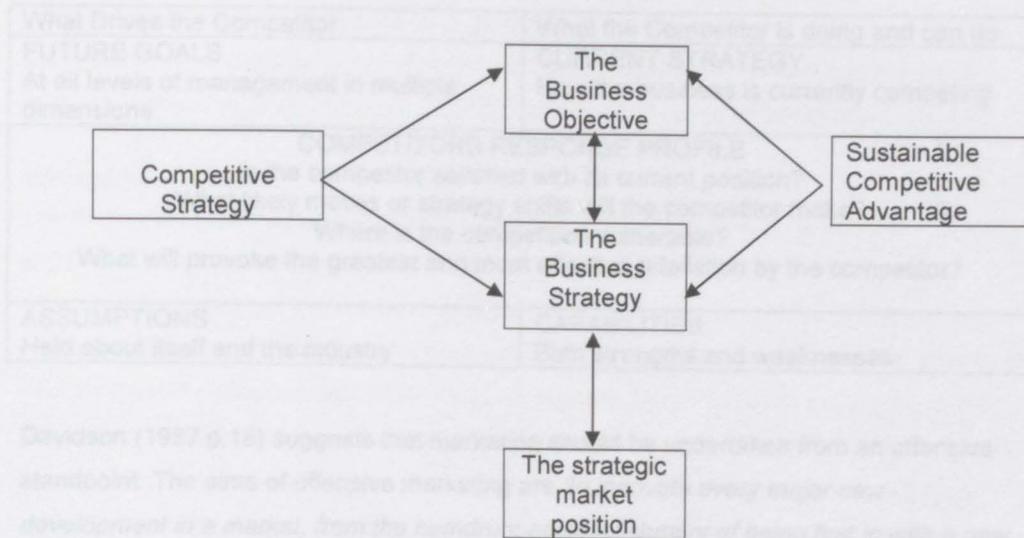
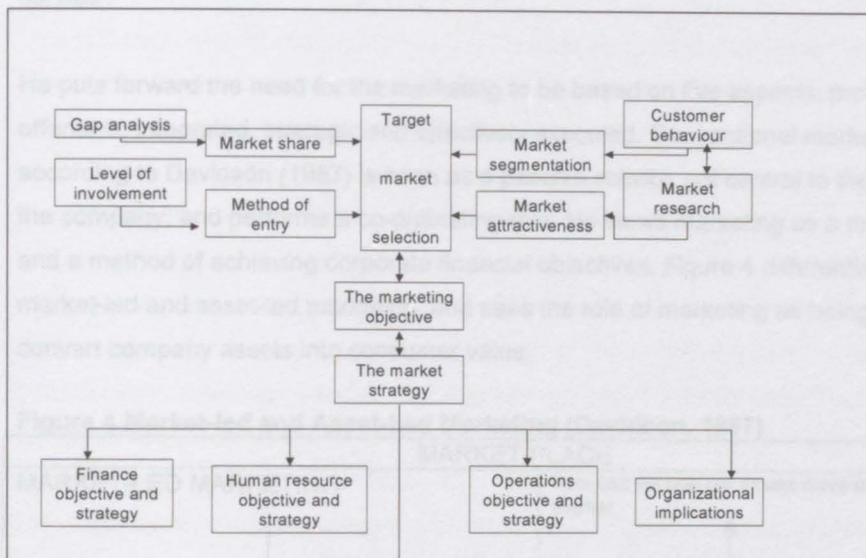


Figure 3 Model of Marketing Strategy (Fifield, 1992)



Porter (1980) puts forward another important perspective of strategic directions. He argues for the importance of competitive strategy that involves positioning a business to maximise the value of the capabilities that distinguish it from its competitors. Table 18 outlines the main components of competitor analysis that explores the role of competition as an important part of business planning. He states, that: 'The objective of the competitor analysis is to develop a profile of the nature and success of the likely strategy changes each competitor might make, each competitor's probable response to the range of feasible strategic moves other firms could initiate, and each competitor's probable reaction to the array of industry changes and broader environmental shifts that might occur.' (p.47)

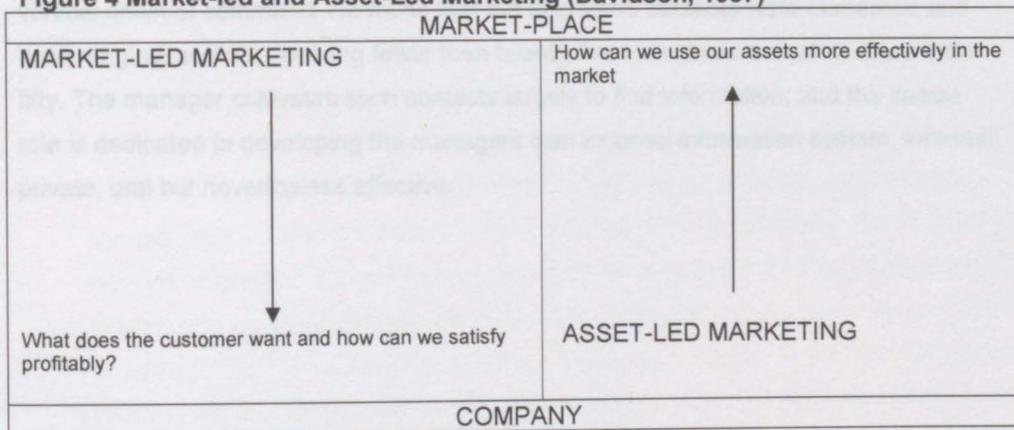
**Table 18 Components of a Competitor Analysis (Porter, 1980)**

|   |  |
|---|--|
| What Drives the Competitor<br>FUTURE GOALS<br>At all levels of management in multiple dimensions  | What the Competitor is doing and can do<br>CURRENT STRATEGY<br>How the business is currently competing |
| <b>COMPETITORS RESPONSE PROFILE</b><br>Is the competitor satisfied with its current position?<br>What likely moves or strategy shifts will the competitor make?<br>Where is the competition vulnerable?<br>What will provoke the greatest and most effective retaliation by the competitor? |  |
| ASSUMPTIONS<br>Held about itself and the industry   | CAPABILITIES<br>Both strengths and weaknesses  |

Davidson (1987 p.18) suggests that marketing should be undertaken from an offensive standpoint. The aims of offensive marketing are *'to innovate every major new development in a market, from the humdrum accomplishment of being first in with a new larger size, to the heady success of breaking through with a totally new product or service'*.

He puts forward the need for the marketing to be based on five aspects: profitable, offensive, integrated, strategic and effectively executed. Conventional marketing according to Davidson (1987) is seen as a passive activity, not central to the vision of the company, and performs a co-ordinating role. He views marketing as a philosophy and a method of achieving corporate financial objectives. Figure 4 differentiates between market-led and asset-led marketing, and sees the role of marketing as being able to convert company assets into consumer value.

**Figure 4 Market-led and Asset-Led Marketing (Davidson, 1987)**



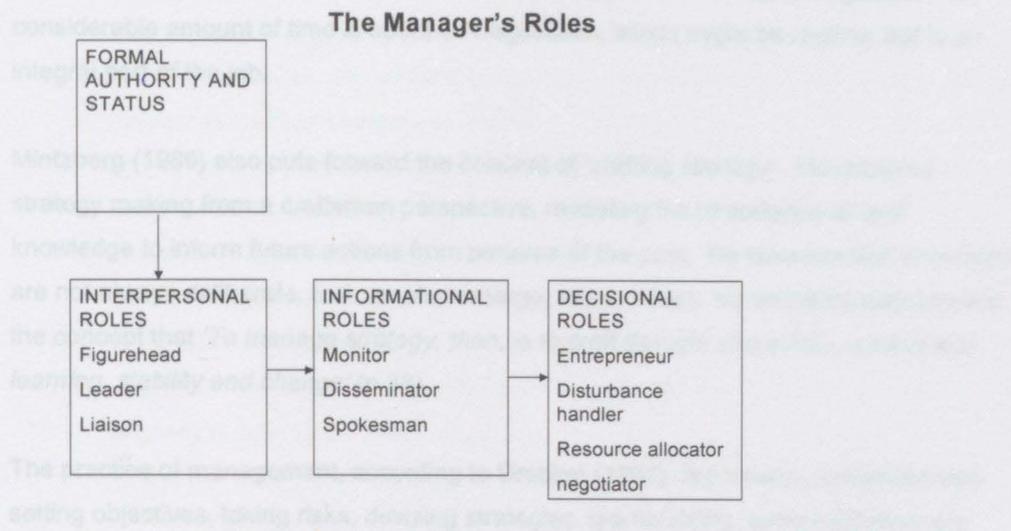
Market-led marketing takes the market place as its starting point and asks questions such as what does the customer want and how can we satisfy the need profitably. The typical sequence is to find an unfilled consumer need, develop a product to meet it, and if the profit numbers look reasonable launch. This approach needs preparation to invest heavily to pursue new market opportunities and has high costs involved. Asset-led

marketing on the other hand, takes the company's assets, (people, equipment, money, brand names) and asks questions such as we've got these skills and resources, let look at the market for needs and exploit them more fully. Davidson (1987) suggests that for success in the long term, companies should pursue both types of marketing.

### **Management Theories**

The review of literature pertaining to the management competences has been undertaken from two perspectives. The first is general management theories, which examine the function of the manager in the organization, and secondly the management of teams. Mintzberg's (1989) landmark study on 'the nature of managerial work' shows how a group of executives spent their time during one intensive week. He puts forward three main areas in which managers conduct their activities, interpersonal, informational and decisional. He describes ten roles that form the essential content of all managers' jobs. He also discusses the implications of this synthesis to achieve more effective management.

The first main area of managerial work is concern with interpersonal work and he argues that three of the manager's roles arise directly from formal authority and involve basic interpersonal relationships. The first is the figurehead role and includes duties that may be routine, involving little serious communication and no important decision-making. The leader role concerns the actions the manager takes in relation to the organization unit, which they are responsible for, and formally or informally they use their power to achieve the goals of the institution balanced with the motivational and individual needs of the employees. This role is particularly linked to motivation. However, in contrast, the liaison role is concerned with how the manager makes contacts outside his or her vertical chain of command. He found that the managers contacts were numerous and wide ranging, seldom involving fewer than twenty-five individuals and often more than fifty. The manager cultivates such contacts largely to find information, and the liaison role is dedicated to developing the managers own external information system, informal, private, oral but nevertheless effective.

**Figure 5 The Manager's Role (Mintzberg, 1989)**

The second group of managerial activities is concerned with informational roles. The informational roles include the manager as monitor, disseminator and spokesman. The first role as monitor is concerned with the manager as continuously scanning his or her environment for information, interrogates liaison contacts and subordinates, and receives unsolicited information, much of it as a result of the network of personal contacts she or he has developed. The manager collects information through these channels through gossip, hearsay and speculation. This method of collecting information provides a natural advantage in receiving soft information for his/her organization. In the disseminator role, manager's pass on part of this information directly to subordinates, who would otherwise have no access to this information. In the spokesman role managers send some of their information outside their units, as well as informing and satisfying the influential people who control his or her organizational unit.

The third set of managerial activities is concerned with decisional roles. The manager has to make a set of decisions based on the information received. Four roles describe the manager as decision maker. As entrepreneur, the manager seeks to improve his or her unit, to adapt it to changing conditions in the environment. In the monitor role the president is constantly looking for new ideas, when a good one appears, he or she initiates. Whilst the entrepreneur role describes the manager as the voluntary initiator of change, the disturbance handler role shows the manager involuntarily responding to pressures. Every manager must spend a good part of time responding to high pressure disturbances. Disturbances arise not only because poor managers ignore situations until they reach crisis proportions, but also because good managers cannot possibly anticipate all the consequences of the actions they take.

The third decisional role is that of resource allocator. One of the most important resources the manager allocates is his or her time. The manager is in charge of

designing the unit's structure, that pattern of formal relationships that determines how work is to be divided and coordinated. The final decision role is that of negotiator. A considerable amount of time is spent on negotiation, which might be routine, but is an integral part of the job.

Mintzberg (1989) also puts forward the concept of 'crafting strategy'. He explores strategy making from a craftsman perspective, revealing the importance of tacit knowledge to inform future actions from patterns of the past. He stresses that strategies are not always deliberate, but can also emerge, more or less. He therefore puts forward the concept that *'To manage strategy, then, is to craft thought and action, control and learning, stability and change'* (p.38)

The practice of management, according to Drucker (1967), is primarily concerned with setting objectives, taking risks, devising strategies, teambuilding, communicating and motivating, and relating the organization to the environment in which it exists. Stewart (1997) has explored the realities of management practices and she emphasises that:

*"Managers are under greater pressures than they were in the past. It makes it even more necessary for them to understand the realities of management and to become better managers."* (p. xiii)

Her approach stresses the function of decision making as an important management practice through outlining six types of decision-making (p.31):

1. *Clearly defining the objectives of the business, thus setting the boundaries within which decisions will be made.*
2. *Recognising the limitations that exist and affect its freedom of decision. These limitations stem from the political and social background, from competition and economic scarcities and from peoples attitude.*
3. *Analysing decision-making in stages to make certain that it has formulated the reasons for taking a decision and defined the problem to be solved; analysed the nature of the problem; and examined the alternative solutions and their possible consequences*
4. *Being suspicious of the argument that there is not time for any analysis, while recognizing that sometimes what is most needed is a decision, even if it may not be the best one.*
5. *Being aware of the extent to which hopes, wishes and internal politics distort the facts presented and the criteria for assessing them*
6. *Being aware of the common biases in the use of information and taking steps to try to avoid them*

Bennett (1991) put forward seven factors necessary for the development of small business management:

- 1) *The ability of individuals independently to procure resources for innovative activity*
- 2) *Sympathy and support from like-minded people during times of crisis*
- 3) *Relatively weak opposition from existing competitors and those with a vested interest in maintaining the status quo*
- 4) *Perceived legitimacy of entrepreneurial attitudes, reinforced by family, friends and/or working colleagues*
- 5) *Genuine opportunities for doing things differently and/or in entirely new ways; new products, materials, methods, systems and processes not easily handled within existing organisational frameworks*
- 6) *Confidence in the future; belief that current effort and activities will be properly rewarded*
- 7) *Convictions that new ideas and methods are for the socials as well as individual good.*

The limitations of the research into theory of management practices reflect more about the standardized and generalised routines of actions as opposed to the individual and personal styles of managers that include biases and judgements that are associated with creative managers.

### **Team Theories**

A review of team literature has been undertaken through searching established team theories which have focused on successful teams (Larson & LaFasto, 1989), team roles (Belbin, 2002), team performance attributes (Katzenbach & Smith, 1993) and more recent studies on team empowerment and team working.

Larson & LaFasto (1989) undertook a three-year study of teams with one central question to identify what are the secrets of successful team. The research study was conducted through a series of interviews from a diverse range of teams, including McDonalds, the space shuttle Challenger investigation team, and mountain climbing teams. They discovered a consistency in the characteristics of an effective team. They propose eight characteristics, which explain how and why effective teams develop:

1. *A clear, elevating goal*
2. *Results-driven structure*
3. *Competent team members*
4. *Unified commitment*
5. *Collaborative climate*
6. *Standards of excellence*
7. *External support and recognition*
8. *Principled Leadership*

They also present three basic types of teams that of problem resolution, creative, and tactical. Problem resolution is linked to management teams, in particular senior levels of the organization, where the emphasis is on trust among the team members. A creative

team is one that is involved in product development, and autonomy is the main driver. Creative teams have to be given much leeway to succeed. A tactical team is driven by role clarity, with highly focused tasks, with well-defined operational standards, and accuracy of performance.

While Larson's & LaFasto's model provides a powerful insight into building effective teams, the work of Belbin (2002) on leadership roles also provides critical understanding of team roles and responsibilities. Belbin's research showed that high-performing teams had a mix of people whose preferred leadership roles provide different, but complimentary, approaches to leadership of the team. Table 19 shows the nine roles are:

**Table 19 Team Roles (Belbin, 2002)**

|                              |  |
|------------------------------|--|
| <i>Co-ordinator</i>          | <i>Controlling the way in which a team moves forward towards the group objectives by proactive involvement of all team members and making the best use of team resources</i>   |
| <i>Shaper</i>                | <i>Shaping the way in which team effort is applied, directing attention, seeking to impose some shape or pattern on group discussion and on the outcome of group activities</i>  |
| <i>Monitor-Evaluator</i>     | <i>Analysing problems in a practical manner, evaluating ideas and suggestions so that the team is better placed to take balanced decisions</i>   |
| <i>Resource Investigator</i> | <i>Exploring and reporting on ideas, developments and resources outside the group; creating external contacts that may be useful to the team and conducting any subsequent negotiations</i>  |
| <i>Implementer</i>           | <i>Turning concepts and plans into practical working procedures; carrying out agreed plans systematically and efficiently</i>  |
| <i>Team Worker</i>           | <i>Supporting members in their strengths (e.g. building on suggestions), understanding and supporting team members in their shortcomings, improving communications between members and fostering team spirit generally</i>                                 |
| <i>Plant</i>                 | <i>Advancing new ideas and strategies with special attention to major issues and looking for possible new approaches to the problems with which the group is controlled</i>  |
| <i>Specialist</i>            | <i>Providing technical direction in team work, directly purely on technical expertise, seeking to impose some shape or pattern on group discussion and on the outcome of group activities based on technical issues</i>                                    |
| <i>Completer Finisher</i>    | <i>Ensuring that the team is protected as far as possible from mistakes of both commission and omission, actively searching for aspects of work which need a more than usually degree of attention, and maintaining a sense of urgency within the team</i> |

Belbin (2002) suggests that in a well-designed and effective team, each team member provides a set of different team/leadership roles and for a team to be effective a mix of roles and leadership is required. In practice, most people undertake two or three of the above roles effectively. An effective mix of leadership roles is crucial during crisis or problem stages of product development.

A further team performance model has been put forward by Katzenbach & Smith (1993), and they offer this definition: 'A team is a small number of people with complimentary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.' (p.45)

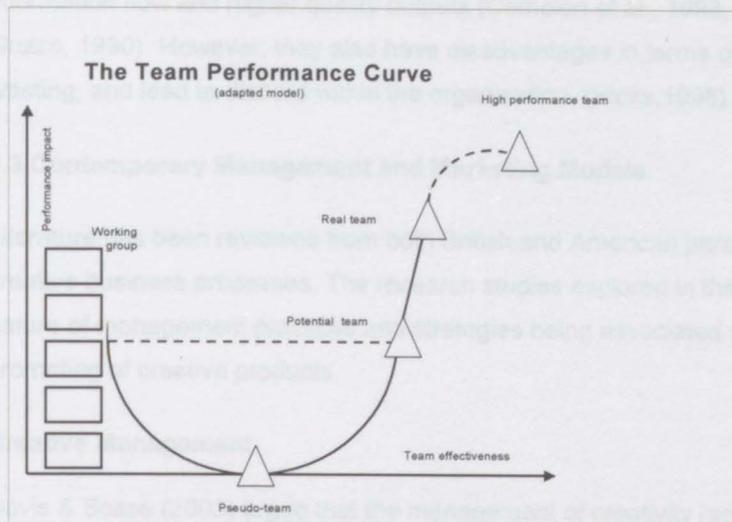
They identify six elements of a team:

1. *Sharing a common purpose*
2. *Performance goals*
3. *Working approach*
4. *Mutually accountable*
5. *Small numbers*
6. *Complementary skills*

Figure 6 charts the stages that teams go through from being working groups to high performance teams. They outline 5 team stages:

1. *Working group: characterised by members who interact primarily to share information, best practices or perspectives and to make decisions to help each individual perform within his or her area of responsibility. No common purpose, incremental performance goals, or joint work products that call for a team approach or mutual accountability*
2. *Pseudo-team: characterised by the potential for collective performance, but is not shaped by common purpose or set of performance goals. Not delivering any joint benefit.*
3. *Potential team: characterised by incremental performance needs, and trying to improve its performance impact. More clarity of purpose, goals or more discipline in hammering out a common working approach. Not yet established collective accountability.*
4. *Real Team: characterised by a small number of people with complimentary skills who are equally committed to a common purpose, goals or working approach for which they hold themselves mutually accountable*
5. *High Performance Teams: Members are deeply committed to one another's personal growth and success. Out performs all reasonable expectations given its membership.*

Figure 6 The Team Performance Curve (Katzenbach & Smith, 1993)



From the various studies into team performance and effectiveness, they all differ moderately in what they propose as key factors in successful team. However, there appear to be three main aspects that contribute towards the effectiveness of team working:

- The environment in which teams operate
- The characteristics of the team
- The task or project

All of the studies are moderately different in how they present team effectiveness and performances in relation to the conditions that team operate in. However, all of the models refer to the social environment or the context in which the teams operate, as one that should have open and supportive conditions. Group members should feel that they are equals with others on the team, and there should be an underlying commitment to team performance rather than an individual performance. The environment should be one of learning, with open communication between the group's members and those outside the group.

However, all of the studies refer to the need for different sets of abilities and specialisms. A group is more effective when there are a variety of people with differing areas of expertise. The more the team can draw upon experts in the field to help with problem solving and advice, the better. The levels of participation by the individual members are seen as critical to creating team spirit and motivation. The team should have clearly defined goals to which all team members are committed. The group should set the goals; the group or supervisor should not impose them upon. The individuals in the group should also have goals, which are linked to the group's goals so the members work together in achieving this. Campion et al. (1993) refer to this as goal

interdependence. Teams do have advantages, which include increased flexibility, better information flow and higher quality outputs (Campion et al., 1993, Hackman, 1990 and Guzzo, 1990) However, they also have disadvantages in terms of being disruptive, time wasting, and lead to discord within the organisation. (Hicks, 1998)

### 3.3 Contemporary Management and Marketing Models

Literature has been reviewed from both British and American perspectives in relation to creative business processes. The research studies explored in this section identify the nature of management practices and strategies being associated with marketing and promoting of creative products.

#### Creative Management

Davis & Scase (2003) argue that the management of creativity requires different processes of organisation and claim: *'these stem from the values of creative workers and their expectations of how they should be allowed to perform their tasks'* (p.viii).

They report that employees express creativity in ways that contrast sharply with formal modes of organisation. They value their personal autonomy (independence), behave in nonconformist ways (displaying divergent thinking, unorthodox ways of doing things) and thrive on indeterminacy (the ambiguities, unpredictability and the uncertainties associated with the exploration and the implementation of their creative ideas). They see creativity being equated with individualism, eccentricity and even being unmanageable, alongside the characteristics of being independent and not conforming to accepted norms. In order for new ideas to be nurtured and for these to be translated into new products and services, it is necessary for organisations to develop structures and cultures that encourage rather than inhibit the autonomy and the nonconformity necessary for creative activities.

Table 20 outlines the three key dimensions of creativity as an organization process are related to autonomy, nonconformity and indeterminacy. Autonomy is linked to the freedom of individuals to execute their tasks in an independent manner. The process of mutual adjustment, limited reporting mechanisms, and non-hierarchical structures all characterise the autonomy dimension. Nonconformity is linked to the way in which tasks are executed, and work processes encourage employees to pursue their goals in different and unusual ways. This dimension is expressed through relaxed dress codes, informal patterns of personal relations and communication. Indeterminacy is linked to the way in which employees interpret and implement the organizational goals into operational practices, with senior management functioning in supportive or facilitative roles.

**Table 20 Three Features of Managing the Creative Process (Davis & Scase, 2003)**

|   |  |
|---|--|
| <p>AUTONOMY<br/>Structure<br/>Organisational objectives</p> | <p>Independence judgements<br/>Processes of mutual adjustment<br/>Employees determine nature of work<br/>Structure conducive to operational outcomes<br/>Individualism</p>   |
| <p>NONCONFORMITY<br/>Task/goal culture</p>                  | <p>Undertake tasks and goals in often different and unusual ways<br/>Relaxed dress codes<br/>Informal patterns of personal relations and communications<br/>Personal differences</p>   |
| <p>INDETERMINANCY<br/>Work Processes</p>                    | <p>Managers have a supportive/facilitative function<br/>Creative work processes determines the management process<br/>Organisational strategies as emergent, not top down.<br/>Employees not only enjoy relative independence or autonomy but how the achievement of organisational goals is translated into operational practice. The creative work process, which depends upon the interactions of relatively autonomous employees determines the management process rather than vice versa organisational strategies.</p> |

Davis & Scase (2003) emphasise the nature of creative work as being characterised through project-oriented processes of mutual adjustment, and interpersonal relations needing to produce complex cultural products. They also put forward that 'personal creativity' abilities are difficult to bureaucratize and are highly resistant to managerial attempts to deskill.

### Managing the Creative Environment

Henry (2001) cites creative management that entails a shift towards greater self-organization, and it seems to work best where social capital is plentiful, and can lead to new forms of relationship between workers, organization and the community.

Amabile in Henry (2001) views creative management as related to the importance of intrinsic motivation in creative endeavours. Business has traditionally rewarded people extrinsically with pay and promotion but creative actions often arise out of a long-term commitment to and interest in a particular area. What managerial practices foster creativity and which kill it? She outlines three components of creativity as: expertise, creative thinking skills and motivation. Amabile's research identifies six general categories of managerial practice that affect creativity. These are: challenge, freedom, resources, work-group features, supervisory encouragement, and organizational support. She states that challenge is seen as matching people with the right assignments whereas freedom is seen as giving people autonomy concerning the means, not the ends. In addition, resources such as time and money can affect creativity as well as the allocation of resources to projects. Work-group features is seen as building the right team, putting together a team with just the right chemistry, just the right level of diversity and supportiveness can be difficult, but research shows how powerful it can be.

### Managing the Creative Team

Contemporary studies into team working have centred upon the concepts of self-managing teams, empowerment and hot teams. These studies all emphasise the notions of power and authority shifting from the individual to the team. The team is more difficult to study than a person, and in particular when the team's decision making has to embrace change, competition, and new technology, then companies find it increasingly complicated to manage. The majority of the studies are from American journals, with limited studies being undertaken in relation to the fashion and clothing industry.

However, a recent study into team empowerment by Crane, Dillard & Hamilton (2003) researched into the participative team-based approach implemented by a US clothing manufacturer. The case study examines the transition of the corporate culture from piece rate to team based production in a sewn products plant. The new corporate culture created through team empowerment, was described as an open, participative environment built on trust where employees feel empowered to make decisions for the betterment of the team and the plant as a whole. They revealed that, in general, employees found their jobs more rewarding and fulfilling under the team approach, whereas before they felt restricted and solitary. They expressed the sense of camaraderie with their team members that developed from the interdependence inherent in the participative approach.

Appelbaum, Bethune, & Tannenbaum (1999, p.109) explore the effects of downsizing and the subsequent emergence of self managed work teams. They cite the reasons for this as being due to '*Continuous and accelerated change has resulted in massive downsizing by organizations*'. The study explores the concept of self-managed teams, which consists primarily of two dynamic components: the process of self-management and collaborative team work. They suggest that there are four stages that a person goes through before becoming a team member and they include; denial (no focus on mutual accountability); resistance (to change); exploration (entertaining the ideas of new roles); and commitment (accepting of mutual responsibility i.e. 'buy-in') They also refer to the team size, team productivity, and team equality as keys to successful self managing teams.

Leavitt & Lipman-Blumen (2000) identify the concept of Hot Groups. They define hot groups as '*a lively, overachieving, dedicated group, usually small, whose members are turned onto an exciting and challenging task*'.

They identify several situations in which hot groups can germinate:

- *Communication is open and access across organizational boundaries is easy;*
- *Crisis or competition stimulates action,*
- *Truth is valued by the institution;*
- *Enthusiasm for a task leads to the spontaneous eruption of a group.*

They also list a number of conditions that stimulate a hot group's growth;

- *Presence of a task that is both intellectually and morally worthy*
- *Route markets that signal progress*
- *A sense of community*
- *Hands off attitude from the top, particularly in demands for immediate results.*

Nurmi (1996) researched into teamwork as a form of co-operation. He proposes that teamwork has two kinds of objectives: co-ordinating and innovating. The presence of a team increases the level of arousal and excites new ways of thinking. He puts forward four leadership styles; dictatorial; comprising; integrative; synergistic.

From the literature on self managed and team empowerment, all studies are similar to those on creative teams, in terms of the autonomy experienced by the individuals in the team tasks, the independence from any management or bureaucratic reporting systems, and collective beliefs to enjoy challenging projects. This area of research offers little explanation as to how hot groups emerge or how they are sustained in an organizational context. The hot group emergence depends on the magnetic pull of the project or task they are undertaking. It is the project dynamics, which ties the individuals together, not the individual's character.

In contrast to studies which research closely knit self-managing teams, there are other models based on team empowerment processes. The differences between self managed teams appears to be in the size of the team and conditions, whereas team empowerment is concerned with changing working cultures from top down management to facilitating bottom up team freedom. Team empowerment appears to consist of four dimensions: potency; the collective belief of a team that it can be effective; meaningfulness; team members find the work they do to be intrinsically satisfying, autonomy; team members have the freedom to determine what they do and how they do their work, impact; there is a clear sense by the team members that what they do matters to the organization. (Kirkman & Shapiro 1997)

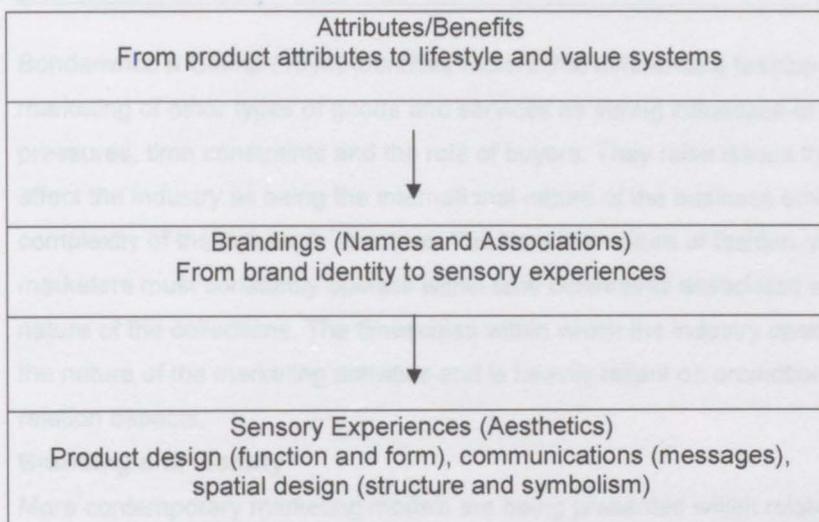
## **Contemporary Marketing, Promotion and Branding**

### **Marketing Aesthetics**

A growing body of literature is being created which is centred on branding and marketing aesthetics. This literature search has been included as the fashion company is having to present new and constantly changing visual identity concepts. Schmitt & Simonson (1997) explore the notion of identity management, which harnesses a company's total aesthetic output, to provide a vital competitive advantage. They propose by combining branding, identity and image through managing aesthetics in the form of logos, brochures, packages, advertisements, sounds, scents and lighting, to sell the

'memorable experience'. The use of aesthetic tools can enhance the strategic opportunities of the company, to ensure customer satisfaction and loyalty, sustain lasting customer impressions about a brand's special personality, permit pricing premium, and improve and create, irresistible appeal. Figure 7 show the evolution of product marketing from the attribute/benefit phases being concerned with the product attributes, to brand identity which has provided assurances about quality and solutions to consumer problems, and finally to accommodate sophisticated communications, involving new media and technologies to the creation of sensory experiences marketing. This form of new marketing aesthetics is in response to today's environments, which are multi-media, multi-channel, multi-sensory and digital with lifestyles, which are more intense, short-lived, and ever changing.

**Figure 7 Focus of Marketing Approaches (Schmitt & Simonson, 1997)**



Marketing has evolved over the last few years into a highly sophisticated but integral part of any company practice. Marketing has broadened its function to encompass a wide range of social, psychological and philosophical issues that need to be addressed by start up campaigns.

#### **Fashion Marketing and Promotion**

Other literature reviews have been undertaken by more specific fashion texts. These books provide applied marketing principles to the fashion industry, and stress the issues that are particular to the fashion design processes. There are very limited analytical texts in the areas of British fashion marketing. However, Easey (1995) defines fashion marketing as: *'the application of a range of techniques and a business philosophy that centres upon the customer and potential customer of clothing and clothing related products and services in order to meet the long term goals of the organisation.'* (p.4)

His approach to fashion marketing concepts is based on the relationship between fashion design and marketing. Figure 8 maps the relationship between low concern for customers, profit and design leads to failure, whereas high concern for design, customers and profit by recognizing the interdependence of marketing and design, can lead to success.

**Figure 8 The Fashion Marketing Concept (Easey, 1995)**

|                            |                                  |                |                           |
|----------------------------|----------------------------------|----------------|---------------------------|
| Concern for Fashion Design | High                             | Design Centred | Fashion Marketing Concept |
|                            | Low                              | Failure        | Marketing Centred         |
|                            |                                  | Low            | High                      |
|                            | Concern for customers and profit |                |                           |

Bohdanwicz & Clamp (1994) identifies factors that differentiate fashion marketing from marketing of other types of goods and services as strong influences of environmental pressures, time constraints and the role of buyers. They raise issues that particularly affect the industry as being the international nature of the business environment, and the complexity of the industry's structure. The transient nature of fashion means that marketers must constantly operate within time constraints associated with the seasonal nature of the collections. The timescales within which the industry operates also affect the nature of the marketing activities and is heavily reliant on promotion and public relation aspects.

#### **Branding and Identity**

More contemporary marketing models are being presented which relate not so much to the established and larger company practice of marketing departmental activities, but to developing more individual and intimate relationships formed through communication led marketing and brand activities. These new dimensions to promote, sell, advertise and publicise products or services, are all part of progressive methods of communicating with the consumer to persuade them to be associated with brands or products.

Salzman et al (2003), presents new approaches to marketing, through the concept of buzz marketing. They differentiate between buzz, which is a word of mouth effect through social networks, and buzz marketing, which is the scripted use of action to generate deliberate buzz. The characteristics of buzz marketing are that: *'it is organic, it is centred on conversational value; it is peer driven; it is strategic; and it spreads outward from trendsetters to the trend spreaders to the mainstream'*. (Salzman et al., 2003, p.5)

The advantages of buzz marketing is that every encounter can be designed to seem highly personalized, and promotes the 'one to one' feeling which creates the effect of

being part of something select. Personalization according to Salzman et al. (2003), is particularly attractive to brands targeting a younger audience, as they are the most likely group to be sceptical of, and impervious to, traditional mass advertising. Trust is an important element in any relationship, and it comes as part of the concept when a friend's recommendation is involved or implied.

Another advocate of word of mouth marketing is Rosen (2000). He views marketing as part of a social process, and suggests: *'the idea that a critical part of marketing is word of mouth and validation from important personal relationships is absolutely key and most marketers ignore it'*. (p.6) He states three important reasons for the increased importance of buzz: noise, scepticism and connectivity. The concepts of noise are the quantity of messages that are created on a daily basis, requiring individuals to filter information, and consumers are more likely to listen to friends for recommendations rather than being influenced by traditional advertising. The concept of scepticism is related to the consumer being misled or disappointed by the products being promoted: and connectivity is when customers have found new tools for sharing information. This power shift has empowered the customer to talk through chat rooms, email, publish on the web, and create protest sites, which filter opinions and views about products and services. This approach to marketing is more conducive to products that have a high involvement with customers, and in turn become conversational products.

### Networking Theories

*'A network is generally defined as a specific type of relation linking a defined set of persons, objects or events'* (Knoke & Kuklinski, 1982, p12).

This definition highlights that the network is a set, and that within a set there are different types of relationships. Networks may be categorized as either hard or soft networks (Rosenfeld, 1995). Hard networks are characterised by a high degree of interdependence based on shared responsibility in product or service delivery, and a degree of individual business strategy commitment (Bosworth, 1995; Jarillo, 1988). In contrast soft networks are characterised by a high level of interdependence or individual business strategy commitment that has not occurred (Bosworth 1995). Some networks can contain both hard and soft networking, depending on the mix of products or services.

Further definitions focus on *'the consequence of strategic decisions concerning targeted markets and the resources needed to compete in them'* (Dollinger, 1991). Regardless of the network type, there exists an element of enhanced business relationship or value added partnership inherent in the business network. Collective business strategies are a common theme to respond to growing competition and a willingness to overcome traditional obstacles to cooperation. Table 21 maps the research studies that have been

undertaken into networking. These studies have examined the composition and the size of the entrepreneurs' networks, but there has been limited research into how this has been linked to performance. Networking studies have been undertaken from various perspectives, with emphasis on the role of networking in the business formation, and how these activities support the different functions involved in growing the business.

**Table 21 Networking Studies (1982-2001)**

| Authors               | Date | Research Objectives  |
|-----------------------|------|--|
| Granovetter           | 1982 | Networking studies on strong and weak ties.  |
| Johannisson           | 1986 | Networking types, production, personal and symbolic.   |
| Andersson & Soderlund | 1988 | Networking and Marketing developments. Cooperative nature of networking in exchange mechanisms and processes                   |
| Szarka                | 1990 | Explores the role of network formation in the expansion of small firm sector, exchange, communication and social network types |
| Dubini & Aldrich      | 1991 | Personal and Extended Network types  |
| Crombie & Birley      | 1992 | Gender and networking in Northern Ireland  |
| Joyce & Black         | 1995 | Networking in relation to change and competition   |
| Chance & Vlosky       | 1995 | Flexible networks and small business competitiveness   |
| Hill & McGowan        | 1995 | Networking and marketing developments – A competency based approach for small firm entrepreneurs                               |
| Ostgaard & Birley     | 1996 | Networking and competitive strategies  |
| Uzzi                  | 1997 | Networking and Social and Structural Embeddedness through apparel manufacturers in New York                                    |
| Jones & Conway        | 2000 | Social Embeddedness through case study   |
| Gaskill               | 2001 | Study to identify use, function and support dimensions of developmental relationships of small business apparel retailers      |

### Networking Structures

The majority of the studies agree that networking is achieved through organised sets of relationships, and there appears to be less agreement on network structures. This is evident by network theories, which propose a range of different network structural types. Johannisson (1986) puts forward three types of networks. The first type is a Production network that occurs within, and between, trading organisations, and are based on transactions and contracts. The second type is related to Personal networks that are formed by ad hoc friendship ties and are based on trust. The third type is a Symbolic network formed by social bonds based on community ties and conformity to collective values.

Szarka (1990) building on the work of the previous studies, proposes 3 further types of networks: Exchange, Communication, and Social. The first type is based on exchange, defined as the companies and organisations within which the small firm has commercial transactions. They involve monetary exchanges; purchasing of materials, but also generation of income. The core of the exchange network is the trading partner of the firm. However, he notes that the exchange network is influenced by, and interacts with, the communication network and social network.

He defines the communication network as non-trading links that inform its business activities, such as consultants and advisors, local and central government and its agents. Relationships of this type are characterised by official and semi-official

information flows. Information flows will not involve monetary exchange, but will involve the sharing of technology or marketing information with other firms. The importance of communication networks is based on information gathering and decision-making mechanisms that are vital to the firm. The final type of network is related to social ties, formed by family, friends and acquaintances. The social network has two components, the first is the personal network, considered as concrete contacts with specific individuals, and the second is the wider cultural dimension in which the actors are immersed. Culturally induced values, attitudes and behaviours are critical in the social culture network. The social network is made up of a narrow range of individual contacts underpinned by a broad, but abstract, range of cultural values and references.

Dubini & Aldrich (1991) put forward two types of networks: Personal and Extended networks. They define a personal network as consisting of all those people with whom an entrepreneur has direct relations, for example: partners, suppliers, customers, venture capitalist, banks, creditors, distributors, trade associations and family members. Extended networks consist of all relations between owners, managers and employees, as they are structured by patterns of coordination and control. They distinguish between the personal network that is centred on a focal individual, and extended networks, focusing on collectives.

Personal networks are characterised by frequency, often on a face-to-face basis, and from whom they obtain services, advice and moral support over an extended period. The benefits of *strong ties* are trust, predictability and voice. Trust is an important component of business dealing, and is enhanced under conditions in which people feel that there is a good chance of dealing with each other again. Predictability is increased when long-term relationships are established. 'Voice' relates to the of making complaints known negotiating to resolve them, as opposed to exiting without making known problems. '*Networking involves expanding one's circle of trust.*' (Dubini & Aldrich, 1991, p.308) Another important dimension is the diversity and density of the network.

Table 22 compares the differences between three classifications of network types. (Johannison, 1986; Szarka, 1990; and Dubini & Aldrich, 1991) These networks have been analysed from a range of perspectives, but all have in common some form of personal and professional network relationships.

**Table 22 Networks by Structural Types**

| Johannison (1986)                                | Szarka (1990)   | Dubini & Aldrich (1991)               |
|--|---|---------------------------------------|
| Production – based on transactions and contracts | Exchange – commercial transactions, involve monetary exchange | Extended – focusing on the collective |

|   |   |  |
|---|---|--|
| Personal – ad hoc and trust ties  | Communication –non trading links, non monetary exchange   | Personal – direct relations, focus on the individual. Characterised by frequent, face to face, strong ties |
| Symbolic – social bonds, community ties and conformity to collective values | Social – consists of two components, personal network, concrete contacts with specific individuals and second wider cultural dimension<br>Narrow range of individual contacts underpinned by broad but abstract range |  |

Cromie & Birley (1992) researched into the networking activities from a gender perspective. The study was primarily concerned with the differences between women and men in terms of their networking approach. They concluded that there were no gender determinants to networking activities. These contributions form the basis for network typology, which is designed to cover both the economic and social determinants of small business networks. In addition, considerable research has been conducted on the exchange networks, but with limited research into personal and social networks.

A report by the DTI Small Business Service (Blundel & Smith, 2001) identified four different types of business network: industrial districts/clusters, supply chain networks; entrepreneurial networks; and innovation networks. An example of the industrial cluster comprises of spatial concentrations of firms in a single or closely related line of work, such as the textile industry of Italy. An example of the supply chain networks consists of producers of final products and the associated chain of suppliers, whereas the entrepreneurial networks are egocentric structures that are created from the personal contacts of entrepreneurs. New and existing links are enacted in a variety of ways to create new ventures. Innovation networks are a relatively new form of network comprising a loose-knit group of knowledge-intensive firms and other organisations that contribute to the development of new products and services. (p.i/ii) The report outlines a number of themes that emerge in business networks that have particular significance for small firms. It gives a number of possible reasons for the importance of networking, which include issues such as the demise of the large multi-purpose business corporations, and the subsequent restructuring that has created opportunities for small firms.

Martinussen's (1994) four major dimensions of a successful network are:

- Joint problem solving,
- Developing and exploiting mutual complimentary,
- Developing supplier buyer linkages,
- Maintaining market sensitivity by individual access to end markets.

Joint problem solving is one of the most valued aspects reported by Rosenfeld (1995). Second, mutual complimentary is based on knowledge of the capabilities of a competitor who is now viewed as a collaborator. This particular function is important as it allows the opportunity to get to know industry peers in a non-threatening environment. The socialization process develops the fundamental element of trust on which all successful networks are based (Jarillo, 1988). Mutual complimentary strengthens the combined resources of the companies, and expands their individual capabilities. Competitors learn to more freely exchange information and collaborate in a more open manner. Third, according to Johnstone & Lawrence (1988) developing supplier-buyer relationships strengthens the interdependence of firms, and tends to improve the product/service overall quality. Stronger relationships should lead to more stable marketing channels as companies learn to trust and rely on each other to jointly meet expectations and market demand.

The issue of trust is mentioned in all of the research material. Sabel (1990) defines trust as the mutual confidence that no one in an exchange will exploit the other's vulnerability. He adds that trust is widely held as a precondition for competitive success and that trust is the result of the experience of participants in a series of transactions between themselves over time. Rosenfeld (1995) found that getting to know one's peers in an industry and interacting with them on a face-to-face basis is one of the most valued aspects of network involvement. The four success dimensions are related to the marketing aspect. Market sensitivity is critical to a firm, which sells to, or produces a product for the marketplace regardless of customer location in the marketing channel. Maintaining market sensitivity through persistent contact with the customer base is a fundamental aspect of marketing. This aspect is particularly important for small companies, which produce small quantities and have a low number of buyers or clients.

### **Small Firms**

In the context of small business development, it is important to identify the existence of the set, through describing the membership of the network, and establish what is going on in the network (Szarka, 1990). There are three main issues that form network relationships related to small firms, *control*, *co-ordination* and *co-operation*. *Control* is based on power within the relationship. Power is linked to dependence involved between the two. A small firm derives its turnover and profits from acting as a sub-contractor to another, often larger firm, which results in the small firm being dependent on the latter. The power is measured in terms of the larger company's influence on decision-making within the smaller firm in areas such as pricing and investment. (Szarka 1990) In *co-ordination* firms there is greater room for manoeuvre over design, price and or delivery than that obtained through the control model. *Co-operation* is a two-sided or multi-sided partnership, where in relation to a specific project; the partners are broadly equal and balanced, working together on a basis of trust stemming from mutual dependence.

Another study by Gaskill (2001) investigated small apparel retailers and found that networks, role models, and mentors are viewed as necessary and important mechanisms for information, support and guidance. Through the use of focus groups the study objectives were to understand the use, function and support dimensions of developmental relationships for small business apparel retailers. Although a small-scale study, it raises issues related to communication patterns and support dimensions for business owners and the challenges they confront on a day-to-day basis when operating in contemporary environments.

Chance & Volsky (1995) have put forward a set of barriers for network development, and identify eleven obstacles which small businesses face. These obstacles may include lack of time, differences in business strategy, and varying levels of business activity, distrust, and lack of access to an appropriate organization, remoteness of the small business, lack of communication.

The personal network associated with small businesses appears to be vital to the entrepreneur. The personal network is an important resource, and provides benefits, which are otherwise difficult to attain. The size of the company, and in most cases providing products for an international market, means that the designers must specialise. This implies high risk. In order to balance or cover up the mistakes that will be made in the trial and error learning process, the entrepreneur is dependent upon the safety net of the personal network (Johannisson, 1986). The network approach adopted by the companies makes it possible to understand the manner in which the designers, on the one hand, pursue his/her individualistic profile, and on the other hand, can acquire values and behaviours, which integrate him/her into the social context.

### **Social Relations and Embeddedness**

Considerable studies have been undertaken, on the relationship structures involved in the social aspects of networking. The density of the networking in terms of their social and structural embeddedness has been the focus of later studies. One such study by Uzzi (1997) conducted a comprehensive research study into structural embeddedness and organisation networks. He drew upon ethnographic fieldwork conducted at twenty three entrepreneurial firms in the US apparel manufacturing industry. He identified the components of embedded relationships and explains the devices by which embeddedness shapes organisational and economic outcomes. A framework is proposed that explains how these properties vary with the quality of social ties, the structure of the organization network and an organisation's structural position in the network.

The findings suggest that embeddedness provides a set of benefits, which promote economic performance. They see social relations as logic of exchange that promotes stronger working relationships resulting in 6 main areas:

1. *Knowledge and information transfer of fine-grained information, which benefits network firms by increasing the breadth and ordering of their business options and improves forecasting*
2. *Enhances problem-solving arrangements, through business friendships and enable actors to work out problems 'on the fly'. In strong embedded relationships firms work through problems and get direct feedback, increasing learning and the discovery of new combinations.*
3. *Trust through personal ties rather than explicit contracts.*
4. *Time and allocative efficiencies, through economies of time, which speeds up the process. Allocative efficiency of the market improves as waste is reduced, with fewer products being discounted, and fast selling items do not run out of stock.*
5. *Interfirm adaptation, through microbehavioural decision processes that promote qualitative analysis of discrete categories such as high versus low quality rather than continuous amounts (quantities and price)*
6. *Economic opportunities, which reduces complexity, and links actors in multiple ways*

*'These positive effects rise up to a threshold, however, after which embeddedness can derail economic performance by making firms vulnerable to exogenous shocks or insulating them from information that exists beyond their network'. (Uzzi 1997)*

The notion that economic action is embedded in social structure has revived debates about the positive and negative effects of social relations on economic behaviour. While most organisation theorists hold that social structure plays a significant role in economic behaviour, many economic theorists maintain that social relations minimally affect economic transactions or create inefficiencies by shielding the transaction from the market (Peterson & Rajan, 1994). Further studies into the role of social relationships are offered by Granovetter et al. (1982). Their empirical study of recent job changes in 1974 found that weak ties are defined by infrequent contact around the time when information about a new job was obtained, professional, technical and managerial workers were more likely to hear about new jobs through weak ties (27.8%) than through strong ones (16.7%) with a majority in between (55.6%). The argument of the Strength of Weak Ties implies that only bridging weak ties are of special value to individuals; the significance of weak ties is that they are far more likely to bridge than strong ties.

Jones & Conway (2000) researched into competent and successful entrepreneurs who draw upon personal networks to extend their strategic competences and help resolve acute operating problems by supplementing internal resources. They used a case study of James Dyson and his invention of the dual cyclone vacuum cleaner to reveal that at crucial stages in all his business ventures he made extensive use of his wide and diverse social network. They argue that: *'networks and networking are central to the entrepreneurial creation of new business ventures'*

### **Networking as a Competitive Strategy**

An entrepreneur can be expected to attach greater importance to a network if it provides resources critical to the firm's competitive strategy. Competitive strategies differ in their resource requirements, and networks differ in the resources they effectively provide. Sandberg (1997) conducted a study with eighty-four small, mostly young firms to analyse the relationship between the firm's competitive strategies and the importance they attach to particular resources required through the entrepreneurs' networks. He observed that patterns indicate that the importance of specific networked resources depends on the competitive methods emphasized by a given firm. This study-grouped resource was measured under six categories and suggests that this is the basis for the resource-providing network:

1. Information
2. Discussion and advice
3. Capital
4. Borrowable tangible resources
5. Customer referrals
6. Supplier referrals.

Ostgaard & Birley's (1994) study of networking by 159 companies in two countries in England, has also explored the relationship between competitive strategy and networking activities. They derived clusters of firms on the basis of the firm's competitive strategies, then compared network attributes and activities across those clusters. They used four constructs (propensity to network, network activity, network density, and network intensity) that originated in the work of Aldrich & Brickman (1997) and have been widely adopted in research on entrepreneurs' networks. They also used a fifth construct, named 'content of network exchanges', to capture a relation's 'transactional content' (Ostgaard & Birly, 1994, p.284). These variables involve resources such as *'contacts with new customers, market information, competitor information; access to distribution channels; new contacts; advertising word of mouth, general advice; product and service development; assistance in obtaining business loans or investors'*. (p.304)

In Joyce & Black's (1995) research study into Networks and Partnerships: Managing Change and Competition, the findings show how small firms used cooperation in

sensing their environments (and to set their business objectives) and innovating services and capabilities. Formal trade associations and professional organisations provide a platform for co-operation and sensing the environment. A total of 180 interviews carried out in the City of London, Islington and Hackney in 1993, cover three topics: networking by the business, business trends and constraints on the business. These three areas related to:

1. Importance of Resources acquired through Networks
2. Compositions and Size of Networks
3. Research Design and Methods.

The questionnaire was constructed from multiple sources. It has included items of networks from previous network studies, by Aldrich & Brickman (1997) and measured the resources acquired through networks and measured their importance to entrepreneurs rather than measuring the network's size and composition. Open-ended questions were designed to identify the importance of networking in the business development, to identify the density and diversity of the networks, and the 'reach ability' of the networks. The competitive nature of the designer fashion sector is related to the high numbers of new designers entering the market place each season.

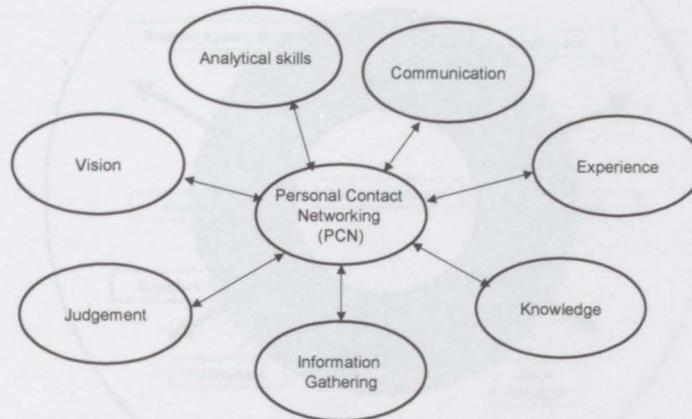
#### **Networking as a Business Resource**

The network approach to marketing challenges the traditional 4 P's market theories suggested by such authors as Kotler (1988), which stress the importance of competition, as opposed to co-operation. Marketing activities in network theories refer to the importance attached to the management of relationships between customers, and suppliers (Andersson & Soderlund, 1988). These relationships are seen as the central co-ordination mechanism of resource exchange, in contrast to prices and hierarchies. Empirical studies, upon which network theories are based, have shown that transaction between buyers and sellers often take place within relationships that are of a long-term and interactive nature. Firms are dependent on exchange in the environment, and the types of partners they are linked to. This network approach to marketing is characterised by open systems, where resource dependency among participants is of major interest.

Hill & McGowan's (1996) research study explores the role of competency by entrepreneurs in managing their personal contact network (PCN). Figure 9 maps the set of competences that focuses on the networking activities. Firstly, competencies are highly interactive entities; secondly the presence of a particular competency or competency cluster is a function of the marketing decision taken. Thirdly, the cluster aspect of competences is fundamental to the development of personal contact networking (PCN) for marketing decisions. The authors suggest that by being proactive

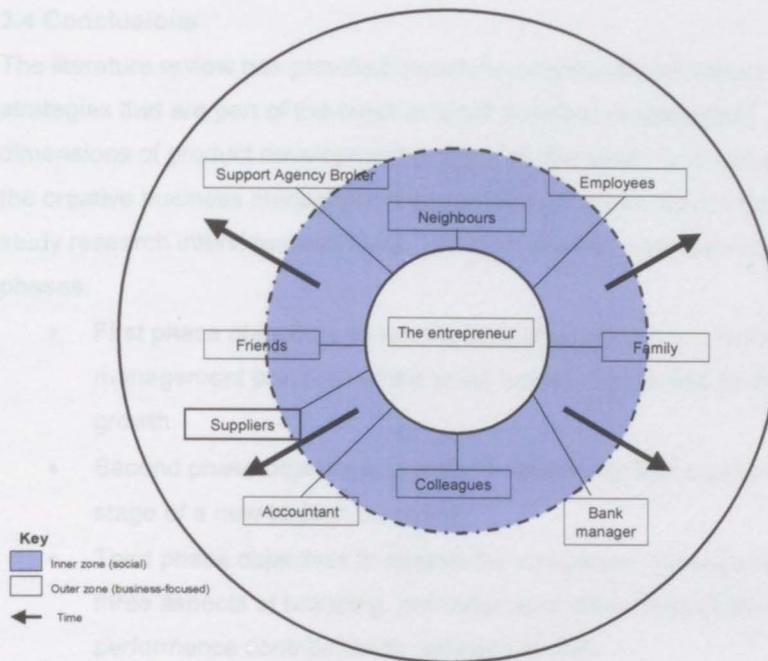
towards realising, investigating and developing personal contact network competencies, these activities should improve their skills in business developments.

**Figure 9 Personal Network Competency Constellation (Hill & McGowan, 1996)**



Hill, McGowan & Drummond (1999) explored and investigated the personal networks of a group of five small firm entrepreneurs and how such networks are developed and add quality to the marketing decisions. The model proposed illustrates how in the pioneering and early growth stages of the firms' life cycle the emphasis was clearly on the entrepreneurs' social network, which was largely comprised of family and friends. The evidence suggested that entrepreneurs sought to use this social network to evaluate opportunities identified and to confirm specific information. Figure 10 presents the social and business focused networks that have supported the entrepreneurial marketing activities. The quality of the contacts also revealed that the contacts did not necessarily have the necessary 'know how' and expertise. The research also demonstrated how the embryonic entrepreneur has to seek assistance and information beyond this exclusive social network. There was evidence of limited business focused contacts, and the network was composed predominantly of social ties.

**Figure 10 Model of Entrepreneurial Marketing Network Evolution, (Hill, McGowan, & Drummond, 1999)**



In the network, firms occupy different positions. The position defines the roles a firm has in respect of other firms in the network, through various dimensions: functions performed by the companies; identity of firms in the network; relative importance of firms in the network; and strength of bonds between firms (Andersson & Soderlund, 1988).

The networking research has identified the following issues that relate to or contribute to small business development:

- It does provide access to new contacts, staff, channels, and other forms of business development systems that can support the early stages of growth, especially marketing and promotion.
- It does contribute to business growth, especially in the early stages of creating a new business venture
- It is central to the entrepreneurial activities needed to start the business.
- It is essential in the incubation stages of business development growth, especially the personal contact network.
- It is an important part of the business strategy to improve resources that support the start up phase.
- It is necessary to build strong embedded relationships partnerships that form the present and future companies' network
- It does enhance the ability to have a competitive advantage over other start up companies.

- It does support the development of knowledge, information and problem solving capacities.

### 3.4 Conclusions

The literature review has provided important insights into the nature of processes and strategies that are part of the creative small business development. The three dimensions of product development processes, the small business growth models and the creative business management strategies have been used in the design of the field study research interviews and tools. The field research has been conducted in three phases:

- First phase objectives to identify the general business, marketing and management practices of the small fashion companies at different stages of growth.
- Second phase objectives to explore networking that supports the incubation stage of a new fashion company.
- Third phase objectives to assess the companies' management practice of the three aspects of branding, promotion and networking to ascertain the performance contribution to company growth.

Although research into product development strategies and team studies has been undertaken, the small company does not have clearly defined functional divisions where team management can be observed or researched. The company and its networking activities seemed to be the more appropriate method for identifying how marketing and promotional strategies were conducted and implemented in practice. Further literature reviews have been undertaken during the first and second phase as new findings and issues were revealed.

## Chapter 4 Research Methodology

### 4.0 Justification of the research

This research focuses on exploring ways of providing guidance and support to strengthen small businesses to help manage their companies better in order to realise their commercial value and remain competitive. There has been limited research into the relationships that exist between specialist management capabilities in the fashion company, and the nature and type of support that would improve their growth potential. The fashion industry involves a complex set of inter-related processes that have to be managed on a seasonal cycle, and require a range of specialist inputs to compete successfully. The designer fashion companies are normally small scale in operation, supply the market with limited editions, and produced products in small batch runs. They struggle to maintain profit margins, and are unable to expand their operations without the appropriate support to realise their potential. They lack the appropriate skills and competences to attract public and private investment to grow the business. It is important to determine a better understanding of the capabilities of this sector to ensure that appropriate business support systems can be developed, in order to strengthen their fashion business in regional economies, improve employment opportunities for local communities, and provide sustainability and stability for long term strategies.

Contemporary society's obsession with the consumption of fashionable products has triggered the rise in the designer fashion industry, and is providing increased business opportunities for new start-ups entering the market place. The knowledge gained from this investigation will provide insights into the strengths and weaknesses of their existing business practices, and provide evidence of the gaps in the support systems that are currently available. At present, there appears to be lack of designers able to commercialise their ideas, and their businesses tend to stay small and localised. Their existing capabilities do not support the ability to transform their design ideas into commercial value and that limits their growth potential and abilities to explore global opportunities

The participants of the study have been selected from three start-up companies and two established companies to assess their management capabilities and to determine their patterns of growth. The start-up case studies have been selected, as the researcher has known these designers through being linked to the educational environment. The researcher was also the course leader for the Master Programme in Fashion at the University College for the Creative Arts and had contact with professional designers operating in the fashion industry. This has provided the researcher with opportunities to approach alumni companies, and other fashion designers planning to set up their own companies who are known to the university. The companies are geographically located in London and the South East.

The fashion company is under constant threat from new competitors into the field, and their business practices are guarded to protect themselves from external copying. The companies, which agreed to participate in the study, were all willing to reveal and uncover some of their approaches to their success. The companies who had agreed to participate were formed from a selection of personal contacts, or alumni students who had built their own companies from their final collections developed during their fashion studies. They were willing to give back to the education system some of their insights and experiences, which has been fed back into the fashion design curriculum. The companies were selected due to their market position and their individualistic approach to the product development process. Each company approached the business differently, but similar activities emerged as key drivers and important indicators that were sustaining their professional efforts.

The research outcomes intend to reveal the types of specialist support and initiatives that would be beneficial to micro and small fashion companies and improve their commercial value of their products/services. Research into the nature of small business support is normally generalised and has not been conducted into this emerging sub sector of the creative industries.

#### **4.1 Philosophical and Theoretical Framework to the study**

The philosophical framework for the study is the belief that micro businesses contribute to social and economic environments through being generators of employment and improving quality of life. The study of SMEs' provides us with rich information about how wealth-creating systems evolve, and how empowerment of individuals can provide equality of opportunities for all in a knowledge and information society.

The ontological issues addressed by this study are the beliefs that the reality in which these companies operate, will provide important insights into groups of individuals that if supported could improve their sustainability and be more competitive. The nature of the reality of these small companies is that they are part of the indigenous culture of industrial and semi-industrial regions. They are replacing the old economies of manufacturing and are contributing to the new service sector and knowledge economy. They offer a range of advantages to the local economy through being flexible, performing sub-contract functions, and counterbalancing the distribution of power in society. They provide social inclusion and reduce marginality of disadvantage and ethnic minority groups.

The nature of independence is conducive with the creative individual, who wants freedom to pursue their individual concepts. In addition, the traditional notion of the firm as a closed, self

regulating system (Black & Edwards, 2000) is now being replaced by notions of the firm that are based on strategic alliances, outsourcing activities, and externalisation of resources. The value of firms that are fragmented and based on networking concepts provide better opportunities for individuals to start their own company. The information translates to knowledge allowing for adaptation of the companies behaviour and strategies in the changing external environment. Enterprises are fast becoming extended, forming new design chains that provide services to larger and established companies (Bruce 2005)

The epistemological issues addressed by this study will reveal specialist knowledge and insights into creative practices that do not follow conventional formats of business planning and tend to be ad-hoc in their approaches. The knowledge gained from this research study, will provide regional, and national agencies involved in social and economic policy making to improve regeneration programmes in particular the growing use of cluster systems to strengthen fragmented business models. The methodological values emerged inductively, and the case study was used to provide further a wider perspective of their business entry history, their backgrounds, and their existing methods and systems.

The new paradigm of social constructivism stems from the view that reality is not objective and exterior, but is socially constructed and given meaning by people. The idea of social constructivism focuses on the ways that people make sense of the world especially through sharing experiences with others via the medium of language (Berger and Luckman 1966). Social constructivism uses what are referred to as interpretive methods, and that reality is determined by people rather than by objective and external factors. This qualitative research approach uses methods such as interviews and observation, which present a multiple perspective. In addition, the use of diaries, to record the practices of the companies was undertaken. Diaries provided important data to formulate the theoretical basis for this study.

#### **4.2 Researching Small Business Environments**

The practice of management, especially in creative environments is difficult to observe and research because of the changing and unsystematic nature of the activities and environments. Managers need to be able to work across technical, cultural and functional boundaries; they need to draw on knowledge developed by other disciplines such as anthropology, economics, statistics and mathematics (Easterby-Smith, et al, 2002). As outlined by Easterby-Smith et al., the problem is that of whether to examine management activity from the perspective of one discipline, or to adopt a transdisciplinary approach. As Easterby-Smith et al. points out the second option is more beneficial to the practising manager than the first.

Remeny, D. et al. (2000) also argue that research into business and management differs due to a number of factors. They propose that stakeholders have their own agenda, and have a direct interest in business and management research, which is different to that of education, psychology and the social sciences. Researching management and business environments is more about the application of knowledge, than the creation of knowledge for its own sake. Gaining insights into these areas is more about the management of change; in terms of the ways things get done in order to be more effective.

Researching into business and management encompasses a broad field of study, where the context of the research is prone to frequent changes because of fast moving processes and situations. It is difficult to analyse contexts and to arrive at appropriate frameworks of analysis. In addition, researching small firms also poses problems.

*'Small firms are notorious for their lack of attention to keeping complete and accurate records and for their reluctance to divulge information about their business. Since many small firms are privately held sole proprietorships or partnerships, they do not have to keep or report the same types of information required of larger, publicly held corporations.'* (Davis et al, 1985, p.40).

Problems and limitations in researching the real world are linked to several issues. Accessing the company organisation and interviewing managers for the fieldwork has been difficult. The designers are busy people, operating with limited budgets and little emphasis on formalised systems involved in their day-to-day activities. Many companies do not have the time and workforce necessary to participate in the research project. In addition, the issues of confidentiality and publication rights also provide additional problems of gaining trust and cooperation with the fashion companies.

### **4.3 Qualitative Methods of Inquiry**

Qualitative methods have been selected to carry out the investigation. In order to gain an in-depth and detailed understanding of micro companies business processes this method of inquiry would be the most appropriate for the philosophical and ontological aims. Qualitative research is centrally concerned with the understanding of things rather than measuring them (Patton 1987). The reason for selecting this method of inquiry is that it focuses primarily on the kind of evidence that enables understanding and meaning of what is going on in real life contexts. The strengths of using this approach can illuminate business issues that these micro fashion companies face, and provide descriptions of their practices. Qualitative methods enables investigation into situations where little is known about what is going on which provides initial data and explores complexities that are beyond the scope of more controlled approaches.

Very few studies into the small fashion company have been undertaken. The majority of studies have been conducted by government bodies (British Fashion Council, Department of Trade and Industry) and explore the sector using surveys to arrive at their characteristics. The problems of researching start up company practice they are not always prepared to divulge their business practices. More formal research could be conducted after this first research study findings has been analysed and evaluated.

### Case Study Methods

Gillham (2002 p.1) defines the case study as having a set of underlying principles:

- A unit of human activity embedded in the real world
- Which can only be studied or understood in context
- Which exists in the here and now
- That merges in with its context so that precise boundaries are difficult to draw.

He states that case studies are methods ' *which investigates issues such as a unit of human activity embedded in the real world; which can only be studied or understood in context; which exists in the here and now; that merges in with its context so that precise boundaries are difficult to draw*'. Whereas Stake (1995) notes that the '*Case Study is the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances.*' The reasons for adopting the case study are that it allows in-depth analysis of individual and complex business models to arrive at understanding of common and different practices. This focused approach allows better awareness of the tensions, difficulties and problems they encounter and ascertain what business development activities can be used to overcome these and ensure their success in the market place.

A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. (Yin 1994) The case study reveals contextual conditions that are important to the phenomenon of the study. The case study inquiry copes with technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge into a triangulation fashion and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis. The case study is a comprehensive research strategy, and can use single or multiple case studies. The advantage of doing a case study to answer the research questions is that it provides the in-depth profiling of individual companies that all have different and individual business systems and concepts. The case study has been selected because it is

appropriate for small company conditions and context, and allows small-scale research projects to be focused and relevant to the designer fashion sector.

According to Cresswell, (1998) a case study is an exploration of a "bounded system" or a case (multiple cases) over time through detailed, in-depth data collection involving multiple sources of information rich in context. This system is bounded by time and place, and considers a programme, event, activity or individuals. Multiple sources of information include observations, interviews, audio-visual material, documents and reports. The context of the case involves situating the case within its setting, which may be a physical setting or the social, historical, and or economic setting for the case.

The case study approach adopted for this study will be based in a social and economic setting. The case study is exploratory and will provide thematic issues to reveal the need for future actions at national and local levels. The use of five cases will provide a cross case analysis framework, using thematic interpretation and analysis. The case study was used as the researcher did not have in-depth knowledge of the business processes and did not start out with a priori theoretical notions. However, the research did have extensive knowledge and experience of educating new fashion designers at teaching undergraduate and postgraduate courses.

The case study has been used to examine these contemporary events, using direct observation and systematic interviewing. Yin's definition of a Case Study is that: *'the central tendency among all types of case study is that it tries to illuminate a decision or set of decisions why they were taken, and how they are implemented, and with what results. A case study is an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident.'* (Yin, 1994, p.13)

### **Limitations of Qualitative Inquiry**

However the main concerns about case studies are the issues of: lack of rigour, allowing biased views to influence the direction of findings and conclusions; little basis for scientific generalizations (single case); and the time it takes during the research process. The case study inquiry copes with the technical distinctive situation in which there will be many more variables of interest than data points. With the use of triangulation, the multiple sources of converged evidence have provided the theoretical propositions that have guided data collection and analysis. The response by the participants to some of the interview questions was vague and in some cases avoided, which shows the different responses to the questions.

### 4.3. Research Design and Strategy

#### Data Collection Methods

A set of questions were developed from the literature review, and used as a tool for analysis and discussion. Interviews were deemed to be the most appropriate means for collecting the relevant data. The interviews were tape-recorded, transcribed, analysed, and the key findings presented in the following chapters. The interviews were conducted at the SME's business premises and each lasted 40-60 minutes, and used a semi-structured set of questions. The open-ended questions and discussion topics focused on the background of the company, what methods they used in marketing, promotion, production and design developments, and issues affecting their business practices. Further in-depth interviews were conducted in relation to generic business activities which revealed practices such as networking and the prominence of public relation activities. Documentary material such as brochures, marketing materials, Internet searches and company records were collected and the content analysed. Individuals were given face-to-face in-depth interviews mostly at his/her work site to investigate a priori themes in detail, as well as to explore new themes, which are absent from existing literature. The participants in the study were people actively engaged in new generation fashion companies in the UK fashion industry.

In addition, a more in-depth and longitudinal case study approach was adopted for the Incubation Company. Through the use of diaries, semi-structured interviews and personal account analysis, the data obtained were coded according to management themes to identify common practice. This allowed the various stages and processes of business growth to be observed. The first and second data collection evidence informed the further questions to explore the nature of branding, promotion and networking as a key to successful business development. The research has provided important theory building trans-disciplinary knowledge, which can inform future research strategies of a quantitative nature.

The research methods allowed for the probing and exploration of issues as they arose in context, and so strengthened the case for the use of in-depth interviews as a data gathering approach for the small company. A topic guide, in the four areas of business, marketing, design and people strategy was developed and used in the interviews. The discussions were conducted in an informal manner, and respondents were encouraged to talk freely about their business activities.

#### The Sample

The selection of the cases was undertaken by identifying fashion companies who were operating in the designer fashion sector. In addition companies were selected for their position in the

business formation and development processes. The multiple case study companies were selected from both product and service perspectives, whereas the single in-depth case study was selected due to the pre-business period of start up. One area that is not covered by existing literature and research is the pre-business start-up stage. This would provide new insights into how new and emerging fashion designer companies went about launching their labels. The initial phase of business start up would provide some new insights into the nature of creative management of the owner-founder. The use of Churchill & Lewis Business Growth Model where this model has come from has been used to classify their different operational strategies.

*Company A Early Existence Company.* This case study was selected as it was in the existence stage and was being formed by a single designer/promoter.

*Company B Existence Company.* This case study was selected because the company had been in business for one year. The business/owner was a sole trader, and formed the company alone. The company had launched a new range of products aimed at a lifestyle niche market.

*Company C Survival Company.* This case study was selected as the company had been in business for 5 years, and was established as an on-schedule designer label at London Fashion Week.

*Company D Success Company.* This case study was selected as the company had been in business for 6 years, and was on the verge of restructuring to meet the demands created by success of their products.

*Company E – Pre Business Company*

The company was selected due to the close proximity of the designer/owners, who have just completed postgraduate study at the Institute. This provides an ideal case study with which to study their early business developments and processes. The company was in the process of business planning and setting out their business strategies. The research techniques used to study this particular business operated was primarily through diaries, semi-structured interviews and an assessment of their business approach through established management questionnaires.

The companies were all operating in the higher priced designer market sector, but offered different types of products and services for a range of consumer/clients groups. The personalised sampling strategy of companies' known to the researcher provided access to their business operations and enabled to gain better insights into their day-to-day practices. Companies were selected on the following criteria:

#### *Previous and Current Business Development*

Of particular interest were fashion designers who were in the early stages of growth. Questions were asked about number of years of trading, what growth had been achieved during the

company history, and what was the nature of the business, e.g. international stockists, sponsorship collaborators, relationships with retailers, suppliers and others.

#### *Involvement/Participation with London Fashion Week*

The companies were selected because of their aspirations for entering or operating within the designer fashion sector. Questions were asked about number of seasons involved with showing at off or on schedule events, what were the main achievements to date through being part of this organisation, or an outline of what other interim catwalk events participated in.

#### *Designer Label Collection/Services*

This was a criteria was used to determine the nature of their products/services, aimed at designer markets, and niche products/services. This would ensure that all of the companies were producing products/services for smaller niche market segmentations and positions.

#### *Marketing and Press Coverage*

The companies were selected who had aspirations or were active in gaining press coverage. The quantity and quality of press coverage that had been obtained during their business development demonstrated their exposure profiles as well as their relationships with Public Relations and journalists.

#### *Assessment of future directions*

The companies were selected to identify their commitment to sustaining a long term presence in the industry. What plans are there for the future business development, is it raising the profile of the label, increasing the number of stockists/clients, expanding the business to cope with future demand, improve relationships with suppliers, extend the marketing reach or reposition the label/service, etc.

All the companies were contacted to describe the nature of the research, and communication was set up to inform them further of the aims of the project. In total eight companies were approached in the initial stages of the study, with five companies willing to participate. Letters were sent out to the participants outlining the research project's aims and objectives. The research questions were emailed to all the participants so they could read the types of questions before the interviews. In some cases, the founder-owners responded promptly, with one company taking up to two months before agreeing the interview.

To ensure that agreement from the company representatives was forthcoming, a briefing of the research project had to be undertaken to explain the involvement in the project. This became a critical part of the first stage of building the trust relationship with the company. In all cases, the

presentation of the project was important to set the appropriate professional context. Three of the research interviews were conducted on the business owner's site with the other two interviews conducted in the educational environment. Four out of the five interviews were taped and transcribed in note form after the event. Further interviews were conducted with identified network partners to ascertain future evidence of the relationships that existed between the players. Interview data was recorded onto framework sheets for ease of content analysis. The content was analysed under the four headings, with sub-headings developed to formulate the scale of data analysis.

### **Analysis of the Data**

The findings have been analysed using two methods. The first method is colour coding of key concepts that relate to the key management practices common to all of the fashion business processes that of marketing, design, production and promotion. (Discussions in Chapter 6) The second method was content analysis of the findings for themes that relate to the management practices of the fashion companies to inform the reflections on issues and recommendations (Chapter 7)

The investigation was conducted through three data collection points. The data was collected over an 18-month period, with each stage informing the next stage of data collection. The multiple case studies were conducted using systematic interviews with an attempt to locate the major themes within the data. Each interview transcript was analysed in detail and themes .

Company E maintained a diary for the purposes of data collection, as recommended by Easterby-Smith et al. (2002). It was used as a means of recording insights into the data as they occurred and scanned to check for emerging patterns. With these patterns in mind, the transcripts were read once more, to find a logical pattern and the results coded for analysis. The coding frame, according to Hart (1998) is the process of flagging key issues in each transcript so that they may be compared. At the coding stage it is essential to keep in mind both the objectives of the study and the structure of the literature review to allow key concepts to emerge. The use of colour coding systems was used to identify the emerging common concepts across the five companies. The material was reviewed, to arrive at the topic areas, such as branding, promotion and networking strategies. Given the inductive dimension of the research, the content analysis was developed, although there was still an element of analysis throughout the research process. The framework was developed from both the predetermined and emergent topic areas.

Colour coding has been used as a theoretical directive, and a method of managing the data. Each theme has been given a colour to visually represent the frequency of the concepts, and to

assist in the analysis processes. Three colours have been used to represent the primary management concepts of **Branding = yellow**, **Promotion = purple**, and **Networking = green**. The highlight tool in Word has been used to communicate visually the coding technique and has improved the levels of conceptualization and abstraction.

In addition, companies have been allocated colours:

Company A = **Pink**  
 Company B = **Red**  
 Company C = **Khaki**  
 Company D = **Dark Turquoise**  
 Company E = **Burgundy**

Secondary Management concepts have been colour coded:

Business Development (BD) = **Brown**  
 Design Development (DD) = **Grey**  
 Production Development (PD) = **Light Turquoise**  
 Branding Developments (BD) = **Yellow**  
 Marketing Promotion Developments (MPD) = **Purple**  
 Networking Developments (ND) = **Green**

Content analysis has been used to identifying substantive statements. The reading of the transcripts has been iterative, and the development of the categories has been based on highlighting the essential headings. The substantive statements has been organised through classifying the kind of statements people have made and this has informed the reflections in Chapter 7 to identify key features of their management practices. Four themes have emerged from analysis that show common issues to all of the companies and relate to management of creative processes and activities.

- Informality and Open Management Styles and Leadership
- Individualism and Independence of organisational structures and cultures
- Commercialisation identified through the strengths and weaknesses
- Sustainability identified through growth pattern analysis

The researcher has been involved in some of the actual environments in which the actions have taken place, in order to analytically relate the data to theory. In September 2002 the researcher was involved in the launch promotional event for Company E, and in September 2003, was involved in the catwalk event for Company A. The combination of field and action research has provided rich insights into the creative environments in which the companies operate and conduct their businesses. The first research task was to compile a list of potential companies who could be approached to take part in the study. Eight companies were identified for participating in the study, and were informed of the aims and objectives, through letter and follow-up telephone call. However, five companies finally agreed to take part in the research project. All of the companies had some involvement with educational environments, or were contacts of ex students, or

contacts that knew the companies from professional specialists working in the fashion industry field. The companies who agreed to take part in the study, and dates for the first interviews were conducted between November 2002, February and April 2003.

#### First data collection multiple case studies (November 2002 to April 2003)

The aims of the first data collection was to build familiarity of how fashion companies conducted their businesses in practice, using four key generic strategies as a framework of analysis and coding. Open-ended questions related to the strategic nature of how they managed their businesses were developed for the interviews. The interviews were conducted face to face, on site, and in three cases were tape-recorded, using structured questions for ease of comparison. Five companies were selected for this initial field research.

#### Second data collection in-depth single case study (April 2002- April 2004)

One of the companies agreed to participate in an in-depth single case study to gain further knowledge and understanding of the incubation stage of a nascent company. Further data was captured through diaries, informal interviews and image databases to identify emerging patterns of branding, promotion and networking. This inductive approach allowed further exploration of emerging concepts and piloted the questions and formulation of the deductive statements for the third data collection stage.

From the first and second data collection field study, concepts and patterns began to emerge as specific practices to the fashion industry. Content analysis of the transcripts revealed concepts such as branding, promotion and networking as core activities that contributed to the development of the business. These concepts were further investigated through literature searches, and familiarisation of these theories. The themes of word of mouth, networking, publicity promotion, and identity were further researched through literature reviews to identify theoretical perspectives that could be used for further in-depth analysis of these particular specialist management and business functions.

#### Third data collection (March 2003 – April 2004)

The three themes of branding, promotion and networking emerged as critical factors in the growth of the companies through the frequency and colour coding. The development of a bi-variate scaling measurement was designed using ten and five variables to each question. These variables had been formulated from the emerging themes and insights from the first data collection exercise. Fifteen questions were developed in three areas of branding, promotion and networking, based on the first data collection cataloguing and conceptualising. This last data collection has been piloted on four out of the five companies.

The questions have been re-evaluated and minor adjustments made to questions that fit a wider and transferable nature for companies who are working in the creative industries field. The Small Business Growth Tools (SBGT) is under developed and has been piloted tested on two companies who are creative companies to gain their opinions to the usefulness of the tool in growing their businesses. The SBGT provides companies with key considerations on the three main management functions to provide better decision-making, but also to monitor their progress on a more strategic basis. The results of these pilot tests have not been presented in this thesis.

research process objectives. The first section outlines the methods used (both systematic interviews, which formed the first stage of the research (Appendix 2). The second section outlines the single case study methodology (Appendix 3), and the third stage outlines the development of the interview and reflective tools (Appendix 3) .

**Company Profiles**

The five companies selected have been categorised according to their current stage of business growth and the criteria outline in Chapter 1. The companies vary in their products/service offer, but are all providing leisure/recreational services for niche markets. Table 25 profiles the company business in terms of their customer segment, company type, product and service type, gender, age and education. A total of 5 companies were approached prior to the study with five agreeing to participate.

Table 25 Company Profiles

| Company   | Type of business | Type of Company       | Product/Service Type   | Gender | Age   | Education |
|-----------|------------------|-----------------------|------------------------|--------|-------|-----------|
| Company A | Art              | Small Family Business | Creative Visual Design | Male   | 28    | PG        |
| Company B | Event            | Small Family Business | Event Planning         | Female | 45    | PG        |
| Company C | Art              | Small Family Business | Visual Design          | Female | 28/30 | PG        |
| Company D | Event            | Small Family Business | Event Planning         | Female | 45    | PG        |
| Company E | Event            | Small Family Business | Event Planning         | Female | 25-35 | PG        |

**Company A**

This company is in the early/childhood stage of the business process. The founder initiated the business idea during her undergraduate studies, which has now resulted in the forming of the company. The founder has previous experience of the industry, and after graduating has undertaken work with other businesses, including the PG course, and began organising and producing events for clients and emerging artists/designers. The company emerged as a performing art and offshoot listing at London Fashion Week. Due to the low level of industry or marketing these shows, she has now formed a new business, which focuses the growth of event management to identify management and marketing potential opportunities

## Chapter 5 The Field Study

### 5.0 Introduction

#### Triangulation

The data has been gathered from three perspectives to build the triangulation of evidence, using a range of different research methods to collect the data. This chapter is divided into three sections, which are related to the process of data development of the research tools (see Chapter 1 for overview diagram of the research process objectives). The first section outlines the multiple case study systematic interviews, which formed the first stage of the research (Appendix 1), the second section outlines the single case study investigation (Appendix 2), and the third stage outlines the development of the measurement deductive tools. (Appendix 3)

#### Company Profiles

The five companies selected have been investigated according to their stages of business growth and the criteria outline in Chapter 1. The companies vary in their product/service offer, but are all providing fashion products/services for niche markets. Table 23 profiles the company features in terms of their existence length, company type, product and service type, gender, age and education. A total of 8 companies were approached to take part in the study with five agreeing to participate.

**Table 23 Company Profiles**

|           | Years of existence | Type of Company | Product/Service Type   | Gender | Age     | Education |
|-----------|--------------------|-----------------|------------------------|--------|---------|-----------|
| Company A | 0-1                | Sole Trader     | Creative Show Producer | M      | 28      | PG        |
| Company B | 1-2                | Sole Trader     | Lifestyle Collection   | F      | 43      | PG        |
| Company C | 5                  | Sole Proprietor | Womenswear Designer    | M      | Unknown | PG        |
| Company D | 7                  | Limited Company | Street Fashion         | M      | 31      | UG        |
| Company E | 0-1                | Partnership     | Womenswear Couture     | F/M    | 26 28   | PG        |

#### Company A

*This company is in the early existence stage of the business process. The founder initiated the business idea during his postgraduate studies, which has now resulted in the forming of the company. The founder has previous experience of the industry, and after graduating has teamed up with other individuals met during the PG course, and began organising and producing catwalk shows for new and emerging fashion designers. The catwalks organised are all part of the on and off schedule listing at London Fashion Week. Over the last two seasons for producing these shows, he has now formed a new business, which expands the services of event management to identity management and sponsorship project co-ordination.*

**Company B**

*This company is in the Existence stage of operation, and is in the first year of trading. The company has been founded by one individual, who after working for various fashion companies, decided to set up her own business. The business was set up primarily as wholesaler, supplying lifestyle products, designed and manufactured for the active wear market. However, after experiencing high trading costs, and slow sales, the business/owner has complemented the original business concepts by adding and diversifying into offering pattern cutting consultancy and services to new generation designer labels. Entry into the industry was achieved through extensive market and business planning, supported by local business advisors. Company financed through personal resources. Of particular interest is the flexibility to change during the early stages of business development and respond to market opportunities created in this phase.*

**Company C**

*This company is in the Survival stage and in the fifth year of trading. The founder has developed a designer label company for Womenswear. Located in London and has presented collections at London Fashion Week as part of the on schedule designers. He has grown the business through increasing the amount of stockist accounts from 4 to 29. He mainly supplies international independent stockists in Asia. The designer has secured a sponsorship deal with COTTONUSA to financially assist the on schedule catwalk show at London Fashion Week. Of particular interest is how this company has maintained reasonable performance levels through improving their sales through increasingly their international stockists.*

**Company D**

*This company is in the Success stage and in the sixth year of trading. One founder, who started trading through a market stall in Camden Market, and has steadily grown into supplying wholesale to 70 stockists in the UK. He has expanded the business incrementally and designs/ supplies womenswear, menswear, kidswear and babywear products. The company is based in London, and now employs 9 people to oversee the various functions of marketing/sales and production.*

**Company E**

*The company has just secured finance from the banks, and has been endorsed by the Department of Trade and Industry. The founders have been researching and secured a retail outlet in West London. They intend to retail and design a new range of contemporary Womenswear products. The entry into the industry has been achieved through undertaking extensive business planning, which has been presented to banks for financial assistance. This company has been used for further investigation to form the in-depth case study analysis.*

### The Fashion Cycle

The designer fashion industry is dominated by two cycles in the fashion calendar. (Table 24) These two cycles determine the development and presentation of fashion collections and ranges, which affects their management practices. The term 'season' refers to a period of time during which fashion products are sold. The specific period of the selling time associated with a season will vary according to the nature of the fashion business (Jackson, 2001). The seasonal process has two clearly defined and traditional times, Autumn/Winter and Spring/Summer. As stated by Easey (1995) retailers have organised themselves around consumer demand that has been traditionally influenced by weather patterns. This practice is firmly embedded in the culture of the fashion industry. The long lead times associated with developing niche specialist product ranges from initial idea to store evolves around the six month cycle.

**Table 24 Fashion Cycle**

| <b>February<br/>Autumn Winter Presentations<br/>Normally in the form of catwalks</b> | <b>September<br/>Spring/Summer Presentations<br/>Normally in the form of catwalks</b> |
|--|---|
| Retail Buyers order for Autumn/Winter Collections                                    | Retail Buyers order for Spring/Summer Collections                                     |
| Press attend catwalk shows/trade shows   | Press attend catwalk shows/trade shows  |
| Delivered to shops the following September   | Delivered to shops the following February   |

The rapid growth of the fashion industry, in terms of speed to market, plus the increase of new fashion designers entering the market, and the number of competitors operating within the design sector are all significant factors to be considered. The importance attached to marketing functions has been used to ascertain how the companies are structured and organised to meet these changing demands. In addition, it is necessary to examine what activities they undertake for marketing and design, and what approaches they take in managing people to achieve their business objectives. This aspect of the research did not delve into the manufacturing aspects, although this is a critical function to ensure that the product quality matched the price point and customer expectations. The designer/promoter company normally outsource production to small Cut Make and Trim Factories, (CMT) or use other manufacturing facilities based either local or off shore, or a combination of both. The production of small volume quantities is a major problem facing this sector, and various government initiatives have been implemented to overcome this weakness. The Manufacturing Handbook, developed by the British Fashion Council, lists apparel manufacturers who are willing to work on small

production quantities. This directory of small manufacturing units is a resource that provides small designers with reliable and professional production services.

The development of manufacturing capabilities has been partially explored in the single case study to identify how new start-up businesses source, select and begin to work with small factories/units and develop relationships with production teams and individuals which has informed the supply chain network configurations.

### **5.1 Multiple Case Study Inductive Approach and Analysis (Appendix 1)**

The aim of this first stage of the research strategy has been to identify the general business and product development activities being employed by the small fashion company, and secondly to reveal some common patterns from the cross case study analysis. The research questions were divided into four main areas with sub sections for analysis. The data collected has been organised under these headings and the findings are reported systematically through the five company approaches. The findings are based on the primary sources of data, the interviews, and secondary sources of information obtained through Internet searches, newspapers and magazine data. The case studies have attempted to identify the current management practice of new generation designer companies. The companies have agreed to participate in the study, and have been willing to disclose their approach to their business strategies.

Primary research for the field investigation consists of five case studies with founders of their own fashion design/promotion company. Three interviews were conducted during November/December 2002 and the fifth in April 2003. Interviews were tape recorded and transcribed, with the interviews lasting one hour. The interviews were conducted on site, with the interviewees being sent the set of questions before the meeting. The face-to-face interviews also allowed further probing to take place during the time spent with the owners. The set of questions was developed to ascertain the general approach in conducting their business. Further information concerning the companies has been obtained from secondary sources, such as their websites, company documents and publicity material.

#### **Methods Used for Capturing the Data**

The research topic framework has been established to gain a broad overview of the main business activities and processes, which are part of the company development. These main units of analysis have been formulated from existing business theories, (Mintzberg, 1989; Porter, 1980; Kotler, 1988; Belbin, 2002; Katzenbach & Smith, 1993; Bruce & Bessant, 2000). The company profile framework was not intended to yield in-depth responses, but to gather general information regarding the structure, strategies and processes, which are being

used by the small fashion company. It was not intended to explore the front end activities of business and product development planning (Khurani & Rosenthal, 1998) but to identify common traits and situations that occur during the fashion business development activities.

### Research Topic Framework

Table 25 below indicates the four main dimensions used as the framework for the interviews questions.

**Table 25 Research Topic Frameworks**

| <b>Business</b>                     | <b>Marketing</b>                     | <b>Design</b>                  | <b>People</b>                           |
|-------------------------------------|--------------------------------------|--------------------------------|---|
| Entry Strategy                      | Customer Liaison methods             | New Product research Methods   | Team Management                         |
| Business Planning Methods           | Consumer Research Methods            | Design Development Methods     | Staff Development Methods               |
| Business Structure and Organisation | Marketing Selection Strategy         | Product Selection Strategy     | Team Selection                          |
| Future Oriented/Challenges          | Promotional /Public Relation Methods | Technology Enablers            | Team Performance/Learning Opportunities |
| Management Systems                  | Marketing Communication Systems      | Design Systems                 | Team Building Systems                   |
| Employment Relationships            | Marketing Relationships/Processes    | Design Relationships/Processes | Team Relationships/Processes            |

### Question Content

The questions for the interviews were formulated from the literature review to identify generic business development strategies. The questions were primarily, what and how questions to ascertain the business practices that were being used by the companies.

#### **Business**

- 1A Type of company
- 1B Length of Business existence
- 1C Entry Strategy
- 2 Competitor Awareness
- 3 Company Performance
- 4 Company Employees
- 5 Geographic Location of Company
- 6 Strategic Business Planning and Communication
- 7 Mission Statement
- 8 Company Challenges
- 9 Company Structure
- 10 Company Organisational Changes
- 11 Advise on setting up own business
- 12 Management Style
- 13 Meeting Structures
- 14 Information and Decision Making
- 15 Functional Responsibilities in Company
- 16 Employment Selection
- 17 Frequency of Internal Meetings

18 *Types of Internal Meetings***Marketing**

- 19 *Consumer Liaison*
- 20 *Consumer Research*
- 21 *Research and Analysis of Consumer Research*
- 22 *Promotional Methods*
- 23 *Public Relations Methods*
- 24 *Benefits of Promotion/Launch Strategies*
- 25 *Presentation of products/ranges/collections to buyers and press*
- 26 *Internal Marketing interfaces*
- 27 *Management of internal relationships*
- 28 *Links with customers/retailers/buyers*
- 29 *Maintaining links with press and media*
- 30 *Use of Technology in the marketing processes*

**Design**

- 31 *New Product Research Methods*
- 32 *Design Development Methods and their effectiveness*
- 33 *Product Review Systems*
- 34 *Frequency of product reviews*
- 35 *Use of Technology in the product development process*

**Team**

- 36 *Team Culture and management*
- 37 *Type of teams*
- 38 *Team building*
- 39 *Team Selection*
- 40 *Company recruitment strategy*
- 41 *Staff Development*
- 42 *Team Performance, motivation and reward systems*
- 43 *Internal Team processes*
- 44 *External Team Processes*
- 45 *Public Relations Management*

**Questions Structure**

Question 1-18 are related to how the Company/Business Owners conducts its Business Development aspects

Question 19-29 are related to how the Company/Business Owners undertakes its Marketing functions

Question 30-34 are related to how the Company/Business Owners undertakes the design development functions

Question 35-44 are related to how the Company/Business Owners manages people during the business formation and development

**Content Analysis of the Data****Business Strategy Findings**

The set of questions formulated for this aspect has been taken from small business/nascent business models and theories. The unit of analysis is related to four key determinants of the business approaches: entry strategy (Storey, 1995) business planning (Product Development), business structure and organisation (Handy, 1985)

and strategic orientation (Porter, 1980). The findings have been presented as a series of comments taken from the interviews, and organised in the following format.

**Business Development Findings (Question 1A, B, C)**

This introductory question was asked to identify how the company have been formulated and launched.

**Company A**

*This company has been offering show production services for one year. Since the launch of the company, further event management services have been offered to clients, in the form of sponsorship marketing. The designer/owner completed a MA course, and then started out as a freelance designer, providing catwalk show production for new generation fashion designers to produce their catwalk shows at London Fashion Week. This has provided networking opportunities for new clients for further event projects. In addition, has undertaken photographic and special limited edition product commissions for various clients.*

**Company B**

*He had financed the business from the sale of a property and a bank loan. The business approach had been undertaken in a professional manner, with research being undertaken into the consumer and their lifestyle needs. The products were tested marketed at a small trade show, and this gamble had resulted in several orders from various agencies. The benefits expressed by this approach are the number of contacts made during this marketing process.*

**Company C**

*He had started the business after undertaking several years working with leading international designers and working in Far Eastern locations. The designer had attended the Royal College of Art and successfully completed a Masters Course. During this time he had undertaken a project with Marks and Spencer's to design a new womenswear collection. This had provided the initial sponsorship for new generation designer grant for setting up the company several years later.*

**Company D**

*He had started the business by selling his own designed garments on a Market Stall at Camden Market. The designer continued to make and sell the garments this for over two years, before buyers from retail stores began to make orders and decided to take the gamble to move into business premises.*

**Company E**

*Two fashion designers formed the company after completing an MA course.*

**Commentary:**

All of the companies were owned and managed by fashion designers/promoters. The companies were launched through different approaches, ranging from design, make and sell through market stalls, trade shows, catwalk shows or promotional activities.

Company owners A, B, C all had educational qualifications to post graduate level in fashion, with Company D achieving a Higher National Diploma in Fashion.

### **Awareness of Competitors (Question 2)**

This question was asked to identify their awareness of their rivals, their position in the market place, and their ability to define their uniqueness.

#### **Company A**

*The owner was strongly aware of the main competitors are public relations companies, Lesley Goring and American KCD. However, no formalised method of competitor research or capturing information concerning competitors was undertaken.*

#### **Company B**

*The designer/owner was aware of the main competitors with similar lifestyle products. The collection had been shown at Pure Trade Show, which provided further insights into the main competitors. The response to this question by the designer/owner showed strong awareness aware of the market position of the product and company.*

#### **Company C**

*The designer/owner admitted not paying any attention to their competitors. The response to this was question was "I am totally unique". There appeared to be limited awareness of where the company or product was positioned in the market place. There appeared to be no information sought regarding other designers working in this particular level of market, as "I do not research". However after further probing he was able to offer examples of other designer labels, which he felt were offering similar products aimed at the same market positions.*

#### **Company D**

*The designer/owner was able to articulate the characteristics of the products on offer, and provide a clear definition of branding of the designer label, titled "from the kerb to the boutique". He was able to explain clearly his own style of product positioning by stating that the company was offering products " a kind of Street fashion, urban fashion mixed with high fashion, Luxury Street wear brand". The designer/owner did not offer insights into their main competitors. The response to the question was "There are other people out there, but I try not to look at other people".*

#### **Company E**

*The designer/owner were aware of their competitors, but realised the importance of understanding their direct competitors in the market place.*

### **Commentary**

None of the companies undertook any systematic research or analysis into their competitors, however 50% were able to name their main competitors, and what differentiated them from their competition. Two of the companies responded with an apparent lack of any knowledge of this particular area. They had not assessed industry perspectives, and were not able to position their business in the market place. Porter

(1980) outlines three potential successful generic strategies to outperform other firms in the industry, as overall cost leadership, differentiation and focus. All of the companies were pursuing the differentiation aspect of Porter's model through creating something perceived as unique. The approach taken by the companies were differentiating through design and innovation of product ranges/services. According to Porter, (1980, p.38) *"Differentiation provides insulation against competitive rivalry because of brand loyalty by customers and resulting in lower sensitivity to price. It also increases margins, which avoids the need for a low-cost position. The resulting customer loyalty and the need for a competitor to overcome uniqueness provide entry barriers."*

Other benefits of differentiation are the perception of exclusivity, which is achieved through inherently costly activities, such as design research, use of high quality fabrics, and intensive customer support. The limited customer base is balanced by offering the product to an international market place, but with a higher price premium.

#### **Company Performance Measures and Employment (Question 3 and 4)**

This question was asked to identify the founder's ability to indicate measures on how the company had grown over the last 3 years.

##### Company A

*Has grown new clients for show production, and out of these contacts has been asked to tender for events management projects with major companies. These new clients have been part of the network surrounding the London Fashion Week events and shows. At present one person is employed in the company, with three other associates, and now they are beginning to employ others on short-term contracts. Officially two people are employed within the company. During the set up development process they have been working and supervising undergraduate students to help and assist in the various functions of promotion, public relations, and product development.*

##### Company B

*Responded to the question by stating that it was difficult to measure, as it was only in the early stages of business development. However, there was a comment, which showed the need for diversification into other areas whilst building the core brand "Earthsong". She commented on cash flow as an area for constant consideration. She was dealing with several other parallel shorter-term projects to improve the cash flow, which was then invested into maintaining the core of the main business.*

*The company employed 2 part time seamstresses plus a freelance public relation consultant to help promote the new range. The company employees operated on a freelance basis, with no full time staff. The staff were selected on their specialisations and their ability to respond to the irregular work flows offered by the designer/owner. The risk involved in employing staff on a permanent basis was not considered appropriate at this stage of the business development. The use of temporary staffing was a constant threat to meeting delivery date deadlines. She had to be extremely*

mobile in delivering cut garment parts to the seamstresses, on a regular basis. She also used student placements to assist in trade show preparation and in helping to put together a catalogue of products. She did not exploit the staff she had worked with, and offered reasonable payment for the work conducted. The specialist nature of producing high quality one off garments had to be balanced with the high labour costs to ensure that a profit could be made.

#### Company C

Response to the measure of success of the company was stated as being related to increase in accounts, which had risen from 4 to 29 accounts in five years. The designer/owner did not seem concerned with the company performance, and seemed quite prepared to accept the volatile nature of the industry, which he felt affected his business stability. He was aware of the rate of bankruptcy in the smaller independent boutiques, which stocked the label, and how the flow of new accounts was unpredictable. The Company employed 3 people. The designer/owner had undertaken all of the tasks of designing, making and selling the collections in the initial stages of the business. Located at the studio, there was one sewing machinist, one Patternmaker and one studio assistant. The company employed an external public relations company and a catwalk production company to oversee the marketing and promotional aspects of the company. The liaison with the external partners was informal and based on word of mouth reputation. The catwalk production company had worked for the designer for two seasons and was operating on a show fee basis. The catwalk production company sourced the location of the catwalk, arranged the models, hair, makeup and music. The catwalk producer had several meetings during the season to discuss and agree the appropriate show direction for the new collection being produced.

#### Company D

Response to the measure of success of the company was stated as being related to a number of factors, ranging from the increase in accounts and suppliers wishing to stock the label, to the number of people wearing the label. The company had gone from strength to strength and had resulted in fast success in terms of brand recognition and brand identity. He was motivated by the increase in brand adoption of his label through personal feedback by friends, contacts and suppliers.

The Company employed 9 people, with various roles being assigned to particular functions. The company consisted of marketing, production, pre-production and administration personnel. The company was in the process of recruiting new staff, with the radical increase in orders from retailers, and the introduction of diffusion ranges such as childrenswear and swimwear. The company was diversifying into offering further product extensions from the mainline street fashion for womenswear and menswear. The range of products had grown incrementally over the several years. The company had to develop formal employment procedures to ensure that the increase in staffing

was conducted professionally. The company contracted the public relations aspects to an external agency.

#### Company E

Responded by outlining the growing of the network of contacts to make the business viable and operational. Has spent time developing the right types of contacts, has been working with local business advisors in preparing the business plan ready for presentation to banks and the Department of Trade and Industry. Both partners have developed considerable confidence in building the business knowledge necessary to sustain the first stages of business growth.

#### Commentary

The growth of the companies was measured through a variety of indicators, from the increase in the number of accounts, the increase in employees, and improvement in brand recognition by consumer feedback. The owners were able to specify in broad terms their achievements, but were unable to give statistical information about the profits and commercial successes. Only Company D had achieved incremental growth over the last six years, and was moving from informal organisational processes to a more formalised management structure.

#### **Geographic Location of the Business/Environment (Question 5)**

This question was set to identify the location of the business premises.

#### Company A

The business is located in central London. At present working from home, but premises have been secured in Brick Lane in London. Due to the nature of the work and clients the majority of projects are conducted with London based companies.

#### Company B

Founded the business in Whitstable and used local business support agencies in the business planning development, and then relocated to North London to work more closely with their main retailers who bought their collections. During this time the business owner operated out of a flat that was in close proximity to stockists, clients and sample machinists/seamstresses and other production providers. However, due to rising costs has now moved back to Kent and has a small studio space. The business is operating out of a flat, which is both living accommodation as well as design studio.

#### Company C

This company was located in the Clerkenwell area, occupying the top floor of a three-storey building. The studio consisted of two rooms with a small kitchen area. The large open plan studio housed two sewing machines, pressing equipment and cutting table. The other end of the studio housed a computer and table for meetings. During the site visit, clients also attended the studio for personal fittings.

#### Company D

*The company is now located in Spellman Street in East London. The reason for this location has been the close proximity to fabric and trim suppliers. The rents for business premises are cheaper and the local council provide business support from Tower Hamlets. The design studio is located within a business complex aimed at supporting new business ventures. Other creative industries, in particular graphic and fashion designers are also operating in this community of small businesses. The company has two large studio spaces, with an open plan area for administration as well as sample making. One of the large studios doubled as a show room during London Fashion Week. (The designer/owner has a Higher National Diploma in Fashion Design.)*

#### *Company E*

*Both co-founders are living in Rochester, and are using studio space of the School of Fashion to set up their business. The partners have used the facilities of the educational environment to operate during the initial setting of the company. The close proximity of their incubation studio/workshop has shortened the business and product development cycle. They have had access to equipment, technology and specialist resources.*

#### **Commentary**

All of the companies were located in close proximity to their suppliers and main customers. This indicates that the owners were involved in the lifestyle activities of their consumers, and gained important insights into developing fashion products for this particular market segment. All of the designers/promoters had operated in the early stages of business development, from their home, and had gradually moved into business premises. Two of the companies had their premises as part of business link locations, with low rent to encourage new company start-ups. Being part of the business community showed a long-term commitment to being part of a professional business culture. The premises were located in close proximity to specialist labour skills to support the businesses. In addition, they were closely linked to their fabric/media suppliers. This provided access to peer groups who were at a similar stage of growth within their companies. These dedicated business premises provided informal networking opportunities and began building other contacts in growing the business.

#### **Business Planning Activities (Question 6)**

This question was set to identify the importance of business planning as an important aspect of business development growth.

#### *Company A*

*A business plan has been developed with the help of Business Link, who have assisted in finding premises. The website has become a key communication tool for future directions and collaborators.*

#### *Company B*

*The designer/owner had researched and produced a business plan, which was presented to the banks for financial assistance. There was a clear indication of where*

*the company was heading in the future, with business objectives set and awareness of the cash flow concerns.*

#### Company C

*The designer/owner had not produced any form of business plan. The company had been lucky in obtaining sponsorship from various sources, which had not been researched. The initial sponsorship had been secured during the designer's postgraduate education course, and had later provided further financial assistance in the setting up of the label. Marks and Spencer's supported the new generation designers by giving the sponsorship. There appeared to be an apparent lack of any form of business objectives set from the birth of this company and up to the present time.*

#### Company D

*The designer/owner had not produced any form of business plan in the early stages of the company. There appeared an apparent lack of any form of business objectives, with the company evolving incrementally during the first stage of development. However, a family member was now being brought into the company to assist in the planning and co-ordination of the business strategy. This family member was undertaking an MBA in Business.*

#### Company E

*The founders expressed the importance of business planning to present their business concept to banks. It had helped them communicate their proposals and was a "key instrument to securing loans".*

#### Commentary

Company C and D had not produced a business plan. Company A and B, both late entrants into start up their companies, had approached business development with well-researched and formulated business plans. These two companies had used the services of business advisors and consultants to assist in the development and presentation of their business concepts. Company C had been able to start the company from sponsorship financial sources, but no business objectives had been set or measured. The owner of Company D had achieved the highest growth, but had very limited interest or knowledge of business planning. However, he was aware of the support systems to help his business grow. Company A had used moderate government support agencies throughout the planning and development stages, whereas Company B had extensively used government support agencies in their business development stages. Company C and D were not so reliant on consultants. Company D had relied heavily on family connections for business advice.

The use of formal business advice during the early start up period ranged from a number of sources: Government support agencies, Banks, Family, Sponsorship and Consultants.

**Mission Statement and Company Challenges (Question 7 and 8)**

This question was set according to the degree in which the owner had ambitions to grow the company over a long period.

**Company A**

*The company is serving the needs of the fashion industry in relation to promotion-based activities. The challenge for the future is to develop clients to work with on a regular basis, to secure sponsorship partnerships, to create a new promotion company, which covers a range of services.*

**Company B**

*The response to the question by the designer/owner was firmly linked to raising and building brand and product identity. There was awareness of how important marketing communication channels were to the development of the business and the need to raise the profile of the enterprise. She was intending to improve her name by establishing closer contact directly with consumers and offer a much more personalised service. The word of mouth approach was firmly embedded in the challenges that she was trying to tackle in the future. She was constantly aware of future oriented strategies.*

**Company C**

*The response to the question by the designer/owner was closely linked to the product values, attributes and aesthetics. He was motivated by the desire to create beautiful products.*

**Company D**

*The response to the question was related to rapid growth of the company and the increase in sales. The growth rate had been dramatic in the last year, and the designer/owner was aware of the need to control the rate of growth and ensuring that product quality was maintained. In addition, the need to produce the product with a much faster response rate was also mentioned, with the increase of the number of accounts. He was also aware of the need for a clearer structure and definition of functions within the company. The importance of the company's organisation as a mechanism for effective promotion and product development activities was a central challenge and objective for the coming year.*

**Company E**

*Response to this question was related to growing the business in a controlled manner over the next few years. They were able to outline some of the future areas for further development, especially in the production and manufacturing facilities.*

**Commentary**

Companies A, B and D were able to articulate future oriented goals, and were able to communicate how these goals were to be achieved. Company C answered in a vague manner not related to the strategic thinking behind the growth of the company, did not mention the vision behind the next stage of business development. The founder's motivation in growing the business was firmly linked to the function of marketing.

Company A, B and D all referred to the importance of promotion and public relation strategies to raise their profiles.

**Company Structure and Organisation (Question 9 and 10)**

This question was set to identify the structure of creative work processes, and how they impacted upon the day-to-day organisation of the company.

**Company A**

*The company consists of a number of key people who all work on a freelance and consultative basis. This approach allows the flexibility to bring new people in dependent on the projects secured. This organization allows new inputs on a regular basis, which has resulted in repeat projects. The structure of the company has changed with new people joining the company and interacting to form new teams.*

**Company B**

*The response to this question related to the employment of a specialist in the product development process. The employment of new staff was an area of concern and had caused problems in the past. Trying to find the right staff and paying them at a reasonable rate per hour was an ongoing problem. The response related to the relocation of the business to North London to be close to the key people who supported it. The need for localised manufacturing and production services was seen as a critical aspect of the ability to respond to orders from retailers.*

**Company C**

*The response was related to the deadlines resulting from showing of collections every season, and that this required open and proactive time management to ensure that the collections were made on time. The response related to the growth of the business, and the requirement to become "more serious minded". The company had operated for the first few years with the a one-man-band approach, with a constant flow of staff in and out of the company.*

**Company D**

*"To be honest not an organised person". However there was a realisation of the need for extra personnel to work alongside the creative designer to ensure that there was better organisation and co-ordination of the team, resources and business. The response related to the structure remaining constant over the last few years. However, there had been appointments of new staff to assist in the design and collection development processes.*

**Company E**

*Has a simple and basic organisational structure at present. The two co-founders were aware of the complementary strengths of both designers, both strong on design but tackle this area from different perspectives. Also the ability to problem solves together, to motivate each other during setbacks and difficult periods; and enabled them to discuss ideas to gain better clarity of purpose.*

### Commentary

All of the companies had informal communication systems, and worked closely with their team. The team consisted mainly of freelance and short-term contract workers who were brought in according to the fashion calendar. All of the companies used students for unpaid work placements to assist during busy times. The use of non-paid labour was a key to keeping the financial costs down during labour intensive periods, (e.g. before catwalk shows, production allocations). The relationships between the owners and their teams were informal and casual. New staff was recommended through word of mouth or from network contacts. There was no advertising of new positions, but people they already knew or had worked with in the past filled key positions.

### **Business Advice (Question 11)**

This question was asked to ascertain what owners felt were important skills for starting up new companies.

#### Company A

*The company director stressed the need to identify experienced people to gain valuable insights into the workings of the fashion industry.*

#### Company B

*Designer/Owner stressed how they had learnt about the importance of business planning and market research as a key part of the initial stages of development of the organisation. She talked about the ability to communicate at a professional level to external agencies, such as banks to gain financial support. She had learnt to be proactive in researching markets, and identifying new gaps in the market, and constantly adapting and adding new products to the ranges.*

#### Company C

*He had learnt that you have to be passionate about the business. He commented on the importance of developing a uniqueness that was instantly apparent to the consumer. He had learnt to be astute to all aspects of the business, not just the creative aspects. He was learning to be multi-tasking oriented to cope with the diverse demands of the business.*

#### Company D

*Designer/Owner stressed the importance of constantly observing how the industry operates and the social interactions that take place during the seasonal cycle. He had learnt that the industry demanded long hours and consistent stamina to complete projects to tight deadlines. He had learnt through experience the importance of styling his products to ensure they sent the right messages to his clients. He also stressed that to understand what people want; you need to experience working closely to consumer, in his case the market stall, to produce the right products.*

#### Company E

*He stressed the importance of developing the product. He stated that the success of his business was largely due to his business idea, and also stressed the need to have a more diverse product range.*

*Designer/owner stressed the importance of business planning, finding the workforce to drive the business, sourcing and overseeing the production and securing adequate financing to start and launch the business.*

#### Commentary

One of the most important aspects of starting up the fashion companies was related to observing market and consumer movements. Three companies were proactive in this particular aspect. They stressed the importance of understanding consumer needs to inform the design decision-making. The ability of the owner manager to recognise and take advantage of opportunities was seen as critical to ensure that the company flourished. The owners were scanning environments, selecting promising opportunities, and formulating strategies to take advantage of these opportunities, for example expanding the product ranges, or services on a continuous basis.

#### **Management Styles (Question 12)**

This question was asked to identify the management and leadership style of the owner, and how this affected the efficient day-to-day operation.

#### Company A

*The management style was characterised by being open, informal and using constant communication techniques.*

#### Company B

*The designer/owner responded by stating the need to be firm but approachable in her style of management with her team. She had to be tougher in her approach with people to ensure that the work was undertaken on time and to the right quality standards. She was always prepared to dismiss workers if they did not meet the right criteria for her business needs.*

#### Company C

*He identified his management style as being about "imparting values so that other people can do things". He wanted to ensure that people were motivated, but there was little mention of a team approach, with an individualistic approach to the work ethic. The studio environment was open plan, with no separate offices. The studio was divided into three areas, one for sewing and construction, one for pattern cutting, and the third for meetings and administration duties. The studio was well organised and clear of any clutter. The previous collection was on a rail at the meeting end of the studio. The studio was also used for clients' fittings.*

#### Company D

*He worked with his team in an informal and casual manner. His close team comprised of the design assistant, the Patterncutter and sewing machinist. His relationships with these people were more akin to a family than employees. He treated his staff with respect and was extremely friendly and attentive to his team who worked with him on developing the products. He stated that it was a member of his family who managed the business side, and who appeared to have a more distant and formal relationship with*

*the employees. There was a very relaxed atmosphere in the studio. All staff were pleasant and helpful to an external contact. The studio environment was open plan, with no separate offices. All the team were open and quite willing to answer questions.*

#### Company E

*"Have not analysed it, sometimes informal when it needs to be and formal when changes have to be made. The management style is dependent on the situation."*

#### Commentary

The age profiles of the designers were ranging between 28-43 years. The majority of designers were in the 30 -35 age groups, however one of the designers had started the business in his mid twenties. The prior experience gained before start-up was on average 5 years working in an industry environment. None of the owners had formalised management training. Their management styles were informal, and they surrounded themselves with people who they trusted, and had built close relationships. They expected the team to work in a self-directed manner, and empowered employees to take responsibilities, without formalised delegation. The time the owners spent on different activities was consistent with Mintzberg's (1989) three management roles: information, interpersonal and decision-making. However, the role that the majority of the designers tended to adopt was related to interpersonal work. The three aspects of management involved with the interpersonal work, figurehead, leader and liaison is consistent with the types of jobs being undertaken by the fashion designers. The liaison role was the most evident throughout the interviews, with many contacts with staff and external contacts made through verbal systems.

#### **Meeting Systems (Question 13,14, 15, 16, 17)**

This question was set to identify if the owners had established any structured internal management systems. The company approach to communication and feeding information to the team is a key determinant of open styles of management.

#### Company A

*Staff are informed through regular email contact and through regular but ad hoc meetings in London. Information considered in the decision-making for the future was linked to the very fast pace of project turnover, as was information gained from talking to people connected to the company, or clients. The owner created the identity of the company, through website, letterheads and through extensive public relation meetings. People are selected through word of mouth, through other contacts, from recommendations. Frequency of meetings depends on the time of year, and depends on the project – this is constantly changing. Decision-making meetings are informal, brainstorming meetings for ideas and new concept/project planning.*

#### Company B

*The designer/owner made all of the final decisions on the marketing and product development aspects of the business. However, the external public relation consultant assisted the decision-making process. There was a regular weekly telephone meeting*

*with the PR consultant to review previous public relations activities, to discuss new initiatives, and identify new promotional angles for the company.*

*Her decision making process was reactive to problems or conflicts that occurred during the daily, weekly or seasonal cycle. Her decision-making was primarily formed by financial constraints. She had to react quickly to changing conditions, especially if accounts had not been paid. The need to be productive every day was an area for comment. The frequency of the meetings with technical staff was irregular, but ongoing most of the time. The meetings were very informal with the aim of trying to build self-confidence and personal development through these interactions.*

#### **Company C**

*The designer did not have meetings with his staff. He explained that he is in close contact so the communication with his team was on a daily basis. He worked closely with his internal design team to ensure that new design developments were explored and considered. He was meeting with the external team on a more formal and regular basis to discuss new marketing and promotion projects. His design decision-making about design directions for future collections was informed by his socialising with clients and the press. He was in complete control of the design and concept development directions. He provided the creative input into designing fashion forward collections. He had not diversified into any other area, and had not launched diffusion ranges, or other smaller sub collections during the season. He was completely focused on the perfection of cut, proportion and silhouette, in relation to the fabric qualities.*

*The decision-making process was semi-reactive to problems and conflicts that occurred during the daily, weekly or seasonal cycle. He tended to be more creative about how he managed money, and how he handled crisis financial situations. As the business had been operating for a number of years, he had built a reputation with banks and sponsors, which provide some breathing space during difficult times. He was firmly in control of all decision-making, with very clear guidelines on how he wanted the company presented to the market place. He did not appear to delegate, and was supervising his team. The communication processes between staff and owner were semi-open. There was an apparent lack of energy generated by the team, and very limited communication took part with other team members. The communication was professional and reserved in nature. The meetings with staff were spontaneous and ad hoc, with no structure to the working week.*

#### **Company D**

*The designer held weekly regular meetings and documented the individual project developments. The meetings were held to ensure that everybody was updated on tasks, deadlines, and other general duties that had been undertaken or were about to be undertaken. The meetings were informal and became spontaneous sessions for furthering ideas and concepts. He was in complete control of the design and concept development directions, and was closely involved in the branding and promotional*

aspects of the business. He was proactive in accessing new market opportunities, through his involvement with the music industry. He used his lifestyle as a main source of inspiration and forming of new product ranges. He empowered his design team to develop new ranges, but had final say over what ranges were presented to the press and buyers. The communication between staff and owner was open and trusting. They did not hide any problems encountered with accounts or clients, and this was openly discussed. The internal communications was supportive and non-threatening if they had not completed or achieved goals. The culture was democratic and non-hierarchical.

#### Company E

The founders were now holding regular weekly meetings with their key assistants. The meetings did not have set agendas, but were reporting based, with discussions on further actions and what had been achieved or accomplished.

#### Commentary

The companies used a range of meeting formats in conducting their day-to-day operations. All the companies had regular meetings with their staff, but this normally consisted of informal approaches and spontaneous agendas. The method of communicating with staff, ranged from email communication to face-to-face meetings.

#### **Market and Promotional Strategies**

The Fashion Industry has always been a competitive industry, and as the pace quickens in this competitive environment, effective marketing strategies are the key to success for couture houses and high street stores (Bohdanowicz & Clamp, 1994). They noted that the difference between fashion marketing from marketing of other types of goods or services can be classified under three headings, firstly the strong influence of environmental pressures, time constraints and the role of the buyer. Business literature indicates the importance now attached to marketing strategies, but there are differences as to when and how the activity of marketing takes place in the product development process. Designer fashion is concerned with producing branded, limited edition, luxury goods, so raising and building the brand profile is central to the marketing objectives (Gowrek, 2001).

#### **Consumer Liaison and Research Methods (Questions 19, 20 and 21)**

These questions were included to identify the level of market/consumer research undertaken during the fashion design/promotion process.

#### Company A

Very proactive in meeting customer needs and requirements, constantly phoning, taking out to lunch and forming close connections with clients. Consumer research is not applicable in the sense of the customer, but research into new clients, through talking to people who might know the company, and who might provide insights into their practice. The results are disseminated through the company via email and telephone messages.

#### Company B

The consumer was treated with the highest regard and given outstanding service to ensure they were satisfied with the product. If the product was not up to standard, it would be reworked or adapted according to the client's specifications. Meeting customer requirements was central to the marketing activity, and close relationships between client and designer were an important tool in building long-term collaboration. Consumer research was being undertaken through personal shopping consultancies. This was a new aspect to the business, and was building high profile customer relationships through this personal service. The target group was being directly approached and utilised in the development of their core ranges. The personal shopping experience was a good source of lifestyle information about the typical customer. The information gained through these exercises was used to plan future products and services, however there was no formalised method of capturing the information.

#### Company C

The company used the order book as a source of market intelligence. They did not seem to have a strong relationship with their suppliers and did not keep in contact on a regular basis. The feedback from suppliers seems to be infrequent and not linked to personal relationships. The Company did not undertake any formal consumer research. They did not intentionally formulate any information regarding who were buying their products. The designer/owner approached the consumer research more from a shopping experience perspective, using high fashion department stores such as Selfridges as a way of gaining insights into new fashion collections. He informally conducted research through meeting people and discussing their product preferences. He was constantly watching and identifying new social trends, in terms of how consumers were living and how society was changing. He was constantly weighing up all the different stimuli to inform his decision-making.

#### Company D

A very proactive response to developing customer relations was seen as a critical aspect of the marketing activity. There was a continuous approach to telephoning and keeping in contact with the suppliers and clients. The company was very open for key people to come into the studio, and a constant effort was put into developing strong relationships with suppliers. However, the designer made reference to the development of the right relationships with suppliers as an ongoing process and more stringent checks on how to ensure that the right image and right outlet for the product was consistent with the company aspirations.

The Company was undertaking proactive consumer research through various methods. The latest method of obtaining consumer research was linked to the website, where there was a direct line of communication, and feedback from the consumer. There was a questionnaire on the website asking people for feedback on why they bought the label, and how they knew about the label, and general information on their lifestyles. There

*seemed to be a strong dialogue with the customers directly and indirectly to be aware of their opinions on selections and their overall impressions of the products.*

#### Company E

*There was limited action in terms of consumer liaison with buyers who were selling the ranges, due to the incubation process. However there was constant research into consumer lifestyles, through talking to perspective customer groups, informal interviews and disguised interviews. The information gained during these interactions were not recorded or captured in any way, and the information was gathered through social meetings.*

#### Commentary

The companies used a range of methods to identify their consumers (the end users), ranging from website, observational, personal contacts, networking, company events and the order book.

The findings suggest that Company A is less structured in researching the consumers that use their services, but uses the website as an information medium to profile their services. This less direct method of communicating with consumers is in contrast to Company B, which uses networking situations to observe and gain insights that might inform future project directions. Company D is more structured and proactive in gaining feedback from suppliers on sales performance to inform new design/range developments. In addition, the company organise planned events that manage business relationships to build trust and strong commitment with their distribution network. In addition, they are monitoring consumer feedback through their website to have direct information from the end users.

#### **Promotional Methods (Question 22)**

This question was linked to how the company approached the promotion of their products and services, with some reference to promotional outcomes and opportunities.

#### Company A

*The most effective methods of promoting products and services have been the website, previous project successes, word-of-mouth recommendations, and networking at business, social and personal events.*

#### Company B

*The company used advertising in high fashion magazines such as Vogue to maintain a presence in the consumer press. Various methods were being used including advertising in the local newspaper to promote the business as a more bespoke, couture service. The local newspaper had made a feature of the services, which had prompted further enquires for additional work.*

#### Company C

*The Company used their catwalk show at London Fashion Week as the most effective method of promoting the collection. The catwalk was seen as an essential selling tool, and this attracted an international group of press, and buyers to view the collections*

through this approach. The catwalk show was part of the on schedule, but not held in the central tents, due, with a limited budget. The video of the catwalk show became a strong marketing tool throughout the season, and could be disseminated to buyers and retail outlets. The invitation to the catwalk show was sent out to key influencers in the industry. In addition to the promotional main catwalk strategy, the designer sent out "look books"<sup>1</sup> and small brochures of the collections to press and buyers.

#### Company D

The Company had received extensive press coverage in newspapers and the fashion press because a celebrity had been photographed wearing one of the designer products. This high profile star had not been approached intentionally, it had happened due to a contact in the media industry who had commissioned an outfit for a video shoot. He was surprised by the amount of press coverage, which had taken a relatively unknown label towards becoming a recognisable mainstream label. The designer was now being approached by high profile pop and rap stars to design outfits for special events, which in turn received further media coverage. The portfolio of press cuttings showed an impressive set of photographs of celebrities wearing the outfits. The company did not use a catwalk show as promotional method to market the collections. The company used the showroom to preview the collections to an exclusive set of press and buyers to launch the new seasons collections. The costs and organisation of a catwalk show was seen as too high and too labour intensive to commit at this stage in the businesses development.

#### Company E

Had used catwalk shows as part of their first promotional event. The catwalk show was organised and promoted by the designer/owners, on a low budget, using networking of previous contacts to secure a prime location site for the event. The catwalk show was an opportunity to invite press and buyers to begin the process of building the label profile.

#### Commentary

The companies used a range of promotional methods in communicating their products/services, which includes catwalk shows, celebrity endorsements, promotional events, word of mouth and advertising. Two companies paid for advertising, one in a fashion magazine, and the other using taxis.

#### **Public Relation Methods (Questions 23, 24, 25)**

Fashion marketing is primarily concerned with satisfying customer needs, wants and demands, whereas fashion public relations is concerned with communications which are targeted at groups other than just the company's customers. Public Relations play an increasing role in the marketing of fashion (Bohdanwicz & Clamp, 1994).

<sup>1</sup> A look book is a photographic record of the complete collection shown on the catwalk shows or event. The companies send out these visual books to press and buyers. The fashion press, stylists, and journalist will select outfits/pieces from the collection and feature them in fashion magazines throughout the season. Buyers use the look books to inform their buying decisions each season.

#### Company A

*Contract out to a public relation company for various projects and use a variety of PR methods, not based on one company. The promotion/launch strategy has resulted in a lot of interest from the press and key influencers in the industry. New ranges/services are presented through project proposals, which outline the key benefits and feature the intended outcomes of the project. These project plans form the basis for meetings and discussions to negotiate further amendments or more work.*

#### Company B

*The company employed an external branding public relation consultant. The business owner had researched the selection of this PR consultant, because she had written several books on branding and profiling. The PR consultant began the process of generating press with consumer magazines, which resulted in various features in local and national newspapers and magazines. This coverage resulted in more enquiries into the services and products of the company. The investment into hiring a PR consultant provided not just press coverage, but also provided input information for setting new business objectives in a joint and collaborative manner.*

#### Company C

*This company employed an external fashion public relations company. The company used was firmly established as a public relations company for the fashion industry. The PR Company put together each season a "look book" which is a set of photographs of all the outfits seen on the catwalk. This book of outfits was sent out to buyers and press to promote the new collections.*

#### Company D

*This company employed an external directional fashion public relation company. The PR Company had been selected because of their relationship with the music industry, and their creative approach to more street and urban style products. The PR Company had put together portfolios of press cuttings which featured publicity from newspapers, fashion magazines and music related media. The company worked with the PR company in an informal manner with the owner stating that "It is important, when we work in it together, when working in an environment, all think in the same way, we need to have outside views and different people".*

#### Company E

*The public relations was partly organised and directed by the designer/owners as well as working with an emerging freelance public relation consultant who was prepared to work with the designers to build awareness of their collections without payment. This function was only in the early stages of development.*

#### Commentary

The companies used four different management strategies in relation to their public relation activities; Fashion Public Relation Company; Non-Fashion Public Relation Consultant; Fashion Public Relation Consultant and Internal Public Relation. These

approaches showed the importance attached to the public relation value processes, and that all of the companies consistently stressed the critical role that public relation played in maintaining a profile.

### ***Presentation of New Collections/Products (Question 25)***

This question was asked to identify the importance of presentation of their products/services to through either direct selling to the consumer or indirectly through wholesaling connections.

#### **Company A**

*Links with other areas in the company are maintained through constant phoning of key associates to update, and explore project-planning issues.*

#### **Company B**

*The initial approach for launching the new product range was through lifestyle trade shows, and fashion industry trade shows. In addition, postcards have been sent out to targeted locations such as key department stores and other potential independents outlets. In addition, health and lifestyle stores have also been targeted.*

#### **Company C**

*In addition to the catwalk, the designer/owner also presented the new ranges through intimate showroom presentations. These showroom events precede the main catwalk show and invited press and buyers attend this to view the garments on rails. The designer also has sample sales every season to sell off stock or samples to a selected list of clients.*

#### **Company D**

*The company has not presented their collections/ranges over the last few seasons and have used their showroom/studio for this event. This intimate setting allows buyers and presses to view the collection. This approach to selling builds good relationships with the key business buyers and retailers/suppliers.*

#### **Company E**

*The business owners intended to present new collections and ranges through launch parties and show evenings. They are planning to launch their Spring/Summer Collection to coincide with the launch of the new shop. The retail environment they have selected and plan to design is based on the concept of "design theatre", which will not only showcase and sell their designs, but the work of other artists. They do not intend to use the catwalk to launch their S/S collections, but have invested finance into the retail space.*

#### **Commentary**

The products and services were presented to the consumers, customers and clients using a variety of communication methods. The sales promotion of the companies ranged from attending trade shows, catwalk events, studio selling, and direct links with

their clients. The selling of the products and services was conducted in-house, with limited specialist personnel to manage this particular function.

#### **Links with Manufacturers (Question 26)**

This question was included to identify how the company managed the production of their orders/collections.

Company A

*This is not applicable as the fashion company is promotion-based.*

Company B

*The company is using a home machinist to sew the toiles, samples and produce small production runs. She was aware that this was costly and labour intensive and would need to explore alternative manufacturing to make the business profitable.*

Company C

*The manufacture of the collections is undertaken by small factories in the East End of London.. The designer/owner has recently employed a person to oversee the production, who has specialist experience and contacts in this area. She has created stability within this aspect of the business.*

Company D

*All production was done in the UK, until recently. The production has now moved to Tunisia, because it is cheaper. A production person, who sources and selects factories outside of the UK, now oversees the manufacture of the garments. A lot of business contacts have been built up over a long time, which ensures quality and reliability.*

Company E

*The first samples are produced in house by the designers themselves, or by employing sample machinists to sew difficult fabrics or shapes to achieve a professional finish. They are in the process of sourcing new factories to produce the small volume of the collections. The designers have visited the factories, shown the owners some examples of their garments, and have discussed what the factories can offer in terms of production. The designers have followed up the visit by phone calls to maintain the links and relationships with this new supplier.*

Commentary

The companies used a range of manufacturing facilities in the development of their samples and final production, from internal sampling to external sampling with out workers, local and specialist factories, outsourced production. The emerging companies used in-house localised manufacturing support, whereas the established companies were using the facilities of specialist factories both in the UK and abroad. Only one company had employed a production co-ordinator to oversee the manufacturing capabilities.

**Links with Retailers/Buyers (Question 27, 28)**

This question was included to identify the relationships the companies had with the buyers working in the retail environment.

## Company A

*Close links are formed with clients through taking out to dinner, invitations and parties.*

## Company B

*The company had very close links with the retailers they supply, and respond to their orders or enquiries on a quick response basis. This was achieved through technology, and constant email dialogue.*

## Company C

*The business owner did not maintain close links with retailers; the public relations company handled the close relationships with buyers. The company did not offer repeat orders to the retailers, and only supplied the orders that were placed at the beginning of the season, with the designer stating "My responsibility for the shop is to get press coverage"*

## Company D

*The company director no longer dealt directly with the retailers, but was involved in vetting new retail outlet, which would like to stock their products. The company has over 70 retail stockists in the UK and hopes to build further stockists by expanding into the USA.*

## Company E

*As the company intends to set up as retailers and designers, there are limited links with retailers.*

## Commentary

Only one company had ventured into owning a retail outlet for personal selling of their products. Three of the companies' had built up relationships with retail stockists who they supplied with their products. The public relation function also operated as an important mediator between the designer and the retail buyers building closer relationships between the company and its publics.

**Links with Press and Media (Question 29)**

This question was asked to identify the relationships between the company and the journalists or media personnel.

## Company A

*The area of maintaining relationships with the press, magazines and media outlets needs developing, have already built relationships with media people and key fashion magazines.*

## Company B

*The owner emphasised their links with the press had been undertaken through a range of methods, and "What I have done in the past, is to send thank you cards, suggest another feature, such as make-overs"*

## Company C

*The owner responded by saying that he tried to maintain links through sending some of his collection pieces to the press after the show.*

## Company D

*The owner outlined his links with the press through "A lot of word of mouth, a lot of certain people knows what I do, so build up a relationship"*

## Company E

*The company responded to this question as "Via the PR, or our own network"  
Considerable amount of business socialising takes place to develop links and connects with journalists, public relation companies and media related personnel.*

## Commentary

The companies used a range of publicity material to build relationships and inform the press of their products and services through: sending information, invitations to social events, free gifts and word of mouth recommendations.

**Design Development Findings**

The set of questions were included to identify the fashion design development methods used by the small company.

**New Product Research Methods (Question 31)**

This question was asked to identify how the companies explored new innovations and if they considered consumer and lifestyle needs in determining their new products and services.

## Company A

*New product and project ranges are researched through contacts that can input the project through shop research, attending exhibitions and travel.*

## Company B

*By constantly looking at new fabrics in particular the use of stretch Lycra, and making sure the collection is more edgy, with more detailing. "I am trying to develop a strong identity through developing a quality product."*

## Company C

*The owner's response to how they research new collections was stated as "Feel the air, feel the vibes, and come up with a theme, which has always got to be different". The designer has come up with a collection that is slightly ethnic mixed with military looks. The look is completely different from other competitors in the field. Some styling input, but using vintage pieces for inspiration.*

## Company D

*"Still do story boards" Designer researches through "going out to stores, by travelling to gain ideas, taking breaks to get away from it all, then I start to put new collections together"*

## Company E

*"Driven by market knowledge" The new collections were researched through a combination of activities, ranging from magazines, street research, social research, art research and style research.*

## Commentary

The responses showed that the designers formulated their new ranges and collections from an artistic perspective with limited research into consumer needs from their clothing. They did not undertake any type of formalised product research, but tended to rely on informal methods to determine their design decision-making. Shop research was undertaken by three of the companies, with Company C totally reliant on his creative styling.

**Design Development Methods (Question 32)**

This question was asked to ascertain what methods were used when formulating new season's collections.

## Company A

*The most effective methods used for project development are based on creative research methods such as attending exhibitions, art galleries, photographic and music inspirational sources.*

## Company B

*Constantly look and searching for new fabrics to use within the collections. Also looking at what is selling in relation to the youth market. Designer was aware of the designs being "too staid".*

## Company C

*The owner responded to their design methods as being experimental and creative. He stressed that "New techniques, testing out new things" was an important part of his development process. Designer talked about the need to challenge the status quo and to break rules. "Who says this is the right way?"*

## Company D

*The owner outlined their design methods were continuously evolving new products and stated that the company "Do not adapt from last season". The designer has expanded and diversified into many other areas such as childrenswear and kidswear. The same design process is applied to these new product ranges.*

## Company E

*"The theme for the new collection is not based on one single source of inspiration." The process of design development is a complex set of activities informed by our individual tastes and styles, our surroundings and creativity.*

## Commentary

The responses emphasised the constant search for new inspiration, and the importance of not following trends and prediction information.

**Product Review and Selection (Question 33 and 34)**

These questions were asked to determine how the companies made decisions about what products were selected for shows, and how the products were reviewed internally before being presented to buyers or press.

**Company A**

*New projects are constantly monitored to ensure it will be delivered to deadlines. The final decision on what is sold and or presented is made in consultation with key associates.*

**Company B**

*The designer was aware of the need to spend time reviewing the product, and was thinking how to improve and move the garments on from last season. The buyers made the final selection of what was produced.*

**Company C**

*We produce many in-house samples, which we then edit before showing to the buyers and press. During the company development, we have learnt it is about organic growth, and we have to be aware of how many samples are produced each season. The designer makes the final decision on what is shown each season; however he will consult other people if he is not sure about what to include.*

**Company D**

*The sampling of the garments is now undertaken by the factories, so only small amounts of in-house samples produced."*

**Company E**

*Continuous ongoing process, with the retail outlet, it will allow for continuous product development not just seasonal product development. "We will be breaking down the model."*

**Commentary**

The responses showed an importance to the selection of samples produced for their collections, with the designer/owners taking responsibility for what is presented to the press or buyers.

**Use of Technology in the Product Development Process (Questions 30 and 35)**

These questions were included to identify if the designers were using technology in their design development approaches.

**Company A**

*Technology used in the product development process includes the use of PhotoShop, digital camera and other computer design technology to produce booklets and other project documents. The website is constantly updated to show project successes so are used as a marketing tool to inform new clients or new sponsors.*

**Company B**

*CAD systems were being used to develop the brochures and working drawings as well as scanning in designs to show clients new styles. The designer was using scanners to*

*input images for further manipulation to aid new design ideas. Computers are being used for ordering, as well as website developments. Has web domain address, which is used for enquiries.*

#### Company C

*The approach to the use of technology within the product development process was through the use of sewing technology. The company is investing in new machinery, not for efficiency gains, but to support the technical development of the clothes.*

#### Company D

*Sewing technology was used in the product development process. "There is limited use of technology in the design process; it is still undertaken in a conventional manner, with pattern cutter and sample machinist." The designer was not involved in improving the technology used, but his sister, who was now taking control of the business and sales side, was looking into this particular area.*

#### Company E

*Very limited use of CAD technology to support the design process; however the designers were anticipating using production CAM technology for the grading tasks.*

#### Commentary

The findings showed that technology was being used in the design process to support functions, such as marketing information, sewing/finishing developments and technical inputs. Companies C and D were still undertaking the development of their design ideas through traditional methods, with limited technology to speed up and provide effective specification information to ensure communication across the company and their manufactures.

#### Team Findings

Through the literature search, one of the key determinants in structuring a designer business as stated by Worsley-Taylor (1997) is the team. The set of questions was included due to the diverse specialist inputs required during the business development process. Fashion companies have to co-ordinate a broad range of processes during the development of the product, requiring the management of people from different backgrounds, and functions. The ability to organise and communicate the required design intentions could be improved with knowledge of team working approaches.

#### **Team Culture and Management (Questions 36 and 37)**

##### Company A

*The team is an informal, creative group of people therefore it is sometimes difficult to manage the sensitivities of different personalities. The make-up of the team depends on the project, it can be just fashion people working on the project, or it could incorporate media or artists as part of the project team.*

##### Company B

*The designer/owner was managing the people who were working for her, through strong guidelines, on what was expected, and when it was expected, with clear directions. The relationship that existed between the owner and her team was based on financial payment and results.*

#### Company C

*The owner responded to the question by saying "Yes there is a team culture; it is about trying to diffuse loyalty, commitment through the company". The owner had a small team of specialists in the studio and expressed the "need to nurture the team"*

#### Company D

*The designer/owner was creating an informal culture. There was a relaxed atmosphere in the studio. He stated "I need to feel comfortable with the people around me."*

#### Company E

*The designers were building a strong dynamic culture through "getting people to buy into the dream". The people who were supporting the design and marketing processes were all working without payments, and the designers were cultivating a culture of "buying into potential". The type of team being used the designers were multi-disciplinary.*

#### Commentary

The findings suggest that Companies A, C and D all create informal and close working relationships with their core team. Company B applied a different team management style and did not endorse a collaborative style of working amongst the individuals, with a results driven attitude. Company A and D showed evidence of participative styles to manage the teams, and operated in a more friendly and open manner. Both designer/owners fostered strong levels of participation by the individual members, which resulted in a strong team spirit.<sup>2</sup> Company C talked about a team culture, but there was very limited evidence in the studio of a strong sense of community. There appeared very limited enthusiasm for the tasks they were undertaking, working in a silent and isolated way.

#### **Team Selection and Recruitment (Questions 39 and 40)**

The question was included to identify how the team was formed and what methods were used to deal with the complex array of processes used in the seasonal cycle.

#### Company A

*The teams are selected through knowledge of their work and observing their practices. New staff and new collaborators are recruited mainly by word of mouth recommendation; it depends on the clients and projects that have been commissioned.*

#### Company B

*The selection of new machinists is based on an interview, which discussed how the garment would be constructed, showing examples of what was expected, and*

<sup>2</sup> When I arrived for the interview with Company D, the designer/owner had not arrived, but the team were working autonomously, and in an environment, which was collaborative. The characteristics of the team were composed of different nationalities, varying age ranges and expertise.

conversations about how the garment would be manufactured. Showing the quality that was expected improved the selection of the right people for employment.

Company C

The new staff were selected based on their previous experience and if they fitted in with the culture of the company. "I undertake very informal interviews of people for new positions within the company."

Company D

The designer conducts interviews to select new staff. The company employs people on a seasonal and freelance basis, and are constantly trying out new people all the time.

Company E

The designers selected the people who they would like to work with. The selection of the individuals was based on word of mouth recommendations.

The selection process of new staff is conducted through informal interviews. It also highlights that the majority of the staff working for the companies, are known to the owners or have come from word of mouth recommendations. None of the companies used any form of standardised interviewing techniques to guide their decisions in appointing new people to the company. Company B was the only company who tested people, to ascertain their level and standard of work, before appointing or using their services.

**Team Building and Staff Development (Questions 38 and 41)**

These questions were asked to determine if any form of staff development occurred during the evolution of the company.

Company A

The team-building programme is very informal. "Taking the team out to lunch, always trying to remain positive, pep talks and emails". There is no staff development programme at present.

Company B

There is limited team building because employees worked on freelance basis. No staff development programmes in place.

Company C

No staff development programmes

Company D

No staff development programmes

Company E

The designers were confident in how they responded to this question. They are constantly updating their knowledge by acting as consultants, and also undertaking teaching work. They wanted to send their team off to courses. The team building was achieved through "treats here, treats there, taking people to lunch, and constant communication"

### Commentary

The findings show that no formalised methods of developing the right skills to grow the company took place. There appeared to be inconsistencies between the business planning activities and the importance of growing the team in a strategic manner. Company D, who was entering a critical growth stage, did not mention or refer to the importance of developing individuals to deal with new challenges and situations.

### Company C

#### **Team Motivation and Reward Systems (Question 42)**

The question was asked to identify how the company motivated staff, and the type of systems did they employed to retain staff.

#### Company A

*Staff are rewarded through open discussion on fee basis for each project, it depends on input and responsibility.*

#### Company B

*"I pay them really well, but in return expect good quality work." If the machinists do not produce the quality of construction, they are not contacted for further work.*

#### Company C

*No reply*

#### Company D

*"It is not a normal working environment, we have fun, and the work gets done. Sometimes we give bonuses, if they work hard." The designer stressed that the team was all very dedicated to the company.*

#### Company E

*"Try to give individuals some form of bonus, but we keep on an ad hoc and random basis as not to raise expectations."*

### Commentary

The findings suggest that Company D relied on staff motivation and dedication as a primary method of retaining good staff. Through creating the right environment, they relied on strong performance by individuals to remain loyal to the company. The strength of commitment by the team was not evident in Company B, who relied on payment schemes to reward individuals. Company C did not respond to the question, which could demonstrate a lack of commitment to team performance as a central part of the company growth.

#### **Internal and External Team Processes (Questions 43 and 44)**

The question was set to identify if the designer/owners empowered their staff to take responsibility or to provide inputs into the business growth.

#### Company A

*Members of the team are encouraged to discuss and plan various aspects. Relationships are managed on an ad hoc basis, but currently developing database of clients for sending out invites to shows and other key events.*

## Company B

*"I do encourage that the machinist who work for me, to talk and discuss ways of improving the construction of the garments. There is a lot of word of mouth based on past industrial experience and knowing who to trust."*

*Trying to attract new business was based on networking, "you have to know the right ones to work for"*

## Company C

*The designer/owner did not respond to the question.*

## Company D

*The designer/owner did not respond to the question.*

## Company E

*"Yes, there is a core team; they are interacting amongst themselves closely. We are trying to delegate as much as possible."*

## Commentary

This question was not focused enough to gain specific responses from the owners. It proved too vague and did not elicit data that could be analysed. Company C and D did not understand the question, and did not reply. Company A and B were actively seeking ways to encourage interaction with their staff to improve the working relationships and grow the business.

**Public Relations Management (Question 45)**

The question was included to ascertain how the company was building external relationships with their key network partners in their business growth.

## Company A

*Hope to use external public relation company in various aspects; this is an area for further development.*

## Company B

*"Through word of mouth and by building a database of clients and contacts. The database is being updated all the time."*

## Company C

*There is no budget to advertise, it is the responsibility of the PR Company. Christmas cards, invitations to catwalk show. "It is about building personal relationships, sending out messages, quite a lot of messages." By showing people you can do something, there is no budget for this area.*

## Company D

*Employed a public relation company.*

## Company E

*At present the designers are trying to direct this area themselves, but with the help of freelance supporters. They are building a client/list and database of all contacts that are important to the business development. They are planning an advertisement campaign to raise the profile of the label.*

### Commentary

Although all the companies used Public Relation professionals and companies as important business supporters, they did not identify how they were directly working with the companies to build the profile of the label/brand. The role of PR in the growth of the companies was not stressed through the interviews. For such a key aspect of the marketing strategy, the designer owners did not elaborate their public relation strengths. PR is a planned communication activity and the designer/owners were not able to identify the type of public relation activities they used, ranging from in-house, freelance specialists, specialist agency, or multi-client PR firm.

### 5.1.3 Extrapolating the Concepts

The data has been analysed from the four dimensions, derived from the company profile interviews. From the interviews, issues have been abstracted for further analysis and evaluation to gain a better understanding of the key factors influencing their business and management approaches. These issues are common to all the companies and provided cross-case analysis on these topics.

The data has been analysed from the various strategies that the company pursued during the incubation, existence and survival stages of their businesses. Scholes & Johnson (1989 p.5) define: *"Strategy as the direction and scope of an organisation over the long term, ideally which matches its resources to its changing environment and in particular its markets, customers or clients so as to meet stakeholder expectations."*

Strategy formulation shows how these small companies have approached the complex activities involved in the set up process. The designer/owners have to deal with new situations, cope with a lack of economy of scale, handle severe resource constraints, and supervise the breadth of tasks associated with the running and operating a viable company. All of the companies had entered the market place and begun the businesses as sole traders. Fashion designers had championed all of the companies. All expressed the need to pursue business ventures, which were parallel to their own lifestyles. All answered with statements such as: *"Always wanted to do this, enjoyed doing this, the only thing I wanted to do"*. All had strong motivation to start their own company and work for themselves. All of the companies were accumulating managerial capabilities over time, and using new opportunities for learning through doing. They were all using innovation as a process of continually innovation, rather than radical innovation approaches.

All of the companies had launched their business based on new innovation, in the form of new business concepts or approaches. Company A had introduced a new promotional concept for servicing new generation designers, which identified a gap in the market for a platform to launch their designer collections in a more professional

manner. Company B had identified a gap in the market for a new range of lifestyle clothing for yoga wear and based her market and product development decisions on a niche market. Company C had pioneered designer collections using cotton as a key performance and sensual fabric for contemporary lifestyles, and Company D had pioneered clothing, which linked music and fashion to create street designer ranges. Company E had identified a gap in the market for designer products being presented in retail environments, which offered the consumer the experience to buy clothing, based on theatre not shopping.

Companies A and B had a formalised business plan or had undertaken some type of business research before starting the business. The majority had started off with selling small amounts to a number of independent retailers, and had incrementally increased their sales and market share over a period of time. The development of the businesses was not strategically underpinned and the infrastructures were fragile. The constant problem of cash-flow to fund next season's collections was a constant source of concern.

### Branding Concepts

Analysis of the interview data indicates emerging concepts of company identity, profile building and the importance of public relations to raise the awareness of the designer label. This evidence suggests that brand management of the designer label was a central core practice of the companies' growth processes. Company A and D made consistent references to issues related to these areas, and were very proactive at this stage of the business development cycle towards building the brand messages. The interviews revealed references that linked to the following concepts; raising profile, creating identity, getting name established, personal profile, website branding. Table 26 shows the coding of the branding concepts. (See Appendix 1 for interview data.)

**Table 26 Branding Concept Coding (Yellow colour coding of answers)**

| Company | Question answers related to Branding Concepts<br>Visual/Corporate/Social Identity |
|---------|---|
| A       | 6, 15, 19, 22, 25, 28, 30, 35   |
| B       | 8, 11, 19, 25, 29,  |
| C       | 8, 17, 24, 25, 29, 33, 45   |
| D       | 2, 7, 19, 20, 25  |
| E       | 6, 16, 24, 25   |

### Promotion Concepts

All of the companies consistently made references to the promotion of their products and services as critical marketing capabilities. The use of specialist public relations was used by all of the companies, and the interviews have been analysed according to emerging patterns of below the line marketing activities. The interviews revealed references that linked to the promotion and public relation contacts, press relationships, database of clients, catwalk shows, and sponsorship. Table 27 shows the coding of the promotional concepts. (See Appendix 1 for interview data.)

**Table 27 Promotional Concept Coding (Purple colour coding of answers)**

| Company | Question answers related to Promotion, Public Relations, Advertising, Sponsorship Concepts |
|---------|--|
| A       | 2, 6, 7, 8, 23, 24, 45   |
| B       | 1, 14, 15, 18, 22, 24, 29  |
| C       | 1, 6, 8, 17, 22, 23, 24, 28, 45  |
| D       | 4, 11, 13, 15  |
| E       | 4, 22, 23, 25, 29, 45  |

### Networking Concepts

The data evidence suggests that networking had played an important part in the launch and development of the company, especially in employing new staff. Company E had been very active in their networking activities, and used contacts as a strong business resource tool during the incubation stage. The interviews revealed references that linked to the word of mouth, informal contacts, own network, used university contacts.

**Table 28 Networking Concept Coding (Green colour coding of answers)**

| Company | Answers that made reference to Networking Activities, such as Word of Mouth, Informal Contacts, Personal Networking etc. |
|---------|--|
| A       | 1C, 3, 10, 14, 22, 40, 44  |
| B       | 1, 44, 45  |
| C       | 20, 34   |
| D       | 6, 13, 29, 39  |
| E       | 3, 16, 21, 29, 39, 40, 45  |

### Multiple Case Study Conclusions

The way the small fashion companies were structured is linked to many factors. The organisational structure is important to the efficient and effective operation of the organisation. There is an important relationship between the organisational strategy and organisational structure. The organisation changes its strategy to respond to political, economic, technological or socio-cultural changes in its external environment. The organisational size also has a direct influence on the organisational structure and strategy. The organisational culture is also important factor in the organisational strategy, but plays a mediating role, rather than one, which has a direct influence.

The organisational structure of the companies varied along a number of dimensions; however the predominant structure for the small fashion company was formed on the vertical network model. The core company was surrounded by a set of small supporting companies who provided inputs to the organisation. Many interdependent and dependent players formed the network of organisations surrounding and involved with the company. They included family members, friends, professional bodies and other small companies. These types of complex structures are a cause for instability and unpredictability (Wynarzck, 1993).

The structures of the company were organic in nature (Pugh, 1988). This structure was appropriate to changing conditions, which allowed the companies to constantly adapt to fresh problems and unforeseen requirements for action. This was evident in the need to recruit new staff to cope with growth and changes in the company situation. The informal structure resulted in high motivation and morale of the team who supported the designer/owner. However, the lack of co-ordination and inefficiencies in how the team interacted was apparent (Davis & Scase, 2000).

The organisational strategy was closely linked to continuous entrepreneurial activity. The main force driving company strategy was the vision of the designer/owner, with very limited strategic planning objectives being set. The company strategies were related to innovation and product differentiation levels. They all had developed their own unique products with specialisations in either fabric, cut or colour. Organisational structures were aligned with organisational strategy; however strategy is not the only factor upon which structure is contingent. In network structures, it is perhaps not size in its relation to structure which is significant in determining performance, but the type of relationship existing between the core and other parts of the network, and between permanent and temporary or contract staff.

The companies employed a range of staff on temporary contracts and on a freelance basis. The varied nature of the specialists needed to cope with the diverse range of tasks to be completed during the collection cycle required this flexibility and the temporary use of experts. All of the companies used work placements for students as an extra source of labour during the collection/product development process.

There was limited evidence of technology being used in business processes. In most cases one computer was used by the designer/owner for emails, letters and general administration work. In one company the computer was used to assist the design process and was used extensively to communicate design ideas and images to suppliers and clients. Technology was not used to integrate the processes and control the flow of styles through the development phases. The limited use of technology for the design and marketing functions was evident. Company C mentioned how sewing technology was used to maintain high quality product standards. Company B had moved all production offshore to Tunisia to deal with the increase in orders and to maintain quality levels. Very little planning took place, with limited attention paid to more than one season ahead.

All of the companies had informal management structures, with the designer/owner playing a pivotal role in the culture of the company. The designer/owners had to liaise and supervise with many different processes and people during the collection process.

The number of different players involved in the network structure was related to the product development process, marketing/promotion, and the business development. The relationship between the Fashion Company and external parts of the network was based in part on close ties and in part arms-length partners. Informal relationships and close ties were formed with the catwalk show producer, the fabric suppliers, and manufacturing personnel. The more formalised and arms-length partnerships were formed with the Public Relations companies, Sponsors and Trade Show/British Fashion Council Representatives.

## 5.2 Single Case Study Inductive Approach and Analysis (Appendix 2)

This section explores in more depth a single case study of a new company during its start up process and charts the developments that have occurred during the first stage of its growth. Gummesson (1988 p.181 in Remenyi et al.) points out *"It no longer seems so 'obvious' that a limited number of observations cannot be used as a basis for generalization. Nor does it appear to be 'obvious' any longer that properly devised statistical studies based on large numbers of observations will lead to meaningful generalizations."*

### Methods Used to Capture Data

A combination of data collection methods has been used to conduct this single case study, visual research, diaries and semi-structured interviews. The investigation of the company has been undertaken as it provides insights into an early business formation. The incubation stage of the company has been closely observed on a regular basis and through diary record analysis due to the designers working within the educational environment.

The regular contact with the designers has enabled the research to be continuous, involving collecting evidence from different perspectives and activities. This approach has been used because it offers the advantages of observing ongoing behaviour as it occurs, developing more intimate and informal relationship with those being observed in the designer's natural environment (Bailey, 1978). The research methods used for this single case study used three strands to explore their business start up processes, systems and practices through:

- Photographic evidence of key stages in their business development (image database)
- Personal profile analysis (semi-structured interviews)
- Diaries and personal account analysis (observations analysis)

The photographic evidence has been formed into an image database, which has been analysed to identify the key stage points, which are related to the fashion calendar. These images, data and text materials will form part of the outcomes of the research

project in the form of a business methodology-training manual for new company development for fashion designers. The personal profiling analysis of the co-founders has been undertaken using Storeys small business development model. The motivation for starting the business has been identified as a contributing factor for sustainable growth, alongside the ability to manage teams. These two tools have provided important insights into the motivation of the co-founders.

The diaries and personal accounts have provided key accounts of daily, weekly and monthly events, which have been analysed to provide clues on how developments have been managed. These real life situations illustrate the informal and unstructured approaches taken during the pre start up phase. The unit of analysis has been conducted to identify the following sub-objectives:

1. To examine in more depth the variables of designer/owners entrepreneur attributes for business start up.
2. To examine the start up practices that were important during the initial stage and how they related to new business growth, adaptability and prosperity during the first stage of evolution.

### ***Company Introduction***

This company is still in the first stage of organizational development: Existence Start-Up (Churchill & Lewis, 1983). The company was founded in February 2003 in order to develop a range of contemporary womenswear designer products; however the long incubation period, which is particular to the fashion industry, has been identified as being over a 24-month period prior to the company trading. (Figure 11)

**Figure 11 Company E Incubation Time Line**

| September 2001                                | February 2002  | September 2002   | February 2003  | September 2003  | February 2004                             |
|---|--|--|--|---|---|
| First meeting of the two individual designers | Collaboration of designers to plan and present their individual collections at LFW as an off schedule show | Presentation of designers individual collections at LFW in high profile club | Forming of the company through establishing business partnership | Promotion and Launching of the new designer brand. December 03 open retail outlet in London | Off Schedule show at London Fashion week. |

Both co-founders have industry-related and experience-related knowledge (Hart, Stevenson, & Dial, 1995) which has guided their founding resource choices. Experience based knowledge is linked to improved skills in resource specification, identification of appropriate resource providers, and development of selection criteria. Industry

experience that establishes an entrepreneur's reputation contributes to success in attracting resource partners and in achieving favourable terms of co-operation. Entrepreneurship is the process by which individuals pursue opportunities without regard to resources they currently control (Stevenson & Jarillo, 1990).

One of the co-founders has both industry-related and start-up experience from one previous small business venture. The second partner has retail experience in higher middle market womenswear, combined with fashion design practice from a studio work placement for an established designer label in Paris. Both have undertaken undergraduate courses and postgraduate courses in fashion. They met during the postgraduate course, and identified common goals in terms of developing a new designer label in September 2001. The co-founders developed and produced the new product collections, funded by their own financial inputs. The first individual collections were presented at a London Catwalk show. The venue for the show was obtained through network ties between one of the founders and the venue providers, China White, which allowed the designers to present their collection at a prestigious location in Central London.

The designers proactively searched for sponsorship, to provide hair/make up, shoes, models, and other give away gifts to promote the new collections. The generation of resources was to cover the costs of the catwalk show, which was seen as an important marketing opportunity to gain exposure at a critical time of the fashion calendar. The two founders did not know each other before the start of the company. Over a 9-month period they had to build the personal relationship before building the business relationship. They both live close to one another, which assisted in strengthening their relationships. Both partners of the founders have provided considerable input and support to the two designers.

After the completion of an MA course in January 2003, they agreed to proceed as business partners and began formalising the new company. Through informal research practices, the new business concept was investigated to determine new niche market opportunities. Local enterprise agencies, banks and small business links assisted the formulation of the initial business plan. The business plan became a key focus to attract finance and other business grant funding. The local business enterprise agency was approached, and various meetings were held to advise and suggest possible funding avenues.

In addition to researching and exploring funding opportunities, the couple have been teaching to provide extra income streams, as well as undertaking design consultancy during the development process. During this time, they began to build a business

infrastructure to support the diverse set of inputs needed to market, design and produce a collection of womenswear. The manpower to support these functions has mainly been provided by students undertaking work experience. This was enabled because of the close connection to the education environment. Individuals have been approached by the designers to work closely with them during the start-up period, without any form of financial payment. The proactive management style of the business/owners has been achieved through constantly seeking design talent to be part of the new business. During the initial start up period, they have achieved considerable national and local press coverage, with one television appearance on Richard and Judy on Channel 4.

The main stages of business development are related to the fashion calendar, which provides a structure to identifying achievements and growth patterns. The chart outlines the relationship between key activities that have taken place in the company development over a 5 season time period.

#### **Business Owners Variables**

Storey (1995) considers the growth of small firms by categorising three components: the starting resources of the entrepreneur; the firm; and strategy. This model presents factors, which influence the growth of the small firm, and are related to these three components. The first component of Storey's model has been used as a basis to identify the entrepreneur tendencies of the business owners, using the 15 variables as a framework. (Table 29)

**Table 29 Company E Designer/Owners Variables**

|    |                            | <b>Co founder 1</b>                               | <b>Co founder 2</b>                                     |
|----|----------------------------|---|---|
| 1  | Motivation                 | Become a design/company director<br>Independence  | Director of Multi national company<br>Self satisfaction |
| 2  | Unemployment               | Part Time working                                 | Redundancy  |
| 3  | Education                  | BA European Fashion<br>KIAD<br>MA Fashion KIAD    | BA Fashion SIAD<br>MA Fashion KIAD                      |
| 4  | Management Experience      | Limited<br>Through family and peers               | Limited<br>Through family and peers                     |
| 5  | Number of founders         | 2   | 2   |
| 6  | Prior self employment      | None  | Yes   |
| 7  | Family History             | Parents run their own business                    | Parents run their own business                          |
| 8  | Social Marginality         | British   | British   |
| 9  | Functional Skills          | Retail and Design skills                          | Design and Production skills                            |
| 10 | Training                   | Limited business training                         | Limited business training                               |
| 11 | Age                        | 26  | 28  |
| 12 | Prior Business Failure     | No  | Yes   |
| 13 | Prior Sector Experience    | 4 years   | 6 years   |
| 14 | Prior firm size experience | Working for high fashion<br>multiple chain retail | Working for large clothing<br>supplier for mass market  |

|    |        |         |      |
|----|--------|---------|------|
|    |        | company |      |
| 15 | Gender | Female  | Male |

These 15 variables have been analysed to discover the influences on the business/owners background and experiences to ascertain the impact on the growth of the company. Previous research studies into these particular issues have been used as a basis for discussion.

#### 1. Motivation

This variable is linked to the positive and negative motivations for launching a new business. Both co-founders have expressed a positive motivation to establishing the company, with high aspirations for growing the business. This indicates that the growth of the firm has more chance of success if the motivations and commitment of the co founders are positive in nature. One of the most important factors of successful SME's growth as identified by Smallbone (1995) was the commitment of the leader of the company to achieve growth.

#### 2. Unemployment

According to Storey (1994) the second aspect of motivation is related to previous employment history and his research indicates that if the founder is unemployed prior to starting a business, that firm is unlikely to grow as rapidly as where the founder is employed. One of the founders was made redundant, before returning to education to improve his career opportunities. This might have an adverse effect on sustaining the growth of the company in the long term.

#### 3. Education

Education has been identified as a key factor for business success (Storey et al, 1994). The more educated entrepreneurs are the more likely they are to establish faster-growing firms. This indicates that both founders were educated to postgraduate levels, and continues to interact and contribute to the education environment. Both designers have been providing teaching support to undergraduate students during the business set up,

#### 4. Management Experience

Research into prior managerial experience is positively associated with new firm growth (Storey, 1994). Prior management experience is more likely to improve the running of the business. One of the founders had 3 years management experience prior to setting up the business. One of the designers was appointed as a retail manager of one of the multiple chain retail outlets.

#### 5. Number of Founders

Businesses owned by more than one person are more likely to grow than businesses owned by a single individual. This indicates that with two people working as a partnership the growth of the company can be faster.

### *6. Prior Self Employment*

Individuals who have previously owned a business will have gained valuable experience in the management of a small company. The more experience in this area, the more likely the founders can overcome problems associated with business growth. One of the main employment patterns of the fashion industry is based on freelance, short projects, and working with established designers as work experience. These irregular and short-term employment opportunities demonstrate the need to be flexible, and provide incomes from various sources. The designer's income streams are constantly changing, so the ability to cope with self-employment should not pose a problem to the new company. The designers have undertaken a variety of different design commissions, ranging from one off projects to more regular routine design tasks associated with design consultancy.

### *7. Family History*

Bannock, (1981) and Stanworth, et al. (1989) suggest that individuals whose parents were either self-employed or business owners are significantly more likely to become business owners themselves than a random sample of the population. Both designers' parents own and run successful businesses, which provide important insights into business development.

### *8. Social Marginality*

Both designer/owners are British and have lived in this country since birth.

### *9. Functional Skills*

Individuals with backgrounds in marketing are likely to form businesses, which experience more rapid growth than businesses founded by individuals with other functional skills. One designer has a background in high fashion retailing, which has provided awareness of consumer buying behaviours, product pricing, visual merchandising, and customer service. In addition, the designer is educated in the areas of trends and forecasting methods, couture collection development, draping and silhouette creation, fabric and colour sourcing and selection. These skills provide the basis for designing the new collections, combined with the retail knowledge of discerning customer demands.

The other designer, is likewise educated in fashion design, but has experience in developing design ideas for commercial mass-market segments. The knowledge and contacts gained during this employment have provided important inputs into the business. The marketing approach has been integrated with the design function, and the themes used in developing collections have been applied to promotion.

### *10. Training*

Attendance at training sessions for business management can also be related to successful growth of the company. The more that the owners have some form of training in business development, there is a greater likelihood of company growth. Both designers have undertaken seminars through Business Link to provide information

concerning business start up. They have been in constant contact with Medway Enterprise Agency for advice and support during the pre-business planning stage, and the final business plan. The regular and consistent contact with Business Link centres has provided information concerning the establishing of a studio/workshop in the local area.

#### *11. Age of Founder*

Younger entrepreneurs will have the energy and the commitment to work the long hours, which generally are necessary for a business to be successful. However, they lack the credibility, business experience and are financially constrained. Both designers are in their mid twenties, and have the energy and commitment to drive the business in the early years, and they have made strategic decisions to employ experienced specialists to oversee the production areas.

#### *12. Prior Business Failure*

The experience of business failure constitutes a learning process for that individual providing an incentive similar to that of social marginality. A previous business failure by one of the business owners has provided insights into the need for intelligent market research activities, in-depth business planning, and making the right partnership choices.

#### *13. Prior Sector Experience*

Previous research into this particular aspect is mixed. It is suggested that faster growth is achieved when individuals have worked in the sector in which they intend to run the business. However, there are other research findings that demonstrate that new innovations can come from individuals outside of the sector to transfer their experiences for novel and original concepts. Both designers have worked in the sector in which they intend to operate as a business. The knowledge gained during their previous employment and the contacts made during this period, have provided information and ties, which have been useful during the start up phase.

#### *14. Prior Firm Size*

One of the designers has worked for a large clothing supplier for mass market, and has worked as part of a design team. The other designer has worked for a medium sized retailer, and has worked as part of a retail team.

#### *15. Gender*

Previous research studies into gender has found that this not a key influence upon subsequent business performance. The gender female and male mix could have an impact on the balance of strengths in the growth of the company.

The interview revealed that the designers do not intend to adopt a wholesale model, but are actively pursuing a small retail outlet in which to sell their collections. This business model is high-risk strategy to enter and launch a new collection. The designer/owners had not established a consumer base, and have not tested the product on consumers to

gain feedback and reactions. The finance to support this type of business has been secured on a low interest bank loan, endorsed by the Department of Trade and Industry. The designers have had to make numerous presentations of their business plans to external agencies during their incubation period.

The decision to enter the market as a retailing operation was based on wanting to establish a new designer brand and maintain control over the distribution channels. This entry strategy challenged them to design and make designer collections combined with controlling the retail environment in which the products were sold. In contrast, the traditional models of wholesaling designer collections to retailers rely on push promotional strategies as opposed to pull promotional strategies. They wanted to stimulate demand for their products, as opposed to promoting their collections to the nearest link in the distribution chain.

#### **Incubation Task/Activities**

Data concerning the daily tasks was collected through the designer/owners keeping diaries to identify key functions performed during the two-month period. These diaries became the main source of information, to be analysed in order to identify the key processes and tasks undertaken during this period. The designer/owners diary has emerged as a critical tool for managing the various stages of development. The diary content has been coded and data abstracted to determine the 6 main activities. The activities have been colour coded to illustrate the changes experienced on a monthly basis. This framework has been used for further in-depth analysis and evaluation of the findings through interviews with the designers,

#### **5.2.2 Content Analysis of the Data**

From the image database, diaries and semi-structured interviews, the incubation processes have been identified during the early stages of company development. The main activities consist of a set of sub processes that demonstrate the breadth of tasks pertaining to these stages. The diary also illustrates the multi tasking of the designer/owners in relation to season cycles. The analysis of the tasks highlight the continuous changing task management needed during the incubation process. The diary has been coded through six colour representations:

Key:

1. **BD Business Development** (these groups of activities refer to the business planning tasks, the raising of financial support to launch the business, building the infrastructure to design, produce and sell the products, and growing the team members to ensure that the diverse set of inputs are managed)
2. **DD Design Development** (these group of activities have been identified in connection to the research and design tasks, either undertaken by the designers themselves or through freelancing)

3. **PD Production Development** (these group of activities have been identified to determine how the company has managed to source, and co-ordinate their manufacturing capabilities to support the launch of the products)
4. **Branding Developments** (these group of activities have been identified to determine how the company build the brand profile)
5. **MPD Marketing Promotion Development** (activities in these groupings have been identified in terms of the internal marketing strategies undertaken during this 12-month period. The designer/owners have undertaken the majority of the activities internally. Promotion includes Public Relations that has been used to build the brand profile and extent the number of contacts to support the initial stage of the business)
6. **NTD Networking Developments** (this group of activities have been identified as the personal and professional contacts made to provide important resources to the company incubation stage.

### Diary Analysis

Each main activity grouping contains a set of tasks, which pertain to the incubation stage of growth.

**Table 30 Company E Diary/Image Analyses**

| 1. Business Development<br>BD   | 2. Design Developments<br>DD  | 3. Production Developments<br>PD   | 4. Branding Developments | 5. Marketing Promotion Developments   | 6. Networking Developments<br>NTD  |
|---|---|--|--------------------------|---|--|
| Business Planning<br>Sourcing premises<br>Sourcing financial support from banks<br>Sourcing financial support from government agencies<br>Sourcing financial support from sponsors<br>Sales | Research inspiration and directions<br>Sourcing fabrics<br>Thematic Development<br>Silhouette Development<br>Look Development | Sourcing labour<br>Pattern Development<br>Engineering first samples<br>Production planning and specification development |                          | Catwalk Shows<br>Website development<br>Photographs<br>CDROM<br>Presentations | Profile raising<br>Contacting fashion influencers<br>Contact Database<br>Development Building relationships with press and consumers |

Through analysis of the evidence collected in relation to the longitudinal study, the business development processes have been identified to identify four main stages involved in the growth of the company.

### Stage 1 – Incubation Stage (February 2002- September 2002)

This stage of the incubation processes show the product innovation and process of forming designer relationships. (See Appendix A2.12, A.13, A.14, A.15, A.16, A.17, A.19 and A.20)

### Stage 2 - The Business Plan (September 2002 –February 2003)

This stage of the business development show the forming of the partnership and company, and the financial and promotional activities involved at this stage. (See Appendix A2.10, A2.22)

### Stage 3 – The Company and Retail Launch (February 2003 – September 2003)

This stage involves the company formation and retail launch. (See Appendix A2.10, A2.6)

### Stage 4 – The Debut Designer Label Launch (September 2003 –February 2004)

This stage of the company development involves the off schedule debut launch of the designer brand at London Fashion Week. (See Appendix A2.5, A2.11)

Further studio observations and daily practices have also been analysed to indicate some of the key tasks the designers have undertaken to arrive at this stage of company growth.

**Table 31 Company E Interview/Diary Analysis**

| Month  | Key Activities  | Coding of Activities   |
|--|---|--|
| <p><b>Stage 1</b><br/>August/September 2002</p> <p>The designers showed separate collections as part of off schedule catwalk event in September 2002</p> <p>The event allowed them to showcase and launch their collection to an invited audience of press, sponsors and buyers.</p> | <p>Model casting in London<br/>Preparation and organisation of London catwalk show<br/>Liaison with hair and makeup<br/>Liaison with show producers, and venue owners</p> <p>Aftershow party and networking with key influencers, eg. Press, media<br/>Pre telephoning to form contacts with press/buyers</p> <p>Sent out tickets to press and buyers</p> <p>Production of first collection</p> <p>Liaise with sponsors for shoes, hair, makeup and give away items</p> | <p>High Marketing Promotion</p> <p>Medium PR/Networking</p> <p>Low Branding</p> <p>Low production</p> <p>Low business.</p> |
| <p><b>Stage 2</b><br/>October/November/December 2002</p> <p>The designers were involved in promoting the collections, and</p>  | <p>Sourcing of models for photographic shoot<br/>Exploring of ideas for shoot theme<br/>Photographic Shoot<br/>Photographic Developments<br/>Photographic Planning</p>  | <p>High promotion</p>  |

|   |  |   |
|---|--|---|
| <p>began the process of creating the new business partnership</p>   | <p>Prepare for further photographic shoot</p> <p>Trip to Paris<br/>Shop and Cultural Research<br/>Trade Show attendance<br/>Exhibition<br/>Ordering of fabrics</p> <p><b>Forming of company<br/>Research and idea generation of Company Name<br/>Business Planning Research<br/>Writing of Business Plan<br/>Name of Company Creation</b></p> <p>Website Research</p>  | <p>Moderate design</p> <p>Moderate business</p> <p>Low Branding</p>                     |
| <p><b>Stage 3</b><br/>January/February</p> <p>The designers decided not to present their collection through a catwalk show in February. They concentrated on promoting their new label.</p> | <p>Attend Trends Seminar<br/>Visit to Paris for fabric and cultural ideas, shop reports<br/>Research into Pitti Filati<br/>Research into London Fashion Week<br/>Visit Fabric Suppliers London</p> <p>Meetings with Public relation consultant<br/>Development of outfit for Channel 4<br/>Filming for Richard and Judy Channel 4</p> <p><b>Meeting with Accountant<br/>Meetings with Bank Managers</b></p>  | <p>High design research</p> <p>Moderate Public Relation/Network</p> <p>Low business</p> |
| <p><b>Stage 3</b><br/>March/April/May/June/July</p> <p>The designers were researching and pursuing the financial support to launch their business.</p>                                      | <p><b>Attend Business Link seminar<br/>Development of Business Plan<br/>Research into loan guarantee scheme, CAPITB/Apparel Textile Register for information about support for small business set up<br/>Research into retail premises in key fashion areas in London<br/>Presentations to Bank Managers<br/>Meetings with Medway Enterprise Council Teams<br/>Successful endorsement by Department of Trade and Industry for the Financial Loan</b></p> <p>Make outfit for television programme<br/>Work with public relation/marketing people to develop Press Release<br/>Send disk of power point images</p> | <p>High business</p> <p>High promotion</p>  |

|  |  |   |
|--|--|---|
|  | <p>to Drapers Record and have telephone interview<br/>Phoned Evening Standard and follow up phone calls</p> <p>Interviewed by local newspaper press<br/>Source shoes and accessories for photographic shoot<br/>Meetings with promotion team</p> <p>Review of first collection design samples<br/>Development of new theme based on previous research activities<br/>Adaptation of Spring Summer styles for Autumn/Winter styles<br/>Colour experiments<br/>Fabric selection for appropriate styles Collect fabrics from designers end of season lines<br/>Sent out request for students for work experience to help in general design duties<br/>Working on grading and other production specification planning</p> <p>Sourcing of factories for production<br/>Sourcing of bulk fabric for production<br/>Hiring of internal staff for patterncutting and sampling<br/>Production of samples<br/>Production research</p> | <p>High design</p> <p>Moderate production</p> |
|--|--|---|

The research findings provided data on the designer activities and practices. The designers were fairly consistent in completing the daily records, however the months of October and May provided limited records for analysis. Using the diary as a method of data collection, combined with additional interviews to probe further activities, and/or any other incidents has provided important insights into their approach to launching a small fashion business. The image database revealed the growth points in the company evolution, especially in terms of the range of activities having to be undertaken during the last stage researched.

### **1. Business Developments (BD)**

The images and interviews revealed the breadth of activities required to be undertaken during this initial period. In particular, business development proved to be an important ongoing activity. The diaries provided an insight into the types of business development activities, such as research, formulating and writing the business plan, as well as the sourcing of financial support to start the business. An analysis indicated the high emphasis on business plan formulation as the "key instrument for securing loans". The

success of receiving financial grants and loans indicates strong entrepreneurial characteristics by both designers.

## **2. Design Developments (DD)**

The interviews demonstrate the low level of activity in design development throughout this incubation period. However, it does show evidence that design activities are an ongoing process, with various sub tasks undertaken during this phase. The designer/owners were strong creative individuals, and solely controlled the design direction. The design development was undertaken through primary sources such as research cultural trips; trade show visits; attending exhibitions and shop research. Combined with this, the designers were constantly referring to visual secondary sources, such as fashion magazines, fashion supplements, and fashion information obtained during the design process.

They used these information sources as a basis for confirming design directions, but also to gain awareness of what other designers were producing. In particular, direction fashion magazines were used extensively to observe new and emerging trends, through the articles, images and features. The designer/owners were periodically travelling to trade shows for inspiration and new knowledge concerning trends, fabrics and colours. The designer/owners were regularly spending time in London to review new shops, looking at lifestyle products and visual displays. Time is set aside each month for researching new ideas and gaining inspiration from various sources. From the data, the fashion design development has been approached from a continuous searching and sourcing of new ideas.

The outcomes of the research stage are to ensure that new innovations are developed, through synthesis of the information gathered. The research inspiration topics had been taken from personal influences associated with art, history and cultural theories. These sources of inspiration were pertinent to the particular style and identity being developed by the designers to offer product differentiation. However, research by Moore & Shearer (1997) identifies that increasingly fashion designers are now becoming directly involved in product and supplier selection, prototype sampling and other production issues. Moore & Shearer (1997) states that design teams are now active in the further stages of design development including the final selection of designs to be put to work, suppliers and fabrics, as well as in issues related to quality management, and the visual merchandising and promotion of the product. For the future fashion company, the role and responsibilities of the designer have become extended to include a broader range of activities. This model is in keeping with other small business start-ups, where the activity is not just confined to designing and sketching, but to the wider issues of business development.

The designers did not refer to fashion forecasting publications for trend sources.

According to Raymond (2001p.220) *"Middle market retailers and department stores still use mood boards and fabric swatches to brief their studios to create certain looks. If companies are less imaginative, they may employ comparative shoppers who travel the globe and bring back key items to deconstruct and copy, whereas at the branded end of the market designers realise that fashion is no longer a matter of clothing, but one of lifestyle – a multifaceted, multipurpose entity where fashion is just one part of a highly complex way of living, one that requires the true designer to look to the houses we live in, the furniture we sit on, the clubs we go to, the bars we socialise in, or indeed the office environments we spend our days or nights in, before he or she can be confident that the collections they are working on have any value or real meaning."*

Knowledge of trends and future market requirements is increasingly important to the industry. While there is no definitive fashion story, accessing the right colour palette, researching fabric and styling trends to suit a particular niche and customer profile is essential. The degree and quality of information available to designers and its interpretation, given an effective marketing strategy, dictates their success in the market place. Fashion products today represent quality and value and are reflective of a wide variety of lifestyles at varying levels of the market place, in an ever-changing social environment. Current philosophies and lifestyles will be more complex and will provide challenges to designers and manufacturers, cycles will be accelerated and directional signals frequently appearing to be in conflict with each other.

To ensure that the ranges capture the moment, and are the right look in the right place at the right time, according Coates (1997), Range Meetings are crucial to developing successful ranges. A common mistake is producing unbalanced ranges, which are difficult to buy. Meetings are important, especially in the early stages to plan marketing, public relations, and design development as well as production. According to the research undertaken by Coates (1997), there is a need for at least three meetings during the design and sampling stage. These meetings are to ensure that the designer does not become too subjective and near to the product, and too emotionally involved. A balance between commerciality and creativity is the ultimate goal, and the inclusion of key items or best sellers, as well as strong directional items worthy of press coverage, is important.

The planning of ranges are not based on the previous season's sales performance, but consisted of introducing and developing completely new range concepts. It is this aspect of new product development generating design innovation in the market place, which requires both financial investment and creative direction to ensure that the products are appropriate for consumers. This provides problems for the fashion company without the

experience of previous trading successes to achieve successful products that meet consumer demands.

When designing the new collection it requires problem solving and evaluating many of the important factors that need to be considered. This will include making sure that the right construction and quality of finishing is appropriate to fabric and market. The importance attached to the quality of manufacture is central to the products being successfully sold. No matter how innovative or creative, if the products are not made beautifully they will not sell. Making sure that the way the pieces are put together to form a new look, proves to be cutting edge in the presentation. Importance is now attached to catwalks, or the visual presentation of collections, and these fundamentally affect how people will remember these particular collections, as opposed to the many other collections being produced. The designers were regularly sourcing new fabrics to give them a level of differentiation and used their fabric trips for inspiration and ideas as well as actually ordering fabric from the textile suppliers. They purchased their fabrics from wholesalers in the East End of London, buying entire rolls to ensure the prices were as low as possible.

### **3. Production Developments (PD)**

The production of the collection was being co-ordinated in-house through two part-time patterncutters/sample makers employed on a freelance basis. However, the designers took responsibility of sourcing factories and a home machinist to manufacture small quantities of their designs in May. The building of the manufacturing facilities to produce the further samples was not considered until quite late in their business evolution. The development of finding production requirements evolved through using networking links. A small number of factories were identified through personal contacts, or through business link contacts, and visited by either himself or herself or a member of the team. The factories were geographically spread within the South East, in places such as Brighton, South London and Kent. Through site visits to the factory to meet and discuss their production needs, the designers identified the different specialist manufacturing that would be appropriate to their product designs. The designers tested the factories through giving them sample garments to produce, so as to determine the quality of manufacture as well as the ability to deliver on time. In addition to sourcing factories, they advertised for student placements to assist in manufacturing the less complicated pieces. The designers used the facilities of the educational environment during this particular stage.

### **4. Branding Developments (BRD)**

The company did not use the names of the two designers, but used a title that communicated messages about the brand values. Further branding developments identified were the strong use of visual imagery, such as the use of sensitive

contemporary colours to represent the brand attributes. The plans to open a retail outlet also would allow the company to reinforce the colour and visual aesthetics to create a strong coherent brand story. These activities also began to create the brand identity of the company, to communicate the collection pieces ready for retail promotion. In addition, the designers were working in conjunction with a website designer, to formulate a brand identity. The website designer was a contact from the education environment, and worked alongside the designers without payment.

### **5. Marketing Promotion Developments (MPD)**

Promotional activities were of high importance during the incubation stage, with each main stage featuring promotion. Promotion of their new company took the form of photographic shoots, requiring networking of models; stylists, location scouts, photographers, hair, and makeup artists to develop marketing/press release materials to present to financial supporters/retail agents. The majority of these people were sourced through peer group networks.

A fashion promotion undergraduate student oversaw the public relations activities. The PR person assisted in the co-ordination of the catwalk show, working on press releases, developing databases on contacts, writing stories on the designers to gain press coverage, both local and national. The public relations activities were related to developing links with teams to support the promotional aspects of the company. The emerging fashion design company relies on the input of many different specialists in creating the business and the products. The evolution and development of the team is a critical part of the management strategy. To cope with today's complex, fast-paced and ever-changing business environment, companies need to shift their overall structure to produce adaptive, highly responsive organizations.

The designers approached team formation from developing close ties of relationships within the educational environment. It enabled the designers to make informed judgements based on close working practices and word of mouth recommendations about individuals who could provide specialist inputs. These informal systems for identifying new individuals for working and helping during this period was successful, as during period 4 over 6 students were helping with the day to day development of pattern cutting, sampling, and general marketing materials.

According to Kline (2003) teams need to be formed to cope with the information, customer demands, the changing environment and a whole host of other variable. The management of these peer teams demonstrated sound management skills to motivate and inspire during resource constraint periods. There were no job descriptions and the division of labour and conduct of work tasks were based on informal procedures, personal negotiation and team-work (Davis & Scase, 2000). The ability of the

designer/owners to manage the range of processes requires skills in team management, especially in order to co-ordinate diversity activities within tight financial and time budgets.

The critical difference between a team and a group is how they deal with performance. A group has individual performance goals while a team has performance goals to achieve and members of the team feel mutually accountable for achieving them. A group relies on the individual contribution of its members for group performance, whereas a team strives for magnified impact that is more than the individuals could achieve on their own (Katzenbach & Smith, 1993). Interdependence is crucial in teams with respect to their goals and tasks.

#### 6. **Networking Developments (ND)**

Networking was undertaken as a core activity during the incubation stage. How the company formed their personal and professional network is explored in more depth in the next section.

#### **Extrapolating the Management Concepts**

Company E has achieved considerable growth during the company formation period. Growth points are not necessarily related to the season cycle. The company has not been set up as a wholesaling model, as in the case of the other companies. The business objectives have included the leasing of a retailing space in Central London. The designers have secured retail premises in a new complex in the West End of London, whilst retaining studio/workshop premises in their local area. Financial support has been raised from the Medway Enterprise Council to support the refurbishment of premises in the local area. Other financial support has been raised from banks, with the assistance of Business Link advisors. Further business advice has been provided from the London Development Agency.

The business support has been in the form of local seminars, and training courses throughout the incubation process. The local council is proactively supporting new business ventures for the creative industries as part of the regeneration strategy for the Medway Towns. In addition, the educational infrastructure has provided the workshop and office space for the designers to conduct their business practice. Networking has been identified as a key determinant of growth for this incubation company. The designers have relied upon networks of contacts to support the labour, communication and resources implications. This aspect is explored in more depth in the next chapter.

#### **Incubation Network Research**

To further investigate the role of networking in the growth of a small business development, a set of questions were devised to ascertain the dimensions involved in

this approach. (See Appendix A2.1 for the company network profile) Three main dimensions were developed to explore in more depth the networking patterns in relation to the formation, diversity, and density characteristics of the fashion companies. The designers were asked to list the number of people who were supporting the business growth, during the incubation stage.

### **Question 1 Network Formation**

This question was included to identify how the network was formed, and the evolution of the networking activities. Was there a pattern to network formation, was there a central player who provided new contacts or was there random meetings? Was there a change in the networking developments, over a period of time? To what extent, had the network been actively developed, was there a conscious approach to expanding or nurturing different types of people with whom to make contact? Had the network expanded or contracted? How were the networking activities maintained? Were the network formation actions based on the seasonal fashion cycle?

#### *Question 1a how they had initially met?*

The designers were asked to identify how they had initially met the contact within their network. Table 32 suggests that the network has been formed in 6 different ways. The data was analysed from their responses and categorised under the following headings:

**Table 32 Company E Incubation Network – Contact Types**

|  | 36 | %   |
|--|----|-----|
| 1. Contacts that were formed from family and friends   | 6  | 17% |
| 2. Contacts they did not know prior to the business, but researched for their specialist input | 8  | 22% |
| 3. Contacts that were formed from the education environment                                    | 9  | 25% |
| 4 Contacts that were formed from business related activities, such as Business Link            | 4  | 11% |
| 5. Contacts that were formed from marketing activities, such as promotional activities         | 6  | 17% |
| 6. Contacts that were formed from production activities, such as factories, technical teams    | 3  | 8%  |

The most effective method of building the network has been achieved through contacts associated with the educational environment. Personal contacts, such as friends, family also have played an important role in supporting the business during the early stages of development. However, the designers did not know 22% of the contacts and they had actively sought new contacts for particular areas, such as researching retail outlets.

#### *Question 1b How long have they known the contact?*

The designers were asked to specify how long they had known the contacts in their network.

**Table 33 Company E Incubation Network – Time Known**

| Length of time known to the company | 36 | % |
|-------------------------------------|----|---|
|                                     |    |   |

|  |    |     |
|--|----|-----|
| 1. Contacts known 0-6 months           | 17 | 47% |
| 2. Contacts known between 7-12 months  | 7  | 19% |
| 3. Contacts known between 13-24 months | 4  | 12% |
| 4. Contacts known between 25-36 months | 2  | 6%  |
| 5 Over 3 years                         | 6  | 16% |

Table 34 indicates that the network consisted of many new contacts to the company, with over 47% known for less than 6 months. This indicates an emerging network, primarily made up of contacts that are involved in the building of the infrastructure to support the business through this incubation stage.

### **Questions 2 Network Diversity**

This question was included to identify what roles the contacts played in supporting the business, and what type input they provided. From the in-depth case study, the individuals who were mentioned as part of the company network were analysed and a further questionnaire designed which featured the types of specialist most likely to be part of the fashion network. The questionnaire was designed to reduce the response time involved in the interviews. The level of expertise was analysed to ascertain if there was a dominant input from particular functions.

The local identity of the network and the community, which surrounds the designer/owners, can be considered as a resource bank and allows access to its resources (Johannisson, 1986). This local structure is made up in arenas or meeting places, where local networks are built and maintained. These questions were devised to identify the contribution of the input type and its relationship to the business objectives, and what type of specialist was the network planned or improvised for. What type of people made up the network, and was there a balance between professional/specialist to the personal/non specialist? To what extent was the network defined as quality or still based on localised support. What was the long or short-term nature of the network quality? Were there informal or formal relationships that existed in the network? Was this in any way important to improving the business? Are there personalised links, such as the effects of sending the customer birthday, anniversary cards as a way of keeping customers happy?

*Question 2a What role do the individuals play? This relates to roles associated with business, marketing, design/manufacturer, consumer, retailer, personal contacts, and other.* The designers were asked to specify the role of their contacts, and the data analysed under the following headings.

**Table 34 Company E Incubation Network Roles**

|  |    |    |
|--|----|----|
| The nature that roles play in the business | 36 | %  |
| 1. Personal Contacts: family and friends   | 2  | 6% |

|   |    |     |
|---|----|-----|
| 2 Business role: such as business link, secretarial,                    | 6  | 16% |
| 3 Retailing role: such as landlords, estate agents                      | 4  | 11% |
| 4 Production role: such as pattern cutters, factories, fabric suppliers | 10 | 27% |
| 5 Marketing roles: such as make up artists, stylists, models,           | 10 | 27% |
| 6 Students helping in general design/studio work                        | 5  | 13% |

Table 34 shows a high proportion of time was spent in co-ordinating the production and promotional aspects of the day-to-day working processes, which is evident by the number of contacts in these two areas. At this particular stage in their development, the retailing aspects did account for 11% of the time to find and secure the right premises. The spread of network roles does indicate a professional led, as opposed to a personal led, network.

*Question 2b What input do they provide?*

This question was asked to determine the type of specialist input.

**Table 35 Company E Incubation Network Inputs**

| Type of activity that network contacts contributed to the business                                     | 36 | %   |
|--|----|-----|
| 1. Input in terms of branding and promotional activities   | 12 | 33% |
| 2. Input to support the financial activities, such as accountants, legal advice (professional support) | 5  | 14% |
| 3. Input to support the retailing activities such as   | 5  | 14% |
| 4. Input to support the product development and technical activities                                   | 9  | 25% |
| 5 Administration duties  | 1  | 3%  |
| 6. Design and creative activities  | 4  | 11% |

Table 35 shows evidence that indicates the scope of activities undertaken by the network, with a high number of contacts supporting the promotion and technical aspects. At this point in the business stage, there are informal relations, based on verbal communications, indicated by only 3% of the network dealing with the administration aspects of the business.

**Question 3 Network Density**

These set of questions was included to identify the methods used for communication within the network: was it linked to close proximity, or reach ability? In addition, how long they had known the contact was also included to identify the strength/weaknesses characteristics. Were there clusters of specialists who formed sub networks within the core networks? Were the networking interactions regular, or irregular in their frequency? Was the physical location of the networking in close or distant proximity, did this constrain or facilitate the networking benefits. Did the density of the network in any way improve the company business development? Were the levels of interaction, frequent or sporadic?

The strength of the link is a function of the geographical, psychological, social and cultural distances between the two actors involved. The frequency of interaction is secondary only to the notion of strength (Granovetter, 1973). A friendship tie, being a trust relationship, is independent of both geographical distance and frequency. The characteristic of the ties is also based on the involvement, and commitment, in both a positive and negative sense. The importance of moral and affective linkages has been underestimated in economic research (Johannisson, 1986).

The role of the personal network of the designer/owners also carries with it the characteristics of the business. The role of the network during the start-up and launch phase of the business, is action oriented, and operates in a proactive manner supplementing internal limited resources. Generally the first critical growth barrier in the owner-managed company arises when the entrepreneur no longer directly controls all employees and activities, and the establishment and maintenance of external linkages cannot be conducted by the designer/owners. Is the founder's network preserved or expanded?

*Question 3a What is the frequency of interaction?*

The designers were asked to indicate how often they interacted with the network contacts, through either daily, weekly, monthly and six monthly ranges. The six-month frequency was included to ascertain the growth of networking during the seasonal presentation periods.

**Table 36 Company E Incubation Network Interactions**

| Interaction    | 36 | %   |
|----------------|----|-----|
| 1. Daily       | 7  | 19% |
| 2. Weekly      | 11 | 30% |
| 3. Monthly     | 7  | 19% |
| 4. Six Monthly | 12 | 32% |

Table 36 shows that the designers were in daily contact with a core team. The small numbers indicate how they were building a team of people to support the development of products, and the branding of the company. The results indicate the flexibility of their employment practice, as a high percentage of contacts were used during the six monthly seasonal cycles, with 32% of contacts being used at these presentation points. The frequency levels of the network contacts were densely spread between the weekly and 6 monthly contacts. The figures show the increased management of people during the critical periods during September and February.

*Question 3b What methods of used for interaction?*

The designers were asked about the method they used to communicate with their networking contacts.

**Table 37 Company E Incubation Network Interaction Methods**

| Interaction Methods         | 37 | %   |
|-----------------------------|----|-----|
| 1. Face to Face interaction | 11 | 31% |
| 2. Site visits              | 7  | 19% |
| 3. Telephone                | 16 | 44% |
| 4. Email                    | 1  | 3%  |
| 5. Letters                  | 1  | 3%  |

The most dominant method of interacting with the network contacts was through the mobile telephone. It provided the most important means of conducting business, or liaising with the team. The company did not have formalised business transactions, using verbal communication as the main form of interaction. This indicates a high level of personal one to one interaction.

### Incubation Networking Analysis of Findings

The single case study provided the first questionnaire to identify the characteristics of the incubation network. This is apparent from the frequency of social, business and personal interactions taking place on a daily basis. The network of contacts plays an important role in the development of business transactions. The function of the social networking is to build personal relationships that might be useful in the future, or might lead to further contacts. The function of the business network is to create contact with specialists in this particular field, to help support and advice on the company formation. The function of the personal contact network is critical in the incubation stage and business planning stage of the company through the reliance on friends, family and close contacts to work (Hill, 1996). The more established fashion design company still rely on networking, but is lower on personal contact networks, and higher in the professional networking environment.

This aspect is related to network theories, which show the type of different network contacts. Using Hill (1996), the data has been analysed using the model of personal, business informal and formal. The reasons for adapting the categories used to analyse the data, is that it is evident that informal business contacts form 30% of the network structure. Formal business relationships form 10% of the network. The networking actions of the fashion companies were adaptive to the stage of growth. Was the company's portfolio of relationships composed of the right combination of relationships? Were there complimentary characteristics? What was the level of involvement in any specific relationship?

In relation to marketing development and marketing, (Andersson & Soderlund, 1988) make some conclusions concerning the networking and company strategy. The company must recognise its dependency on external participants and continuously

gather knowledge about its network. Secondly, the company's internal resources are important in strategy processes, but mainly with respect to how they are coupled with external resources. Thus, the company's dependency on resources must be handled in an exchange perspective. Thirdly, several internal functions are related to different parts of the environment.

The networking portfolio of the fashion companies was diverse and consisted of over 15 types of specialist inputs. The diversity of the network improved the resource flows, enabling the subjects to draw upon a range of specialists not employed within the company. The majority of the network contacts were freelance or self employed. The networking composition allowed the company to respond to changing customer demands and the uncertainty associated with fast change environments. It also facilitated the adaptability to different types of people/specialists related to seasonal product development. It aided the building of clusters of individuals/groups to support the infrastructure weakness in early stages of business development. The informal nature of the networking created conducive open working relationships with a range of different experts. The informal relationships were formed on trust, and provided a continuous flow of collaborative ideas and approaches. The short-term nature of the sub set of projects was associated with the marketing and promotional aspects of the company.

One of the most important aspects of the networking actions were the processes involved with learning and sharing practice across a breadth of functions. The network provided a channel of information exchange and learning inputs, which improved the decision-making processes. In addition, the structure of the networking provided an effective organizational model for meeting changing consumer demands and needs. The high end of the fashion market was aimed at attracting the early adopter consumer, and the networking provided flexible patterns of working to ensure that changing consumer needs were met. The networking also provided an effective response strategy to these changing environments, and assisted in improving the business strategies.

The network provides a more effective control and use of physical and people resources than by ownership of these resources. In a turbulent environment one can never foresee which resources may become vital to the firm. Therefore it is vital to invest time in networking that increases the potential of available resources, although only a small proportion is activated at any given point of time. Networking building is especially important in the creative industries, as it is not controlled by contract, and business developments are developed from informal mechanisms. The networking opportunities are expanded by the diversity and density of the network.

### Incubation Network Conclusions

The most valued functions of a network are to increase sales, increase access to information and enhance the opportunity to learn from one's peers (Rosenfeld, 1995). The network can provide empowerment to a small company, through taking control, which comes in the form of additional resources available through the network. These additional resources can protect the small company from increasing competition and saturated market place (Jarillo, 1988). Networks can offer tangible benefits in terms of reduced promotional and marketing costs, and better product quality. In addition intangible benefits such as individual network participants such as new friendships or validation of personal views are all benefits of the networking culture. The benefits of network participation have been summed up by Chance & Vloksy (1995) as increased sales, increased access to information, opportunity to learn from peers, increased economic and political power, additional resources, increased product quality, shortened production times, reduced production costs, reduced marketing costs, and better customer service.

Networking has been central to the creation of the new business through two main areas. The first is related to the structural benefits of knowledge transfer with formal business link agencies who have provided information and new learning opportunities to support the early stages in terms of economic and business advice. The second is related to the competitive benefits of networking which has been achieved through the reduction in marketing costs to launch the new designer label. The marketing opportunities have been strengthened through working with new and emerging design talent to develop promotional materials to build the brand identity. The social embeddedness of these promotional links has improved the quality of visual aesthetics associated with the brand image and identity, through the creation of the original packaging and presentation forms. However, networking contacts provided short cuts to finding new production services, which are critical to the successful long term securing of product sales.

The network formation has been achieved through both high levels of interaction with the educational environment, which has provided additional people resources. In addition, this has increased access to specialist information from a range of professional practitioners. These collaborative relational benefits provide the new start up with borrowable tangible resources that would otherwise have been possible in the early stages. The personal contacts have provided a bridging set of links that have cascaded into opening new resources, especially contacts that are London based. These new connections have been used to support the retail growth aspect as well as provide critical information with regards to customer buying behaviour.

The network diversity results illustrate the type of inputs that have contributed to the start up phase of the business. The network diversity of Company E was analysed and grouped into four main types, which have been used for the designing the network self assessment tool. (Figure 12)

**Figure 12 Company E Network Types**

|                            |
|----------------------------|
| Type of network            |
| Personal Contacts          |
| Family                     |
| Colleagues                 |
| Friends                    |
| Others                     |
| Business Support           |
| Enterprise Support         |
| Local Bank Managers        |
| Other bank Managers        |
| Educational Advice         |
| Accountants                |
| Solicitors                 |
| Sponsors                   |
| Estate agents/retail sites |
| Image Making               |
| Public Relations           |
| Selling/Buyers             |
| Catwalk Producers          |
| Photographers              |
| Press Contacts             |
| Buyers                     |
| Stylists                   |
| Hair                       |
| Makeup                     |
| Model Agencies             |
| Promotional                |
| Music                      |
| Website design             |
| Supply Chain               |
| Designers                  |
| Print Designers            |
| Patterncutters             |
| Sample machinists          |
| Graders                    |
| Production Co-ordinators   |
| Factories                  |
| Fabric Suppliers           |
| Trimming Suppliers         |
| Others                     |
| Students Work Experience   |

The marketing and production clusters had the highest number of contacts; however the nature of the relationships that existed within these two clusters was different. The marketing/promotional network cluster was formed on low dependence relationships with limited control but based on co-operation, whereas the production cluster was formed on high dependence relationships based on quality controls and payment of supply chain services. The production network was based on exchange transactions

with limited problem solving from the contracted manufacturing services. The density of the network was balanced between localised and distant contacts. Although these questions were asked in relation to reach-ability and its relationship to business growth, it did not provide any rich data that confirmed that networking density had contributed to better performance or growth.

This in-depth study has provided important and critical insights that have been used in the next stage of the research. Of significance has been the attempt to present the incubation start up model company processes. These four stages related to the fashion calendar, could provide a framework of analysis to compare this approach to emerging designer companies. This incubation model has been presented as a visual case study in a portfolio format for training postgraduate students in small business development practices. (See Visual Case Study Portfolio)

### **5.3 Deductive Methodology Approach (Appendix 3)**

The first and second data evidence has been analysed to ascertain in more depth key business contributors that have been used in this third data collection process. A bi-variate measurement scale tool has been developed to assess the companies' practice of the three main concepts of branding, promotion and networking to identify their levels of business performance in these key management areas. These tools have been designed to guide and assist small business start-ups in they're planning and decision making processes. Out of the five companies, four of the companies to agreed to participate further in this business management practice survey.

#### **Designing the Deductive Methodology**

The design of the bi-variate tool was simplified to a yes or no answer format, using 10 or 5 variable statements which would indicate a high, medium or low level of use. The tools have been developed for designers who work under pressure, and need some form of checklist approach in their day-to-day practices. The results were analysed using Excel software to arrive at the percentage figure, which was converted into a High, Medium or Low based on the following 0-29% = Low, 30%-69 % = Medium, 70%-100% = High. These three forms of strategy assessment were used to ascertain the company's performance in these areas, and could be used by the company to provide insights for areas of business improvement.

#### **Branding Tools**

The questions were formulated and organised in relation to the visual, corporate or social identity of the fashion companies. These three dimensions have been presented in Figure 13. These dimensions of branding have been identified as contributors to early brand building processes in order to raise designer label awareness and profiles. There appears to be limited empirical evidence of successful new brand development

management models at present. These branding tools attempt to explore the differing dimensions of building a brand profile in the early stages of company growth.

**Figure 13 Branding Management Dimensions**

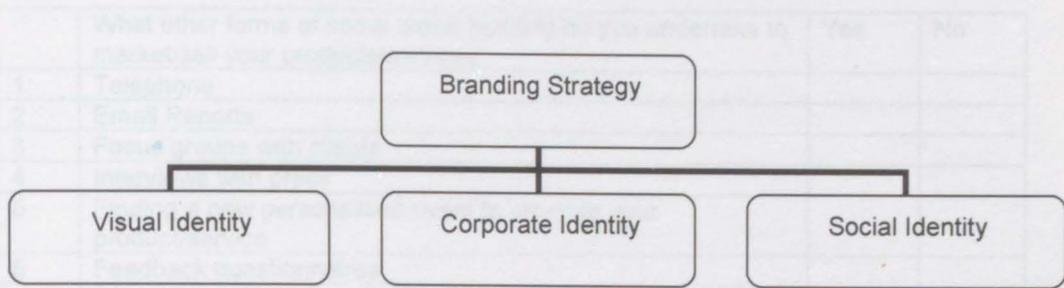


Figure 14 shows the 10 variables that were developed to assess the companies' use of branding dimensions. The variables have been formulated from the case study evidence as well as theoretical models.

**Figure 14 Branding Measurement Tool – Question 1 Visual Identity**

The visual identity of the companies was linked to 10 elements:

|    | Do you use the following to communicate your visual brand identity | Yes | No |
|----|--|-----|----|
| 1  | Logos/Typeface   |     |    |
| 2  | Symbols  |     |    |
| 3  | Photographic images  |     |    |
| 4  | Illustrated images   |     |    |
| 5  | Packaging  |     |    |
| 6  | Scale/Size of image  |     |    |
| 7  | Use of specific materials e.g. paper                               |     |    |
| 8  | Colour   |     |    |
| 9  | Pattern  |     |    |
| 10 | Shape  |     |    |

Figure 15 shows the 10 variables that were developed to identify the corporate identity of the companies.

**Figure 15 Branding Measurement Tool – Question 2 Corporate Identity**

|    | Do you use the following to communicate your corporate brand identity | Yes | No |
|----|---|-----|----|
| 1  | Leaflets of your products/services                                    |     |    |
| 2  | Press Releases on new products/services                               |     |    |
| 3  | Corporate Stationary  |     |    |
| 4  | Postcards   |     |    |
| 5  | Banners   |     |    |
| 6  | Brochures/Look Books  |     |    |
| 7  | Photographs   |     |    |
| 8  | Video/clips/documentaries   |     |    |
| 9  | Websites  |     |    |
| 10 | CDROM   |     |    |

Figure 16 shows the 10 variables that were developed to identify the social identity of the companies.

**Figure 16 Branding Measurement Tool – Question 3 Social Identity**

|    | What other forms of social brand building do you undertake to market/sell your products/services | Yes | No |
|----|--|-----|----|
| 1  | Telephone  |     |    |
| 2  | Email Reports  |     |    |
| 3  | Focus groups with clients  |     |    |
| 4  | Interviews with press  |     |    |
| 5  | Finding a new personalised event to promote your product/service                                 |     |    |
| 6  | Feedback questionnaires  |     |    |
| 7  | Face to face meetings  |     |    |
| 8  | Prepared to take on innovative challenges with new/existing clients                              |     |    |
| 9  | Target specialist products/services to sell the brand  |     |    |
| 10 | Building confidence and trust through social events  |     |    |

### Promotion Tools

Kotler's (1988) promotion mix model has been used to analyse the companies approach to their marketing communication. This traditional model has four main elements, which are used to determine the promotional strategy, advertising, sales promotion, public relations and personal selling. However, Dibb et al. (1997) adds two further dimensions to the promotion mix that of direct mail and sponsorship. The company findings indicate that sponsorship has played an important role in facilitating additional resources to support the promotional performance, and has been used to enhance the promotional events. Sponsorship promotion has been included into the company analyse due to the importance attached to collaborating with partners to improve their level of resources to compete successfully. Sponsorship opportunities and links were identified as an important indicator of building the brand/label awareness in the early stages of business development. These five elements are combined to provide the framework for analysis and evaluation. (Figure 17)

**Figure 17 Promotion Management Dimensions**



### Promotional Objectives

Figure 18 shows the 10 variables used to identify the objectives of the company's promotional strategies and their strategic nature of their marketing communication.

**Figure 18 Promotion Measurement Tool Question 4 Promotion Objectives**

| Q4 | Are the objectives of your promotional strategy:               | Yes | No |
|----|--|-----|----|
| 1  | To create awareness of the brand/label to gain press coverage  |     |    |
| 2  | To launch and reinforce the brand identity/label to buyers     |     |    |
| 3  | To increase market share                                       |     |    |
| 4  | To increase sales of specific products                         |     |    |
| 5  | To generate enthusiasm from supply chain                       |     |    |
| 6  | To stress the product/service uniqueness                       |     |    |
| 7  | To pursue celebrity endorsements                               |     |    |
| 8  | To create opportunity to see events                            |     |    |
| 9  | To communicate and inform business values                      |     |    |
| 10 | To present creative presentations for building brand awareness |     |    |

### Advertising

Kotler (1988) defines advertising as 'Non-Personal Communication paid for by an identified sponsor.' Bohdanowicz & Clamp (1994) outline two types of fashion advertising as corporate and product based advertising. Corporate advertising is viewed as part of the pull strategy aimed at building up brand awareness and image, whereas product based advertising is usually paid for jointly by the manufacturer and retailer, to raise awareness of product information. Easey (1995) puts forward another dimension of fashion advertising as institutional advertising, which is similar to the Bohdanowicz & Clamps (1994) typology. Due to the limited resources, the emerging companies cannot afford to advertise their products in established communication channels, but have to rely on creative tactics, such as leaflet dropping, or mail outs to journalists and editors who might pick up the story.

Above the line advertising uses seven major media to transmit its message: direct mail, the press, posters, television, cinema, radio and minor media (taxi, public places). The main methods of above the line advertising indicate that paid promotion has not been part of the marketing objectives. Only small budgets have been allocated to this form of promotion. Figure 19 show the 10 variables used to identify the companies use of advertising in their promotional mix.

**Figure 19 Promotion Measurement Tool Question 5 Advertising**

| Q5 | Do you undertake any of the following advertising? | Yes | No |
|----|--|-----|----|
| 1  | Small advertisements in Fashion Consumer Magazines |     |    |
| 2  | Small advertisements in Local/National Press       |     |    |
| 3  | Other forms of minor media                         |     |    |
| 4  | Adverts in Specialist Trade Journals               |     |    |

|    |   |  |  |
|----|---|--|--|
| 5  | Corporate Advertising                           |  |  |
| 6  | Sector advertising (eg British Fashion Council) |  |  |
| 7  | Guerilla tactics                                |  |  |
| 8  | Web based                                       |  |  |
| 9  | Free listings                                   |  |  |
| 10 | Credit endorsements                             |  |  |

### Sales Promotion

"Sales promotion consists of a diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of a particular product by consumers or the trade." (Kotler, 1988 p.645) The sales promotion of the majority of the fashion companies is aimed at trade promotion, with the objective to sell to retailers. Trade promotion for the emerging companies is primarily related to gaining entry into new retail outlets, and building brand loyalty with the retailers, whereas the established companies trade promotion is aimed at offsetting competitive promotions, encouraging off-season buying and increasing the quantity of products. Figure 20 shows the 10 variables used to identify the companies methods of sales promotions.

**Figure 20 Promotion Measurement Tool Question 6 Sales Promotion**

| Q6 | Do you undertake any of the following methods of sales promotions? | Yes | No |
|----|--|-----|----|
| 1  | Product Trade Shows  |     |    |
| 2  | Catwalk shows  |     |    |
| 3  | Showroom selling   |     |    |
| 4  | Retail selling   |     |    |
| 5  | Selling agent  |     |    |
| 6  | Presentations  |     |    |
| 7  | Credit Listing   |     |    |
| 8  | Portfolio  |     |    |
| 9  | Mailing lists  |     |    |
| 10 | Transactional website  |     |    |

Public relations are a critical part of the management of the communications between the fashion company and its public. It is widely used by all of the fashion companies to build awareness and preference in the marketplace, launching new ranges, and repositioning new products. "Public Relations is the planned and sustained effort to establish and maintain good will and mutual understanding between an organisation and its target publics: customers, employees, shareholders, trade bodies, suppliers, government officials, and society in general" (Dibb et al., 1997 p.506) Public relations are about reputation, and the Institute of Public Relations considers PR as a result of what you do, what you say, and what others say about you (Hutchings, 1995). The marketing function is concerned with an organizations exchange relationships with customers in which transactions occur, whereas PR is concerned with a broader range of publics involved with or affected by the organisation (Cutlip et al., 1985).

Fashion companies have to constantly promote their products, with public relations being an important function to ensure that stories and information are presented to attract media coverage. It demands a range of different activities to ensure that ongoing planned communication is developed to make certain that two-way messages between the fashion company and its publics are maintained. The role of public relations in the total marketing communication effort is important not just to facilitate one-way communication, but also to build long-term relationships with the public and media who inform them. However, in one of the established companies, they are beginning to build three way communication channels through the use of website message boarding to allow customers to make comments.

Public relations differs from advertising as it is primarily aimed at providing information to the publics, not persuasion, and is generally cheaper and more objective, factual and believable (Hutchings, 1995). This below-the-line promotion primarily uses press releases or editorial news of general interest. In addition, the word of mouth benefits of PR are an effective method of communicating good or interesting news about the companies and their products. The public relations activities have been explored through the management of this promotional activity, the types of public relation activities used to inform the publics, and public relation evaluation methods used by the emerging and established companies.

### **Management of Public Relations**

Publicity is a major part of the overall marketing activities and its main objective is to maintain a favourable image and build relationships with buyers, press, sponsors and other forms of professional organisations. This forms a separate activity where public relations are an important activity in its own right. The fashion companies all had different types of organisation in publicising their products or services to buyers, press or clients. In the case of the launching of a new designer label, the use of public relations to hype the newness of the fashion product as well as the newsworthy characteristics of the creative individuals is important. The use of contacts to gain press coverage, in both local and national media channels begins to build the brand and label awareness.

Figure 21 shows the 5 variables used to identify the companies management practice of the public relation strategies.

**Figure 21 Promotion Measurement Tool Question 7 Public Relations**

| Q7 | Is PR organised in the company through any of the following? | Yes | No |
|----|--|-----|----|
| 1  | In house PR  |     |    |
| 2  | Freelance Consultant PR                                      |     |    |
| 3  | Fashion company specialist PR                                |     |    |
| 4  | Freelance non Specialist PR                                  |     |    |
| 5  | Combination  |     |    |

Press relations are an important activity to ensure that journalists will write about their particular range rather than a rival's. Effective press relations are a necessary background to all other fashion PR activities, and contribute to effective management of communications between the fashion company and its publics. Figure 22 shows the 10 variables used to identify the companies controlled publicity practices.

**Figure 22 Promotion Measurement Tool Question 8 Controlled Publicity**

| Q8 | Do you use the following tools to inform press/buyers/consumers/clients about your products/services? | Yes | No |
|----|---|-----|----|
| 1  | Photographs   |     |    |
| 2  | Brochures   |     |    |
| 3  | Postcards   |     |    |
| 4  | New Stories   |     |    |
| 5  | Press releases  |     |    |
| 6  | Speeches  |     |    |
| 7  | Events  |     |    |
| 8  | Written materials (books, reports)  |     |    |
| 9  | Look books  |     |    |
| 10 | CDRom/video/PowerPoint  |     |    |

### **Personal Selling**

Personal selling has advantages over advertising, as it involves more specific communication aimed at one person or several people. Reaching one person is considerably more costly than doing so through advertising, but personal selling has greater impact on customers. Personal selling also provides immediate feedback, which allows the designers to adjust their message to improve communication, as well as determine and respond to customers' needs and desires. Figure 23 shows the 10 variables used to identify the use of personal selling in the promotion of the products/services:

**Figure 23 Promotion Measurement Tool Question 9 Personal Selling**

| Q9 | Do you use any of the following personal selling techniques to promote your services/products? | Yes | No |
|----|--|-----|----|
| 1  | Close involvement with clients/consumers   |     |    |
| 2  | Distant interaction with clients/consumers   |     |    |
| 3  | Cultivation of relationships for long term commitment  |     |    |
| 4  | Building up buyers preferences and convictions to service                                      |     |    |
| 5  | Building network teams as selling mediators  |     |    |
| 6  | Through PR specialists who act as mediators  |     |    |
| 7  | Through selling agents   |     |    |
| 8  | Through holding social events to sell direct to consumer                                       |     |    |
| 9  | Through giving gift incentives to key consumers - end users                                    |     |    |
| 10 | Through wholesaling  |     |    |

### **Sponsorship**

*"Sponsorship is the financial or material support of an event, activity, person, organisation or product by an unrelated organisation or donor. Generally funds will be*

made available to the recipient of the sponsorship deal in return for the prominent exposure of the sponsor's name or brands" (Sleight, 1989 p.471 in Dibb). The fashion companies receive sponsorship from a range of different types of corporate or organisational sponsors. The sponsors are looking for media coverage and exposure from being part of the public relations events such as fashion shows. Figure 24 shows the ten variables used to identify the companies use of sponsorship in their promotional strategies.

**Figure 24 Promotion Measurement Tool Question 10 Sponsorship**

| Q10 | Have you received any of the sponsorship in the past? | Yes | No |
|-----|---|-----|----|
| 1   | Fabric  |     |    |
| 2   | Shoes   |     |    |
| 3   | Makeup  |     |    |
| 4   | Hair products   |     |    |
| 5   | Soft drinks   |     |    |
| 6   | Alcoholic drinks                                      |     |    |
| 7   | Venue   |     |    |
| 8   | Money   |     |    |
| 9   | Public Relations support                              |     |    |
| 10  | Media sponsorship                                     |     |    |

### Networking Tools

Networking has been identified as an important resource especially during the early stages of business development. From the company interviews and in-depth study, tools for identifying the different network types has been developed using the 5 and 10 statement format. Figure 25 shows the four types of networks that support the fashion companies, personal contacts; business support; image-makers and supply chain. Five tools have been developed to identify how the companies' went about networking. The first question was designed to explore the contribution of networking to the company practice.

**Figure 25 Networking Type Dimensions**

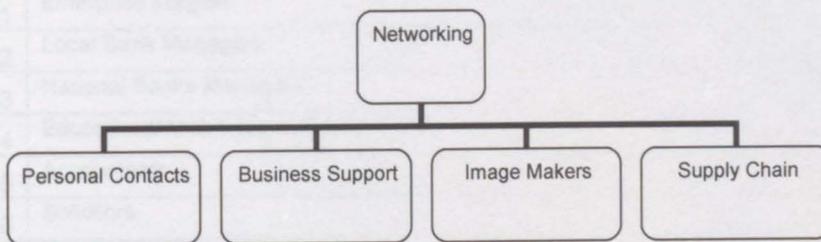


Figure 26 shows the 10 variables that were used to identify networking as an important business resource.

**Figure 26 Networking Measurement Tool – Question 11 Networking Resource**

| Q11 | Have your network activities provided any of the following support/resources in the growth of the company? | Yes | No |
|-----|--|-----|----|
| 1   | Access/contacts with new clients   |     |    |
| 2   | Market information/competitor information  |     |    |
| 3   | Problem solving  |     |    |
| 4   | Access to distribution channels  |     |    |
| 5   | New contacts/new staff   |     |    |
| 6   | Advertising word of mouth  |     |    |
| 7   | General Advice   |     |    |
| 8   | Sponsorship contacts   |     |    |
| 9   | Meeting Peer colleagues  |     |    |
| 10  | Assistance in obtaining business loans and investments   |     |    |

**Personal Contact**

Figure 27 shows the 5 variables that were used to identify the companies approach to personal contact networking.

**Figure 27 Networking Measurement Tool Question 12 Personal Network**

| Q12 | Do you use personal contacts to assist in the business | Yes | No |
|-----|--|-----|----|
| 1   | Direct Family  |     |    |
| 2   | Colleagues   |     |    |
| 3   | Close Friends  |     |    |
| 4   | Acquaintances  |     |    |
| 5   | Distant relations                                      |     |    |

**Business Support Network**

Figure 28 shows the 10 variables that were used to identify the companies' use of business support networks.

**Figure 28 Networking Measurement Tool Question 13 Business Network**

| Q13 | Do you use any of the business support contacts to assist in the business growth | Yes | No |
|-----|--|-----|----|
| 1   | Enterprise support   |     |    |
| 2   | Local Bank Managers  |     |    |
| 3   | National Banks Managers  |     |    |
| 4   | Educational University support   |     |    |
| 5   | Accountants  |     |    |
| 6   | Solicitors   |     |    |
| 7   | Sponsors   |     |    |
| 8   | Chartered Surveyors  |     |    |
| 9   | Secretarial  |     |    |
| 10  | Estate agents/retail sites   |     |    |

### Image making Network

Figure 29 shows the 10 variables that were used to identify the companies' use of image making networks.

**Figure 29 Networking Measurement Tool Question 14 Image Network**

| Q14 | Do you use any of the image/brand makers support contacts to assist in the business growth | Yes | No |
|-----|--|-----|----|
| 1   | Public Relations   |     |    |
| 2   | Graphic designers/website designers  |     |    |
| 3   | Catwalk/event producers  |     |    |
| 4   | Photographers  |     |    |
| 5   | Stylists   |     |    |
| 6   | Hair stylists  |     |    |
| 7   | Makeup/beauty stylists   |     |    |
| 8   | Models   |     |    |
| 9   | DJs/music  |     |    |
| 10  | New generation designers   |     |    |

### Supply Chain Network

Figure 30 shows the 10 variables that were used to identify the companies' use of supply chain networks.

**Figure 30 Networking Measurement Tool Question 15 Supply Chain Network**

| Q15 | Do you use any of the supply chain makers support contacts to assist in the business growth | Yes | No |
|-----|---|-----|----|
| 1   | Textile Designers   |     |    |
| 2   | Patterncutters  |     |    |
| 3   | Sample Machinists   |     |    |
| 4   | Graders   |     |    |
| 5   | Production co-ordinators  |     |    |
| 6   | Factories   |     |    |
| 7   | Fabric suppliers  |     |    |
| 8   | Trim Suppliers  |     |    |
| 9   | Accessory Designers   |     |    |
| 10  | New Generation Designers  |     |    |

## 5.4. Conclusions

The field study has gathered evidence from ongoing and evolving perspectives. The study is small scale, highly focused with a limited sample size. The research technique has been a continuous interplay between analysis and data collection. The key research goals have been the creation of new theoretical concepts from data transformed from content analysis and extrapolation. The study has used a variety of research tools to ensure that the data is congruent with the research objectives and goals. This case study investigation has attempted to understand and provide insights into processes and situations that influence how fashion companies operate in the commercial environment. The centrality of the three core concepts of branding, promotion and networking have

provided the basis for analysis and discussion, which is presented in the following chapter. The third data collection is the first attempt to develop a small business development methodology that has been tested on four of the companies'. The results from this final data gathering exercise is analysed in the final chapter.

The chapter is organized under three headings, which present and explore these findings to further the understanding of the relationships between branding, promotion and networking activities and business growth patterns. The first area explores the marketing communication strategies of creative products/services, the second examines the nature of growth patterns associated with the emerging and established companies, and the third section makes recommendations for future research.

### 5.1 Creative Small Business Management Practices

"Creative companies need flexibility to pursue flexible strategies which address the complementary development of on-line and 'real world' business processes, which are logical and responsive to both the fast pace of short-term developments and anticipated longer-term outcomes." (Department of Trade & Industries, 2001)

#### Branding Strategies

"The modern approach to branding is concerned increasingly with a brand's identity with its meaning, logo and associated name of value, both symbolic and emotional, which are relevant to consumers and which recognisability and consistency distinguish one supplier's brand from that of another" (Hartley, 1992, p. 2)

The company branding strategies have been explored through three types of communication identities, visual, corporate and social. These identities were used to identify the types of visual branding strategies that could reinforce the company values and messages. Chart 1 shows that 70% of the companies all had strong visual branding identities in place. They used a range of different visual activities to ensure that the company identity was different and unique. The brand image is the collection of thoughts or perceptions that are formed as a result of the company's and its products and services (Perry & Wiseman, 2002).

## Chapter 6 Discussions

### 6.0 Introduction

This chapter attempts to discuss the findings of the field study, and to arrive at some new models of micro business strategies for creative products and services. The chapter is organised under three headings, which present and correlate these findings to further the understanding of the relationships between branding, promotion and networking activities and business growth patterns. The first area explores the marketing communication strategies of creative products/services, the second examines the nature of growth patterns associated with the emerging and established companies, and the third section makes recommendations for future research.

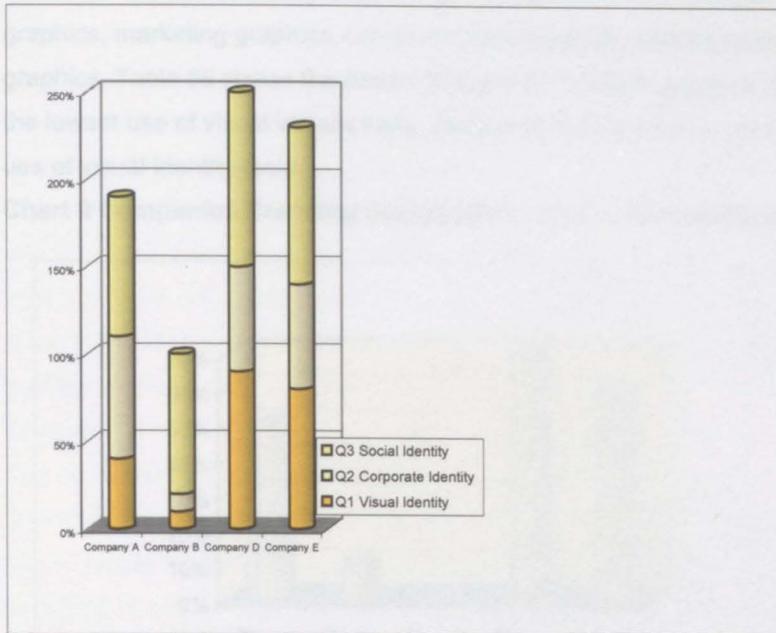
### 6.1 Creative Small Business Management Practices

*"Creative companies need increasingly to pursue flexible strategies which address the complementary development of on-line and "real world" business processes, which are tactical and responsive to both the fast pace of short-term developments and anticipated longer-term outcomes."* (Department of Trade & Industries, 2001).

#### Branding Strategies

*"The modern sophisticated branding is concerned increasingly with a brand's Gestalt, with assembling together and maintaining a mix of values, both tangible and intangible, which are relevant to consumers and which meaningfully and appropriately distinguish one supplier's brand from that of another"* (Murphy 1998 p. 2).

The company branding strategies have been explored through three types of communication identities: visual, corporate and social. These 10 elements were used to identify the types of visual branding images that could reinforce the company values and messages. Chart 1 show that 75% of the companies all had strong visual branding identities in place. They used a range of different visual aesthetics to ensure that the company identity was different and unique. The brand image is the collection of largely uncontrollable perceptions of that brand as strengths and weaknesses, positives and negatives (Perry & Wisnom, 2003).

**Chart 1 Overall Companies' Branding Strategy**

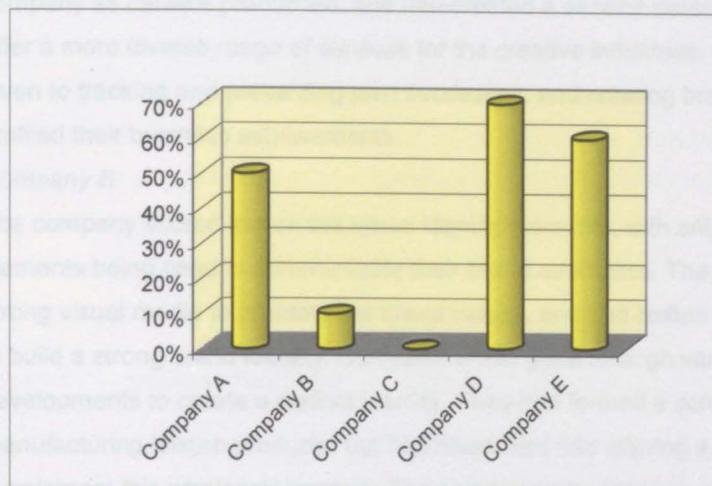
All of the companies have developed and communicated their own brand identities using visual representations and strong image marketing tools. This has been achieved through marketing aesthetics that embodied a set of values and attributes; these brand identities stimulated consumer interest, and distinguished the brand from others to create a unique piece of property for its owners. The names of the company are part of the corporate branding image, with three out of the five companies bearing the names of the designer owners. These personal branding identities are correlated with the personality and character of the designer's style of products. The brand acts as a credible guarantee for buyers or clients allowing them to identify and specify products that offer added value (Perry & Wisnom, 2003)

The branding configurations allowed the companies to offer a competitive advantage over new entrants into the industry and existing companies. Hamel and Prahalad (1994) argue that it is not enough for a company to get smaller, better or faster, a company must be capable of fundamentally innovating itself or regenerating its core strategies and of re-inventing its industry. In short, a company must be capable of getting different. However, Company B had low use of branding strategies in their businesses, which does correlate with their slow or static growth. Company D had high use of branding strategies, which correlates to their sustained and continued business growth.

### Visual Identity

Visual identity has been explored through 10 elements the logo/signature, business graphics, marketing graphics, communication graphics, packing graphics, and website graphics. Table 38 shows the results of question 1, which suggests that Company B has the lowest use of visual identity tools, compared to Company D, which has the highest use of visual identity tools.

**Chart 2 Companies Branding Comparative - Visual Identity Results**



**Table 38 Companies' Branding Comparative Visual Identity Results**

|    | Do you use the following to communicate your visual brand identity | CA  | CB  | CD  | CE  | Yes  | No  |
|----|--|-----|-----|-----|-----|------|-----|
| 1  | Logos/Typeface   | ✓   |     | ✓   | ✓   | 75%  | 25% |
| 2  | Symbols  |     |     | ✓   |     | 25%  | 75% |
| 3  | Photographic images  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 4  | Illustrated images   |     |     | ✓   |     | 50%  | 50% |
| 5  | Packaging  | ✓   |     | ✓   | ✓   | 75%  | 25% |
| 6  | Scale/Size of image  |     |     |     |     | 25%  | 75% |
| 7  | Use of specific materials e.g. paper                               | ✓   |     |     | ✓   | 50%  | 50% |
| 8  | Colour   |     |     | ✓   | ✓   | 50%  | 50% |
| 9  | Pattern  |     |     | ✓   |     | 50%  | 50% |
| 10 | Shape  |     |     | ✓   |     | 50%  | 50% |
|    |  | 40% | 10% | 80% | 50% |      |     |

#### Company A

In the case of the emerging Company A the company had produced promotional material that featured their brand name and visual identities. Company A used the website as a major brand building format to communicate their creative messages, and profile their achievements, through strong logo and colour representations. The marketing aesthetics were part of the sales promotion, and was constantly updated in keeping with fashion trends. On average the website was updated on a regular basis, and was an important communication tool to marketing the emerging company. The

brand identity was seen as very important to attract further clients that wanted creative and forward thinking events management. However colour was not strongly used to communicate the visual identity. The company only used 40% of the visual elements to communicate their brand aesthetics. However, Company A did not set objectives in terms of their branding values and attributes, but were in the process of simplifying the current graphics and images used to present a corporate identity to growth and build their client list for their services. The company had grown from the designer named company as catwalk production, and had created a second sister company that was to offer a more diverse range of services for the creative industries. Great attention was given to tracking and presenting past successes, and creating branded documents that profiled their business achievements.

#### *Company B*

The company scored low on the visual identity elements, with only 10% of the visual elements being used to communicate their brand aesthetics. The company did not use strong visual media to promote the brand values, and had limited visual representations to build a strong brand identity. Company B had gone through various branding developments to create a distinct identity. They had formed a company designing and manufacturing leisure products, but had diversified into offering a range of services, to supplement this wholesale venture. The company was now using the designer's name as the brand identity, to offer pattern cutting and sample making services for designer companies, producing seasonal collections.

#### *Company D*

The company had developed a strong visual identity using graffiti type symbols to communicate the brand values. They used 80% of the visual elements to promote the company, which demonstrated a high use of visual aesthetics as a competitive advantage. Company D were also offering brand extensions, through developing new ranges of products, such as childrenswear and swimwear. This strategy reduced the risk and cost of new product entries, increased the exposure of the brands and made brands more attractive to retail stockists. The brand was represented through the strap line "from the kerb to the boutique" to communicate the street style products but with a higher quality product. The company went to great lengths to look after the brand and the products were instantly recognisable through the use of graffiti style prints on the products.

#### *Company E*

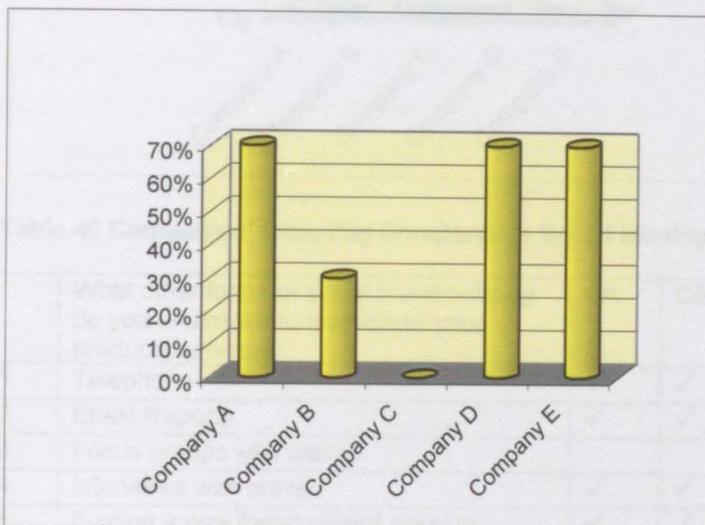
Considerable attention had been given to the development of a new brand identity, at the early stages of the company development. The retail outlet allowed the company to strengthen their visual identity through the shop interiors, packaging and personal selling strategies. The building of the new brand had been achieved through a launch party to selected invited guests to show the new product ranges. The launch timing was not in keeping with the fashion seasonal schedule, however, the key sponsors were also

invited to participate and be involved in this event. Company E used packaging as a visible expression of the brand and packaging was becoming a powerful means of achieving brand loyalty. The adoption of a visual language by the companies provided short cuts to product/service communication.

### **Corporate Identity**

The ingredients in a brand constitute the product itself, the packaging, the brand name, the promotion and the overall presentation of the company. The brand is a synthesis of all these elements, physical, aesthetic, rational and emotional (Murphy, 1998). Table 39 shows that the brand synergy for Company B is not as strong as the other three companies, and could suggest that this will hinder their performance and growth opportunities. Company A used 80% of the elements to communicate their corporate identity. The company used the website as an important information tool to project the brand messages as an interactive communication system. The corporate identity is based on long-term timeless brand identity messages that do not change from season to season as in the case of the visual identity.

**Chart 3 Companies' Branding Comparative Corporate Identity Results**



**Table 39 Companies' Branding Comparative Corporate Identity Results**

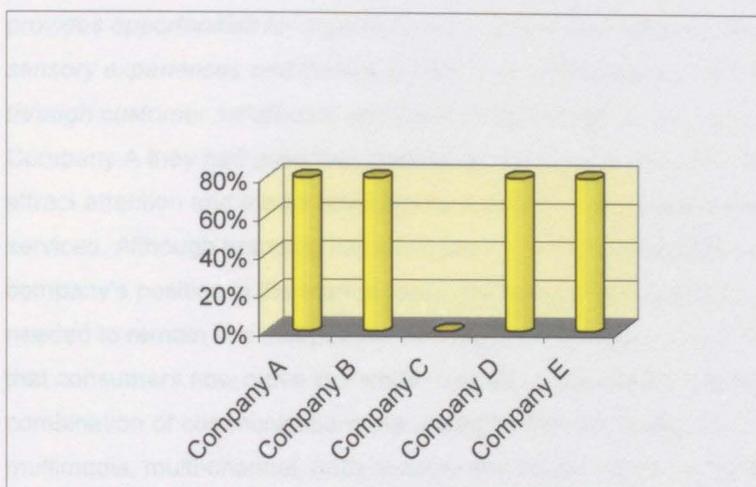
|   | Do you use the following to communicate your corporate brand identity | CA | CB | CD | CE | Yes  | No  |
|---|---|----|----|----|----|------|-----|
| 1 | Leaflets of your products/services                                    | ✓  |    |    |    | 75%  | 25% |
| 2 | Press Releases on new products/services                               | ✓  | ✓  | ✓  | ✓  | 100% | 0%  |
| 3 | Corporate Stationary  | ✓  |    | ✓  | ✓  | 75%  | 25% |
| 4 | Postcards   |    |    | ✓  | ✓  | 50%  | 50% |
| 5 | Banners   | ✓  |    | ✓  |    | 50%  | 50% |
| 6 | Brochures/Look Books  | ✓  |    | ✓  |    | 50%  | 50% |
| 7 | Photographs   |    |    | ✓  | ✓  | 50%  | 50% |
| 8 | Video/clips/documentaries   | ✓  |    |    | ✓  | 50%  | 50% |
| 9 | Websites  | ✓  |    | ✓  | ✓  | 75%  | 25% |

|    |       |     |     |     |     |     |     |
|----|-------|-----|-----|-----|-----|-----|-----|
| 10 | CDROM | ✓   |     | ✓   | ✓   | 25% | 75% |
|    |       | 80% | 10% | 80% | 70% |     |     |

### Social Identity

The brand building was analysed through the social relationships developed to sell and promote the products/services. Table 40 indicates that all of the companies scored 80%. This indicates that all of the companies were proactive in maintaining close and social relationships with their suppliers, consumer, and clients and were using social processes as an advantage over their competitors.

**Chart 4 Companies' Branding Comparative Social Identity Results**



**Table 40 Companies' Branding Comparative Social Identity Results**

|    | What other forms of social brand building do you undertake to market/sell your products/services | CA  | CB  | CD  | CE  | Yes  | No  |
|----|--|-----|-----|-----|-----|------|-----|
| 1  | Telephone  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 2  | Email Reports  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 3  | Focus groups with clients  |     |     | ✓   |     | 25%  | 75% |
| 4  | Interviews with press  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 5  | Finding a new personalised event to promote your product/service                                 | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 6  | Feedback questionnaires  |     |     | ✓   |     | 25%  | 75% |
| 7  | Face to face meetings  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 8  | Prepared to take on innovative challenges with new/existing clients                              | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 9  | Target specialist products/services to sell the brand service                                    | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 10 | Building confidence and trust through social events  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
|    |  | 80% | 80% | 80% | 80% |      |     |

### **Comparative Brand Strategy Analysis**

The results of the deductive survey for the company's branding strategies indicate that Company B who did not have a strong brand visual and corporate identity correlates to a low position in the market place, whereas the established company who were using all the dimensions of visual, corporate and social identities had continued to expand and sustain their business performance.

The companies used a further dimension to their branding and marketing approaches, through furthering their appeal to buyers and press, by using visual aesthetics to communicate the contemporary messages. *"The vitality of aesthetics in customers' lives provides opportunities for organizations to appeal to customers through a variety of sensory experiences and thereby benefit both the customers and the organizations through customer satisfaction and loyalty"* (Schmitt et al, 1997 p.2). In the case of Company A they had used their website as a means of extended their aesthetics to attract attention and media coverage as a competitive advantage over other brands and services. Although branding has been used in the launching and maintaining of the company's position in the market place, the need for the sophisticated communication is needed to remain in a competitive marketplace. Company A was responding to the fact that consumers now move in a world marked by new media and technologies that use a combination of communications. As stated by Schmitt, today's environments are multimedia, multi-channel, multi-sensory and digital. However, Table 41 indicates that the companies branding strategies consisted of expressive and functional values according to Andrew's hierarchy branding model and had not achieved the central values.

**Table 41 Consumers and Brands Value Hierarchy (Andrews, 1998)**

|                   | Consumer Values   | Brand Values  |
|-------------------|---|---|
| Central Values    | Successful, fulfilling, meaningful, stable powerful                                 | Reflect what the purchaser and brand share in fundamental terms, philosophically, morally and behaviourally e.g. Virgin, Body Shop  |
| Expressive Values | Active, contemporary, important, in control, socially responsible                   | Reflect the nature of the purchaser, hence, type, sex, characteristics, personality, status etc. Armani, Apple  |
| Functional Values | Natural, convenient, technologically, advanced safe, effective, quick, money saving | Reflect what kind of product or service the brand offers and/or what functional benefits it provides to the customer, hence composition, use, effect, appearance, cost etc. |

### Promotional Strategies

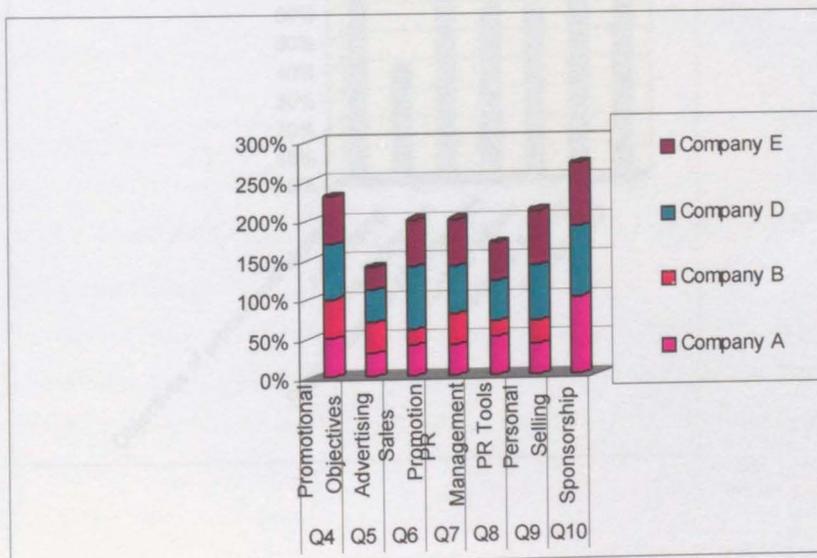
"The role of promotion in a company is to communicate with individuals, groups or organisations with the aim of directly or indirectly facilitating exchanges by informing and persuading one or more of the audiences to accept the firm's products " (Coulson-Thomas, 1986 in Dibb et al., P.457).

The fashion industry depends not only on the ability of the designers to create and manufacture their products, but also on the skills of the public relations and promotion specialists. Although the ability and quality of the fashion products are critical factors, the promotional support and activities are essential for commercial success. The promotional methods used by the emerging company are very different from the established company.

All of the companies use different marketing communication strategies to promote their companies, product/services into the market place. Each company pursued a range of promotional channels to communicate their image and messages about their products/services to consumers, buyers, journalists, and manufacturers. The nature of the promotional activities involved in the fashion industry is primarily about creative visual communication systems. New Generation Designers rely heavily on new promotional activities to strengthen their product/service identity, and build a sustained reputation with international press and buyers. The effectiveness of their promotional activities is determined by the degree to which it affects product adoption amongst potential buyers or increases the frequency of current buyer's purchases.

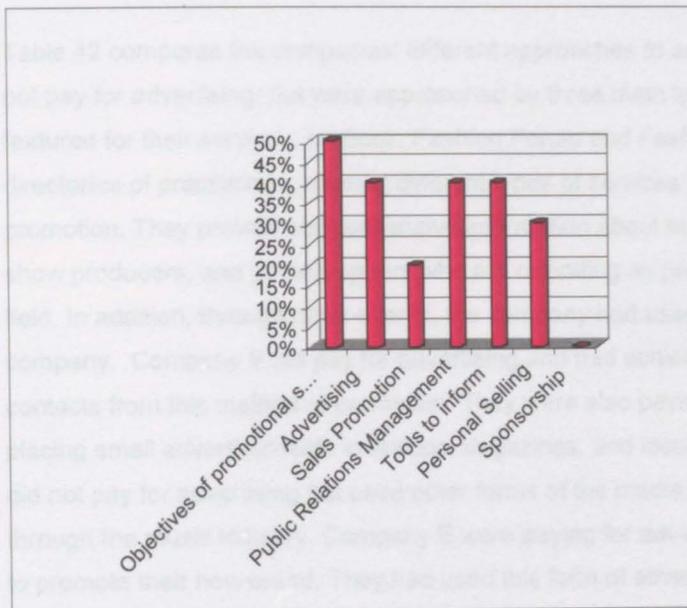
Chart 5 compares the promotional activities that the companies have used in their business launch and development strategies. The seven questions related to the promotional activities showed that: Company B did not use sponsorship as part of their promotional objectives, whereas all the three other companies were active in sponsorship partnerships to raise levels of awareness of their products/services and provide additional financial resources to support this area.

**Chart 5 Overall Companies' Promotional Comparative**

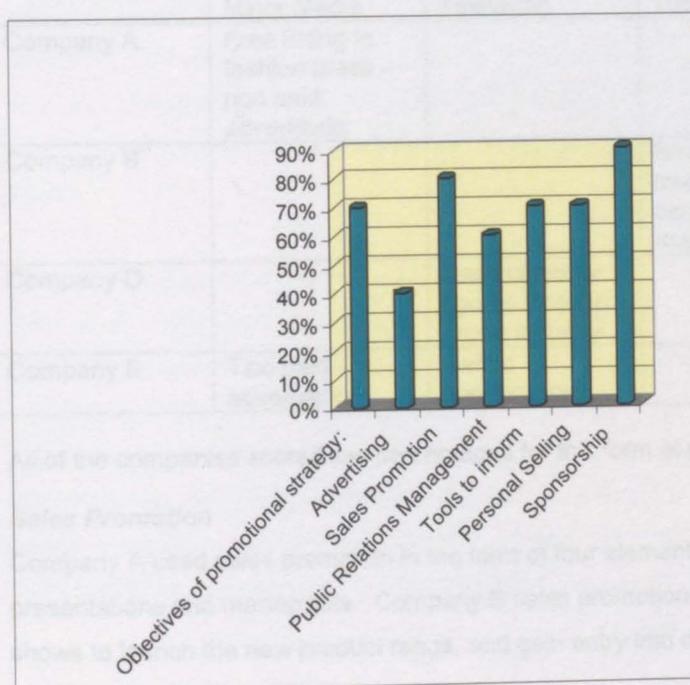


Comparisons between Company D indicates a consistent promotional strategy using the majority of the mix of tools available to maintain their presence in the market place, whereas Company B, has inconsistent use of the promotional tools in their business development. Chart 6 and 7 show the levels of consistency between the two companies' promotional strategies.

**Chart 6 Company B Promotional Strategies**



**Chart 7 Company D Promotional Strategies**



### **Advertising**

Company D was the most strategic in how they planned and developed their promotional strategies. They were continuously aware of the need for promotional objectives to ensure that they continued to grow their business. Although celebrities wore the products they did not actively pursue this type of promotional activity. Chart 5 shows the full results that indicate that the other three companies did not use strategic promotional plans in the growth of their business.

Table 42 compares the companies' different approaches to advertising. Company A did not pay for advertising, but were approached by three main listing publishing books to be featured for their services. Le Book, Fashion Forum and Fashion Monitor are all yearly directories of practitioners offering different types of services in the field of fashion promotion. They provide comprehensive information about model agencies, stylists, show producers, and photographers who are operating as professionals in the fashion field. In addition, through other events, the company had used posters to promote the company. Company B did pay for advertising and had achieved further work and contacts from this method of promotion. They were also paying for advertising through placing small advertisements in fashion magazines, and local newspapers. Company D did not pay for advertising but used other forms of the media to present the products through the music industry. Company E were paying for advertising, through using taxis to promote their new brand. They had used this form of advertising because it offered wide spread communication opportunities to spread the new brand identity.

**Table 42 Companies' Above the Line Advertising**

|           | Minor Media  | Television                                    | The Press                                      | Posters                            |
|-----------|--|---|--|------------------------------------|
| Company A | Free listing in fashion press – non paid advertising |   |  | In conjunction with fashion events |
| Company B |  |   | Small adverts in trade, and consumer magazines |                                    |
| Company D |  | Used celebrity figures through music industry |  |                                    |
| Company E | Taxi paid advertising                                | Invited appearances                           |  |                                    |

All of the companies scored low percentages for this form of promotional activity.

### **Sales Promotion**

Company A used sales promotion in the form of four elements: portfolio, credit listings, presentations and mailing lists. Company B sales promotion was aimed at product trade shows to launch the new product range, and gain entry into new retail outlets. The use

of product trade shows, such as Pure, held twice a season, provides opportunities for new brands to have a trade stand, to show their potential products to retailers. In the case of Company D, they used low profile sales promotion techniques through showroom buying, to build an intimate and personal relationship with the buyers, as opposed to Company C who used high profile sale promotion techniques in the form of catwalk shows. Being part of the British Fashion Council London Fashion Week on schedule designer catwalk listing, provided stronger sales promotion for the company, as opposed to Company D who did not participate in these promotional events organised by the industry as a whole. The promotional benefits of being part of the scheduled catwalk shows ensures that international press and buyers are informed about the time and venue of the show, to attract as many key people as possible. Company E sales' promotion was aimed directly at consumers. The retail environment enabled the designers to be able to have point of sale displays, and be in control of the brand presentation of their stock. Designer companies use sales promotions aimed at retailers to encourage them to stock pieces or ranges of the collections. The catwalk fashion shows aimed at buyers at London Fashion Week, are critical sales promotion exercises and in the case of Company C considerable emphasis is targeted at this twice-yearly sales drive.

#### **Public Relations**

Company A used both internal and external PR specialists in their business activities. Company B used only freelance non-specialist consultants; Company D used a range of different PR companies in their business activities. Company E also used a range of PR inputs. In the emerging companies, they used a combination of in-house and freelance public relation services. They tended to use unpaid services of a freelance PR specialist, who have a limited number of clients, which can still provide the companies with access into this necessary expertise when it is needed. They tended to handle in-house PR as it offers advantages in that someone is always on call to deal with press enquiries and to liaise with journalists needing to find out information. The drawback with in-house PR is sometimes the resources are not always available to cope with larger events.

Table 43 compares the different management approaches adopted by the fashion companies in the public relation efforts. In the established companies, they employed specialist external Fashion PR agencies. These agencies offer the advantages of established contacts with the trade press and fashion editors of the leading magazines and newspapers. They also bring extensive experience to organising fashion shows, launch parties, and other media related events, which raise the profile of the designer goods. In addition, the PR agencies are building relationships throughout the year, not just when there is a key launch. The companies all stressed the need to have a

sustained effort in cultivating press relations, and they offered an objective perspective to the company profile, product and service.

**Table 43 Companies' Comparison of PR Management Strategies**

| Company C | In-house PR                      | Freelance PR Specialist                            | Specialist fashion PR Agency          | Freelance Non-Specialist PR                  |
|-----------|----------------------------------|--|---------------------------------------|--|
| Company A | Develops own publicity materials | Uses these services for individual projects        |                                       |  |
| Company B |                                  |  |                                       | Uses a life coach on a regular monthly basis |
| Company D |                                  |  | Uses these services on a yearly basis |  |
| Company E |                                  | Uses freelance PR for short term projects - unpaid |                                       |  |

#### **Types of Public Relation Activities**

Company A, D and E extensively used publicity material to communicate their products/services. Company B used a limited range of information in their business practice. All of the companies developed a range of different publicity material to promote their products or services. The Table 44 compares the type of publicity materials used to inform the press concerning their products/services. Company C was the only company to produce a look book, which contains photographs of the catwalk collection. This look book is sent to all the major fashion editors, who use them for styling shoots for features in their newspapers or magazines. The look book is an expensive device due to the demands of high quality publication to compete with the large designer labels, which are also producing photographic records of their collections. The public relation companies would circulate the books to the key fashion press, and remain in constant contact with the press to ensure that designer's products are featured in the magazines on a regular basis. The public relation companies employ stylists and a photographer to produce the look book that is produced in smaller quantities. Company C had also produced a shorter version, but in larger quantities, and given out directly to consumers at the point of sale.

**Table 44 Companies' Publicity Materials and Resources**

|           | Information on fashion editors | Contacts with fashion editors | Service for journalists | Publicity Techniques sent to journalists |
|-----------|--------------------------------|-------------------------------|-------------------------|--|
| Company A | Up to date mailing list        | Strong personal relationships |                         | CDROM film footage                       |

|           |                         |   |  |                                     |
|-----------|-------------------------|---|--|-------------------------------------|
|           |                         | through attending social events                               |  |                                     |
| Company B | Up to date mailing list |   |  | Photographs<br>Postcards            |
| Company C | Up to date mailing list | Regular meetings through organised events                     | Samples held in PR offices               | Press Release<br>Look Book<br>Video |
| Company D | Up to date mailing list | Regular meetings through organised events                     | Samples held in-house                    | Photographs<br>Postcards<br>Video   |
| Company E | Up to date mailing list | Strong personal relationships through attending social events | Not applicable as have own retail outlet | Press Release<br>Postcards<br>CDROM |

The use of fashion events to raise their profiles were used extensively by Company A. Company C used the catwalk show not only for sales promotion, but to build relationships with the press and buyers employing the public relation company to be present at these social events. These selling events provide opportunities for the companies to meet and socialize with clients, sponsors, and other related professionals who might spread word of mouth communication about the new product ranges. The fashion show is one of the main traditional events to present new collections to the press and buyers, and now the public. The catwalk show has become an important tool to gain maximum coverage in the magazines and newspapers. However, the results indicate that only one company out of the five continues to hold a catwalk show every season, and uses this medium to promote the collection.

### **Personal Selling**

Company A achieved a score of 40%, which indicates a satisfactory commitment to the personal selling of the services, Company B achieved a score of 30%, which indicates a low commitment to this area. Company D and E achieved scores of 70% indicating a high commitment to selling their products. Company D had launched the business through a market stall, where he had conducted the selling of his designers directly to the consumer. This process enabled him to provide a service, use persuasion, communicate, solve problems and educate potential buyers. Company E have also entered the market place through direct selling to the consumers. It enables them to present the product to gain attention and arouse interest. The presentation of the products in the retailing space can allow the founders to persuade customers to buy the products. The buyers interest can be captured in a number of ways, through letting them try on the garment; handle the garment, and gauging the quality of the product. This contact with the customer can also result in capturing personal information, such as

address and phone numbers for follow up mail outs and other special offers. This enables them to have a database of customers who have purchased and might repeat purchase.

### **Sponsorship**

Company A was extremely proactive in gaining sponsorship to finance their events achieving a score of 100%. Company B on the other hand scored 0% and had not used sponsorship in their business practice. Company D and E were also very active in gaining sponsorship to launch and promote their products. Company A targeted specific companies that fit a certain profile of an audience without being too limited. In the emerging companies, trying to gain a sponsorship deal is aimed at entertainment opportunities in terms of getting free drinks and venues to hold live events or parties. Sponsorship can be cost effective as it allows the companies to improve the type of promotional event through working with sponsors who want to be part of the fashion industry, which is seen as attracting early adopters and innovators. In the Case of Company C, sponsorship had been secured with an International Fibre producer, who wanted associations with London designers to gain prestige with their products.

### **Promotional Mix**

Each company has a different composition of promotional elements. The emerging companies tended to use public relations as a major promotional tool, whereas established companies tended to use a combination of both public relations and sales promotion to grow their companies. More emphasis on specialist public relation companies in the established companies was a key determinant of growth. The fashion promotion mix integrates the traditional four elements, but is extended to include sponsorship as an important communication element particular to the fashion industry. The findings suggest that below-the-line marketing strategies are being used more widely than above-the-line strategies. The branding activities employed by the companies depend heavily on visual mediums and creative images to define their company's identities. Web-based promotion was not broadly used to promote, and hence grow, the companies businesses. It was primarily used more as information-based systems, than communicating brand values.

The main medium used to deliver the message is through sales promotion, with an emphasis on planning opportunity to see exposures. The creation of the message is strongly based on visual media, such as photographs, video, high impact images, and contemporary marketing aesthetics to brand the identity of the company and products. The timing of the promotional activities is dependant on the seasonal cycle, with concentrated patterns during January and September to coincide with the buying cycle. However, intermittent patterns of media exposure are also used to provide bursts of planned promotion, through either charity fashion show involvements, cause-related

marketing events, trips abroad to promote exports, and other fashion profile events that can raise the brand identity and product.

### **Characteristics of the target market and product/service**

Personal selling has been used to communicate the products/services, because it allows face-to-face interaction with innovators and early adopters. The geographic location of London has been used extensively to market the products/services to these target groups. The promotional activities were also determined by the product or service offered by the companies. The emerging companies, the launching and introductory stage of the product/service lifecycle required a concerted effort to make potential users aware of the new product/service. Personal selling was a key feature of promotional activities at this stage. In the established companies, they relied heavily on specialist fashion public relation companies to inform and communicate the new ranges to existing retailers and journalists.

### **Costs and availability of promotional methods**

Company B had used less expensive forms of promotion, through using local newspapers, and small adverts. The use of sponsors to assist in providing in kind, products and gifts, contributed to the social events to launch or promote new ranges or products. Company E, in the early stages of development had been proactive and successful in obtaining drinks and, venues for small costs. The majority of the companies have limited budgets to spend on advertising, and rely heavily on the public relations as a critical tool to promote their products to both buyers and press.

Company E have adopted a pull strategy, promoting directly to consumers with the intention of developing a strong consumer demand for the products. The approach is to pull the goods down through the channel by creating demand at the consumer level. In contrast, Companies B, C, and D have adopted a push strategy that promotes the product only to the next institution down the marketing channel, which involves wholesaling products to the buyers of retail outlets. This push strategy stresses personal selling, with a strong drive from the public relation specialists. Company A is providing a service and acts as an intermediary to both designers and sponsors. The company combines both a pull and push strategy.

The most important promotional activity used by all the companies was the comprehensive use of public relations. All of the companies had developed databases of contacts, and potential clients, through continuously monitoring their projects, clients and events. They used databases as a method of keeping in touch with clients and used a range of personal mail-out devices such as party invitations and social events, to maintain face-to-face communications. The use of specialist fashion public relation companies was a key determinant of growth for the established companies. The bible of

fashion public relations, Fashion Monitor, now lists over 200 PR companies with listed fashion accounts (Constantino, 1998). One of the companies had obtained free listings in this industry-specific public relation publication. Public relations were conducted as separate marketing activities and undertaken through external agencies. The reasons for public relations being undertaken through specialist companies, is due to the short life cycle of the fashion product, and the highly competitive environment in which the companies operate.

The fashion companies had different relationships with the public relation specialists. It ranged from personal and intimate relationships, with close and regular support from the public relation consultants, to more formalised meetings to discuss and plan communication strategies for the season. The effectiveness of the public relation activities was measured through the quantity and quality of press coverage gained through trade journals, fashion magazines, and television coverage. Media and press clippings were used as a way to assess the impact of media coverage gained through the public relation events. Estimated advertising costs were used to determine the value of promotion gained through such channels.

Promotional communications were providing several functions to the companies. The opportunity to be seen through various live events was achieved through trade and consumer promotions. The emerging designers were entrepreneurial in how they obtained promotional coverage, within limited costs. They used networking opportunities as another resource stream to enhance their image, and opportunities to be seen at various fashion events. The live event provides important forums for emerging and established designers to communicate themselves but also their products/services.

Web based promotion was underrepresented in promoting their products/services. However, Company A used web based promotion as a key driver in using this channel to build awareness and a means of efficient reminding of what they have to offer. An Internet search of the company's websites revealed further information and evidence of their promotional strategies. All of the company websites did not contain commercial transactions facilities, but were primarily image and information based. Simeon (1999) considers the prime objective of a website is to attract visitors, whilst its ultimate objective is to increase the chances that a commercial transaction will take place. He suggests that the site's ability to attract, inform and position and deliver is crucial in terms of assessing the strategic position of a website. He identifies two strategic outcomes, these being profitability and virtual branding. He defines virtual branding as the ability of the website to gain recognition and establish its presence in the minds of the customers and the public at large.

The companies were featured on average on three other websites, with Company C being mentioned and profiled on [www.londonfashionweek.co.uk](http://www.londonfashionweek.co.uk) as an on schedule designer. The use of the Internet to communicate the profile of the designer, the products has grown considerably of the last five years, with many sites featuring catwalk shows as they happen. The access to such images over the internet can improve their reputation and build awareness, although the designers did not mention the potential of the website coverage an important medium for future communication and promotion of their products/services.

Company D had undertaken several humanitarian and cultural projects. This had resulted in numerous interviews and website coverage of this participation in these projects for supporting disadvantaged groups. Cause-related marketing of this type, demonstrates the social marginality of Company D, and how the ethnic minority dimension had been used to inspire and promote black designers.

**Table 45 Companies Overview of Promotional Strategies**

|           | Advertising                                       | Sales Promotion      | Public Relations              | Personal Selling | Sponsorship |
|-----------|---|----------------------|-------------------------------|------------------|-------------|
| Company A | No  | Business to business | Combination                   | No               | Yes         |
| Company B | Yes<br>Small adverts in leading fashion magazines | Trade Promotion      | Combination                   | No               | No          |
| Company C | No  | Trade Promotion      | External Specialist PR agency | No               | Yes         |
| Company D | No  | Trade Promotion      | External Specialist PR agency | Yes              | Yes         |
| Company E | Yes<br>Use of Taxis                               | Consumer Promotion   | Combination                   | Yes              | Yes         |

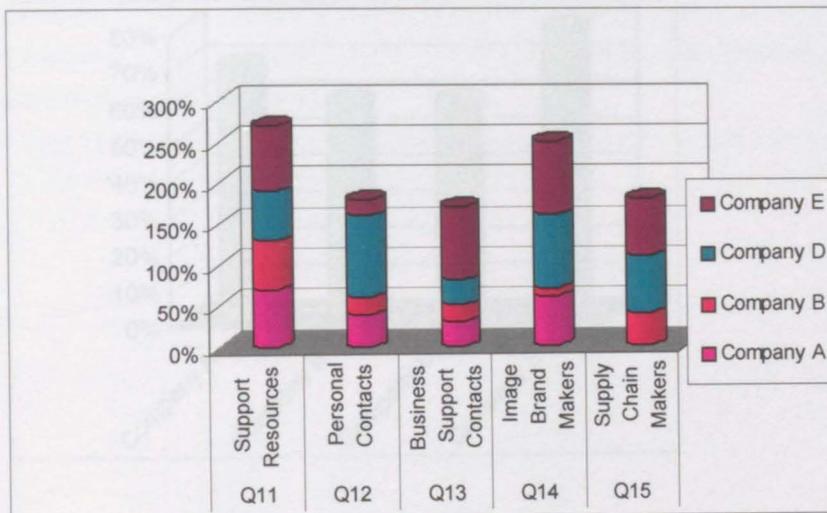
Table 45 illustrates the diversity and scope of the promotional activities needed to sustain a presence in the competitive environment. The overall dimensions that have to be managed by the small designer company are diverse and span a wide range of control. The complexities of co-ordinating and influencing the processes involved in promoting the products to the consumers and suppliers could be improved by better use of strategic planning objectives. The processes involved in promoting products to all the parties involved do require pre and post promotion objectives to facilitate maximum the promotional opportunities for enhanced competitive advantages.

### Networking Strategies

Both the general company profiles, and the in-depth active case studies, suggest that networking activities have played an important part in establishing the fashion company through the various stages of early growth and development. The research data illustrates the role of networking as an important element in meeting the demands of increasing competition and working within tight budget constraints. The network configuration is organised to provide flexibility and adaptability for the changing nature of the design, marketing and production systems influenced by communication and information technologies (Manzini, 2000). He explores the notion of increased connectivity as the main force for achieving networking systems. He defines the flexible network as a variable group of actors that are interconnected according to the needs and or opportunities that time by time can emerge.

Chart 8 shows the results of the companies' networking activities, with Company B scoring low use of networks to improve their business competitiveness, compare to Company D that scored high use of networking.

**Chart 8 Overall Companies Networking Comparative**



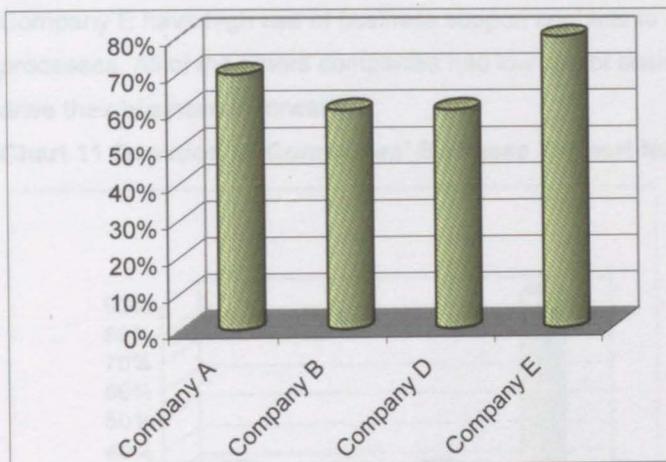
From the detailed analysis of the companies networking activities, four networking types have emerged that contribute to the small business development. The networking types have been configured and categorised according to personal contacts, business support, image making and supply chain activities. At this stage of the research, networking types have been explored in more depth to identify if they have influenced or improved the business performance. Although these different networking types have given a framework for analysis, there is still further research work to be conducted to explore their structural, economic and cultural values to business performance.

Networking has contributed to the growth of the companies through various internal and external dimensions. In the highly fragmented designer fashion industry consisting of small firms, with few holding commanding positions in the market, networks facilitate and represent alternative business strategies. Entrepreneur studies have recognized the need of networking for small and new firms (Birley, 1985, Dollinger 1981). This is particularly important in generating the resources needed for a business to survive during the setting and forming period. Networking increasingly is seen as *"Primarily a means of raising required resources"* (Ramachandran & Ramnarayan, 1993 p.515). Because of the resource constraints, in terms lack of staff and limited resources, networking improves their access to information, capital, personnel, raw materials or merchandise, customers, and facilities (Sandberg, 1997).

### Networking as a Business Resource

All companies had used networking to support the growth of their companies. Chart 9 shows the results that indicate that all of the co-founders had been entrepreneurial in networking opportunities and had used them as an important start up resource.

**Chart 9 Question 11 Companies' Networking Comparative**



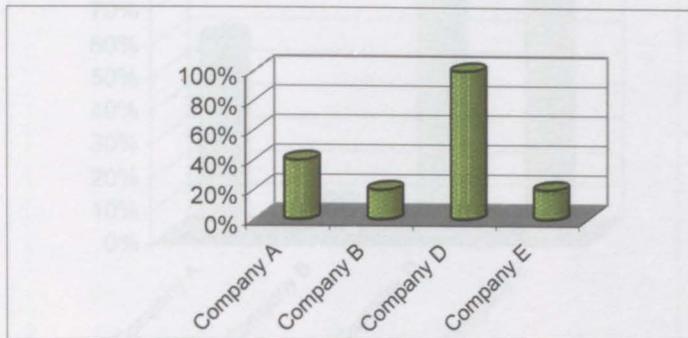
### Personal Contact

Chart 10 shows the results of the personal contacts. It indicates the Company D has used high use of personal contacts as an additional resource to support the growth of the company. All of the other three companies have moderately used personal contacts in the growth of the company.

quantity of operational inputs without to create the image of the company, and the communication of new product ranges.

Chart 12 Question 14 Companies' Image Making Network Comparative

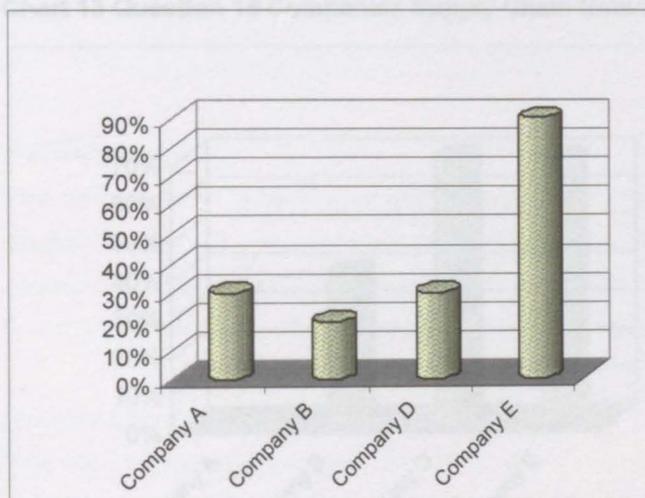
Chart 10 Question 12 Companies' Personal Networking Comparative



### Business Support

Chart 11 shows the results of the business support network. The results indicate that Company E have high use of business support contacts to assist in the start up processes. All of the others companies had low use of business support networks to drive their businesses forward.

Chart 11 Question 13 Companies' Business Support Networking Comparative

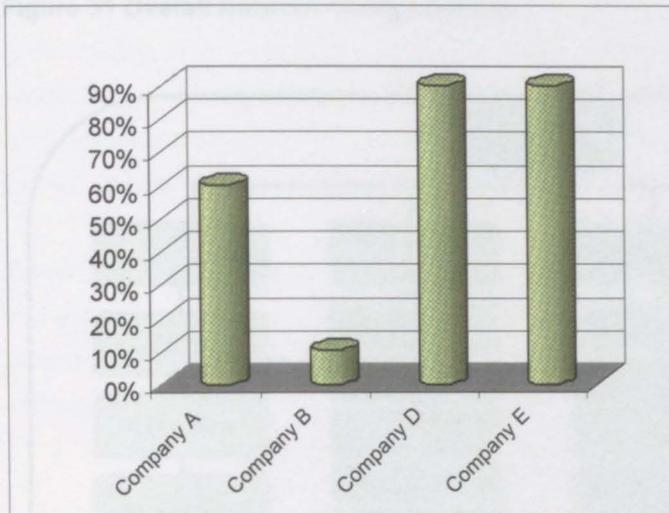


### Image Making

Chart 12 shows the results that indicate that Company B had not used strong visual images to promote their business services. All of the other three companies had extensive image making network contacts to use for the marketing communication aspects. From the image making networking, this can be divided into sub groups, which have been organised under image, identity and event makers. The results illustrate the

quantity of specialist inputs needed to create the image of the company, and the communication of their product ranges.

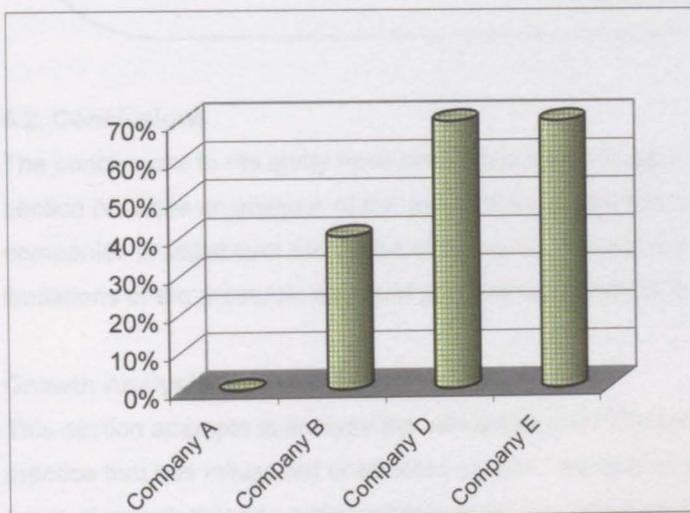
**Chart 12 Question 14 Companies' Image Making Network Comparative**



### Supply Chain

Chart 13 shows the results that indicate that Company A did not at present use any supply-chain networks in their business developments, where Company E and D had high use of supply chain contacts.

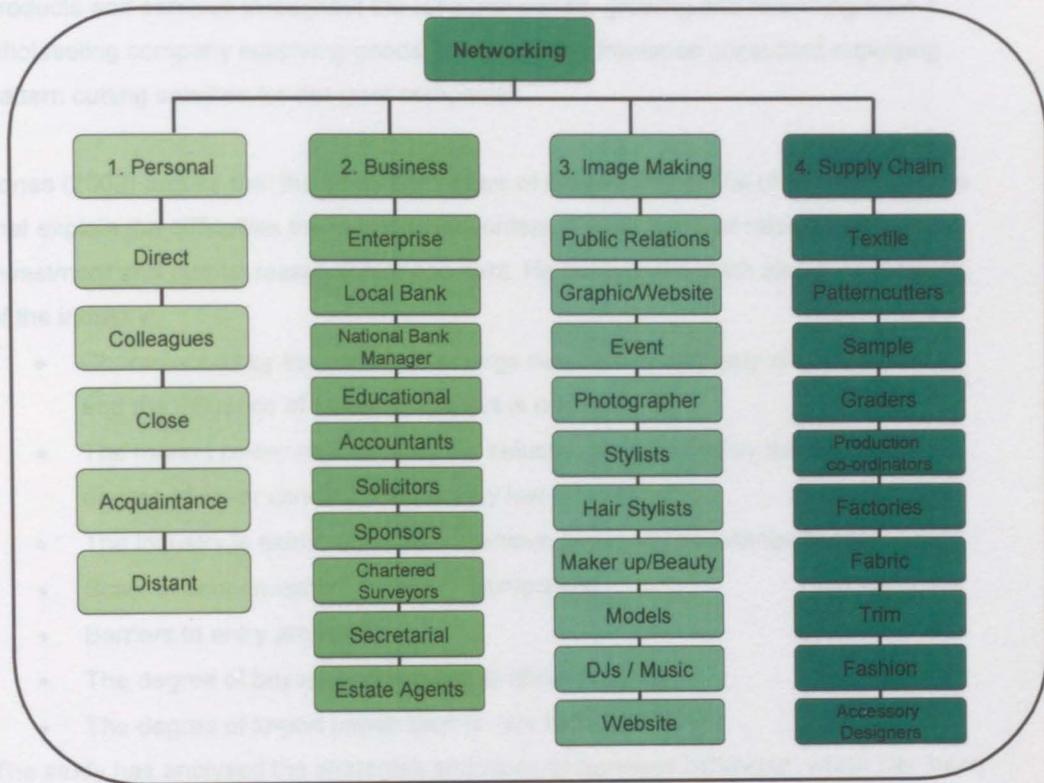
**Chart 13 Question 15 Companies Supply Chain Network Comparative**



The following figure illustrates the overall network configurations that the companies have to co-ordinate in the development of their businesses. The network management practices of these companies and this configuration model could help future planning and guidance for early start-up business development. Figure 31 shows an overall network configuration model that demonstrates the diversification and nature of business

relationships needed in the early stages. The nature of network relationships is formed from collaborative as well as transactional practices. The model could assist in better strategic management of the incubation business processes.

**Figure 31 Overall Network Configurations**



## 6.2. Conclusions

The conclusions to the study have been presented through three perspectives. The first section provides an analysis of the growth dimensions that has influenced the companies practice over the period of the study. The second section explores the limitations of the research, and third provides recommendations for future research.

### Growth Analysis

This section attempts to analyse the similarities and differences of the companies' practice that has influenced or affected growth. The second attempts to identify the types of growth that has been undertaken during the period of study. Finally the third level of analysis has been undertaken to explore the stages of growth in relation to key management functions.

As Hill, Nancarrow & Wright (2002) suggest that in recent years small and medium-sized enterprises (SMEs) have come to play an increasingly important role in global economies. The small businesses examined in this study are all currently growing and

maintaining a presence in the industrial environment. The companies, in spite of their differing personalities, continue to pursue their business objectives, however with different rates of growth. The research has revealed the companies have to be flexible and agile business operations, constantly adapting to changing conditions. The concept of flexibility is evident through Company B who has had to reposition and adapt its products and services throughout the research period, growing and reforming from a wholesaling company supplying goods, to a specialist freelance consultant supplying pattern cutting services for designer companies.

Jones (2002) argues that the small firm nature of the industry is one of the main factors that explain the difficulties the industry encounters in such areas of raising finance, investment and human resource management. He outlines the main structural features of the industry:

- Characterised by the presence of large numbers of relatively small operators and the influence of small companies is unusually high
- The market power exercised by the industry, as indicated by the very low degree of seller concentration is very low
- The industry is extremely labour intensive and is not knowledge based
- Scale of economies are relatively unimportant
- Barriers to entry are low
- The degree of buyer concentration is abnormally high
- The degree of import penetration is very high and rising

The study has analysed the strategies and types of business behaviour, which has been used to achieve growth. The approach has been to compare two particular stages of growth from companies in early stages of development to companies in more established stages of development. The study has compared the actions of designer/owners to identify growth characteristics. Variables have been selected from the data collected to determine the patterns affecting the growth of the company.

- Over time the companies have adapted and shifted into new markets/new services in which they operate (*Company B is a prime example of this growth pattern*)
- Growth is not directly related to financial profitability, more with survival patterns (*Company C continues to operate, but is not achieving financial growth, however, product diversification is one area that is being used for business growth*)
- The ability to develop managerial skills appears to be a skill in growing the business (*All companies were aware of the need to improve their managerial skills to cope with the changes experienced during the early stages of development. Company E was particularly aware of their weaknesses and were active in attending business seminars to improve their knowledge.*)

- The companies all have weak personal procedures and practices (*All of the companies did not address the issue of strengthening their core team skills and abilities through strategic business planning and improving their staff development and selection procedures*)
- Companies use below-the-line promotion strategies in the marketing of the products/service
- Growth has been achieved through generally having to learn more about marketing (*Company A and E who were new companies were the most proactive in promoting and marketing their services/products, through constantly rebranding and refining their aesthetic and product/service identities*)
- The ability to adapt to changing market conditions, through product diversification (*All the companies were proactive in coping with new product/service opportunities to grow their businesses*)
- Proactive in developing new product offerings for customers (*Company E had intentionally been exploring collaborative projects to offer additional diverse range of products in the new retail outlet, as well as linking with clubs to market their products through entertainment formats. Company D were continually developing new product ranges to grow the business*)
- Broadening and defining their customer base
- Entrepreneurial in securing finance
- Developing better management skills to identify strengths and weaknesses. (*The management styles of the co-founders were based on interpersonal roles*)
- Public relations has been the primary method of promotion.
- Image-making networking was primary collaborative, whereas supply chain network was transaction.

### Factors Affecting Growth

There were similar growth patterns experienced by all the companies from early stages of development to a more stable business operation:

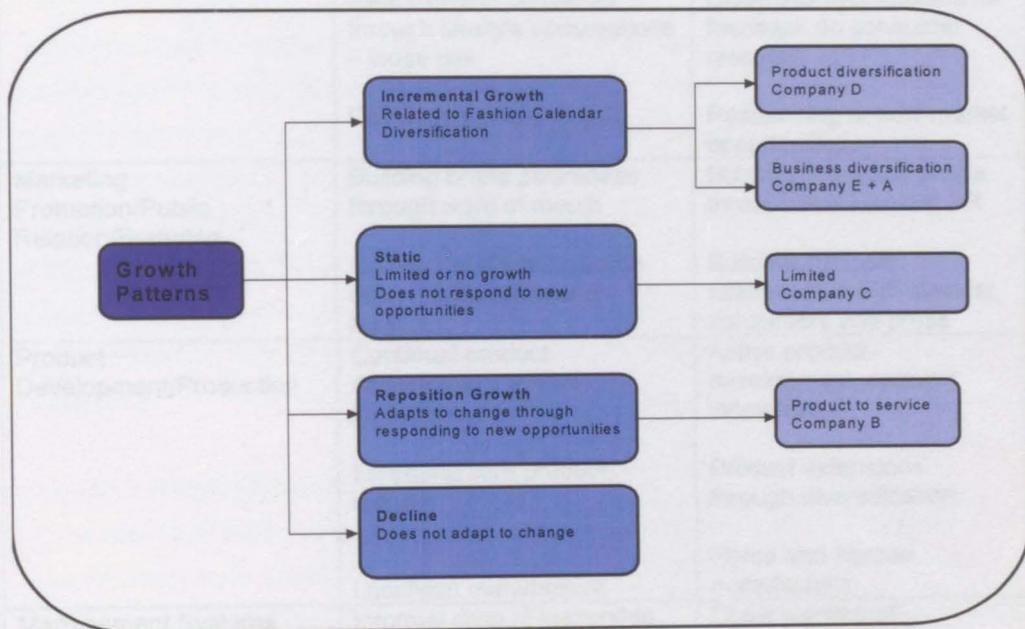
- Being part of a business community through either location or from taking advice from government agencies
- Controlled and incremental expansion through increasing their stockists/clients each season
- More focused marketing efforts, through employing professional public relations input
- Building brands through proactive promotional methods to increase their profiles and identities
- Proactive networking to provide structural and competitive benefits to the business

However, there were differences in growth patterns in particular the people management to provide additional resources. Company A and E were particular good at building supportive unpaid teams during the early stages of their business. Both co-founders demonstrated charismatic personalities to motivate and inspire teams to work for them with limited financial rewards. Team formation to provide intensive labour resources was achieved through intentional networking connections.

### Types of Growth

The patterns of the companies have been explored through four types of growth. Figure 32 shows these four strategies in relation to how the companies are managing change through product diversification, business structural diversification, product extensions, repositioning, and reforming of their company products or services. There is no evidence to suggest which strategy will achieve better profitable performance, but it does demonstrate that the companies are adapting and learning to cope with their environments, and sustaining their businesses.

**Figure 32 Companies Growth Patterns**



### Stages of Growth

Further analysis has been undertaken to identify the stages of growth in relation to the emerging company and the survival company practices. The stages of growth indicate the changes that have occurred from the early years to the survival years. Table 47 explores the company growth using 5 main dimensions, ownership; business strategy; marketing strategy; production; and management styles which are specific to the fashion

industry (adapted from Churchill & Lewis, 1983). Table 46 outlines some of the key areas in which growth has been achieved.

**Table 46 Comparative Existence and Survival Growth Stages**

| Growth Dimensions                            | Start up/Existence 0-3years  | Survival 3-6 years   |
|--|--|--|
| Ownership                                    | <p>Founded by designers</p> <p>Company directors oversee all functions</p> <p>Lifestyle/highly informal social interactions</p> <p>Key peer networking activities</p>                          | <p>No change to ownership</p> <p>Company structured with key functional managers</p> <p>More formal interactions with press and buyers</p> <p>Key professional networking activities</p>                                 |
| Business Strategy                            | <p>Awareness of competitors</p> <p>Serving local market</p> <p>Narrow consumer base</p> <p>Awareness of consumer through lifestyle observations – loose ties</p> <p>Developing new markets</p> | <p>Not so concerned with competitors</p> <p>Involved in export market</p> <p>Broader consumer base</p> <p>Close ties with retailers for feedback on consumer reactions</p> <p>Responding to new market opportunities</p> |
| Marketing Promotion/Public Relation/Branding | <p>Building brand awareness through word of mouth</p> <p>Growing relationships with consumers, press and buyers</p>  | <p>Building the brand profile through Professional PR</p> <p>Building stronger relationships with stockist, consumers and press</p>  |
| Product Development/Production               | <p>Continual product development, limited innovation</p> <p>Emerging core product ranges</p> <p>Localised manufacture</p>  | <p>Active product development, ongoing innovation</p> <p>Product extensions through diversification</p> <p>Home and Abroad manufacture</p>   |
| Management Systems                           | <p>Informal style of leadership</p> <p>Workforce based on student placements</p> <p>Mainly part time/freelance working patterns</p>  | <p>Close working of professional core team</p> <p>Functional division of labour</p>  |

These dimensions all play a part in achieving and sustaining growth during the incubation and early stages of development. There is a long period before the business becomes complete financially viable and therefore key specialist experts can be employed on a regular basis to take the business onto the next level. All of the companies in the first three years undertook a range of freelance, casual employment to

finance the development of their label. Even the company that was in existence, the designers still had to work on freelance projects, take on consultancy and were visiting tutors at universities.

The stages of growth have been further explored through six variables, sponsorship management; levels of employment; number of stockists; Public Relations activities; promotional methods and networking configurations. Marketing activities in terms of public relations and promotion were the most important function in the early stages of building their profiles. The designers actively had to showcase and present their products on a continuous basis to different fashion professionals, such as stylist, photographers, and journalist. The main objective was to gain press and media exposure to raise awareness of their goods. As a consequence the resulting press coverage was essential to secure sponsorship from larger companies, who wanted to be associated with new and emerging talent. Launching the first designer collections through off schedule catwalk shows normally involved designers having to raise the finance themselves or actively seek sponsorship.

Managing these main areas appears to be central to the early growth stages of the fashion company. However, entry into the market place and sustaining a position in the market place is an important business decision. The entry strategy adopted by the various companies has ranged from small-scale penetration such as market stall trading, through to wholesaling. The entry into the market place has been achieved through different approaches. Successful growth patterns are linked to high active levels of networking, combination of social and professional networking partners, strong entrepreneurship to managed the resource constraints associated with small-scale operations.

### **Growth through Sponsorship Management**

One pattern that emerged from the research findings was the role of sponsorship in providing important financial support. All of the designers operated with very limited resources, and they had grown their businesses through the entrepreneur ability to raise finance and capital to launch new collections, through sponsorship, loans or private funds. Sponsorship was a core financial raising activity undertaken by all the designers on a continuous basis throughout the year. It involved numerous meetings with potential sponsors as well as existing sponsors to negotiate either cash input or endorsements/and use of their products in the marketing activities. This ongoing search for sponsorship deals to support the development of their new collections and businesses was seen as critical to growth.

There were two main types of sponsorship deals used in the development of fashion design business. Depending on the life cycle of the company, the number and range of sponsors increased. In the early start up stage, the companies relied on drinks/food companies to provide free beverages at social events and parties as the main source of sponsorship. In the survival stage, companies were sponsored through media and music links to provide additional resources to raise their brand profile. In the existence stage, social related sponsorship to support the promotion and public relation activities were easily secured. Free or reduced costs venues for off schedule catwalks, were not difficult to secure. It provided benefits for both venue owners, by attracting large crowds, and provided a space for designers to showcase their collections. In addition, sponsors were sought to provide drinks, food, and other small gifts for the launch parties and campaigns. The socialization sponsorship provided free entertainment type products to attract buyers and press to an event. This type of sponsorship collaboration enabled the designers to present their collections in association with other lifestyle products and brands.

Company C attracted better sponsorship to support not just the space to show their collections, but lifestyle products to strengthen their collection identity and impact. Designers would approach beauty, hair, shoes, jewellery, accessory companies to feature their goods for photographic shoots, for catwalk events, Designers were constantly seeking new products to use as part of their promotional campaigns. Being associated with new lifestyle products benefited both parties. Both parties would benefit from the production of photographic images, which could be used for further marketing opportunities.

During the early stages of development, the designers approached potential sponsors for marketing opportunities. Formal sponsorship contracts are produced with clear and specific promotional and media outcomes, which are normally negotiated through the public relation company. Company C had been successful in securing sponsorship to launch his company, and maintain sponsorship contracts with fabric/fibre companies to provide funds for the catwalk show. Fashion companies in the survival/success cycle, would attract media sponsors, as these designers normally had celebrities who were wearing their products. Media related sponsorship to support the promotion of the label. Media sponsors, in particular television companies were actively looking to be part of high profile events such as London Fashion Week. It benefited the designer by being featured on television programmes, and benefited the sponsors by producing programmes, which are right for the youth markets. Company D had achieved growth of the company through media sponsorship and celebrity sponsorship. Growth of the companies was strongly linked to the scope, quality and range of sponsors. The ability of the designers to be constantly proactive, and expand time and energy into forming

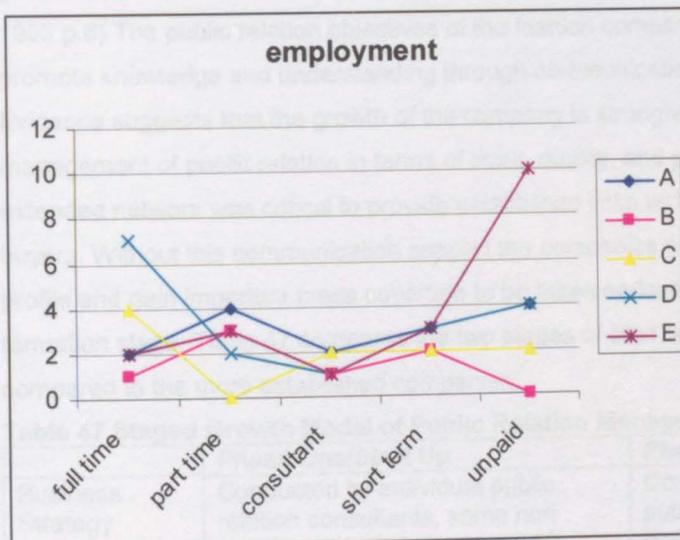
relationships with sponsors was more likely to receive these inputs that would otherwise not be possible from the commercial transactions of selling the collections. The benefits for these sponsors ranged from being associated with new talent and the marketing outcomes, which could be used for further public relation and promotional events during the season.

The sponsorship connections were primarily formed through two main approaches, public relation company connecting the designer to their own network of contacts, and secondly through the personal and extended designers network. Raising sponsorship for this form of backing was an ongoing process. When media sponsors were secured, it was based on several criteria, the past performance of the company and their press coverage, the potential of the designer collections to sustain press interest. Other sponsors were related to the launch parties, and their lifestyle products being used by key fashion influencers and early adopters. The sponsors and their products were used to test market new lifestyle products, such as new drinks, chocolate suppliers, and other luxury items. The more established companies had extended the range and number of sponsors during the development of their business.

#### Growth through Employment Levels

The employment patterns for the small fashion designer company were also an indication of their continuing success to sustain their business growth. Chart 14 indicates the different employment patterns of people working internally and externally for the companies. Employment of people was mainly on short-term projects, freelance, and through sub networks. No formal process of selecting new employees was in place in any of the companies. Employment was through word of mouth recommendations or through networking contacts. Company E made extensive use of student labour during the initial stages.

**Chart 14 Companies' Comparative of Employment Levels**

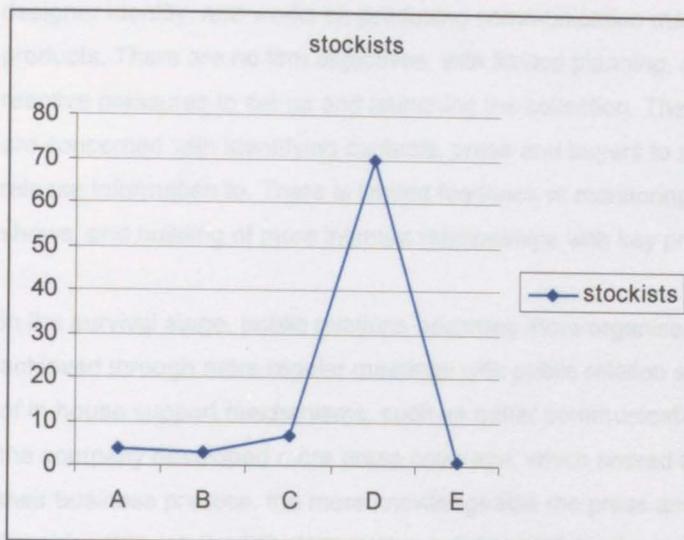


The diversity of employment patterns indicates the need for intensive labour inputs at certain times of the year, which support the diversity of functions needed to sustain their company evolution.

### Growth through Stockists

One measure of quantitative success of the company performance could be linked to the increase in the number of stockists who sell their products. Chart 15 indicates that Company D have been the most successful in achieving continuous and rapid sales growth over their life cycle. The company, through using a professional public relation company to oversee their promotional activities, could link one reason for the successful sales performance to the marketing efforts.

**Chart 15 Companies' Comparative of Stockists**



### Growth through Public Relations Activities

*"Public relations practice is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics."* (Jefkins, 1993 p.6) The public relation objectives of the fashion companies were primarily to promote knowledge and understanding through communication and transfer processes. Evidence suggests that the growth of the company is strongly related to the management of public relation in terms of input, quality, and processes. The PR extended network was critical to provide established links with key press, media and buyers. Without this communication support the companies struggled to raise their profile and gain important press coverage to be taken seriously during the label formation stage. Table 47 compares the two stages of start up public relation efforts compared to the more established companies.

**Table 47 Staged Growth Model of Public Relation Management**

|                              | Phase One/Start Up  | Phase Two/Survival   |
|------------------------------|---|--|
| Business Strategy towards PR | Conducted by individual public relation consultants, some non fashion specialists, or through | Conducted by professional public relation company, who have established links with |

|                |   |   |
|----------------|---|---|
|                | personal contacts<br>Informal relationships using friends,<br>personal contact networks | press and buyers<br>Formal relationships with PR<br>companies, using specialists<br>to drive the campaigns and<br>strategies.         |
| Planning of PR | Ad hoc public relation objectives<br>with no measurable outcomes being<br>formulated    | Strategic and goal orientated<br>objectives with evaluative<br>reporting systems on the<br>effectiveness of the seasonal<br>campaigns |

In the existence stage, public relations is organised informally mainly through freelance consultants. These individuals who normally, have worked for a company for several years, then set up their own PR Company, on a freelance basis. Table 45 shows the management at the early stages, using the public relation support to help define the designer identity, and works on producing communication material to present the products. There are no firm objectives, with limited planning, and are based upon reactive pressures to set up and launching the collection. The public relation activities are concerned with identifying contacts, press and buyers to send invites, and press release information to. There is limited feedback or monitoring of who attends the shows, and building of more intimate relationships with key press or buyers.

In the survival stage, public relations becomes more organised, and planned. This was achieved through more regular meetings with public relation specialists, and the building of in-house support mechanisms, such as better communication with sub networks. As the company developed more press coverage, which proved their capacity to sustain their business practice, the more knowledgeable the press and buyers became. Breaking through the PR glass ceiling to infiltrate the more established journalist to get coverage was a constant challenge.

In the survival stage, external public relation companies were used to co-ordinate and maintain their presence in the consumer and industrial environment. Formal public relations played a continuous role throughout the seasonal cycle. All companies used external public relation companies and consultants to develop their company profile and identity. The public relation companies worked throughout the season continuously feeding information and stories about the designers and their collections. The relationship with the public relation companies were based on tightly coupled ties, with the PR becoming the power behind the relationship.

The dependency on the PR companies to work on behalf of the designers, in particular the early stages, was also based on a no fee basis, in the hope that as the designers grew their businesses, they would become more financial viable. The choice and selection of the public relation company was achieved through word of mouth recommendations, or through being approached by the public relation company

themselves. The communications between the designer and the public relation company were mainly based on regular meetings to review, plan and propose new ideas for more effective ways of enhancing the company identity. The public relations company maintains links with journalist, editors, and other fashion magazines professionals to ensure that the designer's collections are featured regularly. In addition, they keep records of any press received during the season and build press books of articles, features and other press coverage, which is then used to further strengthen their presence in the designer fashion market. The objectives of the public relation collaboration are based on mutual accountability, to ensure that both parties have equal impact or rewards. The public relations were constantly communicating with the retail buyers to present new collections.

#### **Growth through Promotional Methods**

However, promotional methods were the internal responsibility of the designer/owners. They were in control of their promotional objectives and maintained the creative identity of their collections. The promotional activities were conducted on a discontinuous basis throughout the fashion cycle, with key promotional events such as catwalk shows at London Fashion Week, dominating their budgets and time. The key promotional activities were targeted at certain times of the year to gain maximum press and media attention at key events associated with the fashion calendar. Sub promotional events were happening throughout the season, but on a smaller scale. These lower profile events were undertaken to strengthen local awareness. Table 48 shows how the promotional methods change from start up through to establish company stages.

**Table 48 Staged Growth Models of Promotional Methods**

| <b>Phase One</b>   | <b>Phase Two</b>  |
|--|---|
| Promotion of the collections/services through small, low budget presentations or shows | Promotion of the collections/services through high profile, defined budget events to raise the profile of the brand/label to existing and new customers/suppliers |
| Promotion events normally sponsored by drinks company, through launch parties          | Promotion events supported financially through previous sales and sponsorship contracts with large corporate companies  |
| Promotional objectives not set, but embarked upon from personal input                  | Promotional objectives set, but not necessarily measured in terms of press value  |
| Raising of brand/label/service profile achieved through website,                       | Strengthening of brand identity through continuous promotional activities   |

### **Growth through Networks Configurations**

From the research findings, it illustrates the different types of the networks supporting the business infrastructure. The majority of the companies had similar network configurations that included:

- The core team (*small group of specialists that had multi-tasking skills, consisting of committed individuals who worked during the early stages of the business formation for expenses or low wages*)
- The business support network (*based on groups of government and or official support systems that provide free advice and consultancy during the early stages of business growth*)
- The image making team (*collaborative relationships, based primarily of weak ties, with unpaid financial transactions being the norm*)
- The supply chain network (*based on exchange relationships that formed the production of the products/services, with paid financial transactions.*)

Networking is a crucial aspect in the process of starting the designer fashion company, and can be identified as an important growth dimension. The networking actions provided a range of benefits, in terms of introducing new people to work for the company, on either permanent or freelance basis. This maximised efficiency associated with employing people and reduced the risk of the person not being right for the company culture. As no formal interview or staff selection processes were undertaken, the new contact or employee were either recommended or were known in some sort of capacity prior to their input.

The individual fashion designer has to pursue opportunities to launch their businesses to an external environment. Networking promotes the economies of time and energy, enhances communication with external environments and forms the diverse range of contacts that are imperative to remain competitive in the dynamic and changing market place. All of the companies were network oriented, with a close web of contacts, and specialist who they depended and drew upon for a range of input services. Direct friends or peers who also worked in the creative industries environment primarily formed the structure of the networks. Large sets of similar individuals working as small independent companies or self-employed individuals formed the personal networks of the designers. The relationships that existed within these personal peer networks consisted of strong ties, which provided both opportunities on the one hand and dependency on the other. The personal peer ties were formed at university, through work placements opportunities, or through socialising at fashion events.

A range of benefits was gained through the personal peer network, mainly in relation to trust. Trust is an important part of business dealing, and is enhanced through self-interest. The mutual benefits associated with trust are strengthened when people feel there is a good chance of dealing with each other in the future. The close relationships built through the personal peer network resulted in being able to resolve conflict through responding to problems openly and working through difficulties (Dubini & Aldrich, 1991). The majority of personal networks had evolved over a period of time, on a slow process; normally starting with a minor transaction with little risk involved, and limited trust. The fashion designer peers would offer work or freelance contracts through this closely coupled personal peer network. In some cases, these relationships had continued onto further transactions in which both parties could prove their trustworthiness.

The role of strong ties is that they provide easy availability support and provide greater motivation during the early years of start up, when resources are severely constrained, and a wide span of specialist are required to launch the business. The peer relationships in the densely knit network are based not on transactions or competitive advantage but on mutual collaboration for both parties involved. The reliance of strong ties during the early development period reduces the high probability of business failure.

The increase in the number of weak ties has been developed through wider communication systems, and the spread of their market appeal. The weak ties, in the form of acquaintances, provide people with access to information and resources beyond those available in their own social circles. In one company the distribution between strong and weak ties, were moderately balanced, 53% weak ties and 47% strong ties. According to Granovetter (1973), weak ties are particularly important because it offers a wider span of contacts, which in turn can contribute to creating more diverse opportunities and increasing their profiles. Weak ties, acquaintances as compared to strong ties, close friends are more likely to operate in circles different from their own. Those who are the closest are likely to have the greatest overlap in contact with those one already knows, so that the information to which they are privy is likely to be much the same as that which already has. Weak ties are seen as positive to contributing towards expanding the number of business opportunities.

The diversity of the networks is crucial to the breadth of opportunities needed to sustain the initial period of trading. The balance of strong and weak ties and a large set of diverse ties appear to be conducive with the more successful companies, who were still surviving and trading. The most effective firms are those in which the personal and extended networks coexist, the extended networks associated with organizations and the informal, personal networks associated with the individual. These strategies work

best if there is an internal consistency between personal and extended network strategies (Dubini & Aldrich, 1991).

### **Collaborative Networks**

Collaborative networks or contacts with people outside the core team indicate that they provide the entrepreneur with information sources about resources that may not be accessible within the firm and enable better competitive strategies (Van de Ven et al, 1984). He argues that high performing entrepreneurs tend to be more externally oriented and maintain richer, broader and more complex networks of ongoing relationships with people outside the firms. Entrepreneur literature also suggests that entrepreneurs are more externally oriented (Jarillo, 1988) and willing to accept the advice of outsiders (Robinson, 1982). As Powell et.al. (1996 p.119) notes, *"The complex reality of rapidly changing fields, in which knowledge is both sophisticated and widely dispersed, demands a range of intellectual and scientific skills that far exceeds the capabilities of one organization"*.

The frequent contact with collaboration networking allows the designers to effectively obtain information and other resources that are relevant to the success of the company. As the new companies have relatively few internal resources in which to obtain and synthesize information compared to more established firms, the benefits of frequent contacts with external network members will be most pronounced in the youngest of companies. The designers were engaged in social collaborative networking activities primarily through the image-making network. The designers spent a considerable amount of time establishing and maintain such networks to develop their marketing and promotional strategies especially in the early stages of growth. Although the anecdotal evidence suggests otherwise, the explicit performance benefits of frequent social networking activities have not received widespread empirical support. Aldrich, Rosen & Woodward (1986) reported a positive relationship between new firm survival and the average number of times per week the entrepreneurs had contacted the members of their personal and social contact network.

These findings are consistent with the designer fashion companies, who were continuously talking to contacts on the mobile phone, the use of email, and the social visits to meet people who could support them in the early stages of growth. Social networking is particularly important since they play a vital role in collecting and synthesizing information (Borch & Huse, 1993).

### **Limitations of the Research**

The study has attempted to explore in breadth some of the key management issues affecting the fashion designer company. It has attempted to identify some of the practices involved in building a creative company, in terms of the branding, promotion and networking approaches. The research will provide a context for further in-depth studies into particular aspects to examine relationships between public relations and

networking: branding and networking; promotion and networking. The research has attempted to provide initial insights into how the creative industries function, and some of the management issues that exist in this area.

#### **Size of the sample**

The study has limitations due to its small size, but it does provide the impetus for further research into the use of the relevant small business development activities. The project could lead to a better understanding of the launching strategies that are used by small designer fashion companies and subsequently the growth dimensions used to sustain long-term success. The study indicates that different networks prove to be useful at different stages of enterprise growth and expansion. During the venture creation stage, entrepreneurs cannot afford and pick and choose their contacts. Another area of further research is the need for differentiation between types of networks and the resource implications of the growth stages.

#### **Narrow Scope**

The investigation has explored micro company management practices, with emphasis on the fashion business. This narrow scope of the project does not provide the comparative distinctions between other creative industries practices and does not provide the generalist insights that could improve other creative practices. However, the designer fashion sector, does use inputs from a wide range of creative professionals, in their business development, such as graphic designers, photographers, web-designers, art directors, film and media specialists.

#### **Creative Practices**

Capturing data in creative situations and the fast changing environment has provided research problems to ensure that the information has been collected and presented in a systematic manner. The research has attempted to provide further frameworks for testing theory analysis and measurement, which has not been achieved at this stage of the research.

#### **Recommendations for Future Research**

Further systematic research has to be conducted to identify the relationship between the entrepreneurial and innovation capabilities of the designer/owners. The importance of developing new products and services that offer distinctive and unique benefits to the consumer has not been touched upon in depth. The role of creative thinking does require further research to identify how these competences could be enhanced and strengthened in the business planning stage. In addition, the experiential nature of 'learning through doing' on the job business development could be improved by better understanding of the reflective and evaluative processes.

#### **Educational Recommendations**

To enable designers to be aware of the pitfalls and obstacles that they may face, the visual case study will help to reduce the mistakes and failures involved in sustaining

company development and growth. The educational environment, especially at postgraduate level offers opportunities to build and bridge the gap between educational incubation environments to commercial enterprise environments. The research has revealed the need for raising the level of business and marketing awareness, but firmly embedded and linked in the creative design process. It is recommended that using visual case study profiles to raise their level of understanding and knowledge of similar types of creative practice could improve the changes of long-term success.

These simulated business experiences could provide a strong platform for achieving faster growth with less uncertainty. The case study has been presented using visual images to illustrate the main six stages of the first two years of growth of one company. The use of mainly images in the training manual has been designed to make the complex stages more visible and user friendly for creative individuals.

### **Business Recommendations**

During the initial incubation stage the visual case study profile could provide insights into one company has achieved their business objectives, however, this does not provide insights into the types of strategic decisions that have to be made in order to sustain their business. The self-assessment guide has been developed to assist in the strategic decision making processes, especially in the analysis and choice stage. Companies who have already started the business, and require further support in the three areas of branding, promotion and networking could use the self-assessment guide. The guide has been designed to incorporate the types of good practice that could help improve management and business functions.

### **Future Research**

The study has revealed the importance of three other areas that need to be explored in greater depth to encourage strategic growth, that of sponsorship management, international marketing networking strategies and international expansion opportunities for business developments.

#### *Sponsorship Management*

Sponsorship plays a central role in providing the company with financial resources as well as associated resource inputs throughout the business development. Sponsorship management has only been touched upon in the research, and has not been fully explored at this stage. However, it is important to explore the role of sponsorship, the nature of sponsorship opportunities and its relationship to the company growth.

#### *International Marketing Networking Strategies*

The study has looked at different categories of networking types, but has not explored in more depth the interaction and communication systems used to expand the business. Further research into networking structures and interactions in particular for coping and dealing with international markets would reveal the nature of the network diversity and density that could potential contributes to the growth of the company. Global networking

is a critical factor in maintaining long term relationships that support the business, marketing, and production functions.

#### *International Expansion Opportunities*

Further investigation needs to be undertaken with regards to how designer companies entry new international markets, what are the most appropriate channels for expansion and opportunities. The objectives of this further research would be to explore in more depth the socio-cultural differences and diversities of international fashion centres (in particular Tokyo) for developing entry strategy knowledge. The research needs to be undertaken to examine the strength and weakness of the potential of new marketing opportunities in entering, promoting and selling designer fashion goods for business growth developments through exporting. In addition, further work needs to be undertaken to compare different export strategies in order to assess the most appropriate business strategy, in relation to wholesaling/franchising/licensing opportunities and threats.

#### *Dissemination of Findings*

The dissemination of the findings could be channelled through the Local Business Support Agencies, in the form of seminars and website reports. In addition, there needs to be collaborative regionalised Creative Industries Research Groups set up to make connections between the incubation, launch and business stages which should incorporate the three types of stakeholders, namely education, industry and business support agencies.

Further dissemination stage could be in the form of educational presentations of Tokyo research trip visual images and narrative to both undergraduate and postgraduate students. The project could be undertaken using a number of research methods, from photographic visual evidence, journals, and written reports. The photographic evidence of consumer/lifestyle through shops visits, cultural centres, media channels, published formats (e.g. magazines, and other promotional materials that demonstrate and show the visual image/identity) The second type of evidence could be captured in the form of research Journal/Diary of day to day observations and activities undertaken during the international trip, to document contacts, networking and other information gathered which can be used as a basis for further analysis and evaluation. The third type of evidence could be in the form of written accounts and critical incidents that report and summarises the key lessons learnt from such a business trip. These types of primary research activities can begin to identify best practice for future designers.

## Chapter 7 Reflections of the study

### 7.0 Introduction

This chapter attempts to reflect on the study and explores some of the strengths and weaknesses of the investigation. The study has demonstrated the difficulty of investigating situations that are creative and informal in their nature. It has also revealed the problems of researching into individualism of practice that form this complex and diverse sector. The creative activities of these businesses do not follow any predetermined business model, and limited conceptual frameworks have been developed as tools to help the analytical process. This research is an attempt to understand the diversity of this sector and improve their competitiveness. The entry routes into the industry are limited, and can on average takes up to 18 months before any real profits can be made. This long incubation development processes has implications for sustainability and better support mechanisms need to be initiated.

The research study has resulted in several outputs that have been presented at international fashion marketing conferences, as well as contributing to several EU regional, national and international fashion development projects. The networking findings has been further analysed and presented as a paper at an International Fashion Marketing Conference in June 2005, at London College of Fashion. One co-authored paper has now been published in the Journal of Fashion Marketing and Management May 2005, Rocha, M.A, Hammond, L., Hawkins, D., (2005) Age, Gender and national factors in fashion consumption, Journal of Fashion Marketing and Management, Vol 9, No4, 2005, pp 380-390. The researcher has been part of a development team for a European Union Interreg Project to develop fashion districts between France and the United Kingdom and the different initiatives to support incubator fashion units. In addition, the researcher is contributing towards a EU project to improve competitiveness of SMEs' in Turkey.

### 7.1 Reflections on the Micro Management Practices of the Fashion Companies

The central concerns of the study were to reveal the micro management practices associated with managing the fashion design processes and activities and the areas to be strengthened. The questions the research attempted to reveal are related to the tensions that exist between creativity and commerce.

- Is the creative function managed efficiently throughout the fashion product development processes so this competitive advantage can produce profitable results?
- Is commercialisation of product/services managed effectively in their business practices so as to achieve better sustainability?
- What type of initiatives and support mechanisms could be developed to strengthen their growth potential?

Creative designers have very limited technical product development knowledge and skills, which can cause inefficiencies in managing the product development processes. Their lack of market

and consumer knowledge results in poor and ineffective commercial and sustainable business performance. The need to strengthen their technical and marketing capabilities are paramount, without losing their creative capabilities of being able to generate new products which in turn gives them a competitive advantage in the market place. The study has revealed a set of creative indicators that were strongly evident in their management practices:

- Strong informal relationships between the teams
- Strong flexible working patterns and practices of the individuals and specialists
- Strong individualistic codes of conduct
- Highly independent nature of individuals working in these creative environments
- Highly experimental nature of the fashion design process involved in the generation of ideas phase
- Highly unpredictable and open-ended routines
- Loosely defined organisational structures

The study has revealed a set of commercial indicators that were weak in their management practices:

- Low use of market and business reports to inform new collections/products
- Low use of technology to support the design, and prototype development phase
- Low use of competitive research and analysis affecting their businesses conditions
- Low use of consumer research and profiling to improve customer satisfaction
- Low use of marketing and product positioning tools to identify their competitive strengths
- Low use of cultural and physical difference analysis of global consumers for new market opportunities
- Low use of business planning tools to strategically manage change and growth

The study has revealed a set of management tensions that exist between creativity and commercialisation. These different tensions do have a direct impact on their capabilities to improve their efficiencies and effectiveness of their business performances so as to enhance their competitiveness:

- The management of processes causes tensions between the co-ordinating of creative inputs with tight controls of outputs
- Flexible organisational structures causes tensions between loosely defined organisation cultures and effective business performance
- Self-managing practices causes tensions between irrational creative approaches and systematic and sustainable business growth

These three management tensions have been explored in more depth.

### **Managing the tensions between creativity and production**

Fashion design organisations involve complex divisions of labour designed to carry out essential functions. Essentially this involves strong co-ordination of the inputs and tight controls of the outputs. The variety of inputs shown in the company interviews indicates the problems of managing the diversity of processes involved in fashion product development. The designer's abilities to control the processes that result in product/service outputs were not organised or systematic. The nature of output demands creativity to be inherent in the product development processes, but the balancing of artistic activities with commercial objectives was not apparent.

As the role of fashion design organisations is to produce a particular form of output, for a consumer or market, one key set of activities is directly concerned with the production function. The production tasks usually involve well-defined skills and technical competences acquired through formal vocational training as well as experience. The production of the fashion products was sub-contracted out to small factories or home workers. The communication between fashion designers and technical teams are problematic because of the differences in their experiences and educational backgrounds.

The second key element in the division of labour in creative organisations concerns the creative function. The creative function is represented by the roles and occupations, which are centrally concerned with the individual processes of creation, which conceptualize, interpret, communicate and motivate production. At the heart of such activities are reflective, interactive and intuitive processes with vague outcomes. To turn these assets into cultural forms successfully requires skilful organisation to cultivate talent, stimulate individual effort and combine complementary contributions for the realisation of a project. The tasks of co-ordination and control of creative organisations are the responsibilities of managers and administrators but with small companies this is undertaken by the designers themselves. These tasks are conceptually different from those of creation, although in some organisations they are likely to be combined. In small organisations a wide range of activities will be carried out by a small number of managers or even a particular individual. This was evident in all of the companies that the designer/owners performed the range of activities involved in all of the functions.

These organisational functions, do not in themselves represent or describe a division of labour but they indicate a distribution of activities, which are essential to the creative industries, which may not be found elsewhere. What makes creative organisations distinct is the interface between creative and managerial functions and the variety of ways in which this is experienced in practice. It may be the site of sharp conflict between commerce and culture it may be a place of organisational as well as individual and artistic creativity, or most typically a process of

negotiation and compromise. These experiences are reflected in the data derived from the interviews and they are used to categorize the forms of organisations, which are to be found across a range of creative industries. Observations of the fluid and shifting boundaries reveal a number of common features as well as important differences.

### **Design Capabilities Weaknesses and Strength**

The key weaknesses that inhibited their commercial activities were the inability to see potential value of their ideas and exploitation of concepts for new markets. The high costs involved in developing original collections and producing complex prototypes was evident with no technological applications being used to improve the speed and quality of the products. The company's inadequate production knowledge to instruct factories and other manufacturing services on the complexities of the products attributes was also an inhibiting factor to support the commercialisation effectiveness. However, the creative abilities to generate continuous supply of new ideas and concepts were high, with experimental processes to originate and create new looks and cutting techniques. The companies were also in tune with aspirational lifestyle trends associated with celebrity cultures to inform the development of new product ranges. However, there was not mechanisms in place to control the design processes which resulted in high labour costs and extensive time frames.

### **Technical Capabilities Weaknesses and Strengths**

The interviews showed the companies lack of technical knowledge and their problems to communicate with factories. It also show they lack of experience with dealing with production and quality demands. They had satisfactory technical competences to experiment with the first patterns and samples, but did not have the capabilities to convert these ideas into engineered products. Also the lack of technology used by the companies indicates the low priority to improve the production processes.

### **Managing the tensions between flexible organisational culture and effective business performance**

The results indicate that there are no formalised management systems or strategies in place to co-ordinate and control the creative activities involved in the product development processes. Success in product/service innovation depends on creativity as a key input, which provides a continuous supply of ideas, and the right environment as an enabler of competitive advantage. Creativity and innovation are two responses to a market that are likely to give organisations a competitive edge. The management factors that enhanced creativity but reduced commerciality was the informal nature of management styles, loosely defined organisation structures and lack of co-ordination mechanism to ensure ideas where aligned with market and consumer. These three factors have been identified that could be strengthened and supported better to improve risk and

opportunities. Certain factors must be in place if creativity is to be managed and organised more efficiently and effectively to strengthen their business performances. The companies business and marketing capabilities has been analysed to identify the key characteristics that could be strengthened.

### **Business Capabilities Weaknesses and Strengths**

One of the key weaknesses was the company's limited business planning abilities. Although the companies did have some form of business plan in place to secure finance and to inform their future actions, the business plans were basic and not detailed. In addition, poor financial knowledge and experience in business developments was evident, alongside limited financial investment to cope with seasonal cash flow cycles. The companies also where unfocused on the growth of the business as they where having to manage other projects to survive financially. However, their strengths were in using networking and sponsorship support to fund the promotional activities. The companies were all prepared to accept the risk of starting the business and where motivated by the autonomy of running their own company. In addition, the localised geographical location of the premises to their suppliers, contacts and networks provided a competitive advantage to their operational activities.

### **Marketing Capabilities Weaknesses and Strengths**

All of the companies display poor market research activities, with limited investigation being conducted in the form of research to identify their competitors, their consumer and potential market opportunities. The companies did not consult any market intelligence reports such as Mintel in their business operations, and did not use secondary market research reports to support the targeting of consumer profiles. In addition, no form of competitive analysis, to inform changing demands in the market place was conducted. The companies capabilities to recognise the role of marketing to improve more focused products and better targeted consumer profiles was insufficient to cope with sophisticated global markets. However, their strengths manifested through competent promotional methods to communicate their identify and new products. The use of word of mouth marketing methods was accomplished, and the use of informal contacts provides the companies with the necessary resources to produce low budget visual publicity. This strong use of social capital to improve the marketing budget was a key characteristic of the entrepreneurial spirit to raise the brand profile, and build important relationships with buyers and press. The public relation services to support the marketing effort, was well defined, and combined with creative promotional campaigns that did have media impact.

The dominant organisational structure of the fashion companies is one of informality and openness with very limited formal strategic directives, objectives and goals. Although this can be

seen as strength resulting in organisational flexibility the balancing of bureaucratic mechanism could improve the growth and expansion potential of the companies. The internal dynamics and attributes of creative enterprises are based on the tensions between systematic organisational structures and routines that are open-ended, and unpredictable.

The very nature of extreme flexibility is proving to be a real disadvantage to the company's abilities to sustain a presence in the market place. These informal organisational structures do enhance creativity but they are not providing the right conditions that facilitate competitive advantages in terms of commercial exploitation of ideas and concepts. More knowledge of how creativity could be co-ordinated and organised is necessary to challenge the company's preconceived notions of completely informal business activities.

Non-conformist cultures inhibit the company's capabilities to be more efficient in their product development activities. This display of non-conformity was evidenced through vaguely defined patterns of work, and very informal patterns of personal relations and communication. The creative work processes emphasized individuality and personal differences, and all of the teams undertook their tasks in different ways with no boundaries being placed on their goals. The need to balance rational organisational structures and irrational creative processes is important to provide an appropriate context for mobilisation of new products and services.

Building appropriate contexts can play their part in raising the level and type of creativity within organisations, and facilitate the potential to produce product and organisation excellence. Structures can help to trigger the flow of good ideas, and improve the communication systems between creative teams and individuals. More clearly defined structures could improve the selection of ideas for commercial realisation, and provide discipline techniques to the flow of ideas. Better communication systems needs to be considered to improve the flow and sharing of information amongst diverse players. The co-ordination of the inputs from a variety of individuals is also problematic to communications that support open and transparent systems to reduce traditional bureaucratic management methods of closed and formal systems.

### **Tensions between self-managing practices and sustainability**

The leadership styles of the creative designers are an area for better understanding to improve their communication skills and to manage the inputs and their respective individuals more effectively. The small company is completely dependent on the leadership of the owner/manager for its direction and focus in the initial stages of growth. Management of small fashion companies are characterised by highly personalised and independent entrepreneurs who use a range of diverse competences as a typical way of conducting business. These individuals are often

carrying out multiple roles and find it difficult to impart their own experience and knowledge to their team. The owners have limited planning for the future, and develop in a responsive manner to market demands.

The leadership styles of the designers were based on subjective actions and personal values, which did not align to that of market or consumer needs. As these organisations often have no marketing department to act as an interface between external and internal environments, so the experiences and knowledge of the designer is critical to inform new products and services. The organisation of the creative processes is based on constant negotiations and mutual adjustments, shown through their open management styles, and fluid co-ordination systems of weekly meetings. These informal management styles are based on interpersonal negotiation, patterns of mutual reciprocity and self-managing practices, which by their very nature can be perceived as problematic. Their negative attitudes towards organisation and management systems are evident through the interviews. *"I am not an organised person"* and the fact they did not understand the importance of leadership to drive the company forward. The companies did not have in place instrumental reward systems, but used intrinsic job satisfaction to motivate the teams.

This demonstrates the need for better leadership strategies of managing creative processes and activities, which could in turn improve their commercial value and potential for growth. The leadership competences of the small companies to change and growth are central to their competitiveness and survival. Whilst these leadership styles of management are appropriate during the early stages of company development it is not adequate during periods of change and the introduction of new management systems to co-ordinate and control the processes involved in new product development. The leadership skills for managing change would require better clarity regarding goals and outcomes, which needs alignment between organisational and personal goals. All of the companies showed an acute lack of commercial awareness and market focus in their business operations stronger market capabilities could ensure that new collections are aligned to consumer needs.

The subjective nature of their business judgements was evident in their poor competitive analysis, no consumer research methods and lack of business planning. The commercial value of the companies' products and services needs to be conducted in a more structured format in order to explore what potential could be developed to grow the companies (NESTA 2005). Further research into the relationship between sustainability and resource management should be undertaken to reduce the failure rates of the fashion companies and ensure that public money is not being used to support short-term initiatives. This issue of sustainability is not conducive to the short cycle fashion products, where unpredictable market forces can create cash flow problems

during the company life. Further research into what benefits do the small fashion companies contributing to social and economic regeneration of local communities in terms of employment. Better understanding of the value chain of the creative industries and where the primary value of the business might lie in this chain should be strengthened. Being able to manage resources better at the start-up phase is a critical capability to grow the company. The resource management capability is a key concern to ensure that long-term developments can be supported.

### **7.2 Reflections of the research methodology**

The use of qualitative methods has caused problems in particular the use of case studies. With so few research studies into the small fashion company, and very limited theories to inform the design of the research methodology, this has caused issues concerning the most appropriate method that is reliable and would provide meaningful evidence. The use of case studies does not provide accurate scientific data, but has does reveal insights and details of the practice of the small fashion company. This study goes some way to identify some of the issues and themes that could be built upon in the future by other researchers. The case study findings highlight details and characteristics that are not possible using survey data collection techniques.

The weaknesses of the data collection procedures of using semi-structured interviews are the issues of bias that can occur in the reporting process. The companies will only reveal information the researcher might want to hear, and it is not verified by statistical evidence to confirm their responses. However the strength of such methods are realistic responses to the questions. Grounded theory was considered as a methodology and some aspects of this approach has been considered in the data analysis stage, (colour coding of themes and issues) However, grounded theory data analysis methods have not been used, (open coding, axial coding) as the data collection methods of semi-structured interviews has been categorised into content analysis. The data has been analysed according to themes and issues, in the first stage, developing a narrative about their practices, and the second stage developing a theoretical narrative about common management themes and issues affecting this sector.

More focused questions should have been piloted after the first interview. However, the semi-structured interviews that where used have both advantages and disadvantages. The advantages of this approach are that the creative companies where not intimidated by the formalised questioning. The disadvantages of the data collection methods were the problems of the classifying the evidence of the company cases, and the development of the critical themes and issues that have emerged. It has taken considerable revisiting of business theories, and the literature review to arrive at the themes and concepts presented in the final chapter. However, by

identifying a set of variables that influence their competitiveness this has begun to build a conceptual framework. Further research can built on these set of variables and use survey techniques to arrive at more scientific set of data to built new theories.

The analytical methods used to present the findings have also posed problems of reliability due to the breadth and scope of the themes and issues addressed. Future research into key issues perceived as challenges and opportunities for the future could be conducted to provide more in-depth insights that enhance their sustainability. The research design of the interview questions could be simplified to ensure that owners who are being interviewed could improve their responses. Their limited knowledge of business and marketing theories was evident in the answers, with some of the questions not being clearly defined enough.

The methods to analysis the data could have been improved and could not provide accurate data that could be used in informing national and local initiatives. A survey could be used in the future to measure the impact of business support systems to ensure they contribute to the growth of the company. However, throughout the research process, continuous knowledge of their practices has been revealed and organised in a clear manner so that it might help future new businesses understand the complexities and challenges that they might face. The research findings could be used to develop a more formalised study, with more defined and measurable outcomes to base future policy making for education and industry.

This reflection continues to draw on evidence from interviews with the companies in order to examine the relationship between styles of management and different organisational structures, cultures and processes. As a working definition, organisational culture is the pattern (regular or irregular, stable or changing) of guiding assumptions, principles, ideas, values and rules of behaviour which members of the organisations have. (Davis & Scase 2003) An organisational culture is the result of the active involvement of members in the definition of tasks, the negotiation of roles, and the use of organisational mechanisms to influence outcomes.

Towards understanding different management styles, it is appropriate to consider the question; does the concept of management have any relevance in the cultures of fashion design organisations? There was no reference throughout the interviews relating to control or systems, which indicates that a highly creative flexible working environments that have no controlling mechanisms for the tasks being undertaken. The sense of organisational identity comes from the designers communicating their values to the rest of the team and a strong culture of personal interaction. These personal interactions are at the core of their individual styles of management.

### 7.3 Proposals for strengthening future support and development services

The chain of evidence has emerged from the use of content analytical tools to arrive at the key indicators and theoretical concepts using strength and weaknesses of their activities to inform the discussions. The research findings suggest that they could be strengthened but the support needs to be derived from a number of sources. It is not enough anymore to provide generalist business support from regionalised government agencies, but to target specialist development support systems at localised levels. There needs to be a concerted and joint effort from a range of agencies to support the development of new fashion companies. It is not enough to solely rely on the fashion companies themselves to initiate from within their own companies. There has to be co-ordinated planning for establishing fashion districts or cluster models to improve their competitiveness. Based on the analysis of the strengths and weaknesses of their management practices and processes, a set of specialist initiatives are proposed to improve their competitiveness. The findings illustrate that the companies are using generic business support schemes, but these schemes are not focused on the needs of the Fashion Company and creative processes.

Current support that is available is made up of a patchwork of different types of business services that currently exist in London and the South East. Such schemes are the Portobello Fashion Centre, The Apparel Resource Centre, and Fashion Capital for online information and resources, Business Link, British Fashion Council, Department of Trade and Industry, and Centre for Fashion Enterprises. Three of the companies had started their businesses using business link services, either for low cost office studio units or with help with business planning and advice. The generic business support schemes that are offered by Business Link fall short of specialist advice that would improve their commercial potential. Private investment support schemes are very limited and at present do not focus on the creative industries exclusively. Most of the schemes are new and are still in the early stages of development.

**Support for improving the efficiencies involved in quality, speed and costs to strengthen fashion product development activities and processes.**

- Increase the provision for Specialist Training Support for the fashion businesses in the skills areas of technical knowledge, product development techniques and the use of technology in the development processes.
- Affordable access to CAD/CAM facilities to improve the control of product quality
- Offer CAD/CAM open access workshops to speed up the development time and costs
- Sampling Incubation Units to support the prototype into final production

- More focused critical path planning to understand the time demands on producing collections
- More emphasis on the alignment of market, product and consumer in the fashion design curriculum
- Development of CAD/CAM systems that take into account the experimental stage of fashion product development to provide faster development of creative processes

#### **Support for improving effective Marketing, Branding and Promotion for Start Up Fashion Companies**

- Provide online resources to help educate designers on these aspects of the business
- Strengthen the awareness of fashion related professional organisations to gain new knowledge of emerging issues affecting the global industry (Textile Institute, The Fashion Forum,
- Strengthen the awareness of trade shows for exporting, trade shows for selling collections, and other platforms to expose the designer label.
- Develop a market toolbox kit for fashion designers to provide user friendly formats and information to guide the marketing and promotion efforts.
- Introduce better promotion management techniques/strategies into fashion design education to ensure more strategic decision-making is undertaken as opposed to ad-hoc actions.

#### **Support for Business Planning and Management for strengthening the Start Up Fashion Stage of Companies**

- Improve the level of knowledge of private and public funding agencies (NESTA)
- Specialist mentoring to improve financial planning and use of limited resources
- Shared physical studio/catwalk facilities and resources
- Create awareness of funding streams for fashion businesses
- Create case studies of successful fashion companies to provide insights into their creative and commercial practices
- Strengthen curricula that builds knowledge of branding management and communication of the product/services values

#### **Support for Knowledge Transfer Schemes for strengthening education and industry links**

- Build networking opportunities into local communities of fashion businesses

- Integrate creative and fashion businesses to exchange resources and knowledge
- Provide affordable working spaces and sampling facilities to bridge the gap between prototyping and final production
- Use of PhD research students to support the knowledge transfer flows
- Provide access to education support systems in the form of mentors and professional specialists and experts
- Improve communications about local developments to strengthen the fashion culture (Interreg project Fashion Districts)
- Establishing of local clusters to work collaboratively and complimentary with other creative industries and share best practice
- Establish an incubation unit for workshops that bridge the gap from the educational environment to starting up new businesses
- Provide specialist technology to improve the speed and costs of producing the sample ranges

#### **Support for incubation concepts for strengthening sustainability**

- Specialist incubation units/districts that strength collaborative practices of the start-ups and early stage developments.
- Incubators have strong links with experienced companies who can support and enable them through the fragile period from start up to emerging company status.
- By developing incubators young designers within the fashion industry who have talent potential will have the opportunity to develop and flourish to the point where they are capable of support themselves.
- By developing catwalk platforms within the incubators for young fashion designers it will enable them to present their collections by providing affordable or low budget exposure to key influencers, press and media networks.
- Incubators that have a mix of different specialist and experts could provide loosely knitted communities to provide early competitive advantages of being in close geographic proximity

This chapter has been a reflective account of the strengths and weaknesses of the study. It has attempted to provide directives that could be used by a range of users in their decision-making policies. The study has identified key management issues that influence their competitiveness. The study has only achieved a basic level of understanding of their organisational capabilities and the implications for improving their competitive advantage. More formalised research needs to be conducted to inform government and regional policy makers, educators and business support agencies to consider some of the issues raised in this study. The study could also provide insights on risk management and contingency plans to improve the chances of exit.

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**APPENDIX 1**  
**MULTIPLE CASE STUDY**  
**LIST OF TABLES AND FIGURES**

**Figure A1.1 Business Questions**

|    |   |  |
|----|---|--|
| 1  | What is the type of company e.g.? supplier, retailer, manufacturer, How long have you been in business, How did you get started?      |  |
| 2  | Who do you consider as your main competitors?   |  |
| 3  | How do you measure the performance of the company success to similar firms? e.g. in terms of profit, growth into new areas?           |  |
| 4  | How many people are employed in the company?  |  |
| 5  | Where is the company/business geographically located? Why this location?  |  |
| 6  | Is there a strategic/business plan and how are future directions of the company communicated to the employees/partners/collaborators? |  |
| 7  | Is there a mission statement? Is it customer focused, product focused, branded focused, service focused?                              |  |
| 8  | What challenges do you face over the coming years? What planning takes place?   |  |
| 9  | How effective is the company organisation and structure? How would effectiveness be measured?   |  |
| 10 | Has the structure changed in the last one year/ three years?  |  |
| 11 | What advice would you give to other people wanting to set up a fashion company?   |  |
| 12 | How would you characterise your management style?   |  |
| 13 | How frequently do you hold meetings with staff?   |  |
| 14 | What information is considered in decision making for future directions?  |  |
| 15 | Who is responsible for marketing/design departments of the business?  |  |
| 16 | How are these people selected?  |  |
| 17 | How often do you meet with your marketing/sales/promotion/design individuals?   |  |
| 18 | What type of meetings are used in the decision making process?  |  |

**Figure A1.2 Marketing/Design Questions**

|    |   |  |
|----|---|--|
| 19 | How proactive are you in meeting customer needs and requirements?   |  |
| 20 | Do you undertake any consumer research? If so what methods do you use?  |  |
| 21 | How are the results communicated to other people within the company?  |  |
| 22 | What is your most effective method of promoting your products to consumers?   |  |
| 23 | Do you use in-house PR or do you contract it out to external PR Company?  |  |
| 24 | What are the benefits of your promotion/launch strategy?  |  |
| 25 | How are new ranges/services presented to the press/clients and buyers?  |  |
| 26 | What are the links with other areas in the company? e.g. design/production/marketing/sales department when planning the product ranges? |  |
| 27 | How are these relationships managed?  |  |
| 28 | What are the close links with your customers/retailers and how is this relationship managed?  |  |
| 29 | How do you maintain relationships with the press, magazines and media outlets?  |  |
| 30 | How is technology used in the marketing/promotion/design process?   |  |
| 31 | How are new product ranges researched?  |  |
| 32 | What methods are most effective in the design development stage of new season products?   |  |
| 33 | How often do you meet to review new products?   |  |
| 34 | Who makes the final decision on what is sold each season?   |  |
| 35 | How is technology used in the product development process?  |  |

**Figure A1.3 Team Questions**

|    |   |  |
|----|---|--|
| 36 | Is there a team culture in the company? How are teams managed?                            |  |
| 37 | Are the teams single discipline, cross functional, multi-disciplinary?                    |  |
| 38 | Is there a team-building programme?   |  |
| 39 | How are teams selected?   |  |
| 40 | How does the company select and recruit new staff/new collaborators?                      |  |
| 41 | What are the staff development programmes that are used in the company?                   |  |
| 42 | How are staff motivated and rewarded?   |  |
| 43 | Do you encourage internal cross functional relationships within your company?             |  |
| 44 | How are external relationships encouraged in your company in the development of products? |  |
| 45 | How are public relations managed with your customers?                                     |  |

Table A1.1 Company A Transcript Notes

| <b>Business Development Strategy</b> |   |   |
|--------------------------------------|---|---|
| 1A                                   | What is the type of company e.g.? supplier, retailer, manufacturer,   | Events Management, and show production  |
| 1B                                   | How long in business  | 2 years in show production, and then created new company 5 months   |
| 1C                                   | How did you get started   | After completing the MA course, worked with new generation fashion designers to produce their catwalk shows at LFW. This has provided a springboard for <b>developing clients</b> for further event projects. In addition, undertaken photographic and special limited edition product commissions for various clients. |
| 2                                    | Who do you consider as your main competitors?   | <b>Public relation</b> companies, Lesley Goring, and American KCD   |
| 3                                    | How do you measure the performance of the company success to similar firms? e.g in terms of profit, growth into new areas?            | Have grown <b>new clients</b> for show production, and out of these contacts have been asked to tender for events management projects with major companies. These new clients have been part of the <b>network</b> surrounding the London fashion week events and shows.  |
| 4                                    | How many people are employed in the company?  | One at present, with three other associates, now beginning to employ one another on short term contract   |
| 5A                                   | Where is the company/business geographically located?   | Central London. At present working from home, but have now secured premises in Brick Lane   |
| 5B                                   | Why this location   | Due to nature of work and clients. Majority of projects conducted with London based companies   |
| 6                                    | Is there a strategic/business plan and how are future directions of the company communicated to the employees/partners/collaborators? | A business plan has been developed with the help of Business Link, who have assisted in finding premises.<br><b>The website has become a key communication tool for future directions and collaborators</b>   |
| 7                                    | Is there a mission statement? Is it customer focused, product focused, branded focused, service focused?                              | The company is serving the needs of the fashion industry, in relation <b>promotion based</b> activities   |
| 8                                    | What challenges do you face over the coming years? What planning takes place?   | Developing clients to work with on a regular basis, to secure <b>sponsorship partnerships</b> , to create a new promotion company, which covers a range of services   |
| 9A                                   | How effective is the company organisation and structure?  | The company consists of number of key people who all work on a freelance and consultative basis. This approach allows flexibility to bring new people in dependent on the projects secured  |
| 9B                                   | How would effectiveness be measured?  | This organization allows new inputs on a regular basis, which has resulted in repeat projects   |
| 10                                   | Has the structure changed in the last one year/ three years?  | Yes, new people joining the company and interacting to form new teams. <b>This has been achieved through networking contacts</b>  |
| 11                                   | What advise would you give to other people wanting to set up a fashion company?   |   |
| <b>Management Decision Making</b>    |   |   |
| 12                                   | How would you characterise your management style?   | Open, informal and constant communication   |
| 13                                   | How frequently do you hold meetings with staff?   | Through regular email contact, through regular but ad hoc meetings in London  |
| 14                                   | What information is considered in decision making for future directions?  | Very fast pace of project turnover, <b>information is gained from talking to people connected to the company or clients.</b>  |
| 15                                   | Who is responsible for marketing/design departments of the business?  | <b>I create the identity of the company, through website, letterheads and through extensive public relation meetings</b>  |
| 16                                   | How are these people selected?  | Through <b>word of mouth</b> , through other contacts, from   |

|   |   |  |
|---|---|--|
|   |   | recommendations  |
| 17  | How often do you meet with your marketing/sales/promotion/design individuals?   | Depends on the time of year, depends on the project, this is constantly changing   |
| 18  | What type of meetings are used in the decision making process?  | Informal, more brainstorming meetings for ideas and new concept/project planning   |
| <b>Marketing/Design Function Organisation</b> |   |  |
| 19  | How proactive are you in meeting customer needs and requirements?   | Very, constantly phoning, taking out to lunch, and forming close connections with clients  |
| 20  | Do you undertake any consumer research? If so what methods do you use?  | Not applicable in the sense of customer, but research into new clients, through talking to people who might know the company, and who might provide insights into their practice   |
| 21  | How are the results communicated to other people within the company?  | Through email messages, through telephone messages   |
| 22  | What is your most effective method of promoting your products/services to consumers?  | Website and based on previous project successes, and word of mouth   |
| 23  | Do you use in house PR or do you contract it out to external PR Company?  | Yes, contract out to public relation company for various projects. Use a variety of PR methods, not based on one company   |
| 24  | What are the benefits of your promotion/launch strategy?  | Has achieved a lot of interest from press and key influencers in the industry,   |
| 25  | How are new ranges/services presented to the press/clients and buyers?  | Through project proposals, which outline the key benefits and features the intended outcomes of the project. These project plans form the basis for meetings and discussions to negotiate further amendments or more work. Through company portfolio and CDROM |
| 26  | What are the links with other areas in the company? e.g. design/production/marketing/sales department when planning the product ranges? | Constant phoning with key associates to update and explore the project planning issues.  |
| 27  | What are the links with manufacturers and how are they managed  | Not applicable   |
| 28  | What are the close links with your customers/retailers and how is this relationship managed?  | Close links formed with clients, through taking out to dinner, invitation to parties and exhibitions,  |
| 29  | How do you maintain relationships with the press, magazines and media outlets?  | This area needs developing, but already have built relationships with media people and key fashion magazines   |
| 30  | How is technology used in the marketing/promotion/design process?   | Use Photoshop, digital camera, and other computer design technology to produce booklets, and other project documents   |
| 31  | How are new product/projects ranges researched?   | Through contacts who can input on the project, through shop research, through attending exhibitions, through travel  |
| 32  | What methods are most effective in the design development stage of new season products/projects?  | Methods used for project developments are based on create research methods such as attending exhibitions, art galleries, photographic and music inspirational sources.   |
| 33  | How often do you meet to review new products/projects?  | Constantly monitoring the project progress to ensure it will be delivered to deadlines   |
| 34  | Who makes the final decision on what is sold/or what is presented each season?  | In consultation with key associates  |
| 35  | How is technology used in the product development process?  | Use of website to constantly update project successes so used as a marketing tool to inform new clients or new sponsors  |
| <b>Team Strategy</b>                          |   |  |
| 36  | is there a team culture in the company? How are teams managed?  | Informal, creative group of people, sometimes difficult to manage the sensitivities of different personalities   |

|    |  |   |
|----|--|---|
| 37 | Are the teams single discipline, cross functional, multi-disciplinary?                             | Depends on the project, can be just fashion people working on a project, or could incorporate media or artists as part of the project team    |
| 38 | Is there a team-building programme?  | Taking the team out to lunch, always trying to remain positive, pep talks and emails  |
| 39 | How are teams selected?  | Through knowledge of their work and observing their practices   |
| 40 | How does the company select and recruit new staff/new collaborators?                               | Depends on the clients and projects that have been commissioned<br>Mainly <b>word of mouth</b> recommendations                                |
| 41 | What are the staff development programmes that are used in the company?                            | None at present   |
| 42 | How are staff motivated and rewarded?  | Through open discussion on fee basis for each project, depends on input and responsibility  |
| 43 | Do you encourage internal cross-functional relationships within your company?                      | Yes, encourage other members of the project teams to discuss and plan various aspects   |
| 44 | How are external relationships encouraged in your company in the development of products/services? | Relationships are managed on an ad hoc basis, but developing <b>database of clients</b> for sending out invites to shows and other key events |
| 45 | How are public relations managed with your customers?  | Hope to use <b>external public relation</b> company in various projects, this is an area for further development                              |

(Date of Interview: April 24<sup>th</sup> 2003)

Table A1.2 Company B Transcript Notes

| Business Development Strategy |   |   |
|-------------------------------|---|---|
| 1                             | What is the type of company e.g.? supplier, retailer, manufacturer, How long have you been in business, How did you get started?      | <p>Manufacturer and Sole trader.</p> <p>Started one year ago with Earth Song. Had an idea for a niche market for yoga wear in natural cottons. Sought advice from small business unit for women in business. Paid £25 a week for the support. She advertised to help women to start their own business. Aim to aims.</p> <p>Re-mortgaged flat to get equity, had to keep myself and had so much money to keep myself during the setup. Time as essence. Taking a gamble. Decided to launch it at the Healing Arts Festival one year ago at the Horticultural Halls, taking orders, to cover the costs of the stand. If customers asked for catalogue, but told people that I had run out, and starting taking names and addresses, to build up a database of customers. Took 25 garments to stand. I will send you catalogue, initial database. Once I knew I had a market, then sent brochure to customers. Sent out to all these people. Over 200 sent. 10% return of orders. More harder work than initial thought. Sent out incentives and promotion, such as if they bought top and bottom, would get £5 off, and also sent free gift of a pendant. Brought more business in. After Christmas, I had to have a sale. offered a sale, every time I did a promotion, I got more business. Every time got a promotion, how I got going. Advertised at Yoga and Health, Health and Fitness magazine, got more business, hard going doing mail order. Only 1 or 2 pieces being ordered. Best way forward, to do wholesale. I was doing health shows, lost money in this area. Too diverse. Decided to do Pure, prices are fair higher than anybody else at the trade show. Impulse section, others doing quarter of a million business to New Look for £10 a coat. Customers would go to other exhibitors because a lot cheaper. However, the contacts made were good. If you want to lower prices, and produce them, including fabrics, can produce for £10. Good contact. Minimum order 300. Still there as a possibility</p> |
| 2                             | Who do you consider as your main competitors?   | <p>Ones for yoga wear, Sweaty Betty, Nike, Piranha, Advertised in yoga and health, but placed advert next to Piranha, which was much larger, and made my look small. Be careful with main competitors. There is a market for yoga wear, and needs taping into it. Sweaty Betty are good outlets for me.</p>   |
| 3                             | How do you measure the performance of the company success to similar firms? E.g. in terms of profit, growth into new areas?           | <p>Difficult to measure it. Started out with Earth song, realised I need to diverse, need to get money in to develop Earth song, have a range of diverse projects, to source and provide money for the business.</p>  |
| 4                             | How many people are employed in the company?  | <p>Me as sole trader, 2 part time seamstresses, 3 during the week. Plus PR lady</p>   |
| 5                             | Where is the company/business geographically located? Why this location?  | <p>Was in Whitstable, now in London, more opportunities in London. Big growth since 3 months ago.</p>   |
| 6                             | Is there a strategic/business plan and how are future directions of the company communicated to the employees/partners/collaborators? | <p>I do have a business plan. £2000 loan from mail order to wholesale business. Personal shopping, patterncutting for other designers, patterncutting workshops, to expand the business. Being flexibility.</p>   |
| 7                             | Is there a mission statement? Is it customer focused, product focused, branded focused, service focused?                              | <p>Market for older women. Go to any high street shop, cannot buy over 14 sizes. There are women that want high fashion, cannot wear what is in the shops. Customers want bespoke and are prepared to pay for it, and cannot find anything in the shops</p>   |
| 8                             | What challenges do you face over the coming years? What planning takes place?   | <p>I think I would like to focus on my profile. Getting my name established, oh that is Kathleen George, trying to establish brand identify.</p>  |
| 9                             | How effective is the company organisation and structure? How would effectiveness be measured?   | <p>Working with seamstresses to get the quality. I have been let down by people. First port of call is job centre. What the difficult of applicants, was the their language. Cheaper than English speaking. Lucky seamstresses, both English, but ethnic origins, but willing to work for less. Yesterday late 60s, working for Bruce Oldfield, did not work central London, talked about Ball gown for New Years Eve, I told her £200. She walked out.</p>   |
| 10                            | Has the structure changed in the last one year/ three years?  | <p>Pockets in the fashion industry, Finsbury, Wembley and Harlsdon. Manufacturing is critical to the business. My patterngrader is down the road. Sweaty Betty order size 8, grader did in 3 hours, cost £5. Very local, so more effective to be in London.</p>   |

|   |   |   |
|---|---|---|
| 11  | What advice would you give to other people wanting to set up a fashion company? | Got to start with the Business Plan, where you are going, if you want finance. Have to look professional. I got a printer to a mock up but very realistic, with garments, and my market, and where I wanted to take the business. Very important the identify the market and there is a demand. Yoga, very popular, celebrities doing it. Went to a yoga club, and noticed that people were very scruffy, and that there was nothing in the shops to wear. I realised that there was a potential market for leisure wear. Market research very important Once you have exact market, make changes afterwards. |
| <b>Management Decision Making</b>             |   |   |
| 12  | How would you characterise your management style?                               | Firm. Approachable. Willing to get the work done. If the work is done properly, they will see another side of me. If they do not come up to scratch, I will fire them   |
| 13  | How frequently do you hold meetings with staff?                                 | Sometimes I relay work. I try to. I have 2 seamstresses, they are friends, so I put her in charge to communicate. I try to inform them of projects in advance.  |
| 14  | What information is considered in decision making for future directions?        | If it is going to be profitable. I have to decide, if I have the time it will take up. I am conscious of time wasting. If I am not productive one day, I have to make up the following day. I am making things. Advertising, which directions. All the time people are phoning me up and seeing my adverts.   |
| 15  | Who is responsible for marketing/design departments of the business?            | Has a PR person, she plants ideas in my mind. She also when I speak on phone, she gives me confidence, also has good contacts in media, and wealthy people. Once a week, need to get a lot out of her. Not pushing in right direction. The main business should be the focus, but need to earn money to push in further, Need to steady income,. Very information session, she looks at personality, weaknesses, she asks me about how I interact with negative people. How she reacts, how to handle situations. Why not your problem.   |
| 16  | How are these people selected?  | Has written 2 best sellers. Has good contacts in the media. Has good contacts with wealthy people   |
| 17  | How often do you meet with your marketing/sales/promotion/design individuals?   | Once a week   |
| 18  | What type of meetings are used in the decision making process?                  | Very informal, and more about confidence building and personal development than promoting the business.   |
| <b>Marketing/Design Function Organisation</b> |   |   |
| 19  | How proactive are you in meeting customer needs and requirements?               | Very proactive. It is the core of the business. When people meet me, I give 100%. If the finished product is not up to their expectations. I have to make it perfect for them. For example, Greek women, when garment made too big, difficult dress to copy, three toiles for the final garment. Plenty of ease. Extra seam allowance, when made too big, remade. Asked for extra money. Close relationship with clients. Would not walk away.  |
| 20  | Do you undertake any consumer research? If so what methods do you use?          | From personal shopping gives me good insights into what clients are buying. Upmarket shops are Lady Morrison, wealthy woman, intimidated by shop assistants.  |
| 21  | How are the results communicated to other people within the company?            | The more I go into, the more the Bespoke is the way forward. Can afford, where you can make the most money. Provide good service. This area, because they have the money to spend, and they know what they want, and they demand the service. The most money to make. They are really grateful. This is my target market.   |
| 22  | What is your most effective method of promoting your products to consumers?     | Small advert in Vogue magazine. Have tried local magazines, Angel. Never turned away from job from Vogue, interesting work, Ball gowns, job to copy antique garments. Wealthy people. High quality magazine.  |
| 23  | Do you use in house PR or do you contract it out to external PR Company?        | Did not reply   |
| 24  | What are the benefits of your promotion/launch strategy?                        | The launch for my other work, shopping. Wealthy area, has a lot of interest, has editorial space in local newspaper. Try to get free publicity. Have to have an angle, to inspire them to feature you.  |
| 25  | How are new ranges/services presented to the press/clients and buyers?          | I do a profile of myself. I have done trade shows in the past. I have a sexy business card. I leave in beauty salons, health farms, where wealthy people go. I go to Harrods or Harvey Nicols, and leave cards there.   |
| 26  | What are the links with other   | As the company growth, will have to look at alternative   |

|                      |   |   |
|----------------------|---|---|
|                      | areas in the company? e.g. design/production/marketing/sales department when planning the product ranges? | manufacturing to make profitable.   |
| 27                   | How are these relationships managed?  | Did not reply   |
| 28                   | What are the close links with your customers/retailers and how is this relationship managed?              | Very close links with retailers, Sweaty Betty, very young team. Everything ordered by email. Deal with people who have excel facility. Send orders anytime.   |
| 29                   | How do you maintain relationships with the press, magazines and media outlets?                            | What I have done in the past, <b>send thank you card</b> , suggest another feature, make-overs, run up to Christmas, what is in the shops in party wise, offer my services free.  |
| 30                   | How is technology used in the marketing/promotion/design process?   | imac is very good. Scanner. Receive all the orders, good web domain, need to set up new website. Need to design to feature, the creative patterncutting element, the bespoke couture area, the patterncutter.   |
| 31                   | How are new product ranges researched?  | With the earthsong, with the products, they need developing in lycra, to make the collection more edgy, and more detailing. In black lycra, make edgy, must have earthsong identity.  |
| 32                   | What methods are most effective in the design development stage of new season products?                   | New fabrics, looking at what is in stores, what is going to sell, young edgy market, some of my garments are too staid,   |
| 33                   | How often do you meet to review new products?   | Need to spend more time at the drawing board, to think to how to improve the garments, move the range forward, get away from the natural thing, has had its day.  |
| 34                   | Who makes the final decision on what is sold each season?   | The buyer.  |
| 35                   | How is technology used in the product development process?  | Important to develop the brochure, working drawings, central to design process. Scan ideas to show clients. When gowns scanned in, and change into new ideas  |
| <b>Team Strategy</b> |   |   |
| 36                   | Is there a team culture in the company? How are teams managed?  | Need to tell team if they need something in the shops. Give them deadlines. Can you cope with these deadlines. Give clear direction. If they do not, I will not pay them. Have to be firm. They do not care, have to be ruthless. They do not care if they have the order or not.   |
| 37                   | Are the teams single discipline, cross functional, multi-disciplinary?                                    | Did not reply   |
| 38                   | Is there a team building programme?   | Interview the seamstresses.   |
| 39                   | How are teams selected?   | Ask them how to do the garment. Show the garment. What machines, what seams would you use.  |
| 40                   | How does the company select and recruit new staff/new collaborators?                                      | Always show the quality that is expected  |
| 41                   | What are the staff development programmes that are used in the company?                                   | Did not reply   |
| 42                   | How are staff motivated and rewarded?   | I pay them really well, but in return expect good quality. If they let me down, they have had it.   |
| 43                   | Do you encourage internal cross functional relationships within your company?                             | Two machinists work together. When work in industry part time, word of mouth.   |
| 44                   | How are external relationships encouraged in your company in the development of products?                 | They are encouraged, <b>it is about networking</b> , but you have to know which ones are worth working with, Lady Morrison, Eric Wade etc.  |
| 45                   | How are public relations managed with your customers?   | <b>Word of mouth</b><br>Christmas cards, email. Have a database all the time updating database.<br>Eve magazine feature in February issue.<br>Where I could focus the business, get rid of drama, focus on career. Also market for Bridal wear, so doing corset course and boning, old fashion methods. You think somebody else is doing it better. Don't compare yourself with anyone else. Get off your backside and do things. Actions speaks louder than words. |

(Monday 18<sup>th</sup> November 2002)

Table A1.3 Company C Transcript Notes

| <b>Business Development Strategy</b>          |   |   |
|---|---|---|
| 1   | What is the type of company e.g.? supplier, retailer, manufacturer, How long have you been in business, How did you get started?      | Sole Proprietor, will go to limited eventually, based on capital, it will challenge me. I have come from nothing, it will bend all the economic rules, and the MBAs. Been in the business 7 years. Why did you start, because broke up with my ex, it was doing more interesting things, cancer research. Did you have finance, yes from M and S <b>sponsorship</b> , new generation designer grant. I was given this place, and took this place, had to blag to get. I lived here for 5 years, and could not afford another place. |
| 2   | Who do you consider as your main competitors?   | Main competitors I do not, I do research it like that. I am totally unique. I like Margiela, Comme, Helmut Lang   |
| 3   | How do you measure the performance of the company success to similar firms? e.g in terms of profit, growth into new areas?            | Started with accounts, some come and go, shops go bankrupt, started with 4 now have 29 accounts.  |
| 4   | How many people are employed in the company?  | 3 people employed in the company. Just me in the beginning. You have to have the drive and passion. I believe I started from nothing. Most designers love what they do  |
| 5   | Where is the company/business geographically located? Why this location?  | Because of locality, near central London, rents are cheap, I did not look for this place, I use to cycle around here, and thought it was beautiful I did not think about it   |
| 6   | Is there a strategic/business plan and how are future directions of the company communicated to the employees/partners/collaborators? | I have no business place. Put the garments in the car, and driving them around the country and showing them to people. I have been lucky. <b>It is organic</b> . I have not approached <b>sponsors</b> .  |
| 7   | Is there a mission statement? Is it customer focused, product focused, branded focused, service focused?                              | I love tradition. I love beautiful products. The way you live your life. I used cotton to death. It is slightly subversive, silk does not excite me. It is beautiful.   |
| 8   | What challenges do you face over the coming years? What planning takes place?   | Beautiful packaging, <b>packaging my product</b> , marketing, <b>dedicated PR</b> , and ultimately to invent something, Clothing is really hard<br>It is hard to find, need new machinery.  |
| 9   | How effective is the company organisation and structure? How would effectiveness be measured?   | Getting things made on time. Shows are getting better, very very proactive in things to know, get on with it  |
| 10  | Has the structure changed in the last one year/ three years?  | Did not reply   |
| 11  | What advice would you give to other people wanting to set up a fashion company?   | You have to be passionate, you need uniqueness, it has be apparent. You have to be astute. You need experience  |
| <b>Management Decision Making</b>             |   |   |
| 12  | How would you characterise your management style?   | Impart your values for people to do things, motivate people   |
| 13  | How frequently do you hold meetings with staff?   | Do not have meetings as such, constant communication  |
| 14  | What information is considered in decision making for future directions?  | Did not reply   |
| 15  | Who is responsible for marketing/design departments of the business?  | We straight into pattern, do not toile  |
| 16  | How are these people selected?  | Did not reply   |
| 17  | How often do you meet with your marketing/sales/promotion/design individuals?   | We do not market, <b>we are proactive</b> , we had a stand at Paris, we asked people to come. <b>Catwalk show is the big marketing tool</b>   |
| 18  | What type of meetings are used in the decision making process?  | Very informal meetings, brainstorming, spontaneous  |
| <b>Marketing/Design Function Organisation</b> |   |   |
| 19  | How proactive are you in meeting customer needs and requirements?   | Do have feedback from you the retailers; Not enough<br>I think the order book<br>We would like to know more   |
| 20  | Do you undertake any consumer research? If so what methods do you use?  | Not intentionally, go to Selfridges to see what is happening<br>Through magazines<br><b>Meeting people</b> is the best way, through talking and watch the trends. Look at person, where they are living, and how society. A lot of weighing up.   |

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|----------------------|---|---|
| 21                   | How are the results communicated to other people within the company?  | The team are quite clever really.   |
| 22                   | What is your most effective method of promoting your products to consumers?   | The fashion show.<br>What the buyers buy, how much powerful took that could, the media. You have to sell.   |
| 23                   | Do you use in house PR or do you contract it out to external PR Company?  | We have external PR. Stephanie Churchill<br>We have picked the wrong pick. The benefits are<br>If we have a PR they would be on the phone all day, it would drive me mad  |
| 24                   | What are the benefits of your promotion/launch strategy?  | We use Christmas cards<br>Look Book Small Booklet   |
| 25                   | How are new ranges/services presented to the press/clients and buyers?  | Buyers come here. We have sample sales. PR send out press releases. Look Books.   |
| 26                   | What are the links with other areas in the company? e.g. design/production/marketing/sales department when planning the product ranges? | We have small factories in the east end. Financial viable. Used Poland one season, needed people who understand the production, got somebody from French Connection. Now this woman, runs it, it is a dream, have created stability in the business                                 |
| 27                   | How are these relationships managed?  | Did not reply   |
| 28                   | What are the close links with your customers/retailers and how is this relationship managed?  | Creative end. My responsibilities for the shop is to get press coverage. We offer them reorders, if it is doable. Only once a season, we do not have the capacity to do any more  |
| 29                   | How do you maintain relationships with the press, magazines and media outlets?  | After the shows, send garments to the press   |
| 30                   | How is technology used in the marketing/promotion/design process?   | We love technology. My clothes come across as very artisan, because of trend to beat the high street, to give value for money, Not using technology to be more efficiency. We have sewing technology, we do invest in new machinery. We do put in quite a lot for a small business. |
| 31                   | How are new product ranges researched?  | Feel the air, feeling the vibes, come up with a theme, always got to be different. The main thing. We come up with a slightly ethically look, military look, it really works. Gucci have completely different look. There is a bit of a styling, putting vintage pieces.            |
| 32                   | What methods are most effective in the design development stage of new season products?   | New techniques, testing out new things, challenging status quos, what is perceived as proper, who says this the right way   |
| 33                   | How often do you meet to review new products?   | Organic growth, we now have learnt more than we need, and then we edit, and we have to aware of capacity, how tried they are.   |
| 34                   | Who makes the final decision on what is sold each season?   | I make the final decision, do talk to other people. If I not sure I will talk to people   |
| 35                   | How is technology used in the product development process?  | Did not reply   |
| <b>Team Strategy</b> |   |   |
| 36                   | Is there a team culture in the company? How are teams managed?  | Yes there is a team culture. How to diffuse loyalty, commitment through the company. Being me. Nurturing the team.  |
| 37                   | Are the teams single discipline, cross functional, multi-disciplinary?  | Did not reply   |
| 38                   | Is there a team building programme?   | Did not reply   |
| 39                   | How are teams selected?   | How do you interview people for the company. I like to find people who have been through the mill, who have experience. There is a definite look to my company, we had somebody who was fully made up. Not right for the company.   |
| 40                   | How does the company select and recruit new staff/new collaborators?  | Did not reply   |
| 41                   | What are the staff development programmes that are used in the company?   | Did not reply   |
| 42                   | How are staff motivated and rewarded?   | Did not reply   |
| 43                   | Do you encourage internal cross functional relationships within your company?   | Did not reply   |
| 44                   | How are external relationships encouraged in your company in the development of products?   | Did not reply   |

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| 45 | How are public relations managed with your customers? | Do you advertise, No budget for that, do not think about that. <b>It is the PR company.</b> Christmas card, invitations to catwalk show. The awareness of everything, it is a very <b>personal relationship</b> . Sending out messages, quite a lot of messages, there is no money, but showing you can do something.<br>Muted colours, soft colours, with catwalk we go for it. |
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(Date of interview: 12<sup>th</sup> December)

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|----|--|--------|
| 1  | What do you consider as your main competitors?   | ... .. |
| 2  | How do you measure the performance of the company? (Number of orders, sales, etc.)         | ... .. |
| 3  | How many people are employed in the company?   | ... .. |
| 4  | Where do you have manufacturing plants? (Where do you have offices?)                       | ... .. |
| 5  | Is there a strategic plan for the company? (What are the main objectives?)                 | ... .. |
| 6  | What challenges do you face over the coming years? (What planning tools do you use?)       | ... .. |
| 7  | How do you manage the company's information and resources? (What are the main challenges?) | ... .. |
| 8  | How do you manage the company's financial resources? (What are the main challenges?)       | ... .. |
| 9  | How do you manage the company's human resources? (What are the main challenges?)           | ... .. |
| 10 | How do you manage the company's physical resources? (What are the main challenges?)        | ... .. |
| 11 | How do you manage the company's intellectual resources? (What are the main challenges?)    | ... .. |
| 12 | How do you manage the company's social resources? (What are the main challenges?)          | ... .. |
| 13 | How do you manage the company's cultural resources? (What are the main challenges?)        | ... .. |
| 14 | How do you manage the company's environmental resources? (What are the main challenges?)   | ... .. |
| 15 | How do you manage the company's technological resources? (What are the main challenges?)   | ... .. |

**Table A1.4 Company D Transcript Notes**

| <b>Business Development Strategy</b> |   |  |
|--------------------------------------|---|--|
| 1                                    | What is the type of company e.g.? supplier, retailer, manufacturer, How long have you been in business, How did you get started?      | Limited Company, went beginning of this year. Started as sole trader<br>Company going for 5 years, difficult as started when at college, started as market stall in Camden Market, on there for 2 and half years. Got onto market stores, then buyers started to buy pieces. Always wanted to do this, enjoyed doing, only the thing I wanted to do, put in heart and soul. 31 years old now. 25 went into education, parents wanted to go in different directions.                          |
| 2                                    | Who do you consider as your main competitors?   | Described the product range, somewhere between the kerb to the boutique. It means a kind a Street fashion, urban fashion and mixed with high fashion, <b>luxury streetwear brand</b> . There are other people out there, but I try not to look at other people   |
| 3                                    | How do you measure the performance of the company success to similar firms? eg in terms of profit, growth into new areas?             | Numbers of things, the number of accounts and suppliers, the number of people wearing, and the amount of love people show me. When people like the things you are doing, it gives you satisfaction   |
| 4                                    | How many people are employed in the company?  | 9 people<br>Emma – design assistant<br><b>Nicki – marketing</b><br>Sister – managing the whole business<br>Sample machinist<br>Kim – general assistant<br>Production<br>Administrator<br>Patterncutter – freelance<br>Wale   |
| 5                                    | Where is the company/business geographically located? Why this location?  | Living in west London at parents house, coming to the east London to buy trims, so decided to find a place, cheap in those days, a room over a baker shop, working and living in the same room. No financial support for current location. Tower Hamlets small business development. Rent is lower than other places.  |
| 6                                    | Is there a strategic/business plan and how are future directions of the company communicated to the employees/partners/collaborators? | <b>My sister</b> has come into the business, she is doing a MBA, been with me for 3 and half years.  |
| 7                                    | Is there a mission statement? Is it customer focused, product focused, branded focused, service focused?                              | Every Monday have meetings, a lot of meetings, quite formal meetings, going over different projects that people are working on. All those things.<br>Celebrity thing, it just happened. <b>Now a brand</b> , started with a product  |
| 8                                    | What challenges do you face over the coming years? What planning takes place?   | Growing at such a rapid pace, getting credit with suppliers, getting the product turned around quick enough. Started with 17 accounts, now 70 accounts, a lot more than we can take on, we can sell all day long, <b>but it is about controlling it and doing it right</b><br>More people now in different in areas, design, sales, production so I think when we have enough people, they will do their area. It stopped me running around doing everything. Sister very good at this thing |
| 9                                    | How effective is the company organisation and structure? How would effectiveness be measured?   | To be honest, not organised person, but my sister is now taking over.  |
| 10                                   | Has the structure changed in the last one year/ three years?  | Become a more serious business, before one man band, people coming and going.  |
| 11                                   | What advise would you give to other people wanting to set up a fashion company?   | You have do it on your own for a while. I have learnt, It is watching, and realise what you are getting into. <b>Styling shoots</b> Not glamour, long hours, after one day get tired and they are young people. You have to be hungry. The fashion thing is closely linked. A fashion and styling thing is linked more than ever, it seems cool, when they realise what is behind it.  |
| <b>Management Decision Making</b>    |   |  |
| 12                                   | How would you characterise your management style?   | It is my sister thing, not my thing. I work on a casual basis. It does it work. It is a family type thing.   |
| 13                                   | How frequently do you hold meetings with staff?   | Once a week. The meetings are documented, each person tells about projects.<br><b>Nicki –Marketing</b> . Selected her. <b>Sister</b> and me trying to think of somebody to do the Marketing. Both came up with the idea of Nicki, she was somebody we knew from late night chats in baker shop. She loves what she is doing and we had a chat with her   |

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|   |   | and she agreed to work with us. Started working full time.  |
| 14  | What information is considered in decision making for future directions?  | Quite Open about information for the future.  |
| 15  | Who is responsible for marketing/design departments of the business?  | Nicki for marketing   |
| 16  | How are these people selected?  | From friends and observing and working with other people in the business  |
| 17  | How often do you meet with your marketing/sales/promotion/design individuals?   | Once a week   |
| 18  | What type of meetings are used in the decision making process?  | Informal  |
| <b>Marketing/Design Function Organisation</b> |   |   |
| 19  | How proactive are you in meeting customer needs and requirements?   | Very proactive in customer relations. Very. Phone around the shops all the time, good relationships with suppliers, they come in here. We now each check very store, before we would just send, but we have to ensure they are right. |
| 20  | Do you undertake any consumer research? If so what methods do you use?  | Definitely, we are launching a website. We have a questionnaire on the website. I am asking people all the time; when people know it is my label and they are wearing my clothes, end up talking to them all the time.                |
| 21  | How are the results communicated to other people within the company?  | With meetings people are there to listen  |
| 22  | What is your most effective method of promoting your products to consumers?   | Celebrity thing has been crape. I did not do in the way, I did not know that David Beckham was going to wear it.  |
| 23  | Do you use in house PR or do you contract it out to external PR Company?  | Why contract out? It is important, when we work in it together, when working in an environment, all think in the same way, we need to have outside views and different people.<br>No catwalk, in house selling                        |
| 24  | What are the benefits of your promotion/launch strategy?  | Did not reply   |
| 25  | How are new ranges/services presented to the press/clients and buyers?  | In house showroom<br>Catwalk costs a lot of money and lot of organisation, and every stage people like to come in here.   |
| 26  | What are the links with other areas in the company? e.g. design/production/marketing/sales department when planning the product ranges? | All production was done in the UK, now moved all production to Tunisia. Why price. Production person has found them. I have been in the business a long time, so have built up contacts   |
| 27  | How are these relationships managed?  | I do not deal with production. She is going out, been out there three times this year. Go there to Italy and Hong Kong and China done through an agent.   |
| 28  | What are the close links with your customers/retailers?   | Did not reply   |
| 29  | How do you maintain relationships with the press, magazines and media outlets?  | Certain people know what I do, so build up a relationship. A lot of word of mouth.  |
| 30  | How is technology used in the marketing/promotion/design process?   | I do not personally.<br>My sister does all that, other people use it She is making decisions about technology in the business   |
| 31  | How are new product ranges researched?  | Still do story boards. Go out to stores, travel get a way for a little while. Then I start.   |
| 32  | What methods are most effective in the design development stage of new season products?   | Do not adapt from last season, the collection gets bigger every time. Just started childrenswear. 20 pieces.  |
| 33  | How often do you meet to review new products?   | They are sampling now, a lot of it done in factories now. 4 pieces, 18/20 pieces got a lot bigger.  |
| 34  | Who makes the final decision on what is sold each season?   | Did not reply   |
| 35  | How is technology used in the product development process?  | Limited technology in the design process, still undertaken in conventional manner, with patterncutter and sample machinist.   |
| <b>Team Strategy</b>                          |   |   |
| 36  | Is there a team culture in the company? How are teams managed?  | Informal culture, it is person I am, I need to feel comfortable with people around me.  |
| 37  | Are the teams single discipline,  | Single discipline   |

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|    | cross functional, multi-disciplinary?   |   |
| 38 | Is there a team building programme?   | Did not reply   |
| 39 | How are teams selected?   | Have an interview. Patterncutters only come for a season, mainly freelance. constantly changing we try out new people all the time.             |
| 40 | How does the company select and recruit new staff/new collaborators?                      | Did not reply   |
| 41 | What are the staff development programmes that are used in the company?                   | Did not reply   |
| 42 | How are staff motivated and rewarded?   | Not lot a normal working environment, we have fun, do get the work done. Sometimes get bonuses; if they work hard, they are all very dedicated. |
| 43 | Do you encourage internal cross functional relationships within your company?             | More investment   |
| 44 | How are external relationships encouraged in your company in the development of products? | Did not reply   |
| 45 | How are public relations managed with your customers?                                     | Did not reply   |

(Date of Interview: Friday 29<sup>th</sup> November 02)

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Table 1.5 Company E Transcript Notes

| <b>Business Development Strategy</b> |   |  |
|--------------------------------------|---|--|
| 1                                    | What is the type of company e.g.? supplier, retailer, manufacturer, How long have you been in business, How did you get started?      | Retailer/Manufacturer<br>Vertical integration<br>Eventually supplier/wholesaler<br>Build infrastructure before going into supplying products   |
| 2                                    | Who do you consider as your main competitors?   | Co-co de Mer<br>More about price, not product attributes<br>Similar customer base<br>High importance   |
| 3                                    | How do you measure the performance of the company success to similar firms? e.g in terms of profit, growth into new areas?            | Year 1 is about survival<br>Over 18month growth period, have grown the <b>network</b> and list of contacts to draw upon to the business elements.<br>Long development process<br>Developing the right contacts<br>Has just submitted business plan to DTI. Proficiency of marketing push, Promotional material is coherent and branded |
| 4                                    | How many people are employed in the company?  | Officially Two Limited company<br>Day of trading will envisage another 2 people.<br>Designer/Manufacturing<br>Design/Retail<br><b>Bring in house full time PR</b>  |
| 5                                    | Where is the company/business geographically located? Why this location?  | London West One. Kingley Court Development<br>Based on space and costs   |
| 6                                    | Is there a strategic/business plan and how are future directions of the company communicated to the employees/partners/collaborators? | Yes, <b>business plan</b> very important to present to banks. This has been an important instrument in securing loans.<br>Transparency   |
| 7                                    | Is there a mission statement? Is it customer focused, product focused, branded focused, service focused?                              | Yes, develop and retail new womenswear range, both product, consumer and retail focused  |
| 8                                    | What challenges do you face over the coming years? What planning takes place?   | Growing the business. More work on sourcing production and manufacturing facilities  |
| 9                                    | How effective is the company organisation and structure? How would effectiveness be measured?   | A lot of cross overs between two partners, both strong in design, individual takes on design is different, brings balance. And have complementary skills.<br>Support, motivational and clarity of ideas.   |
| 10                                   | Has the structure changed in the last one year/ three years?  | Has not changed. Moving on a stable basis.   |
| 11                                   | What advice would you give to other people wanting to set up a fashion company?   | Has got be planning.<br>Hard to quantify, down to the individual, different characters have different strengths. Maturity and experience.<br>Finance<br>Production<br>Manpower   |
| <b>Management Decision Making</b>    |   |  |
| 12                                   | How would you characterise your management style?   | Not analysed it. Informal, when it needs to be formal have to change. Depends on situation and consistency   |
| 13                                   | How frequently do you hold meetings with staff?   | At lease once a week. No base at present so makes the difficult. Need to call people in.   |
| 14                                   | What information is considered in decision making for future directions?  | Based on research. Comparing to other aspects, pros and cons compiling information<br>Consultancy with other people, discussion with external people<br>Teaching   |
| 15                                   | Who is responsible for marketing/design departments of the business?  | Board and joint decision making  |
| 16                                   | How are these people selected?  | Cherry picking<br>Have selected from <b>the university</b> . Have seen them in action, have observed their work. Combination of personality and skill base.<br>Has to be easy to work with   |

|   |   |   |
|---|---|---|
|   |   | Observe   |
| 17  | How often do you meet with your marketing/sales/promotion/design individuals?   | Once a week. Bringing all people together   |
| 18  | What type of meetings are used in the decision making process?  | Action based, reporting<br>Chaired decision making and minuted<br>Progress updates  |
| <b>Marketing/Design Function Organisation</b> |   |   |
| 19  | How proactive are you in meeting customer needs and requirements?   | Not there yet   |
| 20  | Do you undertake any consumer research? If so what methods do you use?  | Discussions, informal interviews, disguised interviews  |
| 21  | How are the results communicated to other people within the company?  | Through meetings, not emails. <b>More word of mouth</b>   |
| 22  | What is your most effective method of promoting your products to consumers?   | <b>Catwalk show</b> China White<br>People wearing the outfits   |
| 23  | Do you use inhouse PR or do you contract it out to external PR Company?   | <b>Both, inhouse Miranda and external Adrain, ex journalist who writes press releases</b>   |
| 24  | What are the benefits of your promotion/launch strategy?  | Kudos, and <b>profile building</b>  |
| 25  | How are new ranges/services presented to the press/clients and buyers?  | <b>Opening parties, shows, evenings, through social events, new artists</b><br>Fashion event, <b>social events</b><br>Will not go the catwalk way, until better infrastructure  |
| 26  | What are the links with other areas in the company? e.g. design/production/marketing/sales department when planning the product ranges? | Taken samples, discussions, enthusiasm  |
| 27  | How are these relationships managed?  | Phone calls, there is some follow through   |
| 28  | What are the close links with your customers/retailers and how is this relationship managed?  | No applicable   |
| 29  | How do you maintain relationships with the press, magazines and media outlets?  | <b>Via the PR, own networking.</b> Inhouse considerable amount of business socialising<br>Drive as family business, so everybody has ownership  |
| 30  | How is technology used in the marketing/promotion/design process?   | Hope to use Gerber system inhouse to college.<br>Computerised technology  |
| 31  | How are new product ranges researched?  | Driven by market knowledge. Through a combination of magazines, street research, social research, art research, style research. Produce inspiration boards, which communicate the new directions. These become  |
| 32  | What methods are most effective in the design development stage of new season products?   | Complex, not single source of inspiration   |
| 33  | How often do you meet to review new products?   | Ongoing<br>Breaking down the model, continuous product development, not seasonal any more   |
| 34  | Who makes the final decision on what is sold each season?   | Because of drapery element, exploring many ideas before any one is selected. Ongoing design process and developing samples alongside production samples. Non traditional approach and producing continuous ranges. Not so collection based. Concurrently developing new ideas. Design as a continuous basis |
| 35  | How is technology used in the product development process?  | Not used at present   |

|                      |   |  |
|----------------------|---|--|
| <b>Team Strategy</b> |   |  |
| 36                   | Is there a team culture in the company? How are teams managed?          | Getting people to buy in the dream. All people doing for love. Buying into the potential |
| 37                   | Are the teams single disciplines, cross functional, multi-disciplinary? | Multi-disciplinary   |
| 38                   | Is there a team-building programme?                                     | Always. Treats her threats there. Take to lunch.<br>Communication                        |
| 39                   | How are teams selected?   | <b>Word of mouth</b>   |
| 40                   | How does the company select and recruit new staff/new collaborators?    | <b>Similar way</b>   |

|    |   |   |
|----|---|---|
| 41 | What are the staff development programmes that are used in the company?                   | Send people off to courses. Owners keep up to date through teaching and consultancy   |
| 42 | How are staff motivated and rewarded?   | Bonus, in a way keep adhoc, random not to raise expectations  |
| 43 | Do you encourage internal cross functional relationships within your company?             | Yes, there is core team that are interacting closing. Delegation process  |
| 44 | How are external relationships encouraged in your company in the development of products? | No this is not specific   |
| 45 | How are public relations managed with your customers?                                     | Press based at present<br>Looking at building a client list/database<br>Encouraging and inviting, underpinned by advertising campaign |

(Date of Interview: 24<sup>th</sup> June 2003)

|                                 |   |   |   |   |   |
|---------------------------------|---|---|---|---|---|
| 1 People employed               | 1000  | 1000  | 1000  | 1000  | 1000  |
| 2 Organizational structure      | Control system  | Control system  | Control system  | Control system  | Control system  |
| 3 Business Plan                 | Yes   | Yes   | Yes   | Yes   | Yes   |
| 4 Human Resources               | Structure objectives  | Structure objectives  | Structure objectives  | Structure objectives  | Structure objectives  |
| 5 Future Challenges             | Market growth of the company  | Market growth of the company  | Market growth of the company  | Market growth of the company  | Market growth of the company  |
| 6 Company structure 2004        | More independently for use helping and controlling to manage growth in 2004 | More independently helping and controlling to manage growth in 2004 | More independently helping and controlling to manage growth in 2004 | More independently helping and controlling to manage growth in 2004 | More independently helping and controlling to manage growth in 2004 |
| 7 Company structure changes     | More autonomy change and improve in the process                             | More autonomy change and improve in the process                     | More autonomy change and improve in the process                     | More autonomy change and improve in the process                     | More autonomy change and improve in the process                     |
| 8 Ability to bring up companies | Company structure change and improve in the process                         | Company structure change and improve in the process                 | Company structure change and improve in the process                 | Company structure change and improve in the process                 | Company structure change and improve in the process                 |

Table A1.6 Comparison of Companies' Business

|                                    | Company A   | Company B  | Company C   | Company D  | Company E  |
|------------------------------------|---|--|---|--|--|
| 1A Business Origins                | Catwalk producer  | Wholesale Sole trader  | Sole Trader Wholesale Design Company  | Limited Company Wholesale  | Proposed retail with wholesale   |
| 1B Type of Product/Service         | Event and show production   | Specialist Niche Leisurewear Womenswear Price Points   | Designer Label Womenswear Price Points  | Street Designer Label Womenswear, Menswear and Childrenswear   | Designer label products Womenswear Price Points  |
| 1C Business Start up Process       | No formal business plan   | 6 month business planning process  | No formal business plan   | No formal business plan Start with own finance.  | 6 month business planning process  |
| 2 Awareness of competitors         | Full awareness  | Full awareness   | No awareness  | Limited awareness  | Partial awareness  |
| 3, Company performance             | Have grown the number of clients that use the show production services            | Diversified set of services and products. Started with niche products, now offering personal shopping, pattern cutting service | Number of accounts, started with 4 now have 29. Diversification of retail outlets who sell product, mainly Asian, Pacific Rim | Number of accounts, number of people wearing the garments, the number of responses by people who like the product. Number of suppliers | Over 18month growth period, have grown the network, list of contacts to draw upon. Developing the right contacts, submitted plan to DTI. Marketing push, promotional material coherent and branded |
| 4 People employed                  | 1 plus 3 associates   | 1 plus 6 freelance   | 3 people  | 9 people   | 2 people   |
| 5 Geographical location            | Central London  | Whitstable London Canterbury   | Central London  | East End of London   | Rochester London   |
| 6 Business Plan                    | Yes   | Yes  | No  | Yes  | Yes  |
| 7 Mission Statement                | Some future objectives  | Some future objectives   | Some future objectives  | Strong future objectives Realistic growth patterns   | Develop a new retail womenswear range, with product, consumer and retail focus   |
| 8 Future Challenges                | Strategic growth of the company   | Slow Growth Related to Diversity   | Slow Growth Related to Product  | Fast Growth Related to company   | Growing the business. More work on sourcing production and manufacturing facilities  |
| 9 Company structure now            | Work independently but use freelance and consultants to manage specific functions | Working independently Managing network of freelance specialists  |   | Employing specialist to managing the growing number of product ranges  | Two Partners with wide network of personal, social and business contacts   |
| 10 Company structure changes       | Yes, constantly changing and bringing in new people                               | Working independently  |   | One man band. Employing of specialists to oversee the functions of marketing, production, and selling                                  | Collaborating on various projects, which lead to partnership Building local network contacts for specialists   |
| 11 Advice for setting up companies |   | Presenting a professional business plan Market focused Aware of what   | Developing a unique product Being astute Developing experiences and   | Be prepared for long hours Passion and ambitious Being close to  | Has got to be planning, hard to quantify, down to individual, different  |

|                                |  |  |   |   |   |
|--------------------------------|--|--|---|---|---|
|                                |  | the consumer wants.  | learning from them  | the consumer, talking and observing people  | characters have different strengths, Maturity and experience. Finance, production and manpower. |
| 12 Management Style            | Open, informal and constant communication                  | Firm but approachable  | Imparting my values, motivate people to do things                                       | Informal, not good at organising  | Depends on situation, sometimes informal, formal when it needs to be                            |
| 13 Frequency of meetings       | Regular email, irregular meetings a present                | Once a week  | Once a week   | Once a week,  | Once a week Regular with meeting structure  |
| 14 Decision making             | Very fast turnover of projects, based on seasonal calender | Is it profitable. Decisions made on time efficiency and task efficiency        | Non participation by team   | Open decision making  | Based on research, comparing, compiling information, discussion with external people, teaching  |
| 15 Marketing/Design Activities | Founder responsible for marketing identity                 | External Public Relations with close and personal contact for advice and ideas | Designer manages all aspects of marketing. Does employ external public relation company | Has appointed specialist for marketing, seen as important part of business growth         | Owners/ joint decision making   |
| 16 People Selection            | Through word of mouth                                      | Based on their contacts, experiences and past achievements                     |   | From personal networks, friends. Observations and consulting other people in the business | Cherry Picking, have seen in action, combination of skill and personality                       |
| 17 Nature of the meeting       | Depends on the time of year and type of project            | Adhoc, communication   | Close knit communication with internal team<br>Constant communication                   | Regular, meetings documented, reporting as well future planning                           | Bringing all people together, brainstorming   |
| 18 Type of meetings            | Informal, brainstorming meetings                           | Confidence building, personal development of the team                          | Spontaneous, brainstorming  |   | Action based, progress updates  |

**Table A1.7 Comparison of Companies' Marketing/Design**

|  | Company A   | Company B  | Company C  | Company D   | Company E   |
|--|---|--|--|---|---|
| 19 Customer orientation  | Very proactive  | Very proactive   | No actions   | Very proactive  | Limited actions   |
| 20 Consumer Research methods                                     | Through word of mouth                                       | Talking to clients<br>Shopping Trips<br>Mainstream Fashion Magazines<br>Personal contact   | Talking to people<br>Shopping Trips<br>Magazines<br>Attention to lifestyle analysis                  | Strong consumer research strategy<br>Through website questionnaire<br>Talking to customers of their opinions<br>Constant conversations with customers about the clothes | Talking to prospective customer groups<br>Discussions informal interviews, disguised interviews                             |
| 21 Use of consumer information for decision making               | Email, telephone  | Analysis of customer information to help plan the future product/service directions<br>No formalised method of capturing information | Limited communication of information. Primarily left to owner to make decisions                      | Through regular weekly meetings with design/marketing and production teams.<br>No formalised method of capturing information  | Through meetings, word of mouth. Not emails   |
| 22 Promotional methods   | Website, networking   | Advertising<br>Postcards<br>Mail Outs  | The catwalk show<br>On schedule<br>LFW<br>Look books<br>Christmas cards<br>Small booklets            | Celebrity endorsements have been an important promotional method.<br>Not intentional  | Catwalk show as part of off/schedule at LFW People wearing outfits  |
| 23 Public Relations Methods                                      | Use a variety of PR methods                                 | External Public Relation consultant  | External Public Relation Company   | External Public Relation Company  | Both in house and external PR consultant/freelance  |
| 24 Results of promotion/launch strategies                        | Achieved a lot of press and key influencers in the industry | Extends into new areas, such as personal shopping, new clients   | Constantly sending out of publicity material to keep in buyers/press                                 | Greater awareness of the designer label   | Raising profile and kudos   |
| 25 Product Presentation  | Through project proposals, CDROMs and company portfolio     | Trade Shows<br>Postcard distribution to targeted locations, such as key department stores, health/lifestyle stores                   | Through showroom presentations<br>Sample sales<br>Press Releases<br>Look Book                        | Through own showroom.<br>Intimate setting for inviting buyers and press to view the new collections.<br>Builds good relationships with suppliers/retailers              | Opening parties, show evenings, new artists, fashion event, social events, will not use catwalk until better infrastructure |
| 26 Links with other areas/functions internal/external to company | Constant communication                                      | Small team, informal use of marketing information into other areas   |  | Strong links/tight connections across the company   | Discussions and enthusiasm to retain communication  |
| 27 Management of internal/external relationships                 | Not applicable  |  |  |   | Phone calls, feedback, to ensure follow through   |
| 28 Relationships with retailers                                  | Close links through social events                           | Very close links Achieved through technology<br>Quick response to retailers orders   | Limited links with retailers.<br>Sometimes offer reorders.<br>Seasonal ordering, no midseason ranges | Very close links<br>Constantly on the telephone to maintain strong relationships with retailers   | Limited at present  |
| 29 Relationships with press                                      | Constantly sending out information                          | Constantly sending thank you letters   | After show parties to network, send  | Have built up a relationship over many years with   | Via PR, own networking. In house PR based   |

|   |   |  |  |   |  |
|---|---|--|--|---|--|
|   |   | Sending special promotions<br>Sometimes work on projects to gain press coverage  | garments out to the press.   | the press.<br>Word of mouth   | on business socialising, driven as family business, so everybody has ownership   |
| 30 Use of marketing/design technology   | Use Photoshop, to produce booklets                      | Strong use of technology in the design process   | Technology not used in the sketching/concept development, but investing in sewing technology to produce garment  | Currently researching and improving the level of technology to support the processes                      | Utilising CAM equipment for grading  |
| 31 New products/collections researched  | Through shop research, event/exhibition research/travel | More directional design research<br>Constantly looking at new fabric innovations<br>Colour research<br>Retail/Product research | Constantly looking at social trends, developing own individual style through new teams every season.<br>Consider styling as part of the design process | Story boards, go out to stores, travel away a bit to think and be inspired.<br>Work with design assistant | Driven by market knowledge.<br>Through a combination of magazines, street research, social research, art, style research.<br>Produce inspiration boards which communicate new directions |
| 32 Effective methods of design          | Attending galleries, music, clubs, magazines            | Fabric innovations, commercial sellers, youth market analysis<br>Evaluating own ranges   | Testing out the new techniques, challenging status quo   | Do not adapt from last season, collection gets bigger every time.<br>Just started childrenswear           | Complex, no single source of inspiration   |
| 33 Product reviews                      | Constant monitoring                                     | Constant review of existing products, forming new directions through analysing new lifestyle/social trends                     | Organic growth, produce more samples, and then edit, but are aware of capacity   | In house sample development, but now sampling being undertaken by factories.<br>Ranges have grown in size | Ongoing, breaking with traditional, continuous product development, not seasonal   |
| 34 Product selection                    | In consultation with key associates                     | The retail buyers  | Designer makes final decision on what goes into catwalk. Does communicate with others  | Designer  | Exploring many ideas before one is selected. Not so collection based, design on a continuous basis   |
| 35 Use of product management technology | Use of website to constantly update information         | Used to present product images, information to show clients. Effective method of changing existing ideas into new ideas        | No management technology   | Limited, at present   | Not using at present   |

Table A1.8 Comparison of Companies' Team

|  |  |  |  |  |   |
|--|--|--|--|--|---|
| 36 Team culture                              | Informal, creative group of people   | Giving the clear instructions and deadlines, important to stress time objectives | Try to diffuse loyalty, commitment, nurturing the team   | Informal culture, need to be comfortable around people. We have fun  | Getting people to buy into the dream. Buying into the potential   |
| 37 Type of team                              | Depends on the project, mainly fashion specialists                                   | Not applicable   | Specialist within the team, patterncutters, sample cutters   | Specialist people working within the team.   | Multi-disciplinary  |
| 38 Team building                             | Taking out to lunch, social events   | Through interviewing and identity strengths and weaknesses                       | No approach  | Make them feel part of a team.   | Treats. Take to lunch, communication  |
| 39 Team selection                            | Through knowledge and recommendations  | Give new prospective staff test to determine their abilities. Not based on trust | Look for experience, look for the right individual to work within the company  | Interview staff, mainly employ people on freelance basis, or short term contract, constantly trying out new people | Word of mouth, no advertising   |
| 40 Company selection process                 | Depends on their CV and recommendations from other professionals<br>No formal system | Show quality expectations  | No formal systems  | Word of mouth  | No formal system  |
| 41 Staff development                         | None at present  | No formal systems  | No formal systems  | No formal systems  | Send people off to courses, owners keep up to date with teaching and consultancy  |
| 42 Staff motivation and reward               | Fee basis  | Pay them really well, expect good quality in return.                             | No response  | Give bonuses, Dedicated team. Work hard will get rewarded  | Bonus, in a way keep ad hoc, random not to raise expectations   |
| 43 Internal cross relationships              | Yes, encourage cross ideas   | Yes, encourage machinist to work together  | No encouragement   | More investment in this  | Yes, there is a core team that are interacting closely.<br>Delegation process   |
| 44 External relationships                    | Developing database of clients   | Networking, need to know who is worth working with                               | Has major sponsor Cotton USA<br>Attends meetings. Did not get involved with additional sponsors projects.                | Working with buyers and press all the time   | Not at this time  |
| 45 Public relations management               | Developing more knowledge of PR  | Word of mouth, Christmas cards, database, publicity,                             | No budget for advertising. Christmas cards, invitations to catwalk. Personal relationship building, sending out messages | Working with established PR company  | Press based at present, looking at building a client list/database. Encouraging and inviting, underpinned by advertising campaign |
| 46 Business knowledge, experience, awareness |  | Has worked for large companies, not fashion related. Do not compare to           | No formal business experience  | No previous business experience. However, based on experience, knowing what  | Family run business, through previous start ups that have failed  |

|                                 |  |                            |   |  |  |
|---------------------------------|--|----------------------------|---|--|--|
|                                 |  | others, be action oriented |   | people want, need to experience through talking to people, continuous learning.  |  |
| 47 Future business developments |  |                            | Looking at developing perfume. Looking to show in Milan | Quicker product turn around. Not using local production because not up to quality, and limited volume. Increasing the work force | Getting retail site, launching the label |

|   |                                 |
|---|---------------------------------|
| B | 1, 14, 15, 18, 22, 25, 28       |
| C | 1, 6, 8, 17, 22, 23, 24, 25, 35 |
| D | 4, 11, 12, 14                   |
| E | 5, 22, 23, 25, 28, 35           |

Figure A1.8

|         |  |
|---------|--|
| Company | Agencies that made reference to advertising activities, such as World of Youth, Infantal Contacte, Personal Marketing etc. |
| A       | 10, 3, 10, 14, 32, 40, 44  |
| B       | 1, 44, 45  |
| C       | 26, 24   |
| D       | 5, 13, 28, 35  |
| E       | 3, 16, 21, 22, 25, 30, 31  |

**Figure A1.4 Branding Concepts Summary (Yellow colour coding of answers)**

| Company | Question answers related to Branding Concepts<br>Visual/Corporate/Social Identity |
|---------|---|
| A       | 6, 15, 19, 22, 25,28, 30, 35  |
| B       | 8,11, 19, 25, 29,   |
| C       | 8, 17, 24, 25, 29, 33, 45   |
| D       | 2, 7, 19, 20, 25  |
| E       | 6, 16, 24,25  |

**Figure A1.5 Promotional Concepts Summary (Purple colour coding of answers)**

| Company | Question answers related to Promotion, Public Relations,<br>Advertising, Sponsorship Concepts |
|---------|---|
| A       | 2, 6, 7, 8, 23, 24, 45  |
| B       | 1, 14, 15, 18, 22, 24, 29   |
| C       | 1, 6, 8, 17, 22, 23, 24, 28, 45   |
| D       | 4, 11, 13, 15   |
| E       | 4, 22, 23, 25, 29, 45   |

**Figure A1.6 Networking Concepts Summary (Green colour coding of answers)**

| Company | Answers that made reference to Networking Activities, such<br>as Word of Mouth, Informal Contacts, Personal Networking<br>etc. |
|---------|--|
| A       | 1C, 3, 10, 14, 22, 40, 44  |
| B       | 1, 44,45   |
| C       | 20, 34   |
| D       | 6, 13, 29, 39  |
| E       | 3, 16, 21, 29, 39, 40, 45  |

## APPENDIX 2 SINGLE CASE STUDY LIST OF TABLES AND FIGURES

### Table A2.1 Company Network Profile

|    | Role and present experience   | What they provide                              | How they met initially                  | How they interact               | Time Known | D | W | M | 6 m |
|----|---|--|---|---------------------------------|------------|---|---|---|-----|
| 1  | Entrepreneur/runs café (creative artists for everything)                  | sources models                                 | Make-up artist                          | Mainly phone/email              | 8m         |   | * |   |     |
| 2  | Freelance public relations consultant/full time student Fashion Promotion | internal public relation support               | Through educational organisation        | Face to face, telephone         | 1yr        | * |   |   |     |
| 3  | Full time student   | Research                                       | Through educational organisation        | Face to face                    | 6m         |   |   |   |     |
| 4  | pattern cutting and production  | Patterns, fit and product patterns             | Through educational organisation        | Face to face, telephone         | 2½yr       | * |   |   |     |
| 5  | pattern cutting and production  | Specification and garment construction support | Through educational organisation        | Face to face                    | 2½yr       | * |   |   |     |
| 6  | Business counsellor Medway Enterprise Agency and business link            | Financial support and business consultancy     | Through Wayne Saunders                  | Telephone and meetings          | 6yr        |   |   | * |     |
| 7  | Director of Medway Enterprise Agency                                      | Contacts for potential business development    | Through research                        | Telephone and personal meetings | 18m        |   |   |   | *   |
| 8  | Chartered Surveyor dealing with estate management                         | estate advice                                  | Through research                        | On site meetings and phone      | 3m         |   |   |   | *   |
| 9  | Retail/landlord   | Advice on property                             | Through research                        | Phone                           | 3m         |   | * |   |     |
| 10 | Public relation for retail  | project assistance                             | Through research                        | Phone and on site               | 3m         |   | * |   |     |
| 11 | Management agencies for retail  | contracts tenant liaison                       | Through retail managers                 | Face to face                    | 1m         |   |   | * |     |
| 12 | Small CMT production unit   | first samples and production                   | Recommended by other contact            | Site visit                      | 2m         |   | * |   |     |
| 13 | Small CMT production unit   | first samples and production                   | Research                                | Site visit and phone            | 4yr        |   | * |   |     |
| 14 | Small CMT production unit   | first samples and production                   | Recommended by Medway Enterprise Agency | Site visit and phone            | 2m         |   | * |   |     |
| 15 | Small CMT production unit   | first samples and production                   | Through research                        | Site visit and phone            | 3m         |   |   | * |     |
| 16 | Experienced Pattern cutter  | first pattern and production                   | Through industry contact                | Telephone and fax               | 2m         |   | * |   |     |
| 17 | Fashion company and fabric supplier                                       | design consultant                              | Through fabric agent                    | Telephone and meetings          | 6m         |   | * |   |     |
| 18 | Established company   | finance and company accounts                   | Family recommendation                   | telephone and site meetings     | 8yr        |   |   | * |     |
| 19 | Established company   | legal advice and company formation             | Family recommendation                   | telephone and site meetings     | 8yr        |   |   | * |     |
| 20 | Secretarial   | General admin                                  | Through educational organisation        | Face to face                    | 2yr        | * |   |   |     |
| 21 | Web designer/graphic designer   | Website development                            | Through educational organisation        | Face to face                    | 18m        |   | * |   |     |
| 22 | Photographer  | photographic shoots                            | Through China white catwalk             | Face to face                    | 1yr        |   | * |   |     |

|    |                      |                                    |                                  |              |      |   |  |  |   |
|----|----------------------|------------------------------------|----------------------------------|--------------|------|---|--|--|---|
|    |                      |                                    | show                             |              |      |   |  |  |   |
| 23 | Fabric wholesaler    | discount fabric supplies           | Through consultancy              |              | 3m   |   |  |  |   |
| 24 | Make up artist       | Make up for Photoshoots            | Through model                    |              | 6m   |   |  |  | * |
| 25 | Stylist              | Photographic shoots                | Through photographer             |              | 8m   |   |  |  | * |
| 26 | Furniture designer   | Photographic shoots & retail space | Through model                    |              | 4m   |   |  |  | * |
| 27 | Model                | Modelling for photoshoots          | Café                             | Telephone    | 1m   |   |  |  | * |
| 28 | Model                | Modelling for photoshoots          | KIAD Fashion show                | Telephone    | 1m   |   |  |  | * |
| 29 | Model                | Modelling for Photoshoots          | Through educational organisation | Face to face | 3m   |   |  |  | * |
| 30 | Consumer             | Wearing garments                   | Personal                         | Face to face | 10yr | * |  |  |   |
| 31 | Fabric suppliers     | Discount fabric supplies           | Through Gillian                  | Letter       | 2m   |   |  |  | * |
| 32 | Shoe company         | Shoes for catwalk and Photoshoots  | Research                         | Telephone    | 1yr  |   |  |  | * |
| 33 | Photographic company | Giveaways for catwalk              | Research                         | Telephone    | 1yr  |   |  |  | * |
| 34 | Student              | General help                       | Friend                           | Telephone    | 2yr  |   |  |  | * |
| 35 | Student              | General help                       | Friend                           | Telephone    | 1yr  |   |  |  | * |
| 36 | Family               | Shop fitting                       | Friend                           | Face to face | 7yr  | * |  |  |   |

**Table A2.2 Image Database Profile**

|    | Source of image   | Location of image                              | Date of image       | Description of image  | Type of branding                         | Nature of promotion                    | Type of promotion | Analysis of image   |
|----|---|--|---------------------|---|--|--|-------------------|---|
| 1  | <a href="http://www.chinane.ws.com">www.chinane.ws.com</a>                          | website  | 1.3.04              | Photograph and feature from London Fashion Week 16.2.03   |  | Uncontrolled publicity, post publicity | PR                | International coverage of the LFW collection presentation and event at the Kings Road |
| 2  | Harriet's Muse PR team  | given away at LFW                              | 16.2.04             | Press Pack containing written commentary, postcard and giveaway wrist band                            | HM visual symbols and logo, using colour | Controlled publicity during event      | PR                | Press release aimed at journalist and retail buyers                                   |
| 3  | Harriet's Muse Graphic/ Web designers   | HM website                                     | Printed off 18.2.04 | Company Website which gives details of the selling point and contact details                          | HM visual symbols and logo               | Controlled publicity pre publicity     | PR                | Company website   |
| 4  | HM image making team  | given away at LFW                              | 16.2.04             | Postcard of AW collection basque  | Not used                                 | Controlled publicity during the event  | PR                | Postcard is part of the press pack  |
| 5  | Sponsors postcards Buffalo  | given away at China White catwalk show Sept 02 | 12.9.02             | 4 postcards of boots/shoe makers who lent the accessories for the catwalk show                        | NA                                       | Controlled publicity pre publicity     | SP                | Buffalo collaborated with HM and supplied shoes for the first show                    |
| 6  | Packaging E.Coudray Perfumes  | Kingley Court London                           | 26.2.04             | Free trial size perfume packaging   | NA                                       | Controlled publicity post publicity    | PS                | E.Coudray, French perfume maker since 1822 is being sold within the HM retail shop    |
| 7  | Photo-graph LH at LFW   | Kings Road                                     | 16.2.04             | Models on horseback parading along Kings Road outside the LFW event                                   | HM visual logo and symbol on horse cover | Controlled publicity during the event  | PR                | HM used off schedule event to promote the AW collection                               |
| 8  | Photograph by Eleanor Warrington of Cheryl Partington working on product innovation | KIAD PG Prospectus                             | August/ Sept 02     | Photograph of one of the designers working in the studio environment, prior to the first catwalk show | NA                                       | Uncontrolled publicity pre publicity   | PR                | CP developing the new shapes that form the brand identity of HM                       |
| 9  | Photo-graph of CP   | KIAD PG Prospectus                             | August/ Sept 02     | Photograph and quotes from the KIAD Post Graduate Prospectus  | NA                                       | Uncontrolled publicity pre publicity   | PR                | CP talking about the MA Course  |
| 10 | Photo-graph of Craig Spellar  | KIAD PG Prospectus                             | August/ Sept 02     | Photograph and quotes from the KIAD Post Graduate Prospectus  | NA                                       | Uncontrolled publicity pre publicity   | PR                | CS talking about the MA Course  |
| 11 | Photograph of first samples   | KIAD studio                                    | August/ Sept 02     | Photograph of work in progress of the first samples   | NA                                       | Uncontrolled publicity pre publicity   | PR                | Taken as part of the MA assessment review process LH                                  |
| 12 | Photo-graphs by Jung Lee of CS first samples  | KIAD studio                                    | August/ Sept 02     | Photographs of first samples ready for catwalk show   | NA                                       | Uncontrolled publicity pre publicity   | PR                | Jung Lee was commissioned to take photo-graphs of the work for publicity purposes     |
| 13 | Photographs by Jung Lee of China White catwalk show                                 | China White                                    | 12.9.02             | Photographs of catwalk show of individual collections at CW   | Pre - branding identity                  | Controlled publicity during            | PR                | Jung Lee was commissioned to take photographs of the work for publicity purposes      |
| 14 | <a href="http://www.hellomagazine.com">www.hellomagazine.com</a>                    | website  | 1.3.04              | Website mention of HM with photograph   | Post branding identity                   | Uncontrolled publicity                 | PR                | Special report of LFW with three line mention of HM                                   |

|    |   |                   |         |   |                               |                                    |       |   |
|----|---|-------------------|---------|---|-------------------------------|------------------------------------|-------|---|
| 15 | Photographs styled by Lee Laphorne and David                    | Rochester Castle  | May-02  | Photographs of first samples using models and location to promote the new collection CP | Forming the branding identity | Controlled publicity               | PR    | First photographic shoot to begin to build the look and brand identity                  |
| 16 | Photography styled by Lee Laphorne and David                    | Chatham Dockyards | May-02  | Photographs of first samples using models and location to promote the new collection CS | Forming the brand identity    | Controlled publicity Pre publicity | PR    | First photographic shoot to begin to build the look and brand identity                  |
| 17 | Photographs of colour development Partner 2                     | KIAD studio       | Aug-02  | Photographs of the colour development of the collection CP                              | Incubation Brand Building     | Controlled Publicity               | PR    | Development of the colour palette   |
| 18 | Photographs of the early silhouette development s Partner 2     | KIAD studio       | Dec-01  | Photographs of the silhouette development of the collection CP                          | Incubation Brand Building     | Controlled Publicity               | PR    | The forming of the brand identity and product look through modelling on the dress stand |
| 19 | Photographs of the early silhouette development s Partner 1     | KIAD studio       | Dec-01  | Photographs of the menswear development of the collection CS                            | Incubation Brand building     | Controlled Publicity               | PR    | The forming of the brand identity and product look through collection planning          |
| 20 | Close up photographs of garment details and finishing Partner 2 | KIAD studio       | May-02  | Photograph to show the design detailing and product finishing CP                        | Incubation Brand Building     | Controlled Publicity               | PR    | The forming of the brand identity and product look through collection planning          |
| 21 | China White Show Leaflet to promote the 5 designers             | Given away at CW  | 16.2.02 | Show leaflet produced by Jo Saunders to promote the new designers                       | Brand Building                | Controlled Publicity               | PR/SP | China White Show produced by CP and CS as Platform 55 company                           |
| 22 | Professional Photographic Shoot                                 | Chatham Dockyards | May-02  | Photographs of first samples using models and location to promote the new collection CS | Forming the brand identity    | Controlled Publicity               | PR    | The first professional photographic shoot using art directors and photographers         |

**Table A2.3. Personal Profiles of Company Founders – Partner 1**

| Question No | Date of Interview 24.6.03                              |  |
|-------------|--|--|
| 1           | Name   | Partner 1  |
| 2           | Age  | 28   |
| 3           | Nationality  | British  |
| 4           | Previous Education                                     |  |
| 5           | Further Education                                      | BTEC Fashion KIAD  |
| 6           | Higher Education                                       | HND<br>BA Fashion Surrey Institute<br>MA Fashion KIAD  |
| 7           | Reasons for studying Postgraduate course               | Re brand and redirection   |
| 8           | Short Term aspirations                                 | Set up new womenswear range  |
| 9           | Long Term aspirations                                  | Director of Multi national company   |
| 10          | Reasons for starting/launching company                 | Self satisfaction<br>Was made redundant from previous company  |
| 11          | Work Experience  | Worked as designer at Courtaulds<br>Work in marketing and PR roles<br>Previous start up not successful |
| 12          | People who have helped your self development programme | Family<br>Educational  |

**Table A2.4 Personal Profiles of Company Founder – Partner 2**

| Question No | Date of Interview 24.6.03                              |  |
|-------------|--|--|
| 1           | Name   | Partner 2  |
| 2           | Age  | 26   |
| 3           | Nationality  | British  |
| 4           | Previous Education                                     |  |
| 5           | Further Education                                      | Foundation KIAD  |
| 6           | Higher Education                                       | HND<br>BA European Fashion (4 years)<br>MA Fashion KIAD            |
| 7           | Reasons for studying Postgraduate course               | New directions   |
| 8           | Short Term aspirations                                 | Become a design director   |
| 9           | Long Term aspirations                                  | Become a company director  |
| 10          | Reasons for starting/launching company                 | Independence   |
| 11          | Work Experience  | Worked in design studios in Paris<br>Retail experience with Jigsaw |
| 12          | People who have helped your self development programme | Family<br>Educational<br>Peers                                     |

Figure A2.1 Example of Diary Day One

|  |
|--|
| <p>12<sup>th</sup> March<br/>To Do – Wednesday</p> <p>Range planning – identify:</p> <ul style="list-style-type: none"> <li>• Pieces</li> <li>• Sizes</li> <li>• Fabrics</li> <li>• Colours</li> <li>• Silhouette</li> </ul> <p>Pre-process networking/entrepreneur/promotion fast development<br/>Am: phone Adrienne @ KIAD Marketing – discuss PR. Work alongside KIAD Promotions</p> <p>Adrienne instructed to contact:</p> <ul style="list-style-type: none"> <li>• Drapers Record</li> <li>• Evening Standard</li> <li>• The Guardian</li> <li>• Times Style Magazine</li> <li>• Sunday Telegraph Magazine</li> <li>• Glossies later on prior to shop opening</li> </ul> <p>(Phone tomorrow – report on progress)</p> <p>Cheryl phoned interview with Chris Carris at Drapers Record Re: Feature/New article</p> <p>Discuss portfolio tutorials with Sheelagh Wright and Thomass Atkinson – Final year KIAD. Get copies of project briefs.</p> <p>Meeting with Promotions team:<br/>Re:</p> <ul style="list-style-type: none"> <li>• budget for advertising/promotions 20K.</li> <li>• Need two more copies of press release on disk.</li> <li>• Business progress/update</li> <li>• Financial/promotion decision making</li> </ul> <p>Phoned loan guarantee scheme</p> <ul style="list-style-type: none"> <li>• News! Open to retail as from April</li> <li>• It takes 5 working days from submission of business plan to decision</li> <li>• Eligible for up to 100K as a start up business</li> </ul> <p>Phoned CAPIT B – no longer exists re manufacturing – no results<br/>Phoned 'School Fast' and Apparel textiles register</p> <p><u>EA Shaw (Estate Agents)</u></p> <ul style="list-style-type: none"> <li>• Property on Floral Street is yet to be marketed – 30 – 35K Per annum on a new 5 year lease.</li> <li>• Will be marketed and signed in 2-3 weeks.</li> <li>• Approx rateable value 10K</li> <li>• Yet to be converted into shop space and frontage.</li> <li>• No 28 or 38? Next to Tiger of Sweden.</li> <li>• Will be marketed and signed in 2-3 weeks.</li> <li>• 400 sq ft.</li> </ul> |
|--|

**Figure A2.2 Example of Diary Day Two**

|   |
|---|
| <p>13 March 03</p> <p>To do: Cheryl</p> <ul style="list-style-type: none"> <li>• Send images/photos to Adrienne at Maidstone KIAD and letter and BRAD photocopies of publications</li> <li>• Send disk of PowerPoint presentation and letter and images to Chris Curtis at Drapers Record</li> <li>• Order photos from Rob x3 more of each b/w</li> <li>• Phone Adrienne re disk – original copy; magazines, spelling on disk credit Rob</li> <li>• Photos on way – may need sending on</li> <li>• Phone Evening Standard</li> <li>• Phone Claire and girls re: promotional strategy; mood boards; launch party; advertising space</li> <li>• Phone Bob Burton (HSBC) re progress</li> <li>• Work on range plan</li> </ul> <p><u>Craig</u></p> <ul style="list-style-type: none"> <li>• Meeting at 5 Portland Place BFC Graduate Fashion Week for KIAD</li> <li>• Their property up Floral St</li> </ul> <p>Meeting 2pm with promotional team, discuss:</p> <ul style="list-style-type: none"> <li>• Promotional strategy</li> <li>• Advertising ideas</li> <li>• Launch party</li> </ul> |
|---|

**Figure A2.3 Example of Diary Day Three**

|  |
|--|
| <p>14<sup>th</sup> March</p> <p>AM phone Adrienne at Maidstone re:</p> <ul style="list-style-type: none"> <li>• Update Evening Standard</li> <li>• Has press release arrived?</li> </ul> <p>Spoke to Fiona – left an update with her to relay to office girls (Rachael and Adrienne).</p> <p>Phone Trudi (make up)</p> <ul style="list-style-type: none"> <li>• Update</li> <li>• Photos on way and cheque to cover expenses</li> </ul> <p>Phone Mat from <u>Fever</u></p> <ul style="list-style-type: none"> <li>• Sourcing leather – 100 skins (pale colours) possible £1.50+</li> <li>• Production (Brighton)</li> <li>• Strategic production – keeping cost artificially low until next year</li> </ul> <p>Update <u>Fever</u> moving into Portland Street, London. Still considering Platform 55 for design. (He had design budget set aside).</p> <p>Business Link – London</p> <ul style="list-style-type: none"> <li>• Grants/loans for start-up businesses.</li> <li>• Contacts <a href="http://www.centre.co.uk">www.centre.co.uk</a></li> <li>• James Carter email: <a href="mailto:jcarter@centa.co.uk">jcarter@centa.co.uk</a></li> <li>• Send business plan to James</li> <li>• Grants available up to £1500 for staff training</li> </ul> <p>Rachael called from Marketing KIAD</p> <ul style="list-style-type: none"> <li>• Adrienne is leaving (freelance)</li> <li>• New head of PR – Tracey Eastern?</li> <li>• Phone her Monday to update and introduce ourselves</li> <li>• Rachael (KIAD) expressed interest in working alongside Harriet's Muse.</li> <li>• Phone Shaftsbury plc</li> <li>• Donna wasn't in office till Monday</li> <li>• Re: CD press release</li> </ul> |
|--|

Figure A2.4 Internet Forum February 2004 (Uncontrolled Publicity)

**Figure A2.4 Example of Diary Day Four**

17 March 03

AM Spoken to Donna Lambert (Kingly Dev) expressed interest in us. Wants to book an appointment to discuss their and our business objectives.

Spoke to Adrienne – advice/criticism as press release and next step – website; headed paper. She will email her thoughts on a prospective press release

- Arranged meeting for Monday 31 March at Rochester campus
- She expressed interest in working with us in near future.

Met Rachael and Tracy Eastern (new PR girl for KIAD Maidstone) update on air progress and introduction to Harriet's Muse (Tracy).

Rachael has organised a profile of Craig and Cheryl and Harriet's Muse to feature in the next Perspective Magazine for KIAD.

Met with girls (PR Team) am: discussed:

- Next step with PR and Press Release
- Their tasks to follow

Provided them with photoshoot – final year undergraduate.

Phones + any more @EA Shaw – property on Floral Street. Arranged viewing premises @ 2pm Wednesday 19<sup>th</sup>.

*Cheryl worked on:*

- retail objectives
- consumer profiles

*Craig worked on:*

- The Idea

Figure A2.5 Internet Feature February 2004 (Uncontrolled Publicity)



Figure A2.6 Company Press Release February 2004

Figure A2.6 First Company Press Release February 2004 (Controlled Publicity)

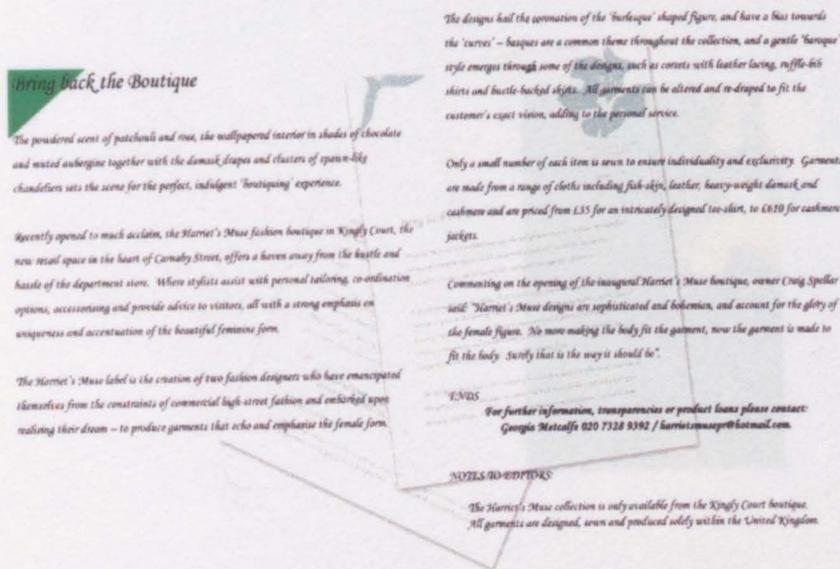


Figure A2.7 Company Website February 2004



Figure A2.8 Company Postcard Publicity February 2004



Figure A2.9 Shoe Sponsors September 2002

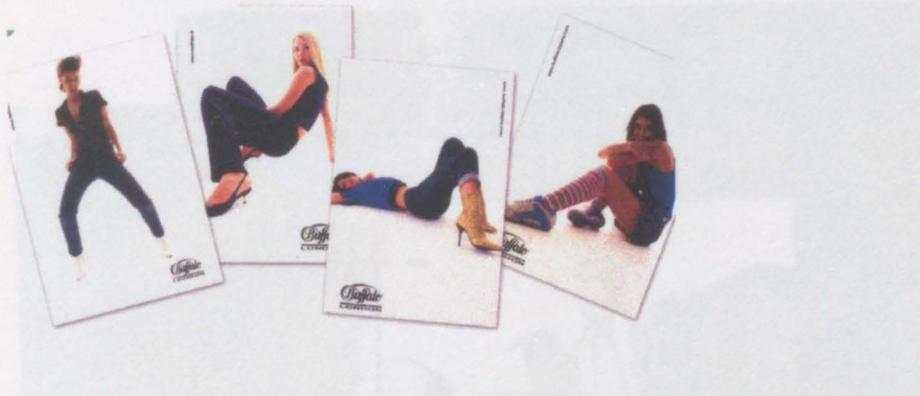


Figure A2.10 Giveaways from Retail Outlet December 2003

Database of Image/Photograph/Object

Location of Image/Photograph/Object: *Harriet's Horse Shop, Kingley Gurb*

Date of Image/Photograph/Object: *26/2/04*

Description of Image/Photograph/Object: *As part of the purchase, three trial perfume sprays given out as a free gift. E. Goudray is sold in the retail environment.*

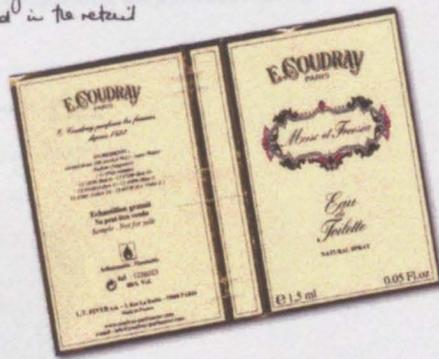


Figure A2.11 Second Sales Promotion at LFW February 2004

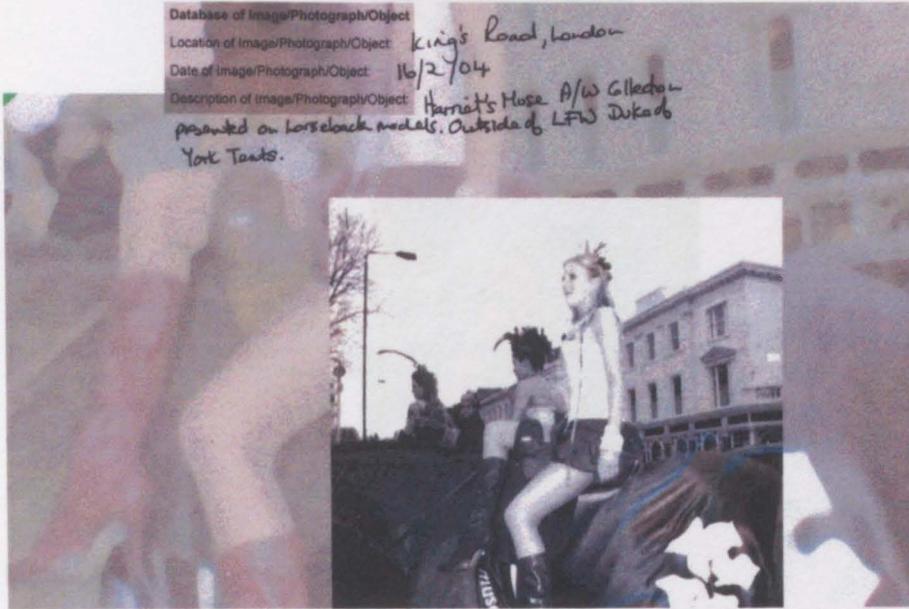


Figure A2.12 First Collection Development September 2002



Figure A2.13 Partner 2 September 2002



Figure A2.14 Partner 1 September 2002

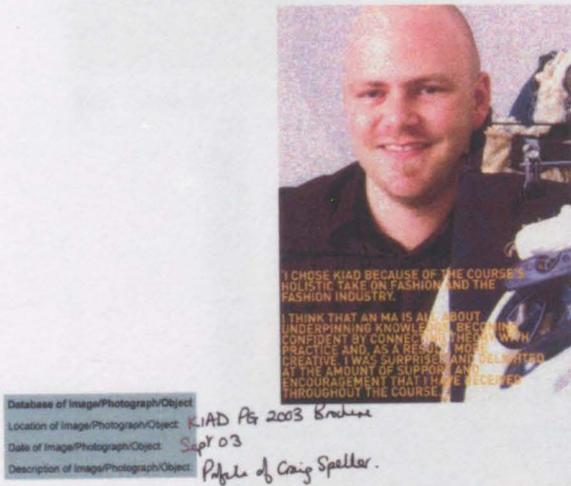


Figure A2.15 First Collection Development August 2002 Partner 2

Database of Image/Photograph/Object  
 Location of Image/Photograph/Object: KIAD/Recharge  
 Date of Image/Photograph/Object: August 02  
 Description of Image/Photograph/Object: Development of first collection pieces / Cheryl Portington.



Figure A2.16 First Collection Development August 2002 Partner 1

Database of Image/Photograph/Object  
 Location of Image/Photograph/Object: KIAD Prospectus 02-03  
 Date of Image/Photograph/Object: Sept 03  
 Description of Image/Photograph/Object: Two images of garments from Craig Speller's launch collection.



Figure A2.17 First Catwalk Show September 2002

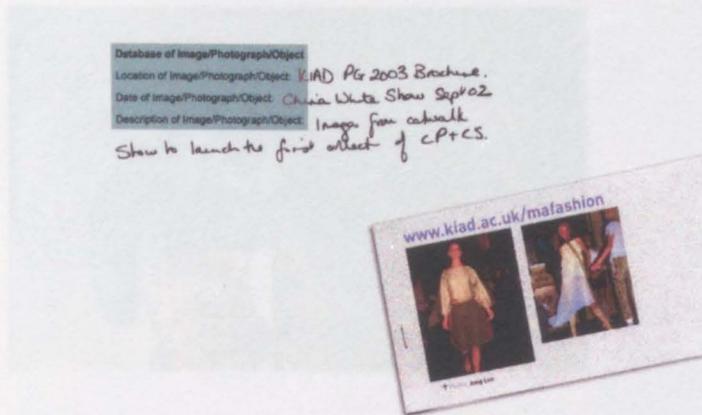


Figure A2.18 Internet Publicity Feature February 2004

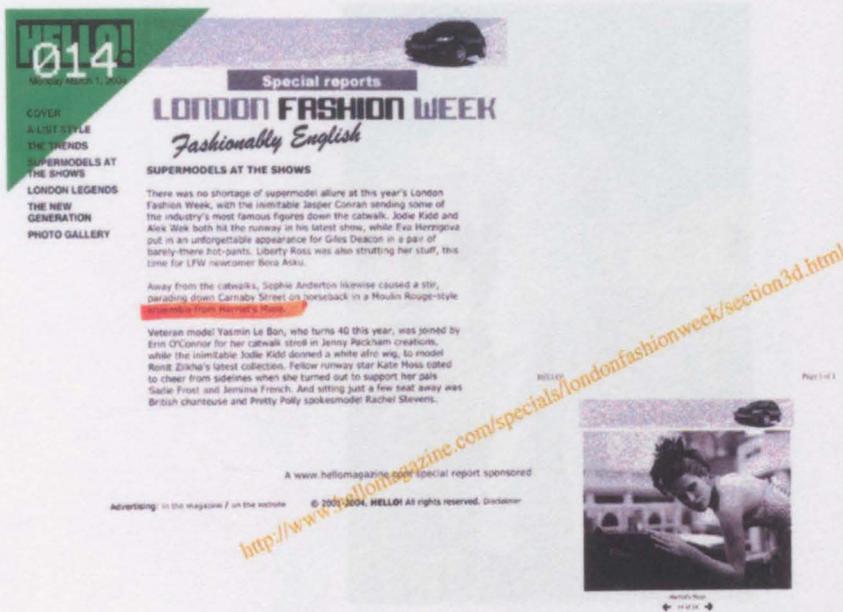


Figure A2.19 First Styling Shoot April 2002 – Partner 2



Figure A2.20 First Styling Shoot April 2002 – Partner 1

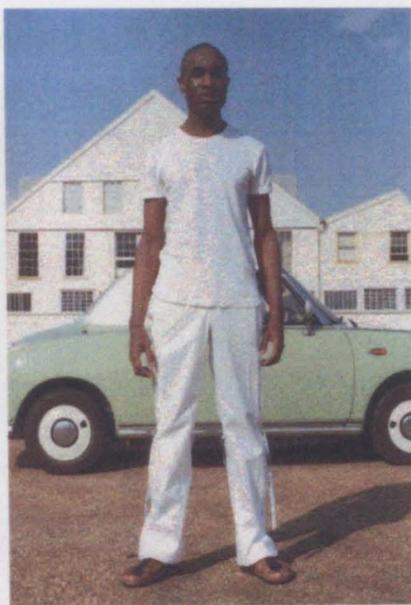
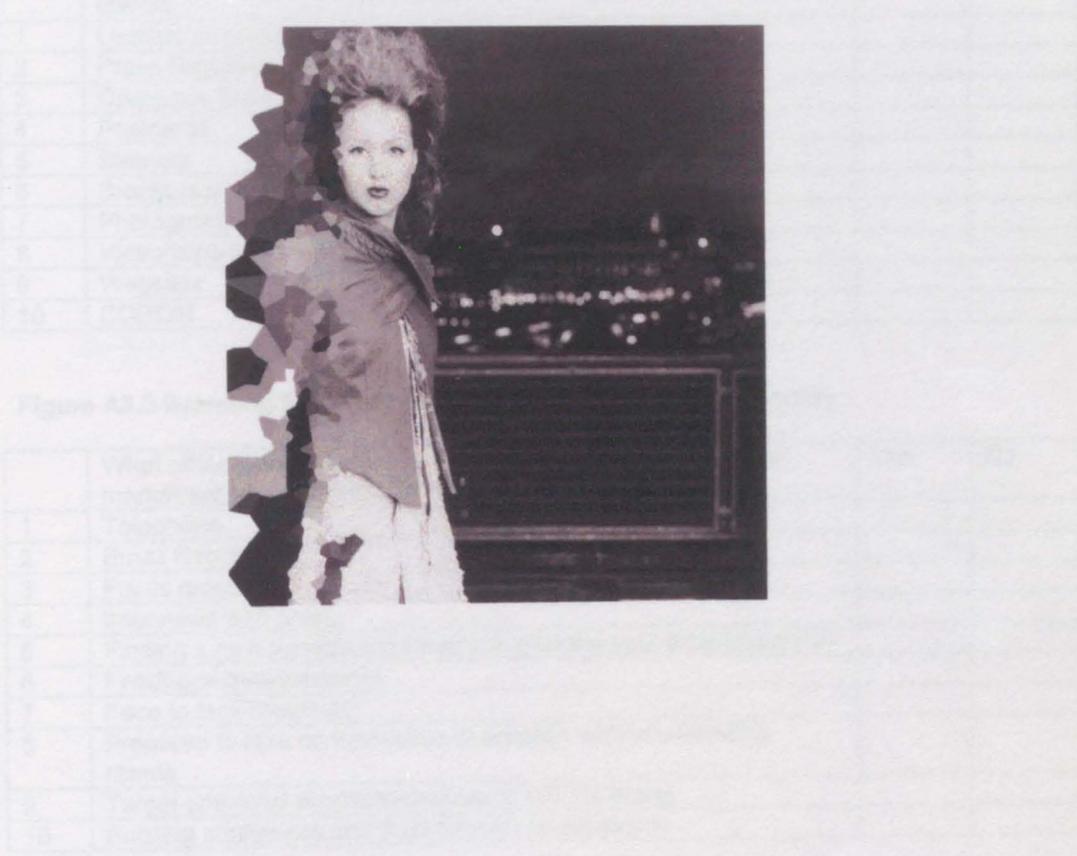


Figure A2.21 First Catwalk Show Brochure September 2002



Figure A2.22 Company First Styling Shoot February 2003



**APPENDIX 3**  
**DEDUCTIVE ANALYSIS**  
**LIST OF TABLES, CHARTS AND FIGURES**

**Figure A3.1 Branding Measurement Tool – Question 1 Visual Identity**

|    | Do you use the following to communicate your visual brand identity | Yes | No |
|----|--|-----|----|
| 1  | Logos/Typeface   |     |    |
| 2  | Symbols  |     |    |
| 3  | Photographic images  |     |    |
| 4  | Illustrated images   |     |    |
| 5  | Packaging  |     |    |
| 6  | Scale/Size of image  |     |    |
| 7  | Use of specific materials e.g. paper                               |     |    |
| 8  | Colour   |     |    |
| 9  | Pattern  |     |    |
| 10 | Shape  |     |    |

**Figure A3.2 Branding Measurement Tool – Question 2 Corporate Identity**

|    | Do you use the following to communicate your corporate brand identity | Yes | No |
|----|---|-----|----|
| 1  | Leaflets of your products/services                                    |     |    |
| 2  | Press Releases on new products/services                               |     |    |
| 3  | Corporate Stationary  |     |    |
| 4  | Postcards   |     |    |
| 5  | Banners   |     |    |
| 6  | Brochures/Look Books  |     |    |
| 7  | Photographs   |     |    |
| 8  | Video/clips/documentaries   |     |    |
| 9  | Websites  |     |    |
| 10 | CDROM   |     |    |

**Figure A3.3 Branding Measurement Tool – Question 3 Social Identity**

|    | What other forms of social brand building do you undertake to market/sell your products/services | Yes | No |
|----|--|-----|----|
| 1  | Telephone  |     |    |
| 2  | Email Reports  |     |    |
| 3  | Focus groups with clients  |     |    |
| 4  | Interviews with press  |     |    |
| 5  | Finding a new personalised event to promote your product/service                                 |     |    |
| 6  | Feedback questionnaires  |     |    |
| 7  | Face to face meetings  |     |    |
| 8  | Prepared to take on innovative challenges with new/existing clients                              |     |    |
| 9  | Target specialist products/services to sell the brand  |     |    |
| 10 | Building confidence and trust through social events  |     |    |

**Table A3.1 Company A - Question1 Visual Identity**

|    | Do you use the following to communicate your visual brand identity | Yes | No |
|----|--|-----|----|
| 1  | Logos/Typeface   | ✓   |    |
| 2  | Symbols  |     | ✓  |
| 3  | Photographic images  | ✓   |    |
| 4  | Illustrated images   |     | ✓  |
| 5  | Packaging  | ✓   |    |
| 6  | Scale/Size of image  |     | ✓  |
| 7  | Use of specific materials e.g. paper                               | ✓   |    |
| 8  | Colour   |     | ✓  |
| 9  | Pattern  |     | ✓  |
| 10 | Shape  |     | ✓  |
|    | <b>Total 40% Medium</b>  |     |    |

**Table A3.2 Company A Question 2 Corporate Identity**

|    | Do you use the following to communicate your corporate brand identity | Yes | No |
|----|---|-----|----|
| 1  | Leaflets of your products/services                                    | ✓   |    |
| 2  | Press Releases on new products/services                               | ✓   |    |
| 3  | Corporate Stationary  | ✓   |    |
| 4  | Postcards   |     | ✓  |
| 5  | Banners   | ✓   |    |
| 6  | Brochures/Look Books  | ✓   |    |
| 7  | Photographs   |     | ✓  |
| 8  | Video/clips/documentaries   | ✓   |    |
| 9  | Websites  | ✓   |    |
| 10 | CDROM   | ✓   |    |
|    | <b>Total 80% High</b>   |     |    |

**Table A3.3 Company A Question 3 Social Identity**

|    | What other forms of social brand building do you undertake to market/sell your products/services | Yes | No |
|----|--|-----|----|
| 1  | Telephone  | ✓   |    |
| 2  | Email Reports  | ✓   |    |
| 3  | Focus groups with clients  |     | ✓  |
| 4  | Interviews with press  | ✓   |    |
| 5  | Finding a new personalised event to promote your product/service                                 | ✓   |    |
| 6  | Feedback questionnaires  |     | ✓  |
| 7  | Face to face meetings  | ✓   |    |
| 8  | Prepared to take on innovative challenges with new/existing clients                              | ✓   |    |
| 9  | Target specialist products/services to sell the brand service                                    | ✓   |    |
| 10 | Building confidence and trust through social events  | ✓   |    |
|    | <b>Total 80% High</b>  |     |    |

Table A3.4 Company B Question 1 Visual Identity

|    | Do you use the following to communicate your visual brand identity | Yes | No |
|----|--|-----|----|
| 1  | Logos/Typeface   |     | ✓  |
| 2  | Symbols  |     | ✓  |
| 3  | Photographic images  | ✓   |    |
| 4  | Illustrated images   |     | ✓  |
| 5  | Packaging  |     | ✓  |
| 6  | Scale/Size of image  |     | ✓  |
| 7  | Use of specific materials e.g. paper                               |     | ✓  |
| 8  | Colour   |     | ✓  |
| 9  | Pattern  |     | ✓  |
| 10 | Shape  |     | ✓  |
|    | <b>Total 10% Low Use of visual identity</b>                        |     |    |

Table A3.5 Company B Question 2 Corporate Identity

|    | Do you use the following to communicate your corporate brand identity | Yes | No |
|----|---|-----|----|
| 1  | Leaflets of your products/services                                    |     | ✓  |
| 2  | Press Releases on new products/services                               | ✓   |    |
| 3  | Corporate Stationary  |     | ✓  |
| 4  | Postcards   |     | ✓  |
| 5  | Banners   |     | ✓  |
| 6  | Brochures/Look Books  |     | ✓  |
| 7  | Photographs   |     | ✓  |
| 8  | Video/clips/documentaries   |     | ✓  |
| 9  | Websites  |     | ✓  |
| 10 | CDROM   |     | ✓  |
|    | <b>Total 10% Low use of corporate identity</b>                        |     |    |

Table A3.6 Company B Question 3 Social Identity

|    | What other forms of social brand building do you undertake to market/sell your products/services | Yes | No |
|----|--|-----|----|
| 1  | Telephone  | ✓   |    |
| 2  | Email Reports  | ✓   |    |
| 3  | Focus groups with clients  |     | ✓  |
| 4  | Interviews with press  | ✓   |    |
| 5  | Finding a new personalised event to promote your product/service                                 | ✓   |    |
| 6  | Feedback questionnaires  |     | ✓  |
| 7  | Face to face meetings  | ✓   |    |
| 8  | Prepared to take on innovative challenges with new/existing clients                              | ✓   |    |
| 9  | Target specialist products/services to sell the brand service                                    | ✓   |    |
| 10 | Building confidence and trust through social events  | ✓   |    |
|    | <b>Total 80% High use of social methods to build brand</b>                                       |     |    |

**Table A3.7 Company D Question 1 Visual Identity**

|    | Do you use the following to communicate your visual brand identity | Yes | No |
|----|--|-----|----|
| 1  | Logos/Typeface   | ✓   |    |
| 2  | Symbols  | ✓   |    |
| 3  | Photographic images  | ✓   |    |
| 4  | Illustrated images   | ✓   |    |
| 5  | Packaging  | ✓   |    |
| 6  | Scale/Size of image  |     | ✓  |
| 7  | Use of specific materials e.g. paper                               |     | ✓  |
| 8  | Colour   | ✓   |    |
| 9  | Pattern  | ✓   |    |
| 10 | Shape  | ✓   |    |
|    | <b>Total 70% High Use of visual identity</b>                       |     |    |

**Table A3.8 Company D Question 2 Corporate Identity**

|    | Do you use the following to communicate your corporate brand identity | Yes | No |
|----|---|-----|----|
| 1  | Leaflets of your products/services                                    |     | ✓  |
| 2  | Press Releases on new products/services                               | ✓   |    |
| 3  | Corporate Stationary  | ✓   |    |
| 4  | Postcards   | ✓   |    |
| 5  | Banners   | ✓   |    |
| 6  | Brochures/Look Books  | ✓   |    |
| 7  | Photographs   | ✓   |    |
| 8  | Video/clips/documentaries   |     | ✓  |
| 9  | Websites  | ✓   |    |
| 10 | CDROM   | ✓   |    |
|    | <b>Total 80% High use of corporate identity</b>                       |     |    |

**Table A3.9 Company D Question 3 Social Identity**

|    | What other forms of social brand building do you undertake to market/sell your products/services | Yes | No |
|----|--|-----|----|
| 1  | Telephone  | ✓   |    |
| 2  | Email Reports  | ✓   |    |
| 3  | Focus groups with clients  |     | ✓  |
| 4  | Interviews with press  | ✓   |    |
| 5  | Finding a new personalised event to promote your product/service                                 | ✓   |    |
| 6  | Feedback questionnaires  |     | ✓  |
| 7  | Face to face meetings  | ✓   |    |
| 8  | Prepared to take on innovative challenges with new/existing clients                              | ✓   |    |
| 9  | Target specialist products/services to sell the brand service                                    | ✓   |    |
| 10 | Building confidence and trust through social events  | ✓   |    |
|    | <b>Total 80% High use of social methods to build brand</b>                                       |     |    |

**Table A3.10 Company E Question 1 Visual Identity**

|    | Do you use the following to communicate your visual brand identity | Yes | No |
|----|--|-----|----|
| 1  | Logos/Typeface   | ✓   |    |
| 2  | Symbols  |     | ✓  |
| 3  | Photographic images  | ✓   |    |
| 4  | Illustrated images   |     | ✓  |
| 5  | Packaging  | ✓   |    |
| 6  | Scale/Size of image  |     | ✓  |
| 7  | Use of specific materials e.g. paper                               | ✓   |    |
| 8  | Colour   | ✓   |    |
| 9  | Pattern  |     | ✓  |
| 10 | Shape  |     | ✓  |
|    | <b>Total 50% Medium Use of visual identity</b>                     |     |    |

**Table A3.11 Company E Question 2 Corporate Identity**

|    | Do you use the following to communicate your corporate brand identity | Yes | No |
|----|---|-----|----|
| 1  | Leaflets of your products/services                                    |     | ✓  |
| 2  | Press Releases on new products/services                               | ✓   |    |
| 3  | Corporate Stationary  | ✓   |    |
| 4  | Postcards   | ✓   |    |
| 5  | Banners   |     | ✓  |
| 6  | Brochures/Look Books  |     | ✓  |
| 7  | Photographs   | ✓   |    |
| 8  | Video/clips/documentaries   | ✓   |    |
| 9  | Websites  | ✓   |    |
| 10 | CDROM   | ✓   |    |
|    | <b>Total 70% High use of corporate identity</b>                       |     |    |

**Table A3.12 Company E Question 3 Social Identity**

|    | What other forms of social brand building do you undertake to market/sell your products/services | Yes | No |
|----|--|-----|----|
| 1  | Telephone  | ✓   |    |
| 2  | Email Reports  | ✓   |    |
| 3  | Focus groups with clients  |     | ✓  |
| 4  | Interviews with press  | ✓   |    |
| 5  | Finding a new personalised event to promote your product/service                                 | ✓   |    |
| 6  | Feedback questionnaires  |     | ✓  |
| 7  | Face to face meetings  | ✓   |    |
| 8  | Prepared to take on innovative challenges with new/existing clients                              | ✓   |    |
| 9  | Target specialist products/services to sell the brand service                                    | ✓   |    |
| 10 | Building confidence and trust through social events  | ✓   |    |
|    | <b>Total 80% High use of social methods to build brand</b>                                       |     |    |

**Table A3.13 Question 1 Branding Visual Identity Comparative**

|    | Do you use the following to communicate your visual brand identity | CA  | CB  | CD  | CE  | Yes  | No  |
|----|--|-----|-----|-----|-----|------|-----|
| 1  | Logos/Typeface   | ✓   |     | ✓   | ✓   | 75%  | 25% |
| 2  | Symbols  |     |     | ✓   |     | 25%  | 75% |
| 3  | Photographic images  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 4  | Illustrated images   |     |     | ✓   |     | 50%  | 50% |
| 5  | Packaging  | ✓   |     | ✓   | ✓   | 75%  | 25% |
| 6  | Scale/Size of image  |     |     |     |     | 25%  | 75% |
| 7  | Use of specific materials e.g. paper                               | ✓   |     |     | ✓   | 50%  | 50% |
| 8  | Colour   |     |     | ✓   | ✓   | 50%  | 50% |
| 9  | Pattern  |     |     | ✓   |     | 50%  | 50% |
| 10 | Shape  |     |     | ✓   |     | 50%  | 50% |
|    |  | 40% | 10% | 80% | 50% |      |     |

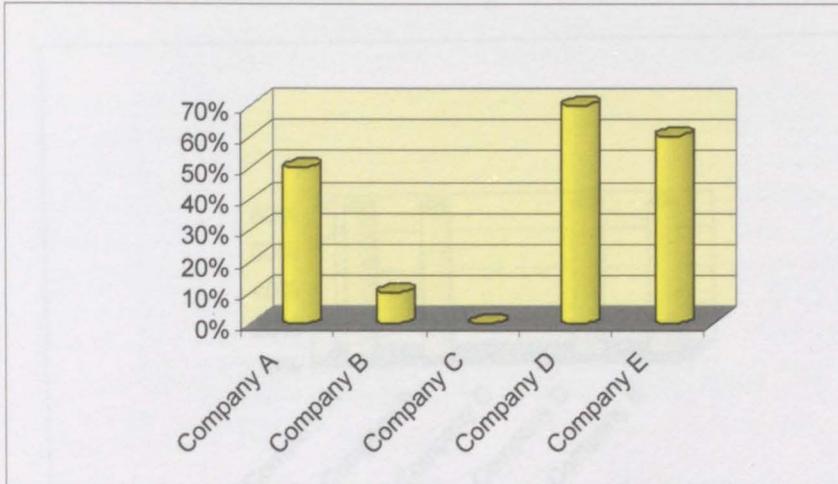
**Table A3.14 Question 2 Branding Corporate Identity Comparative**

|    | Do you use the following to communicate your corporate brand identity | CA  | CB  | CD  | CE  | Yes  | No  |
|----|---|-----|-----|-----|-----|------|-----|
| 1  | Leaflets of your products/services                                    | ✓   |     |     |     | 75%  | 25% |
| 2  | Press Releases on new products/services                               | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 3  | Corporate Stationary  | ✓   |     | ✓   | ✓   | 75%  | 25% |
| 4  | Postcards   |     |     | ✓   | ✓   | 50%  | 50% |
| 5  | Banners   | ✓   |     | ✓   |     | 50%  | 50% |
| 6  | Brochures/Look Books  | ✓   |     | ✓   |     | 50%  | 50% |
| 7  | Photographs   |     |     | ✓   | ✓   | 50%  | 50% |
| 8  | Video/clips/documentaries   | ✓   |     |     | ✓   | 50%  | 50% |
| 9  | Websites  | ✓   |     | ✓   | ✓   | 75%  | 25% |
| 10 | CDROM   | ✓   |     | ✓   | ✓   | 25%  | 75% |
|    |   | 80% | 10% | 80% | 70% |      |     |

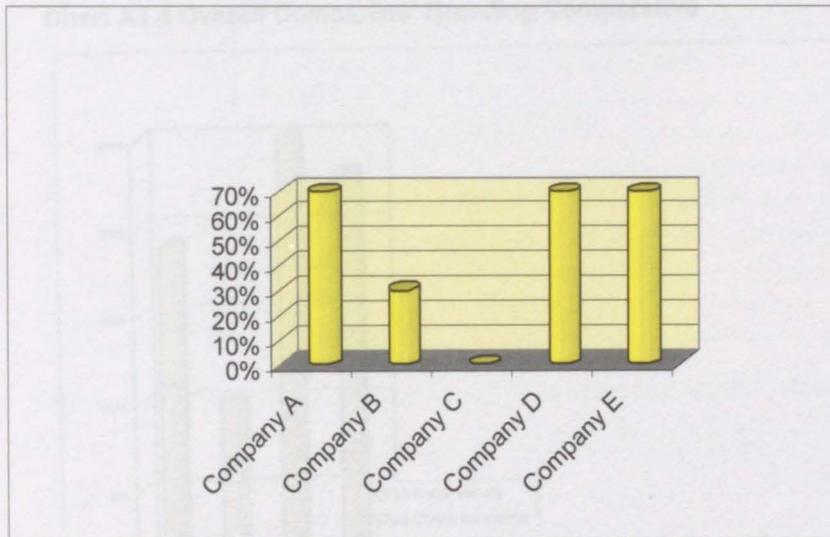
**Table A3.15 Question 3 Branding Social Identity Comparative**

|    | What other forms of social brand building do you undertake to market/sell your products/services | CA  | CB  | CD  | CE  | Yes  | No  |
|----|--|-----|-----|-----|-----|------|-----|
| 1  | Telephone  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 2  | Email Reports  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 3  | Focus groups with clients  |     |     | ✓   |     | 25%  | 75% |
| 4  | Interviews with press  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 5  | Finding a new personalised event to promote your product/service                                 | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 6  | Feedback questionnaires  |     |     | ✓   |     | 25%  | 75% |
| 7  | Face to face meetings  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 8  | Prepared to take on innovative challenges with new/existing clients                              | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 9  | Target specialist products/services to sell the brand service                                    | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
| 10 | Building confidence and trust through social events  | ✓   | ✓   | ✓   | ✓   | 100% | 0%  |
|    |  | 80% | 80% | 80% | 80% |      |     |

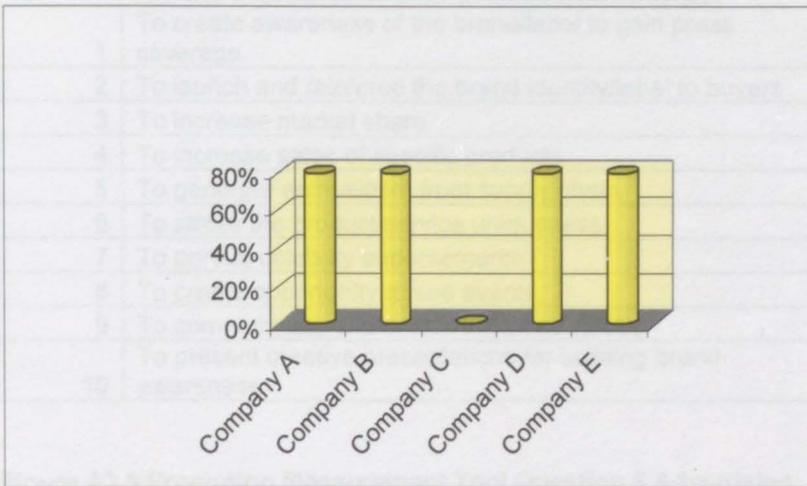
**Chart A3.1 Question 1 Companies' Branding Visual Identity Comparative**



**Chart A3.2 Question 2 Companies' Branding Corporate Identity Comparative**



**Chart A3.3 Question 3 Branding Social Identity Comparative**



**Chart A3.4 Overall Companies' Branding Comparative**

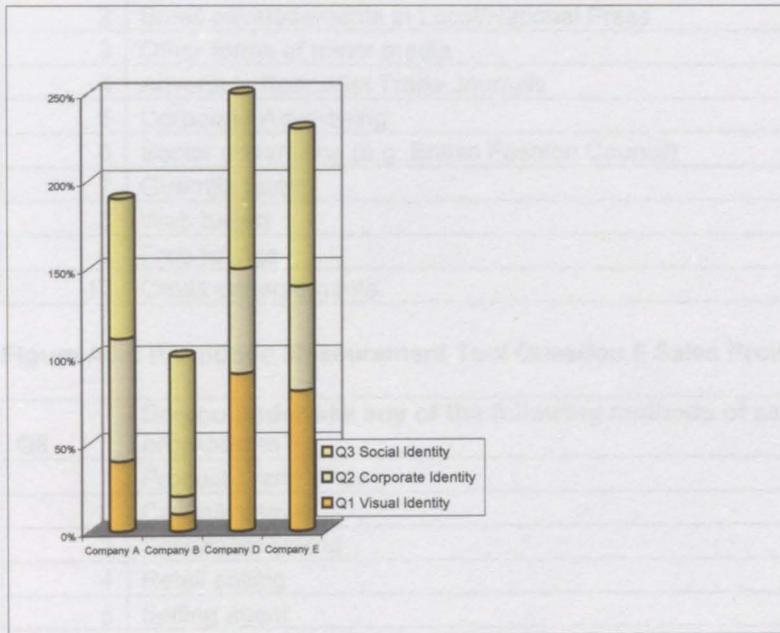


Figure A3.4 Promotion Measurement Tool Question 4 Promotion Objectives

| Q4 | Are the objectives of your promotional strategy:               | Yes | No |
|----|--|-----|----|
| 1  | To create awareness of the brand/label to gain press coverage  |     |    |
| 2  | To launch and reinforce the brand identity/label to buyers     |     |    |
| 3  | To increase market share                                       |     |    |
| 4  | To increase sales of specific products                         |     |    |
| 5  | To generate enthusiasm from supply chain                       |     |    |
| 6  | To stress the product/service uniqueness                       |     |    |
| 7  | To pursue celebrity endorsements                               |     |    |
| 8  | To create opportunity to see events                            |     |    |
| 9  | To communicate and inform business values                      |     |    |
| 10 | To present creative presentations for building brand awareness |     |    |

Figure A3.5 Promotion Measurement Tool Question 5 Advertising

| Q5 | Do you undertake any of the following advertising? | Yes | No |
|----|--|-----|----|
| 1  | Small advertisements in Fashion Consumer Magazines |     |    |
| 2  | Small advertisements in Local/National Press       |     |    |
| 3  | Other forms of minor media                         |     |    |
| 4  | Adverts in Specialist Trade Journals               |     |    |
| 5  | Corporate Advertising                              |     |    |
| 6  | Sector advertising (e.g. British Fashion Council)  |     |    |
| 7  | Guerrilla tactics                                  |     |    |
| 8  | Web based  |     |    |
| 9  | Free listings                                      |     |    |
| 10 | Credit endorsements                                |     |    |

Figure A3.6 Promotion Measurement Tool Question 6 Sales Promotion

| Q6 | Do you undertake any of the following methods of sales promotions? | Yes | No |
|----|--|-----|----|
| 1  | Product Trade Shows  |     |    |
| 2  | Catwalk shows  |     |    |
| 3  | Showroom selling   |     |    |
| 4  | Retail selling   |     |    |
| 5  | Selling agent  |     |    |
| 6  | Presentations  |     |    |
| 7  | Credit Listing   |     |    |
| 8  | Portfolio  |     |    |
| 9  | Mailing lists  |     |    |
| 10 | Transactional website  |     |    |

Figure A3.7 Promotion Measurement Tool Question 7 Public Relations

| Q7 | Is PR organised in the company through any of the following? | Yes | No |
|----|--|-----|----|
| 1  | In house PR  |     |    |
| 2  | Freelance Consultant PR                                      |     |    |
| 3  | Fashion company specialist PR                                |     |    |
| 4  | Freelance non Specialist PR                                  |     |    |
| 5  | Combination  |     |    |

Figure A3.8 Promotion Measurement Tool Question 8 Controlled Publicity

| Q8 | Do you use the following tools to inform press/buyers/consumers/clients about your products/services? | Yes | No |
|----|---|-----|----|
| 1  | Photographs   |     |    |
| 2  | Brochures   |     |    |
| 3  | Postcards   |     |    |
| 4  | New Stories   |     |    |
| 5  | Press releases  |     |    |
| 6  | Speeches  |     |    |
| 7  | Events  |     |    |
| 8  | Written materials (books, reports)  |     |    |
| 9  | Look books  |     |    |
| 10 | CDRom/video/PowerPoint  |     |    |

Figure A3.9 Promotion Measurement Tool Question 9 Personal Selling

| Q9 | Do you use any of the following personal selling techniques to promote your services/products? | Yes | No |
|----|--|-----|----|
| 1  | Close involvement with clients/consumers   |     |    |
| 2  | Distant interaction with clients/consumers   |     |    |
| 3  | Cultivation of relationships for long term commitment  |     |    |
| 4  | Building up buyers preferences and convictions to service                                      |     |    |
| 5  | Building network teams as selling mediators  |     |    |
| 6  | Through PR specialists who act as mediators  |     |    |
| 7  | Through selling agents   |     |    |
| 8  | Through holding social events to sell direct to consumer                                       |     |    |
| 9  | Through giving gift incentives to key consumers - end users                                    |     |    |
| 10 | Through wholesaling  |     |    |

**Figure A3.10 Promotion Measurement Tool Question 10 Sponsorship**

| Q10 | Have you received any of the sponsorship in the past? | Yes | No |
|-----|---|-----|----|
| 1   | Fabric  |     |    |
| 2   | Shoes   |     |    |
| 3   | Makeup  |     |    |
| 4   | Hair products   |     |    |
| 5   | Soft drinks   |     |    |
| 6   | Alcoholic drinks                                      |     |    |
| 7   | Venue   |     |    |
| 8   | Money   |     |    |
| 9   | Public Relations support                              |     |    |
| 10  | Media sponsorship                                     |     |    |

**Table A3.16 Question 4 Promotion Objectives Comparative**

| Q4 | Are the objectives of your promotional strategy:               | CA  | CB  | CD  | CE  |
|----|--|-----|-----|-----|-----|
| 1  | To create awareness of the brand/label to gain press coverage  |     | ✓   | ✓   | ✓   |
| 2  | To launch and reinforce the brand identity/label to buyers     |     | ✓   |     | ✓   |
| 3  | To increase market share                                       |     |     | ✓   |     |
| 4  | To increase sales of specific products                         | ✓   | ✓   | ✓   |     |
| 5  | To generate enthusiasm from supply chain                       | ✓   | ✓   |     | ✓   |
| 6  | To stress the product/service uniqueness                       |     | ✓   | ✓   | ✓   |
| 7  | To pursue celebrity endorsements                               | ✓   |     |     |     |
| 8  | To create opportunity to see events                            | ✓   |     | ✓   | ✓   |
| 9  | To communicate and inform business values                      | ✓   |     | ✓   | ✓   |
| 10 | To present creative presentations for building brand awareness | ✓   |     | ✓   | ✓   |
|    |  | 60% | 50% | 80% | 70% |

**Table A3.17 Question 5 Advertising Comparative**

| Q5 | Do you undertake any of the following advertising? | CA  | CB  | CD  | CE  |
|----|--|-----|-----|-----|-----|
| 1  | Small advertisements in Fashion Consumer Magazines |     | ✓   |     |     |
| 2  | Small advertisements in Local/National Press       |     | ✓   |     |     |
| 3  | Other forms of minor media                         |     | ✓   |     | ✓   |
| 4  | Adverts in Specialist Trade Journals               |     | ✓   |     |     |
| 5  | Corporate Advertising                              |     |     |     |     |
| 6  | Sector advertising (eg British Fashion Council)    |     |     |     |     |
| 7  | Guerrilla tactics                                  |     |     | ✓   | ✓   |
| 8  | Web based  | ✓   |     | ✓   |     |
| 9  | Free listings                                      | ✓   |     | ✓   | ✓   |
| 10 | Credit endorsements                                | ✓   |     | ✓   |     |
|    |  | 30% | 40% | 40% | 30% |

**Table A3.18 Question 6 Sales Promotion Comparative**

| Q6 | Do you undertake any of the following methods of sales promotions? | CA  | CB  | CD  | CE  |
|----|--|-----|-----|-----|-----|
| 1  | Product Trade Shows  |     |     | ✓   |     |
| 2  | Catwalk shows  |     |     |     | ✓   |
| 3  | Showroom selling   |     |     | ✓   |     |
| 4  | Retail selling   |     |     |     | ✓   |
| 5  | Selling agent  |     |     | ✓   |     |
| 6  | Presentations  | ✓   | ✓   | ✓   | ✓   |
| 7  | Credit Listing   | ✓   |     | ✓   | ✓   |
| 8  | Portfolio  | ✓   |     | ✓   | ✓   |
| 9  | Mailing lists  | ✓   | ✓   | ✓   | ✓   |
| 10 | Transactional website  |     |     | ✓   |     |
|    |  | 40% | 20% | 80% | 60% |

**Table A3.19 Question 7 Public Relations Comparative**

| Q7 | Is PR organised in the company through any of the following? | CA  | CB  | CD  | CE  |
|----|--|-----|-----|-----|-----|
| 1  | In house PR  | ✓   | ✓   | ✓   | ✓   |
| 2  | Freelance Consultant PR                                      | ✓   |     |     | ✓   |
| 3  | Fashion company specialist PR                                |     |     | ✓   |     |
| 4  | Freelance Non Specialist PR                                  |     | ✓   |     |     |
| 5  | Combination  |     |     | ✓   | ✓   |
|    |  | 40% | 40% | 60% | 60% |

**Table A3.20 Question 8 Publicity Comparative**

| Q8 | Do you use the following tools to inform press/buyers/consumers/clients about your products/services? | CA  | CB  | CD  | CE  |
|----|---|-----|-----|-----|-----|
| 1  | Photographs   | ✓   | ✓   | ✓   | ✓   |
| 2  | Brochures   |     | ✓   | ✓   | ✓   |
| 3  | Postcards   |     |     | ✓   | ✓   |
| 4  | New Stories   |     | ✓   | ✓   | ✓   |
| 5  | Press releases  | ✓   | ✓   | ✓   | ✓   |
| 6  | Speeches  |     |     | ✓   |     |
| 7  | Events  | ✓   |     | ✓   | ✓   |
| 8  | Written materials (books, reports)  | ✓   |     |     |     |
| 9  | Look books  |     |     |     |     |
| 10 | CDRom/video/PowerPoint  | ✓   |     |     | ✓   |
|    |   | 50% | 40% | 70% | 70% |

**Table A3.21 Question 9 Personal Selling Comparative**

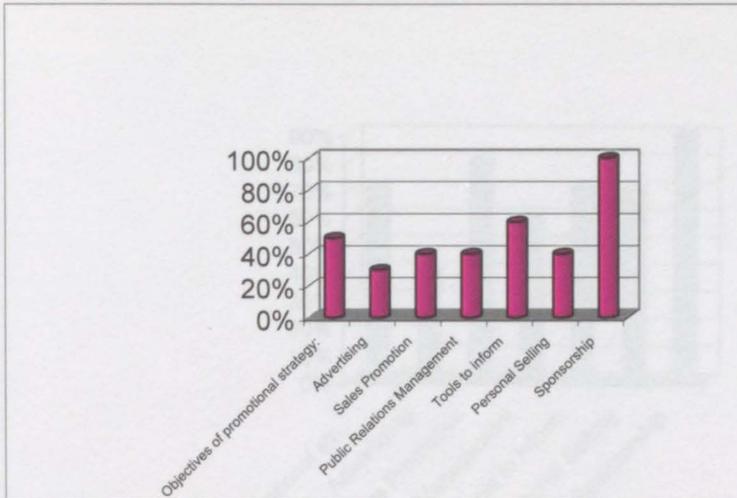
| Q9 | Do you advocate to following personal selling techniques to promote your services/products? | CA | CB | CD | CE |
|----|---|----|----|----|----|
| 1  | Close involvement with clients/consumers  | ✓  | ✓  | ✓  | ✓  |
| 2  | Distant interaction with clients/consumers  |    |    |    |    |
| 3  | Cultivation of relationships for long term commitment                                       |    | ✓  | ✓  | ✓  |

|    |   |     |     |     |     |
|----|---|-----|-----|-----|-----|
| 4  | Building up buyers preferences and convictions to service   |     | ✓   | ✓   | ✓   |
| 5  | Building network teams as selling mediators                 | ✓   |     |     | ✓   |
| 6  | Through PR specialists who act as mediators                 | ✓   |     | ✓   | ✓   |
| 7  | Through selling agents                                      |     |     |     |     |
| 8  | Through holding social events to sell direct to consumer    | ✓   |     | ✓   | ✓   |
| 9  | Through giving gift incentives to key consumers - end users |     |     | ✓   | ✓   |
| 10 | Through wholesaling   |     |     | ✓   |     |
|    |   | 40% | 30% | 70% | 70% |

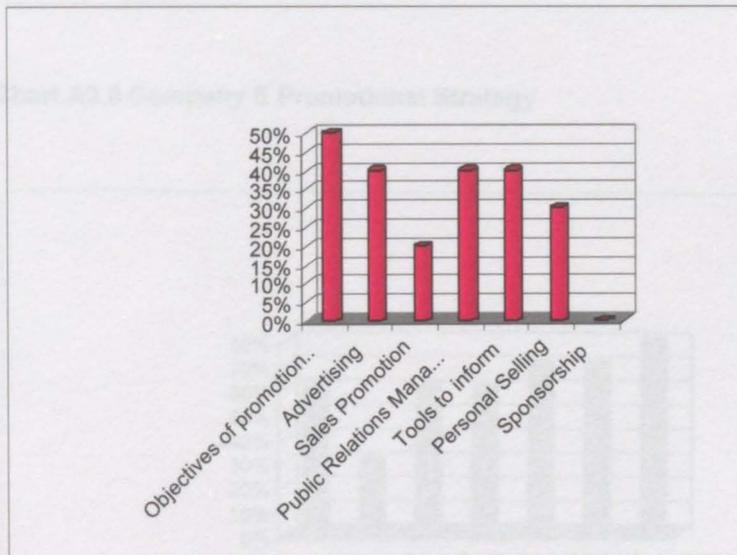
Table A3.22 Question 10 Sponsorship Comparative

| Q10 | Have you received any of the sponsorship in the past? | CA   | CB | CD  | CE  |
|-----|---|------|----|-----|-----|
| 1   | Fabric  | ✓    |    | ✓   | ✓   |
| 2   | Shoes   | ✓    |    | ✓   | ✓   |
| 3   | Makeup  | ✓    |    | ✓   | ✓   |
| 4   | Hair products   | ✓    |    | ✓   | ✓   |
| 5   | Soft drinks   | ✓    |    | ✓   | ✓   |
| 6   | Alcoholic drinks                                      | ✓    |    | ✓   | ✓   |
| 7   | Venue   | ✓    |    | ✓   | ✓   |
| 8   | Money   | ✓    |    |     |     |
| 9   | Public Relations support                              | ✓    |    | ✓   | ✓   |
| 10  | Media sponsorship                                     | ✓    |    | ✓   |     |
|     |   | 100% | 0% | 90% | 80% |

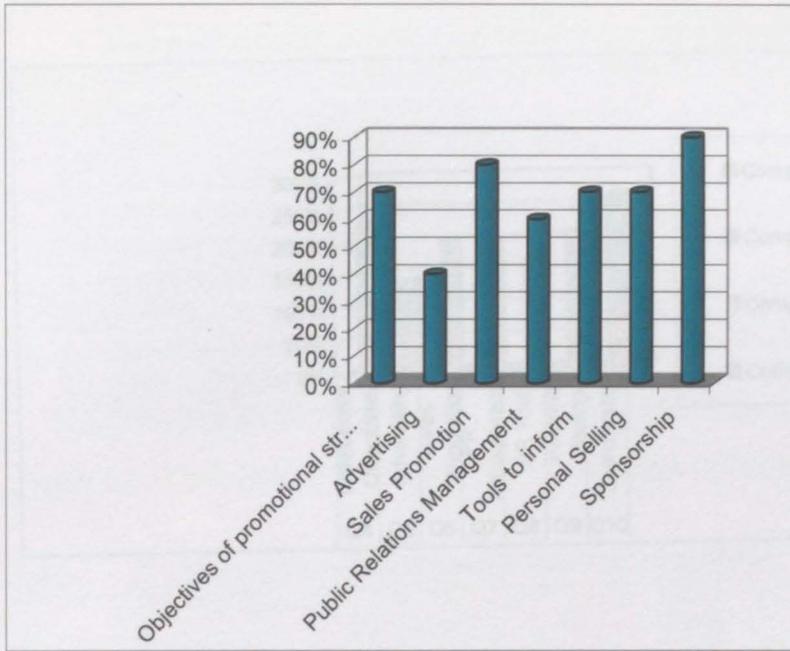
**Chart A3.5 Company A Promotional Strategy**



**Chart A3.6 Company B Promotional Strategy**



**Chart A3.7 Company D Promotional Strategy**



**Chart A3.8 Company E Promotional Strategy**

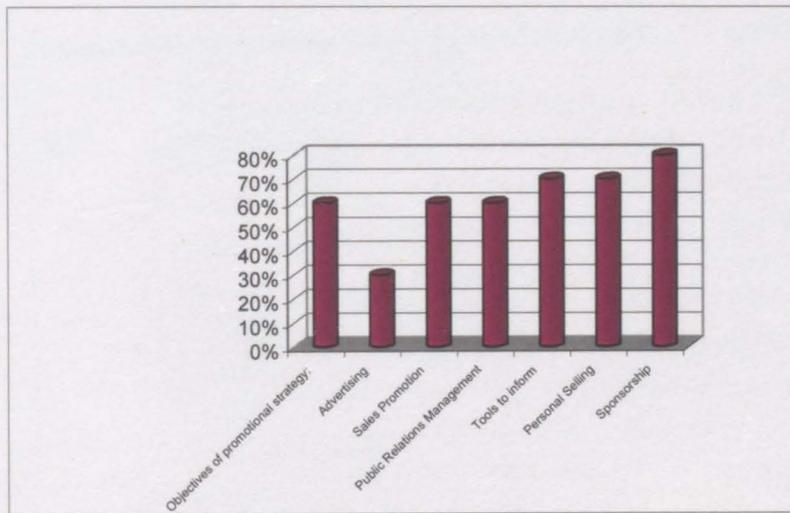
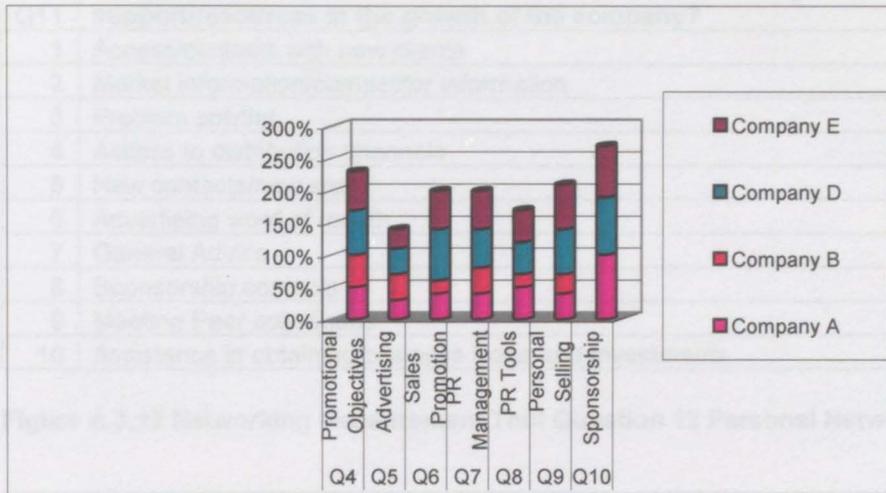


Chart A3.9 Companies' Comparative Promotional Strategy



| Q10 | Do you use personal contacts to assist in the business? | Yes | No |
|-----|---|-----|----|
| 1   | Business  |     |    |
| 2   | Advertising   |     |    |
| 3   | Publicity   |     |    |
| 4   | Referrals   |     |    |
| 5   | Direct selling  |     |    |

Figure A.3.13 Networking Measurement Tool Question 13 Business Network

| Q11 | Do you use any of the following support contacts to assist in the business growth? | Yes | No |
|-----|--|-----|----|
| 1   | Business coach   |     |    |
| 2   | Local Govt. Offices  |     |    |
| 3   | Business Angels/Investors  |     |    |
| 4   | Trainers/Coaches/mentors   |     |    |
| 5   | Accountants  |     |    |
| 6   | Spouses  |     |    |
| 7   | Friends  |     |    |
| 8   | Chartered Accountants  |     |    |
| 9   | Secretaries  |     |    |
| 10  | Family members   |     |    |

Figure A.3.11 Networking Measurement Tool – Question 11 Networking Resource

| Q11 | Have your network activities provided any of the following support/resources in the growth of the company? |  | No |
|-----|--|--|----|
| 1   | Access/contacts with new clients   |  |    |
| 2   | Market information/competitor information  |  |    |
| 3   | Problem solving  |  |    |
| 4   | Access to distribution channels  |  |    |
| 5   | New contacts/new staff   |  |    |
| 6   | Advertising word of mouth  |  |    |
| 7   | General Advice   |  |    |
| 8   | Sponsorship contacts   |  |    |
| 9   | Meeting Peer colleagues  |  |    |
| 10  | Assistance in obtaining business loans and investments   |  |    |

Figure A.3.12 Networking Measurement Tool Question 12 Personal Network

| Q12 | Do you use personal contacts to assist in the business | Yes | No |
|-----|--|-----|----|
| 1   | Direct Family  |     |    |
| 2   | Colleagues   |     |    |
| 3   | Close Friends  |     |    |
| 4   | Acquaintances  |     |    |
| 5   | Distant relations                                      |     |    |

Figure A.3.13 Networking Measurement Tool Question13 Business Network

| Q13 | Do you use any of the business support contacts to assist in the business growth | Yes | No |
|-----|--|-----|----|
| 1   | Enterprise support   |     |    |
| 2   | Local Bank Managers  |     |    |
| 3   | National Banks Managers  |     |    |
| 4   | Educational University support   |     |    |
| 5   | Accountants  |     |    |
| 6   | Solicitors   |     |    |
| 7   | Sponsors   |     |    |
| 8   | Chartered Surveyors  |     |    |
| 9   | Secretarial  |     |    |
| 10  | Estate agents/retail sites   |     |    |

**Figure A.3.14 Networking Measurement Tool Question 14 Image Network**

| Q14 | Do you use any of the image/brand makers support contacts to assist in the business growth | Yes | No |
|-----|--|-----|----|
| 1   | Public Relations   |     |    |
| 2   | Graphic designers/website designers  |     |    |
| 3   | Catwalk/event producers  |     |    |
| 4   | Photographers  |     |    |
| 5   | Stylists   |     |    |
| 6   | Hair stylists  |     |    |
| 7   | Makeup/beauty stylists   |     |    |
| 8   | Models   |     |    |
| 9   | DJs/music  |     |    |
| 10  | New generation designers   |     |    |

**Figure A.3.15 Networking Measurement Tool Question 15 Supply Chain Network**

| Q15 | Do you use any of the supply chain makers support contacts to assist in the business growth | Yes | No |
|-----|---|-----|----|
| 1   | Textile Designers   |     |    |
| 2   | Patterncutters  |     |    |
| 3   | Sample Machinists   |     |    |
| 4   | Graders   |     |    |
| 5   | Production co-ordinators  |     |    |
| 6   | Factories   |     |    |
| 7   | Fabric suppliers  |     |    |
| 8   | Trim Suppliers  |     |    |
| 9   | Accessory Designers   |     |    |
| 10  | New Generation Designers  |     |    |

**Table A3.23 Question 11 Networking Resource Comparative**

| Have your network activities provided any of the following support/resources in the growth of the company? |   | CA  | CB  | CD  | CE  |
|--|---|-----|-----|-----|-----|
| Q11  | 1 Contacts with new clients                               | ✓   | ✓   | ✓   | ✓   |
|  | 2 Market information/computer information                 | ✓   | ✓   |     | ✓   |
|  | 3 Problem solving   |     |     | ✓   | ✓   |
|  | 4 Access to distribution channels                         |     |     | ✓   |     |
|  | 5 New contacts/new staff                                  | ✓   | ✓   | ✓   | ✓   |
|  | 6 Advertising word of mouth                               | ✓   | ✓   | ✓   | ✓   |
|  | 7 General Advice  | ✓   | ✓   | ✓   | ✓   |
|  | 8 Sponsorship contacts                                    | ✓   |     |     | ✓   |
|  | 9 Meeting Peer colleagues                                 | ✓   | ✓   |     |     |
|  | 10 Assistance in obtaining business loans and investments |     |     |     | ✓   |
|  |   | 70% | 60% | 60% | 80% |

**Table A3.24 Question 12 Personal Network Comparative**

| Do you use personal contacts to assist in the business |                     | CA  | CB  | CD   | CE  |
|--|---------------------|-----|-----|------|-----|
| Q12  | 1 Direct Family     | ✓   |     | ✓    | ✓   |
|  | 2 Colleagues        | ✓   |     | ✓    |     |
|  | 3 Close Friends     |     |     | ✓    |     |
|  | 4 Acquaintances     |     |     | ✓    |     |
|  | 5 Distant relations |     | ✓   | ✓    |     |
|  |                     | 40% | 20% | 100% | 20% |

**Table A3.25 Question 13 Business Network Comparative**

| Do you use any of the business support contacts to assist in the business growth |                                  | CA  | CB  | CD  | CE  |
|--|----------------------------------|-----|-----|-----|-----|
| Q13  | 1 Enterprise support             | ✓   |     | ✓   | ✓   |
|  | 2 Local Bank Managers            |     | ✓   |     | ✓   |
|  | 3 National Banks Managers        |     | ✓   |     |     |
|  | 4 Educational University support |     |     |     | ✓   |
|  | 5 Accountants                    | ✓   |     | ✓   | ✓   |
|  | 6 Solicitors                     |     |     | ✓   | ✓   |
|  | 7 Sponsors                       | ✓   |     |     | ✓   |
|  | 8 Chartered Surveyors            |     |     |     | ✓   |
|  | 9 Secretarial                    |     |     |     | ✓   |
|  | 10 Estate agents/retail sites    |     |     |     | ✓   |
|  |                                  | 30% | 20% | 30% | 90% |

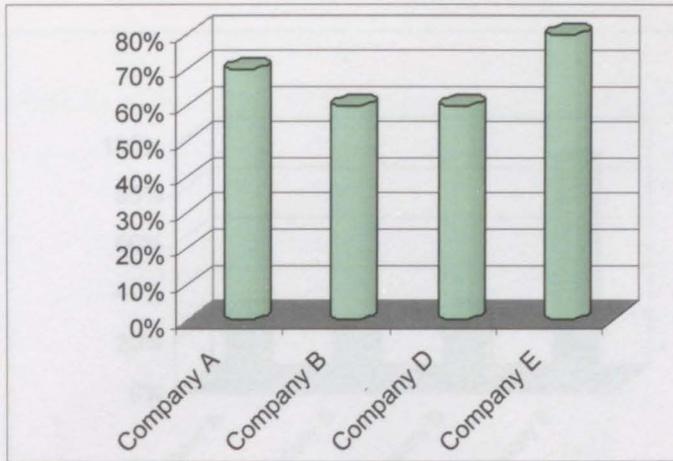
**Table A3.26 Question 14 Image Making Network Comparative**

| Q14 | Do you use any of the image/brand makers support contacts to assist in the business growth | C A | C B | C D | C E |
|-----|--|-----|-----|-----|-----|
| 1   | Public Relations   | ✓   |     | ✓   | ✓   |
| 2   | Graphic designers/website designers  |     | ✓   | ✓   | ✓   |
| 3   | Catwalk/event producers  |     |     |     |     |
| 4   | Photographers  | ✓   |     | ✓   | ✓   |
| 5   | Stylists   | ✓   |     | ✓   | ✓   |
| 6   | Hair stylists  | ✓   |     | ✓   | ✓   |
| 7   | Makeup/beauty stylists   |     |     | ✓   | ✓   |
| 8   | Models   | ✓   |     | ✓   | ✓   |
| 9   | DJs/music  |     |     | ✓   | ✓   |
| 10  | New generation designers   | ✓   |     | ✓   | ✓   |
|     |  | 60% | 10% | 90% | 90% |

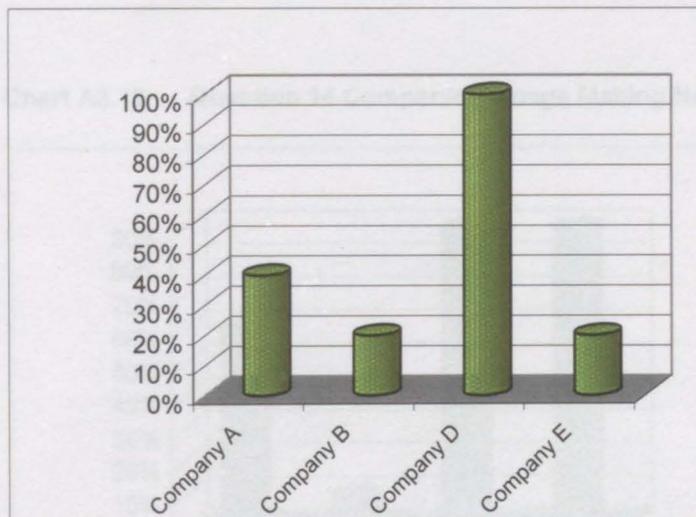
**Table A3.27 Question 14 Supply Chain Network Comparative**

| Q15 | Do you use any of the supply chain makers support contacts to assist in the business growth | C A | C B | C D | C E |
|-----|---|-----|-----|-----|-----|
| 1   | Textile Designers   |     |     | ✓   |     |
| 2   | Patterncutters  |     | ✓   | ✓   | ✓   |
| 3   | Sample Machinists   |     | ✓   | ✓   | ✓   |
| 4   | Graders   |     |     | ✓   |     |
| 5   | Production co-ordinators  |     |     | ✓   | ✓   |
| 6   | Factories   |     |     | ✓   | ✓   |
| 7   | Fabric suppliers  |     | ✓   | ✓   | ✓   |
| 8   | Trim Suppliers  |     | ✓   | ✓   | ✓   |
| 9   | Accessory Designers   |     |     |     |     |
| 10  | New Generation Designers  |     |     | ✓   | ✓   |
|     |   | 0%  | 40% | 90% | 70% |

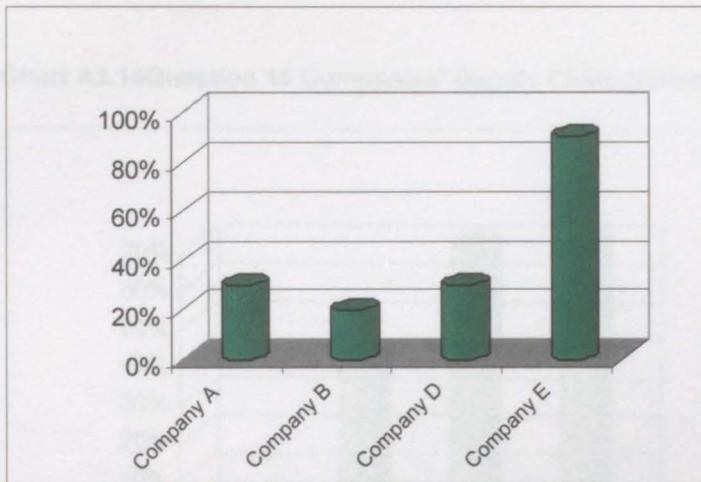
**Chart A3.10 Question11 Companies' Networking Comparative**



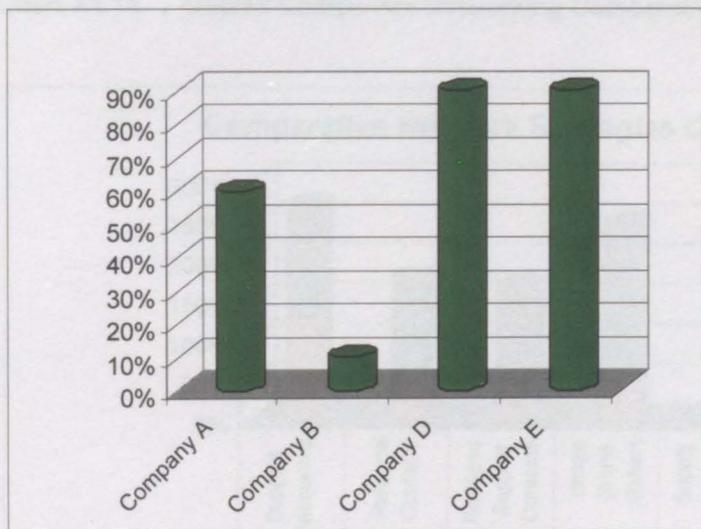
**Chart A3.11 Question12 Companies' Personal Networking Comparative**



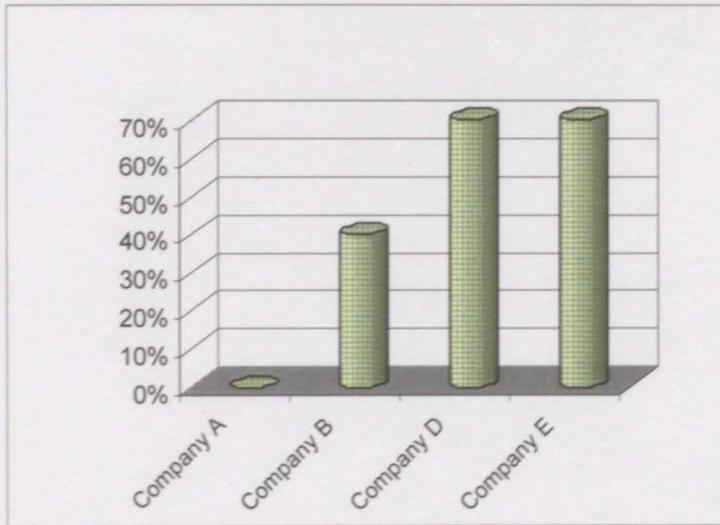
**Chart A3.12 Question13 Companies Business Networking Comparative**



**Chart A3.13 Question 14 Companies' Image Making Network Comparative**



**Chart A3.14 Question 15 Companies' Supply Chain Network Comparative**



**Chart A3.15 Overall Companies Networking Comparative**

