

**Creating a Branding Strategy for Jacquards -
Focussing on 2010 Opportunities.**

By

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Declaration

I declare that 'Creating a branding strategy for Jacquards – focussing on 2010 opportunities' is my own work and that all sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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Abstract

Da Gama Textiles, based in the Eastern Cape has seen its sales of Jacquard products being affected in recent years by cheaper imported products. A study was required to enable its senior management to develop a branding strategy for its Jacquard products. In addition, senior managers required information about how to take advantage of the 2010 World Cup.

Data collection was conducted in July to September 2009, using two population groups. The first one was bed and breakfast managers in KwaZulu-Natal, with the second one being top ten Jacquard customers by volume in South Africa.

Results showed that awareness levels for Da Gama's Jacquard products are low, although more than half of respondents would be willing to receive literature from Da Gama in the future relating to Jacquard products. Among the top ten customers, loyalty levels were found to be high, however customers were not satisfied with Da Gama's price levels and felt that designs and delivery lead times could be improved.

A suggested branding strategy was drafted, targeting both population groups. A strategy to build brand awareness and brand loyalty levels was suggested for bed and breakfast managers, while a strategy to improve brand loyalty levels was suggested for the top ten customers.

Key terms

Jacquard, branding, differentiation, niche market, Da Gama, bed and breakfasts, top customers, branding strategy.

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Chapter 1: Introduction, aim, method and layout of study

1. 1 Introduction

This research is an attempt to assist in solving the dilemma faced by many textile firms around the globe who face competition from regions that can produce at a lower cost. It will discuss the question of which niche opportunities are available for Da Gama Textiles to take advantage of? Specifically it will analyse what growth opportunities are available in the Jacquard product segment to assist the company to grow both its sales and profit margins.

The scope of the study entails interviewing Da Gama's top ten Jacquard customers (by volume), who were asked to complete questionnaires developed by the researcher. These contained five point rating scales. A survey was also done of 150 randomly chosen bed and breakfast managers in KwaZulu-Natal, once again using questionnaires developed by the researcher which were initially e-mailed to them. The KwaZulu-Natal region was used to collect the bed and breakfast sample because a suitable population was available on line from where a sample could be drawn. The data from both sample groups was collected, analysed and interpreted to assist in achieving the study objectives.

Company strategists today may choose between a low cost strategy and a strategy of differentiation (Johnson and Scholes 2002: 318). Should they elect to compete on a low cost basis they will need to ensure their wage levels and other costs are structured accordingly. Should this not be the case, then a strategy of differentiation will be wiser and more effective. Branding will form the core of this strategy of differentiation as it identifies to buyers unique added values which match their needs exactly.

A brand also identifies the seller to the market and is its promise to deliver a specific set of features, benefits and services consistently to the buyers. The most successful brands develop a friendship with customers. In South Africa Calibri towels made by Dano Textiles enjoy strong brand loyalty among customers who will pay more for the product as they perceive it to be of a higher quality. Da Gama enjoys major brand loyalty with an apparel brand called Three Cats, which appeals to the traditional rural market. This is in spite of several cheaper alternatives being available.

1.2 Background to the study

For the last fifteen years the South African textile industry, as in many other regions, has slowly declined and is now struggling for survival. Reasons are mostly because of the major growth of the industry in Asia. Numerous South African textile companies have closed in the past five to ten years, some of the more notable one's being Whiteheads, Mooi River Textiles and Court Fabrics. As a result of these changes the mass market in South Africa is largely being serviced by China and other Asian countries that have lower production costs. Da Gama's largest competitor, Frame Textiles, part of the Seardel Group and twice the size of Da Gama by sales volume, experienced a major decline in business over the past five to ten years and recently implemented some wholesale restructuring to enable its survival. These changes were to no avail however, and the company announced its closure in the middle of 2009. For future survival and growth, Da Gama Textiles will need to focus on marketing products different from those on which Asian countries are currently focussing.

Da Gama has been producing Jacquard products for more than ten years and is capable of achieving world class quality with this product. It has increasingly purchased more Jacquard looms from companies within the group or competitors who ceased business. In the last five years sales of Jacquard products have grown on average by ten percent per year. The end uses of the product are for table cloths, curtains, bedding products and various accessories. Margins achieved on these products have assisted in making up for the lower margins achieved on commodity type products, which are heavily affected by competition, both local and imported.

During the time Jacquards have been marketed by Da Gama, the target market has been large design houses that outsource the manufacture of made up units, such as curtains and duvet covers, and supply chain stores. This situation has changed in the past two years with chain stores becoming more price conscious and focussing on importing more of these goods. As a consequence the design houses have reduced their Da Gama Jacquard orders. While those large design houses will remain important customers to Da Gama, the gap needs to be filled. Da Gama needs to adjust its target market to independent marketers of curtaining and related products.

The Da Gama corporate brand has been in existence for sixty years, and is well established in the South African market place. The challenge now would be to develop a strategy building on the already strong brand name of Da Gama as a mill and linking it to Jacquard products that are relatively new to the firm. Anon, (2009)

1.3 Literature review

1.3.1 The importance of corporate branding

Owning a successful brand has become one sure way for corporations to ensure their survival and growth in a global economy which becomes more competitive all the time. According to Knox (2004: 105), to determine how important brands have become, one should note how much chief executive officers (CEOs) are prepared to pay for top brands. Knox also observes that the market capitalisation of brand-led organisations exceeds the value of their tangible assets. He cites the example of Nestlé which paid 2.6 billion UK Pounds for Rowntree which had a balance sheet of 0.4 billion pounds.

The key issue facing CEOs today is how to build more value into the products and services they sell in the face of product commoditisation, faster innovation, growing competition and more demanding customers (Knox, 2004: 106).

Corporate brand management draws on the traditions of product branding; that is the objective for both is to create differentiation and preference (Knox and Bickerton, 2003: 999). The authors identify six conventions or accepted practices within corporate brand management.

The first convention, brand context, assists managers to set the co-ordinates by assessing what the current image and culture of the organisation might be compared to what their vision is for the future.

The second convention is brand construction whereby a corporate brand positioning framework is created.

Thirdly, brand confirmation involves the corporate brand proposition that was created in the brand construction phase being communicated to other internal and external stakeholders.

The fourth convention, brand consistency, involves the development of consistent corporate communications, both on a formal and informal level.

The fifth convention is brand continuity. Here the brand is driven deeper into the organisation through the alignment of relevant business processes with the corporate brand.

Finally brand conditioning is monitoring for relevance and distinctiveness. This entails the organisation continually reviewing and auditing its corporate brand.

Knox and Bickerton (2003: 1012) further recommend that responsibility and authority for corporate branding be allocated to one director or partner. The authors also suggest the establishment of a senior corporate brand management team as well as the use of the six conventions individually, to audit the corporate brand and, together, as a checks and balances mechanism to ensure relevance and distinctiveness to stakeholders over time.

1.3.2 Building a brand

According to Hogan (2005: 11), successful brand builders resist investing too broadly in their brand. Rather they identify and spend heavily only on the interactions they know will have the most impact on revenue growth and profitability.

Hogan identifies four principles that leading brand builders use that set the conditions for the customer experience that matters the most to them. These are;

- Identify the most important customers.

- Focus investment on the customer touch points that will do the most to raise profitable demand.

- Set realistic goals for implementation.

- Constantly revisit their performance.

1.3.3 Identifying Textile Opportunities in Niche Markets

Parrish et al. (2004: 48) identify a niche market as having the following characteristics:

- Customers in niche markets have a complete set of needs.

- Customers will pay a premium price to the firm that best satisfies their needs.

- The niche is not likely to attract other competitors.

- The niche gains certain economies of scale through specialisation.

- The niche has size profit and growth potential.

Parrish et al. (2004: 48) also identify three risks associated with a niche strategy. These being:

- An attack by a competitor wanting to join the profitable niche.

The risk of cannibalisation, that is, where a company introduces a new product which eats away at its own established markets.

The threat of a niche drying up due to a change in customer preferences.

Citing the USA textiles industry as an example, and in spite of the possible disadvantages, Parrish et al. identify niche marketing as a distinct opportunity to combat the flood of cheap imports entering the country.

1.3.4 Developing a branding strategy

Kotler and Keller (2006: 296) are of the view that the branding strategy for a firm reflects the number and the nature of common and distinctive brand elements applied to the different products sold by the firm. The decision on how to brand new products is especially critical. When a firm introduces a new product it has three main choices,

- Develop new brand elements
- Apply some of its existing brand elements, or
- Use a combination of new and existing brand elements.

Kotler and Keller (2006: 297) outline that once a firm decides to brand its products or services, it chooses from four general strategies, namely:

- Individual brands – a major advantage of individual name strategy is the company does not tie its reputation to the product.
- A blanket family name – development costs are less because there is no need for 'name' research or extensive advertising to create brand name recognition.
- A separate family name for all products – this should not be used when a company produces quite different products.
- A corporate name combined with individual product names – the company name legitimises and the individual name individualises the new product.

It is clear that the literature emphasises how important branding, both from a product point of view, and from a corporate point of view has become in an extremely competitive business world. A suggested strategy to use to obtain a competitive advantage would be to focus on niche markets where customers will be less conscious of price and more focussed on value. The most suitable general branding strategy would be to combine Da Gama's well known corporate name with an individual product name.

Da Gama Textiles has a strong case in favour of a niche market branding strategy as the company is faced with a problem of cheaper imports entering the country.

1.4 Problem statement

Until ten years ago, Da Gama focussed on marketing products to the mass market in South African i.e. cheaper products with little differentiation value. This market share has been largely wiped out by textile mills in Asia who have been able to produce the goods much cheaper, mostly through the benefit of cheaper labour costs. Da Gama then switched its focus to marketing traditional ethnic products, Jacquard curtaining products as well as work-wear products i.e. fabric for overalls. However here too there has been stiff competition. The niche it currently occupies with Jacquard products is being eroded by imported products and a

strategy is required to develop these products using the established Da Gama brand name, particularly now as the 2010 World Cup draws near.

1.5 Research question

What kind of branding strategy is required for Da Gama to re-establish its market niche with Jacquard products?

1.6 Study objectives

1.6.1 Aim of the study

To develop an effective branding strategy for Da Gama Jacquard products.

1.6.2 Objectives of the study

- To determine Da Gama brand awareness among users of Jacquard products.
- To gauge the effectiveness of the current branding strategy for Jacquard products.
- To identify new opportunities for marketing Jacquard products particularly leading up to the 2010 World Cup.

1.7 Key Theoretical Concepts and Constructs of the Study

1.7.1 Jacquard

This is a type of weave using high technology looms whereby the pattern is woven on to the cloth itself. Jacquards carry several advantages over cloth woven with traditional looms e.g. smaller production runs are required and few design limitations exist.

1.7.2 Branding

A brand is a collection of images and ideas representing an economic producer, more specifically, it refers to concrete symbols such as a name, logo, slogan and design scheme that convey the essence of a company, product or service.

Branding is when marketers build an identity and personality for their brand, and instead of buying a product, consumers buy a brand.

1.7.3 Branding strategy

This is described by Knapp (2000: 17) as the action plan for the organisation to

- define its essence
- create a brand paradigm shift by becoming distinctive, and
- gain a sustainable competitive advantage.

This branding strategy process involves five steps, these being

- Brand assessment,
- Brand promise,
- Brand blueprint,
- Brand culturalisation,
- Brand advantage

1.7.4 Competitive Strategy

According to Johnson and Scholes (2002: 316) these are the bases a business unit uses to achieve a long term advantage by meeting the needs of its most important stakeholders. Different bases to achieve a competitive advantage can be used, most notably, price based strategies, differentiation strategies and focus strategies.

1.7.5 Differentiation

Differentiation is described by Johnson and Scholes (2002: 115) as the provision of a product or service which the user considers different from, and of superior perceived value to, that of a competing product or service. When an organisation is successful with a strategy of differentiation, it creates an entry barrier. Strong branding is one successful method of differentiation.

1.8 Research methodology

1.8.1 Research design

This research is a field survey using two opinion polls, and quantitative research design is being used. The reason for this choice is that actual and potential customers were required to be interviewed to assist in creating an accurate picture of Da Gama's status in the market place and what the way forward should be.

A study of the Jacquard product segment was chosen, as the researcher believed that with 2010 drawing closer, this would be the product to benefit most from a major tourist influx seeing as Jacquards are widely used for decorating purposes.

1.8.2 The population

Two types of population groups were researched:

The first population consisted of the top ten independent purchasers of Da Gama Jacquard products in South Africa.

The second population consisted of all bed and breakfast managers in KwaZulu-Natal whose establishments are registered on the Bed and Breakfast Association web site.

1.8.3 The sampling procedure

For the first population group, no sampling was done as all ten members were personally interviewed. For the second group 150 units of analysis were selected from the population group of 463 using simple random sampling. Those sampled for interviewing were telephoned and then e-mailed questionnaires.

The method of conducting random sampling entailed all 463 members of the population being numbered in ascending order after which each number was placed in a hat and 150 random numbers drawn. The 150 bed and breakfast owners and managers were approached for interviewing. Therefore a total of thirty two percent of the total population was sampled.

1.8.4 Data Collection

Self developed questionnaires were used. Those sampled from the larger population group were asked a combination of mostly closed and a few open ended questions relating to where, how often and how much they purchased when furnishing their establishments. They were also asked about the degree of their awareness of Da Gama Jacquard products, their opinion of the quality of the products as well as the designs, if they were familiar with the products. These interviewees were requested to e-mail completed questionnaires back to the interviewer.

Interviewees of the smaller population group, as existing users of the products were questioned about their level of satisfaction levels with the quality, designs, service from sales and marketing staff as well as reliability of delivery. They were also asked to make suggestions for improvement.

1.8.5 Data Analysis

The collected data as described in the previous paragraph was analysed with the use of spreadsheets using Windows based software. Tables and bar charts were used to depict the data graphically.

1.8.6 Data Measurement

Interval measurement was used where Da Gama's Jacquard products and service have been rated. Variables being measured here included product quality, design standard and pre- and after sales service. Likert rating scales were used which have five points. A rating of one would reflect as 'very poor' and five would reflect as 'very good'

Ratio measurement was used when measuring variables relating to the interviewees buying habits. Variables being measured here were size of establishment, time interval between re-decoration, number of units purchased during decoration.

1.9 Methods used to ensure validity and reliability

1.9.1 External validity

Population validity is defined by Welman and Kruger (2002: 118) as the extent to which the results obtained for a sample may be generalised to the total population to which the research hypothesis applies. This was achieved with the smaller population, that being the top ten customers in this segment, as no sampling was done and the entire population in this instance was interviewed.

Population validity in the larger group being sampled was achieved as simple random sampling was used. Therefore every unit of analysis in the population had an equal chance of being selected.

1.9.2 Reliability

Welman and Kruger (2002: 139) define reliability as the extent to which scores obtained should be consistent irrespective of when the measuring occurred, who carried out the measuring and what form the measuring took.

In this instance reliability was ensured by conducting a pilot study for both population groups. This ensured that the results obtained achieved the objectives of the research being conducted.

There was also the risk of respondents, especially among the top ten customers in the product segment, being too eager to please and not wanting to risk damaging the existing relationship between Da Gama and themselves and therefore not being as critical as they could be. To overcome this, an instruction was given that criticism, both constructive and otherwise, would be welcomed and all respondents would remain anonymous.

1.10 Special ethical considerations

To overcome any possible ethical problems the two questionnaires being used stated that participation was voluntary, anonymity and confidentiality were ensured and that respondents may have withdrawn from participation at any time.

1.11 Value of the research

This research is important, as for the first time it would assist Da Gama to develop a branding strategy for marketing Jacquard products. It would also measure and assist Da Gama Textiles in establishing how they rated in the eyes of both current and potential customers in criteria such as quality of product, standard of designs, service levels and pricing. Furthermore it should shed more light on what sales and marketing opportunities should become available in the period leading up to the 2010 World Cup.

The prime users of this research will be members of the Da Gama management team who will be in a better position to determine the future strategy of the firm.

1.12 Limitations of the study

This research study only canvassed the opinion of bed and breakfast managers in the KwaZulu-Natal area, although the top ten customers nationwide by volume were also interviewed. There will be much scope for researching the views of other current and potential Jacquard users such as caterers and hotel managers to further assess marketing opportunities for this product segment.

1.13 Layout of chapters

Chapter one gives a concise description and overview of the study that was conducted. Chapter two discusses some of the literature that has been published on the subject of branding. In chapter three the population and sampling procedure are described, as are data collection and data analysis. The findings and results of the study are described in chapter four. Finally, in chapter five, a suggested branding strategy has been drawn up. As two population groups were sampled, a suggested branding strategy has been devised for each one.

1.14 Conclusion

This chapter has provided an introduction, and served as background to the study which follows. A summary was given of the literature review, which will follow in the next chapter. A brief description was also given of the aims and objectives of the research being discussed, as well as the population groups, the sampling procedure, data collection and data analysis. The importance of this research, especially to Da Gama Textiles, was also discussed, including the limitations of the study.

Chapter 2: Literature Review

2.1 Introduction

Creating successful branding strategies is vital for the long term survival and growth of an organisation. As Da Gama's Jacquard products are in the mature stage of their life cycle, it is important that an understanding be gained about the various strategies available.

This chapter includes the various branding decisions that can be taken by an organisation and will demonstrate the increasing importance of corporate branding compared to product branding. Once the brand has been launched, it needs to be built up. Various brand building methods and concepts will be discussed in the chapter.

With Da Gama's Jacquards operating in a niche market, this chapter will also analyse which strategies have been used by textile firms around the world operating in niche markets. Finally, the development of a branding strategy will be discussed.

2.2 The Importance of corporate branding

With corporate branding becoming increasingly important, certain best practice guidelines have been drawn up (Merrilees and Miller, 2008: 537). In addition, six conventions of corporate branding have been established (Knox and Bickerton, 2003: 999). Corporate brands can also be distinguished into separate identity groups. The role of corporate branding within a market driving economy will be discussed in this section as will corporate rebranding.

2.2.1 Guidelines for corporate branding practices

A corporate branding strategy is one where the brand name is identical to the organisation name, a strategy used by IBM, Microsoft and many motor vehicle assembly firms such as BMW, Mercedes and Toyota. A product branding strategy entails the use of separate brand names to that of the organisation. A corporate brand can be distinguished from the product brand in that the organisation features more prominently in the corporate brand. Also culture and structure are critical for corporate brands. More strategic emphasis will usually be placed on corporate brands with control resting at higher level management, e.g. the chief executive officer (Merrilees and Miller, 2008: 537).

Knox and Bickerton (2003: 999) trace the concept of the brand back to product marketing where the role of branding and brand management has been to create differentiation and preference for a product or service in the mind of the customer. The development of product branding in recent decades is built upon the concept of a product or service building layers of added value to create and maintain distinction in a particular market. This period has also seen the emergence of metrics such as brand image, brand positioning as well as brand identity.

Knox and Bickerton (2003: 999) emphasise a further stage in the development of traditional product brand management. This has been the increasing influence of the organisation behind the brand and an increasing acceptance of its role in the creation of economic value. Corporate branding shares the same objective as product branding, that is, to create differentiation and preference. Only the process becomes more complex as interactions are

required to be managed with multiple stakeholder audiences. It is clear that in recent decades, branding has moved up the corporate agenda, increasingly being recognised as a strategic tool that can generate and support value creation.

According to Kay (2006: 748), firms entrench their corporate brands in the market place by emphasising their commitment to corporate social responsibility. They do this by making use of citizenship and responsibility programs. Three strategies can be employed to link corporate brands to social responsibility programs, these being self branded, co-branded and jointly branded programs. Using these tactics however, calls for careful leadership as customers may perceive them as being exploitive if they believe the only motive is to increase corporate power and profit. Underlining this risk, Polonsky and Jevons (2009: 330) make it clear that strategic corporate social responsibility should be an over arching strategy, integrated at the highest corporate level globally, rather than being a simple tactical response to a crisis within the organisation. In this way responsibility becomes one of the distinctive characteristics of the global organisation, driving corporate actions and image. This distinctive responsibility then helps to define and differentiate the global organisation's identity, providing an attractive element of its overall branding. Each firm would need to diagnose how socially responsible it can afford to be. For example all international tobacco firms have statements about their socially responsible activities, yet many socially oriented stakeholders would take issue with these firms being considered socially responsible.

2.2.2 Six “conventions” of corporate branding

Knox and Bickerton (2003: 1007) have put forward six new conventions or practices of corporate brand management. These conventions link to existing models and provide new guidelines for managing a corporate brand.

2.2.2.1 First convention: brand context – setting the co-ordinates

In addition to the three variables of vision, culture and image, Knox and Bickerton (2003: 1007) suggest that a fourth variable, the competitive landscape of the organisation should be introduced. Every organisation needs to consider the future competitive landscape and how the organisation will compete as a corporate brand. An understanding of the current image of the organisation and its future competition as well as an understanding of the current culture of the organisation and its vision for the future will help managers “fix the co-ordinates” of their current situation and aid with creating future scenarios for the organisation.

2.2.2.2 Second convention: brand construction – the corporate brand positioning framework

The central values of an organisation, which form the foundation for all corporate communication, are referred to by Knox and Bickerton (2003: 1007) as the common starting points (CSPs). Two important questions the authors believe should be addressed are: what CSPs make up the corporate brand framework and how can they be used to position the brand? The authors expressed a preference for using customer value over corporate values as common starting points to develop a corporate brand positioning framework. The authors found using customer value as a common starting point to be less subjective and more tangible than using corporate value as a starting point

2.2.2.3 Third convention: brand confirmation – articulating the corporate brand proposition

This entails the communication of the corporate brand proposition, developed during the brand construction phase, to the rest of the organisation and to external audiences. Statements describing the corporate brand proposition are developed in this phase.

Knox and Bickerton (2003: 1008) suggest that this phase would be best conducted using a series of small working groups and should include senior management, to facilitate management buy-in. Failure to gain support from senior management would seriously jeopardise the development of corporate brand consistency and continuity which make up the fourth convention. The authors also advise the development of several brand statements that will enable the management teams to create a more complete definition of the corporate brand.

2.2.2.4 Fourth convention: brand consistency – developing consistent corporate communications

Knox and Bickerton (2003: 1009) express the need to use both formal and informal mechanisms when communicating with stakeholders. In a study conducted by the authors, the consistency of formal corporate brand communications at a European not-for-profit organisation was measured using content analysis as a measurement tool. This enabled managers to measure and monitor the output of all corporate brand communications against brand statements created in the brand confirmation stage.

Results showed an increase of 40 to 62 percent in the proportion of core brand communications. The measurement tool, content analysis, assisted the management team in helping to control and measure the consistency of formal communications.

2.2.2.5 Fifth Convention: brand continuity – driving the brand deeper into the organisation

To ensure brand continuity, Knox and Bickerton (2003: 1009) express the view that the relevant business processes should be aligned with the corporate brand. In the case of the European not-for-profit organisation discussed previously, the authors cite a series of workshop sessions with senior management to identify which business processes impacted on the corporate brand and how these processes contributed to the delivery of customer value. The processes identified (communication, operations, knowledge management and strategic development) were then discussed in the context of their current level of alignment with the corporate brand to identify areas where these processes required improvement. The authors also expressed the view that managers should adopt a more holistic approach to corporate branding.

2.2.2.6 Sixth Convention: brand conditioning – monitoring for relevance and distinctiveness

Organisations should be able to review their corporate brand continually. Brand conditioning involves creating a hierarchy of customer value and ensuring that the corporate brand model delivers against these needs continually. By constructing, articulating and communicating the corporate brand proposition, managers can ensure that the brand retains relevance and distinctiveness with respect to this hierarchy of customer value. (Knox and Bickerton, 2003: 1010)

2.2.3 Corporate Brand Identity

2.2.3.1 Identity of a corporation – distinguishing traits Balmer (2008: 882) characterises a corporate identity as having self determining capacity, thereby allowing a corporation to change its legal status and working practices. He believes that corporate identity traits give to a corporation specificity, stability and coherence. This assists to differentiate one entity from another. The author is also of the view that an institution's corporate identity is characterised by its central, distinctive and evolving nature.

2.2.3.2 Identity based views of corporate branding

Balmer (2008: 885) distinguishes corporate branding from a corporate identity by suggesting that the essence of corporate branding is to be found from the values associated with the brand. The author believes a corporate identity represents the self image of the corporation. The corporate self image is described as the way in which employees conceptualise how others see their corporation.

Furthermore, corporate brands are viewed by the author as a distinct identity group with a life of their own, that is, they can be bought, sold and borrowed. He cites the case of franchise arrangements.

2.2.4 Corporate branding in a market driving economy

Tarnovskaya, Elg and Burt (2008: 941) define a market driven firm as being reactive and adapting its offer to current customer needs. This contrasts with a firm that is market driving: here a more pro-active approach is applied, including showing customers the way and leading them. Market driving can even entail reshaping markets.

2.2.4.1 Impact of the corporate brand on market driving Tarnovskaya et al. (2008: 943) emphasise that a corporate brand provides a source of competitive advantage by bringing together the company vision, culture and values with organisational systems and networks, to form a unique organisational value proposition for customers. The ultimate goal for a corporate brand is to create meaning and value through various relationships between the company and its multiple stakeholders. The greater the ability of corporate brands to influence perceptions and behaviours, even to channel consumer perceptions, the more likely its chance of success.

Tarnovskaya et al. (2008: 943) are of the view that at an international level, two aspects of corporate branding are of major importance to market driving. These are internal organisational culture based behaviours as well as externally nurtured networking behaviours. Brand values need to be motivating for staff as well as relevant to customers' needs in order to be effective and to maximise customer value. When employees develop more pro-active attitudes towards customers, greater interaction and customer involvement with the brand will be developed. The relationship with external business partners such as suppliers also needs to be strengthened when pursuing a market driving strategy. When both parties have a long term interest in the relationship, suppliers become more dependent on the success of the firms market driving strategy.

Tarnovskaya et al. (2008: 949) believe that corporate brand values and the associated organisational culture have the potential to drive changes in attitudes and behaviours as well as relationships with a wide range of stakeholders. The process of market driving with a

corporate brand involves activities at both the global and local market levels, where the local market driving activities are aimed at creating a brand identity consistent with the global brand image. From a global perspective, market driving implies local markets moving towards a common global brand platform, reflecting the brand vision and values.

2.2.5 Corporate rebranding

This is defined by Merrilees and Miller (2008: 537) as the change between an initially formulated corporate brand and a new formulation. A change in brand vision is referred to as brand revision. The corporate rebranding framework would include the following:

- Focus on how and to what extent the corporate brand should be changed.
- Motivation justifying the brand revision – benefits and costs.
- Awareness of potential internal resistance to the brand change and a need for a well structured change management system to get brand buy-in.
- Creating awareness of the need to alert all stakeholders to the new brand.

Merrilees and Miller (2008: 538) have developed six principles on the theory of corporate rebranding. Principles one, two and three refer to the process of revising the vision. Principle four refers to attaining internal support for buy-in to the new vision, and principles five and six refer to implementing the new corporate branding strategy.

2.2.5.1 Principle 1

Designing a suitable brand vision for the corporate rebrand should create a balance between the need to continue to satisfy the core ideology of the corporate brand, yet progress the brand so that it remains relevant to contemporary conditions. This is an apparent contradiction where corporate rebranding exercises should balance remaining the same with moving forward. It involves combining strong branding (through the core values) and innovation (through investment and change) creating a relationship between the two.

2.2.5.2 Principle 2 Some core or peripheral brand concepts may need to be retained in order for successful corporate rebranding to occur. This will assist in building a bridge from the existing corporate brand to the revised corporate brand. Maintaining this link between the existing and revised corporate brands is vital.

2.2.5.3 Principle 3

The needs of new market segments relative to the segments supporting the existing brand may need to be met to achieve successful corporate rebranding. Growing the brand might require tapping into additional target markets with different needs from the original brand customer base.

2.2.5.4 Principle 4

A company applying a high level of brand orientation through communication, training and internal marketing is more likely to have effective corporate rebranding. Brand orientation occurs when all stakeholders (especially employees) have ownership of the brand and live the brand on a daily basis.

2.2.5.5 Principle 5

A successful company is more likely to have effective corporate rebranding if it has a high level of integration and coordination of all aspects of the marketing mix, with each brand element aligned to the corporate brand concept in its corporate rebranding strategy implementation. Each brand element representing each component of the marketing mix should be directly aligned to the brand concept.

2.2.5.6 Principle 6

Promotion is needed to make stakeholders aware of the revised brand, with possible additional benefits if non mass media are included in the promotion mix. Public relations may have a comparative advantage when the goal is to change attitudes, for example a social campaign, or changing brands.

Once the six conventions of corporate branding have been implemented within the organisation, more focus can then be placed on the role the corporate brand currently plays within a market driving economy. If the corporate brand is not demonstrating sufficient influence within the market driving economy, corporate rebranding may be necessary, involving a change of brand vision. Once this has been completed, the stage is now set for the brand to be built up.

2.3. Building a brand

2.3.1 Brand development

Ojasala, Natti and Olkkonen (2008: 93) mention a four step process that can be used for brand development. These steps are as follows.

Intelligence gathering

The intelligence gathering phase provides opportunity to gain understanding about the brand's situation and provides the information necessary for developing the brand strategy.

Strategy

The strategy phase of brand building entails the organisation's defining the brand's promise, personality, attributes and message. This should reflect the real character, not the one being aspired to, while simultaneously allowing for development. The development should be guided by brand vision, the core purpose of the brand and the definition of the future stage of the brand. The strategy positions the organisation in the market and guides the development of brand expressions, that is, marketing communication.

Communication

Ojasalo et al. (2008: 94) are of the view that the communication phase is where the strategy is brought to life. All expressions of the brand are created and communicated to external and internal audiences. Marketers will attempt to define the impression they aim to create in the minds of customers with the brand. They will also evaluate the options available to create these impressions in terms of marketing communication alternatives. At certain times the external communication in the process is emphasised with less emphasis being placed on the organisation's internal communication. Essentially, day to day processes, the management system and the corporate culture must support the branding strategy. Employees of the company form the interface between a brand's internal and external expression and play a key

role in determining the perception customers have of a brand. Therefore, the brand's identity should be communicated to employees as should the way in which different forms of communication reflect the identity. An important element in the brand building process is a relationship which forms between the customer and the brand.

Management

The management phase entails sustaining and developing the brand further. This requires organisation- level commitment, time and intellect. It is also necessary to ensure a return on the company's corporate image investment. A good management system is needed to measure the effectiveness of branding and to ensure that customers have the right kind of experiences with the products and services an organisation provides accompanying the marketing programs. Brand building responsibility should be at a high level in companies. All staff, however are responsible for developing the brand further in their own activities and customer contacts.

2.3.2 Finding the touch points that count

According to Hogan, Almquist and Glynn (2005: 12) successful brand builders resist investing too broadly in the brand. Instead they identify and focus on the interactions they know will impact most on revenue growth and profitability. The challenge in building a world class brand is summarising and weighing up the factors within the company that contribute to brand equity. The elements that impact on customer perceptions over time range from product quality and customer service to web presence, employee behaviour and community relations. The essence, therefore, lies in knowing which elements to focus on, how much to invest, and how soon.

Hogan et al. (2005: 13) identify four principles which leading brand builders adhere to that set the conditions for the customer experience practices that matter most to them:

- 1) They identify the most important customers – not all customers are equally important to current and future revenue growth. By using the correct customer segmentation methods, premier brand builders know exactly who their high profit customers are.
- 2) They concentrate investment on the customer touch points that will do the most to raise profitable demand – this is done by analysing which touch points will have the greatest impact, both positive and negative, on customer behaviour and brand loyalty and then reallocating investments to those few key touch points. Often a balance will need to be maintained between a product or service being offered at a reasonable price and ensuring the product or service has sufficient features to attract customers to it.
- 3) They set realistic goals for implementation - premier brand builders are realistic when implementing wide scale change management programs. They assess the organisation's readiness for changing key customer touch points and action the moves that will yield good results quickly.
- 4) They constantly revisit their performance - they monitor what level of performance is enough for the critical touch points and they keep tracking which touch points are important as industry standards and customer expectations change.

2.3.3 The impact of customer experience on a brand

Hogan et al. (2005: 13) point out that a customer's feelings about a company can be shaped by word of mouth - the dreaded effect of one unhappy customer telling many others about their experience. The brand is the sum of the customer's experiences with the product or company. It is transmitted in every interaction with the customer over the lifetime of the relationship. A brand can be built up or torn down anywhere on the chain of touch points from earliest impressions to after-sales service. The importance of customer perception is expressed by De Wulf, Odekerken-Schroder, Goedertier and Van Ossel (2005: 226). These authors compared consumer perceptions of in-house retail brands with traditional brands in the orange juice product category. In a comparison based purely on taste without the customers being aware of the brands being tested (blind test), the in-house brands fared better than the traditional national brands. However when customers were aware of the brands being tested, the traditional brands were favoured. The authors suggest that unbranded in-house products can offer the same or better quality as the national brands, and at a lower price. It is only the intensive marketing of traditional brands that would give them the advantage in the market place. The importance of customer brand experience is further supported by O'Loughlin and Szmigin (2005: 11) who studied customer perceptions of service in the Irish banking sector. They found a great disparity between brand image and brand experience. A generally negative view exists of financial service providers as a result of customers' experiences not living up to expectations, created through major marketing initiatives. In a number of cases customers are cynical and dismissive of the brand image and brand building messages being sent through financial services advertising.

2.3.4 Identifying key customer segments

Hogan et al. (2005: 15) explain that many companies, when launching branded customer experience programs, begin by inspecting the volumes of customer data they know they already have. This data can be filtered through customer segmentation approaches that calculate customer profitability. Other methods will rank profit per customer over the short and long term as well as rate customers for their profit potential. Many banks can confidently state what each customer is worth in terms of profitability and revenue. Huge amounts of data have been collected about customer behaviour such as the size of credit card transactions or how much of a balance is paid off and when.

2.3.5 Developing touch point chains

Hogan et al. (2005: 15) hold the view that many touch points play a minor role in improving brand equity but can destroy brand equity if they fail. A good example is problem resolution which can have a huge positive or negative impact. Hogan et al. also note that most electronic forms of interaction do not delight customers but have great potential to destroy brand equity if they fail. Citing ATMs (automated teller machines) as an example, the authors explain that consumers are not impressed with them – the novelty wore off years ago – however customers are soon irritated when ATMs don't function properly.

Vallaster and de Chernatony (2006: 766) stress the importance of internal brand building through clear communication of the brand values to all employees. The role of leadership will determine the success or failure of the communication effort. Leaders need to show how employees can become brand ambassadors through their work as participants in a corporate branding system, rather than assume it as an act of faith.

2.3.6 Naming a brand owner

Hogan et al. (2005: 17) assert that while in the past brand strategy fell within the domain of the marketing manager, in the present day touch points are spread across departments such as finance, logistics as well as third party billing operations. The effectiveness of brand building activities depends on the relationship between the head of marketing and the chief executive. A new branded customer experience initiative should start with a named executive sponsor and a project leader picked for his or her project wins to date. The team should be built with representatives from every department considered important to the brand touch points.

2.3.7 The role of culture in brand building

2.3.7.1 Popular culture

According to Simeon (2006: 463) popular culture is a societal activity that can attract, inform, entertain and influence those who experience it directly or indirectly. Whereas previous popular culture activities would normally emerge in certain regions or countries, and remain in those areas before slowly moving out to impact people in other areas, today mass media and communication technology have changed that dynamic, making possible the fast globalisation of popular culture itself. Consumers globally can sample and experience aspects of a popular cultural phenomenon. Although popular culture can move freely across borders and is consumed and digested in different ways, it retains the ability to attract, inform and influence. For these reasons popular culture is an attractive phenomenon to marketers and brand managers, however brand building now has to take place faster to match the pace of market change.

Simeon (2006: 464) believes marketers are aware that the attitude of consumers towards popular culture can influence their perception of brands. Brands, therefore, can be viewed as public consumption symbols that carry cultural meaning. There are several strong links between popular culture and branding, which marketing strategists can exploit. These are:

- Both result from the promotion and distribution of symbols or activities that need to be consumed in order to create value.
- Both have utilitarian and emotional dimensions.
- An important role exists in both arenas, for producers and consumers.
- Both help consumers interpret, categorise and understand information.
- They can energise each other.

Simeon (2006: 465) contends that the benefit of popular culture to marketers is clearly in the brand building phase. It can give them a competitive advantage in the market place. Often, popular culture attributes, images and attitudes are linked as part of marketing strategy to specific products, services, symbols and locations. In searching for what is innovative and exciting, marketers often look for these same attributes in popular culture. By linking them with the symbolic aspects of brands, marketers can increase the pace of brand building to match that of market change.

2.3.7.2 The effect of market orientation and innovative culture on brand performance

- **Market orientation**

According to O'Cass and Ngo (2007: 868) market orientation can be seen from a

behaviour based and culture based perspective. When seen from a behavioural perspective, market driven behaviours will be reflected, whereas the cultural perspective of market orientation is considered an aspect of an organisation's culture, reflecting market driving characteristics. Organisations with a strong culture, especially an innovative culture are proactive and market driving in their performance. Such organisations will question whether market-driven behaviours are the only way to achieve market success.

O'Cass and Ngo (2007: 869) argue that organisation performance and brand performance are two separate but related constructs. This is because brands play a primary role in the organisation's success by creating competitive advantages with product performance and through non-product related means. Perceived differences among products through branding provide a number of benefits to an organisation such as generating consistent volume and revenue over years and stronger cash flow and earnings. Therefore, it is argued that organisational performance and brand performance are closely linked. As a result of this link, the authors believe that organisations which are market orientated will also see superior performance in their brands.

- **Innovative culture**

O'Cass and Ngo (2007: 870) believe that organisational culture strongly influences an organisation's performance. Those organisations with an innovative culture tend to be proactive in developing successful brands. They believe that breakthroughs do not always come from reacting to the market. These organisations are of the view that building a successful brand may not always depend on the interpretation of feedback received from current customers and competitors, but instead upon its ability to develop in an innovative way, unique methods of delivering superior value to customers. A successful brand reflects 'discovering first' innovations including developing new technology, new positioning concepts, new distribution channels, and new market segments. An innovative culture, therefore, plays a positive role in contributing to enhanced brand performance.

2.4 Identifying textile opportunities in niche markets

With the textile industry being exceptionally competitive, those players serious about survival would be wise to consider a strategy that gives them a competitive advantage in the market place. One such strategy is focussing on niche markets and specialising in the marketing of those products in which they will be most competitive.

2.4.1 Specialisation

In assessing the current state of the USA textile and apparel industry Parrish, Cassill and Oxenham (2004: 48) are of the view that textile companies in the USA should move their resources from processes in which the USA no longer has a competitive advantage to processes in which the USA does have a competitive advantage. In practice the authors believe this means moving away from producing certain apparel items like plain woven and knitted fabrics and moving towards more capital intensive textile items like industrial, medical and geo-textiles. Although these are smaller markets, USA textile companies could gain a larger market share. With competition being intense in the textiles industry, the only way to achieve an above average return would be through a strategy of focus or differentiation. Differentiation can be attained through product, service, personnel, channel

and image. The authors suggest that an effective method of obtaining product differentiation is through niche markets. Niche markets have the following characteristics:

- The customers in the niche have a distinct set of needs,
- The customers are willing to pay a premium price to the firm that best satisfies their needs,
- The niche is unlikely to attract other competitors,
- The niche gains certain economies through specialisation, and
- The niche has size, profit, and growth potential.

Parrish et al. (2004: 49) believe that many struggling USA textile companies would benefit by developing and implementing niche marketing compared to the use of traditional marketing techniques.

2.4.2 Niche marketing versus traditional marketing

Parrish et al. (2004: 49) define a niche as a market with a small group of customers with distinct characteristics or needs. The company therefore focuses on a particular niche instead of an entire market. The opposite to niche marketing, mass marketing involves selling the same product to masses of consumers. A major advantage of niche marketing is that the company has a much smaller customer base and therefore gets to know the customer very well. This should mean that the company is more able to satisfy the customer, in turn meaning more customer loyalty and return sales. Most mass markets start out as niche markets, proving the enormous growth and profit potential in following a niche market strategy. Certain risks are also involved in niche marketing. Firstly, a competitor may attack, wanting to be a part of a profitable niche. The second risk is cannibalisation, which is when a company introduces a new product that eats away at one of its own established markets. The third risk is the threat of a niche drying up due to a change in customer preferences.

Hutt, Gavieres and Chakraborty (2007: 19) distinguish between a limited potential niche opportunity and a prospective market foothold. They describe five tests which can be used to determine if an opportunity could become a prospective market foothold. These are as follows:

- Does the product provide clear value to new customers?
- Can an initial, viable product be brought to market sooner rather than later?
- Will initial customers pay for the improvements needed to enter larger markets?
- Will initial applications enable the product to appeal to a number of traditional market segments?
- Is there little or no reliance on third parties for major product improvements?

2.4.3 Examples of niche markets

Parrish et al. (2004: 50) identify the following USA based textile and apparel companies as having developed successful niche markets.

2.4.3.1 Lands' End

A catalogue and online retailer based in Dodgeville, Wisconsin, Lands End found that its customers had a distinct set of needs. Preferring value, convenience and customisation of products, customers are able to customise jeans and chinos to ensure fit and style. On the Lands' End web site the customer enters his/ her measurements and style preferences and the

garment arrives in two to three weeks. Lands' End has plans to expand its product range. This service was created in order to gain a competitive edge, yet so far it has been more successful than anticipated. Lands' End has created a niche, for which customers are willing to pay a premium price, placing them ahead of the competition.

2.4.3.2 Burlington Industries

An apparel and upholstery fabric manufacturer based in Greensboro, North Carolina, this firm has also faced huge competition, mostly from cheaper imports. For this reason, Burlington has been seeking opportunities where it will be more protected. This led to their investment in Nano-Tex. A subsidiary of Burlington Industries, Nano-Tex develops nanotechnology enhancements to fabrics, which has size, profit and growth potential. The special finish allows the fabric to be waterproof.

Burlington markets nanotechnology differently to their other products. Although traditionally a textile mill, Burlington markets this technology to other manufacturers, such as Galey and Lord and Levi Strauss, who then market their products as being made with nanotechnology. The ultimate goal for Burlington, however, is to market Nano-Tex at the consumer level, so that eventually consumers will demand fabrics with the nanotechnology finish, giving them an edge over competitors.

2.4.3.2 Tommy Bahama

This is another example of the use of niche markets to differentiate a company from competitors. The Tommy Bahama brand and private label was created by three men who identified a gap in the market in 1991 and focussed their brand of elegant and tropical clothing to be sold in specialty stores to men aged 35 to 65. The product ranges have since been extended to include women's clothing, home furnishings, handbags, ties and swimsuits. Tommy Bahama stays ahead of the competition by constantly upgrading quality to stay ahead of knockoffs as consumers will pay a premium price for quality. Not only have they found a niche in the apparel market place but they have secured it by capitalising on the brand image and customer loyalty.

2.4.4 Niche market strategy in the textile and apparel industry

2.4.4.1 Definition of niche market strategy

Parrish, Cassill and Oxenham (2006: 421) differentiate a niche market strategy from an overall firm strategy perspective as one where there is an emphasis on a particular need, or geographic, demographic, or product segment. Focussing instead on the market perspective versus the product or strategy perspective, Kotler and Keller (2006: 242) define a niche as 'a more narrowly defined group seeking a distinctive mix of benefits'. They state that niche markets are usually identified by dividing a segment into sub segments and that the key issue in niche marketing is specialisation.

2.4.4.2 Developing a niche market strategy

The most important reason, according to Parrish et al. (2006: 421) for developing a niche market strategy, is to improve profits. The specialising firm ends up knowing the customers so well that it is able to better meet their needs. Therefore the firm can charge a higher price resulting in higher margins which the mass market firm achieves through higher volume. Other reasons for implementing a niche market strategy are to enable the firm to respond

faster to demand changes. This can assist with customer retention. As competition increases, several competitors may drop out, leaving only the strongest. Niche marketing may help companies to remain among the healthy survivors. The best method of identifying a niche is by starting with the needs of a few customers and gradually building up a larger customer base. A company should think of customers as individuals and respond to their special needs. It is important for managers to keep one eye on technology to know its potential and one eye on the market to see opportunity.

2.4.4.3 Important factors in the success of a niche market strategy

Parrish et al. (2006: 421) highlight relationships as being one of the most important factors in the success of niche marketing. These are vital because strong, long-term relationships can help build a barrier to deter potential competitors and sustain long-term profitability and assist with customer retention. Reputation is also of major importance to niche marketing companies as they depend on word of mouth references. In niche marketing a company does not only market its product, but it also markets its business.

Parrish et al. (2006: 422) also emphasise the importance of brand image in the success of a niche strategy. Branding creates an emotional bond with the consumer that can more strongly differentiate a product in the consumers' eyes than price. Branding offers a firm differentiation through image. However, although branding is extremely important to many consumers, it does not matter to all consumers. If the market is not concerned with brand, the company must find some other way to differentiate its products.

2.4.4.4 Niche market strategy in the US textile and apparel industry

Citing recent interviews conducted with US textile and apparel executives of firms who use a niche marketing strategy, Parrish et al. (2006: 424) noted that the firms use a niche strategy not only to compete with lower priced imports but also to remain competitive with local suppliers. These firms believed that a niche strategy offered potential for the following reasons:

- The buy local segment will always exist, no matter how small,
- Certain products are difficult to ship due to time or size constraints, and they will need to be domestically produced, and
- The USA can offer more innovative and technologically advanced products for which the consumer will be willing to pay.

The majority of respondents believed that specialised products were more protected when compared to commodity products. Certain respondents believed that differentiation, either through feature or brand image should be conveyed to the consumer through marketing. This may enable them to charge a higher price. Most of the respondents reported increased profits as a result of implementing a niche strategy.

2.5 Developing a branding strategy

There are several aspects to be considered when developing a branding strategy. Other than the various strategic options, a brand growth strategy is required. Brand extensions can often be successfully used to launch new products. Using brand portfolios to categorise brands also assists when developing a branding strategy.

2.5.1 Strategic options

Kotler and Keller (2006: 296) hold the view that when a firm introduces a new product, it has three main choices in the use of product brand elements. These are the following:

- It can develop new brand elements for a new product,
- It can apply some of its existing brand elements, and
- It can use a combination of new and existing brand elements.

Additionally, Kotler and Keller (2006: 297) assert that once a firm has decided to brand its products or services, it can choose from four general strategies, these being:

- Individual brands – a major advantage of individual name strategy is that the company does not tie its reputation to the product,
- A blanket family name – development costs are less because there is no need for name research or extensive advertising to create brand name recognition,
- Separate family name for all products – this should not be used when a company produces quite different product, and
- A corporate name combined with individual product names – the company name legitimises, and the individual individualises the new product.

2.5.2 The need for a brand parent

Chevron (1998: 254) asserts the need to create a 'brand parent', someone in the firm who protects the brand's character from the encroachments of tactical marketing and promotions. Such an individual ideally should be high profile and senior so as to retain the clout to champion the brand. Simultaneously the match between the brand character and corporate character should be sustained. The characters of firms evolve over time in a similar way to the characters of people. For many firms the character of the leadership becomes closely related to that of the firm and to the brands themselves. The aim of brand management should be to create a brand that stands on its own feet rather than one that feeds off the character of the corporate body. Chevron suggest that an effective means of managing brands is to think in terms of soft, 'human' issues rather than the hard data crunching approach that tends to dominate brand research in firms.

2.5.3 Brand growth strategy

Abraham (2005: 43) emphasises the importance of a growth strategy for the brand. The first step would be the conducting of a brand audit. Brand auditing is an evaluation of the brand's progress, its positioning in the market, its financial worth to the company and its potential growth. Once the audit has been completed, the company may wish to value its main brands in the market and plan ways to enhance the value of these brands to make the brand more attractive to providers of finance. Proper accounting systems, revenue records, and systematic identification and recording and registration of all the company's brands are essential. Having identified the main brands, the strength of the brand must be preserved by building customer loyalty. If brands have fallen out of use, trademarks need not be renewed. Rather, it might be useful to consider rebranding to revive these brands. It is imperative to be vigilant and to take prompt action against any misappropriation of a brand. Trademarks are often infringed when a party that is not the proprietor of the trademark exploits it for commercial gain. Where a trademark is not registered and is used by another, the common law used for cases of passing off can be relied upon.

2.5.4 Brand extensions

Vickner and Sattler (2006: 18) define brand extensions as the use of established brand names to launch new products. This is one of the most frequently used branding strategies.

Extending brands, both within and beyond the original product category is deemed to be profitable because, in general, it is assumed that already known and recognised brands will require lower new product introduction expenses.

According to Rust, Zeithami and Lemon (2004: 117) many companies are guilty of brand over extension, usually because they evaluate extensions on the basis of how similar the new product is to the old one. Instead, companies should be thinking about how similar the two products' customers are. It would not be practical to extend a brand to a dissimilar product with dissimilar customers. However, even extending a brand to a similar product may not be effective if the customers have little in common. Brand extensions are more likely to be successful if the customers are similar, even if the products are not.

Kotler and Keller (2006: 297) agree that when a firm uses an established brand to introduce new product, it is called 'brand extension'. In a line extension, the parent brand is used to brand the new product in the same product category as the parent brand. In category extension, the parent is used to enter a brand into a different category to that being served by the parent brand.

Brand extensions, according to Kotler and Keller (2006: 297) improve the prospects of success for a new brand in the following ways:

- Customer expectations are based on what they already know about the parent brand.
- Reduced new product launch costs.
- Packing and labelling efficiencies reduce overall costs.

Kotler and Keller (2006: 297) also identify the following disadvantages of brand extensions:

- Line extensions may cause the brand name to be more weakly identified with one product.
- Brand dilution may occur when consumers no longer associate a brand with a specific product.
- If the new product fails, it may harm the parent brand.

Taking both advantages and disadvantages into account a potential new product extension must be judged on how it leverages existing brand equity from the parent brand to the new product (Kotler and Keller: 291)

2.5.5 Brand portfolios

According to Kotler and Keller (2006: 302), the brand portfolio is a set of all brands and brand lines a particular firm offers for sale in a particular category. Different brands may be designed and marketed to appeal to different market segments. The brand portfolio must be judged by its ability to maximise brand equity. There are a number of specific roles brands can play as part of a brand portfolio, namely:

- Flankers – flanker or fighter brands are positioned with respect to competitors so that more important flagship brands can retain their desired positioning.

- Cash cows – some brands may be retained despite declining sales as they remain profitable with little or no marketing support.
- Low end entry level – the role of the relatively low priced brand in the brand portfolio often may be to attract customers to the brand franchise.
- High end prestige – the role of the relatively high priced brand in the brand family is to add prestige and credibility to the entire portfolio.

Laforet and Saunders (2005: 28) predict a trend from individual brands, through over endorsed and sub-brands, toward corporate branding structures. They believe a number of reinforcing factors were driving this trend: emerging market complexities, competitive pressures, channel dynamics and globalisation. Added to these are markets confused by multiple brands, aggressive extensions and complex sub-brand structures. Consequently, cost-effectively leveraged corporate brands are replacing portfolio individual brands. If these views are correct, corporate branding will carry more importance now than it did ten years ago.

A number of companies are using individual brand strategies to grow vertically in a highly segmented market. In intensely competitive markets, individual branding offers more character and allows for more accurate positioning. The forces driving this are increasing market segmentation as well as falling customer loyalty and competitively priced alternatives. In price sensitive markets, 'value for money' brands (possibly own labels) are often volume pullers. In these segments, umbrella branding will not necessarily help and will conflict when the umbrella brand is used in less price-sensitive segments. Similarly, individual brand names within a portfolio became more powerful when they were inter-related. It is further suggested that successful companies focus on a small group of powerful brands (Laforet and Saunders 2005: 29).

Most intensive users of individual brands still disclose the identity somewhere on their packs, in the form of either an address or a small logo. For a long time companies have been careful not to expose the relationships between their ranges when its joint ownership is unappealing. By using furtive brands that do not disclose corporate ownership, marketers minimise the chances of consumers or activists remembering or communicating who owns what (Laforet and Saunders, 2005: 30).

Kotler and Keller (2006: 301) explain that all brands have boundaries. Multiple brands are often necessary to pursue multiple market segments. Reasons for introducing multiple brands in a category are the following:

- Increased shelf presence and retailer dependence in the store,
- Ability to attract those consumers seeking variety and those who may have switched to another brand,
- Increased internal competition within the firm, and
- Obtaining of economies of scale in advertising, sales, merchandising and distribution.

Carlotti, Coe and Perrey (2004: 78) suggest that most marketers recognise they should run their brands as a portfolio. Managing brands in a co-ordinated way helps a company to avoid confusing its customers as well as helping to avoid investment in over lapping product development. Additionally, killing off weaker parts of the product range is an important function of brand portfolio management. Marketers are forced to focus resources on the

stronger remaining brands and to position them distinctively. It thus reduces the complexity of the marketing effort and counteracts the decreasing efficiency and effectiveness of traditional media and distribution channels.

Carlotti et al. (2004:78) also point out that marketers today face heavy pressure to produce growth in an era of fragmenting needs. Understandably, they often react by expanding rather than pruning their brand offering. After all, killing tired brands and curbing the launch of new ones is not easy when the remaining portfolio must capture nearly half of a discontinued brand's volume, merely to break even. If marketers are to thrive, they must resist the compulsion to launch new brands and to protect old brands, instead they should shepherd fewer, stronger ones in a more synchronised way.

Companies need a flexible portfolio approach sensitive to consumers and current brands alike. While bold top-down declarations of intent do have a place, marketers will be better served by first clarifying the needs that brands could satisfy and then by assessing both the economic attractiveness of meeting them and their fit with the positioning of existing brands. Only then should marketers move to increase the value of the portfolio, by making strategic decisions on the restructuring, acquisition, divestiture or launch of brands. (Carlotti et al. 2004: 79).

To avoid positioning mistakes, marketers must understand each brand's unique contribution to the portfolio. Mapping their current brands against the universe of relevant needs is a helpful starting point. The most valuable insights often emerge when marketers use statistical tools and market research to assess the relationship between those things customers value in a given need state and the attributes that differentiate the brand for them. Many companies, mapping out their portfolios, find that they have at least one relatively weak brand. Frequently, companies that hold on to under performers cannot really support all of their brands and, therefore, have to make small cuts in the resources allotted to each, thereby undermining the performance of their portfolios (Carlotti et al., 2004: 81).

Marketers can re-structure their brands by repositioning those that have lost relevance to the target segments by consolidating two or more mature brands competing for the same consumers or by divesting a brand that absorbs more resources than it contributes and holds little promise of a turnaround. Restructuring is scary because it involves modifying brands and consumer attitudes. However, though careful management is certainly needed to restructure brands without losing customers, the risk when adding new brands or categories is often greater. (Carlotti et al., 2004: 82)

Getting strategy right is only part of the battle; companies must also make organisational changes to adapt their brand portfolios quickly to shifting trends, competitive responses, mergers and new product launches, while also managing the natural cycle of their brands. Since taking action with one brand often means doing so with another, companies must appoint a dynamic portfolio manager who can ensure that the entire portfolio moves nimbly (Carlotti et al., 2004:83)

2.6 Conclusion

Organisations are increasingly paying more attention to their corporation as a brand and how portraying the corporation as a brand can contribute to income generation. Various corporate branding practices can be undertaken including placing a greater role on the influence of corporate brand identity as well as making optimal use of corporate rebranding.

Brand building is crucial to improving overall profitability of brands. A better understanding of the role of customer experiences and culture will contribute to the growth of brands. Organisational culture strongly influences the brand building strategy used by firms.

With the textile industry being intensely competitive, niche market opportunities need to be investigated, especially in industrialised countries with higher labour costs. Firms should identify which niche markets they would be able to supply taking into consideration the core competencies and competitive advantages their firms may enjoy.

When developing branding strategies, various options are available. For instance firms need to decide whether to tie the brand name to the corporation or whether to keep the two separate. Brand extension opportunities should be used but a firm must be careful not to 'over extend' brands at the risk of alienating the core customer base.

Successful branding practice involves managing brands within a portfolio, with various brands playing different roles within the portfolio. Although restructuring and repositioning brands within the portfolio may be considered a risk, it is often necessary to remain competitive. Certain unprofitable brands may need to be removed from the portfolio and other potentially more profitable ones added.

How companies manage these processes is critical. For this reason it becomes essential that the correct team be in place to manage the entire brand management process.

Chapter 3: Research Methodology

3.1 Introduction

While the previous chapter evaluated and assessed available literature on the subject of branding, including aspects like corporate branding, brand building and best practices for developing a branding strategy, in this chapter the focus shifts to the research being conducted. This chapter will discuss and explain the research methodology used throughout the research project.

3.2 Research design

3.2.1 Market Research

According to McLuhan (2006: 49), there are two methods of carrying out market research. The quantitative method involves asking a statistically representative sample of consumers, specific questions and measuring the response. In the case of a new product being developed, for example, one would be able to analyse the proportion of the sample that is willing to buy the product being developed, how many customers are not sure, and how many customers would definitely have no use for it. The other technique is the qualitative method. This approach offers people the chance to describe their reactions in their own words. This way one can find out exactly what the customer likes or dislikes about your idea, allowing for changes to be made. Leedy and Ormron (2005: 30) explain that quantitative research is used to answer questions about relationships among measured variables with the purpose of explaining, predicting and controlling phenomena. This approach is sometimes called the traditional, experimental or positivist approach. In contrast, qualitative research is typically used to answer questions about the complex nature of phenomena, often with the purpose of describing and understanding the phenomena from the participants' point of view. The qualitative approach is also referred to as the interpretative, constructivist approach, or post positivist approach.

McLuhan (2006: 49) warns that when designing a research program, it is important to be aware of the pitfalls. A common mistake is to set out with a pre-conceived idea of what one wants to know. This means the research will return views that match one's preconceptions when what one really needs is creative thinking. Some companies might prefer to focus their marketing spend on trying to get consumers to make a purchase, rather than asking them questions. However, knowing what your prospective customers want in the first place will result in them requiring little persuasion.

For this research, quantitative design was used as two opinion polls were used for the field survey. Actual and potential customers were interviewed to create an accurate picture of Da Gama's status in the market place and to determine what the way forward should be. The goal of the study was to understand what Da Gama's top Jacquard customers and potential customers (the bed and breakfast managers) thought about the product and the service levels they were getting (in the case of the top Jacquard customers). Once an understanding had been gained, a strategy was created in response to the views expressed by the participants. The study aimed to learn how to improve Da Gama's sales in the chosen market segment, in an attempt to control the market environment. The study also involved qualitative research

design to a lesser degree, especially when gauging from existing customers how the overall brand offering could be improved.

The Jacquard products were chosen because with 2010 drawing closer, these products are widely used for decorating purposes and with the influx of tourists there could be a need for bed and breakfasts to upgrade their premises.

3.3 The population

Two Sample groups were researched.

- The first sample consisted of the top ten independent purchasers of Da Gama Jacquard products on a nationwide basis.
- The second sample consisted of all bed and breakfast managers in KwaZulu-Natal whose establishments were registered on the Bed and Breakfast Association web site. The total size of this population was 463.

3.4 The sampling procedure

The sample survey was designed into the following two sections:

- Top ten customers by sales value: this information was obtained by analysing the previous twelve months sales for each customer. This sample included all major customers in the product segment who were situated throughout South Africa. The majority of these customers, however, were situated in the major centres of Gauteng, Durban and Cape Town.
- Bed and breakfast sample: A total of one hundred and fifty randomly selected bed and breakfasts from within Kwazulu Natal were identified for interviewing purposes. This sample was chosen from an original population size of 463, appearing on a list of Kwazulu Natal bed and breakfasts. The sample was selected by placing all 463 names in a hat and randomly selecting 150 names from the hat. The bed and breakfasts on the list were all graded as having three to five star ratings. The person to be interviewed would need to be responsible for the purchasing of linen, curtaining and tabling for the establishment.

3.5 Data collection

Two different questionnaires were developed for the two samples to obtain as much relevant information as possible. At the same time, the questions were kept as simple as possible to ensure the results could be collated at a later stage.

The questionnaire developed for the top ten customers by sales volume aimed to obtain the following information.

- How long the customers had been purchasing Jacquards from Da Gama,

- General questions asking customers to rate the service levels, quality and design, standards plus product knowledge levels of Da Gama sales and marketing people with whom the customers interact when purchasing Jacquards, and
- An open ended question asking customers to suggest how Da Gama could improve its Jacquard range in the market place.

The questionnaire developed for bed and breakfast managers and owners in KwaZulu-Natal aimed to obtain the following information:

- The size of the establishment,
- How often linen, curtaining and tabling stocks were replenished,
- General information regarding where the readymade units or fabric were purchased and the type of fabric that was purchased,
- How they rated Jacquard products compared to other fabrics in the market place,
- How they were preparing for the 2010 World Cup in terms of upgrading their establishments and ordering of fabric or made up units, and
- Their willingness in the future to receive literature from Da Gama relating to Jacquard products.

Explanatory notes were attached at the beginning of both questionnaires to reassure participants that their participation in the survey was voluntary. Anonymity and confidentiality were guaranteed and participants had the option of withdrawing at any time during the interview process. Initially the top Jacquard customers were all to be interviewed face to face but ultimately, for logistical reasons, five of the ten customers were interviewed telephonically.

The bed and breakfast managers and owners were initially contacted by phone and questionnaires were then e-mailed to them. However after a very poor response to this method, the decision was taken to interview participants by telephone to achieve a better response rate. It was also discovered that bed and breakfast owners and managers, generally are not highly computer literate and were not completely knowledgeable about how to email a completed questionnaire back to the sender. After some trial and error, it was discovered that the best time to contact bed and breakfast managers was between 10am and noon during week days.

For both sample groups it was essential that questions be designed in such a way as to facilitate easy comprehension by all those being interviewed. This was also done to ensure consistency of answers from respondents. For the top Jacquard customers sample group closed ended questions were asked with the addition of one open ended question. However for the bed and breakfast sample, given that these were not Da Gama customers, only closed ended questions were asked.

3.5.1 Question structure

Newman (1995: 4) identifies the types of questions that can be asked as the following:

- Open ended (respondents create their own answers),
- Closed ended questions with a gradation or ordering of responses,

- Closed ended questions with unordered responses, or
- Partially closed ended questions.

Newman (1995: 5) highlights that no one question structure is best. The proper structure depends largely on how the researcher wishes to use the responses. The following considerations need to be taken into account when wording questions:

- The avoidance of slang, or uncommon words that one's audience might not understand.
- Being specific. Vague questions will generate vague answers.
- On the other hand, the desire not to overdo it. When questions are too precise, people find it more difficult to answer them.
- Make sure your questions are easy to answer. Questions that are too demanding will also lead to refusals or guesses.
- Don't assume too much. This is a fairly common error in which the questionnaire designer assumes something about people's knowledge, attitudes or behaviour.
- Watch out for double questions and questions with double negatives. Combining questions or using a double negative leads to ambiguous questions and answers.

Check for bias. A biased question can influence people to respond in a manner that does not accurately reflect their positions. Newman (1995: 10)

Jobe and Mingay (1989: 53) believe that the cognitive approach to questionnaire design conceptualises the response to a survey question as involving four distinct stages.

- The first stage is comprehension, in which the respondent interprets the meaning of the question.
- The second state is retrieval in which the respondent searches his long term memory for relevant information.
- The third stage is estimation or judgement in which the respondent evaluates the information retrieved from memory.
- The fourth stage is the response state in which the respondent weighs factors such as sensitivity of the question, social desirability of the answer, probable accuracy of the answer, and then decides what answer to provide.

3.5.2 How to ask the correct questions?

According to Newman (1995: 5) there are typically three areas that researchers must consider when writing questions.

- Type of information desired,
- Question structure, and
- Wording.

When one asks people questions, one usually requires information pertaining to four areas, namely:

- Attitudes (feelings/views),
- Beliefs (true or false),
- Behaviour (what they do), and
- Attributes (personal/demographic characteristics).

It is important to understand the differences between these types of information because it is easy to inadvertently move from one type of information to another when writing and rewording questions. For example one may start out asking about television viewing habits (behaviour) and actually end up asking them about feelings concerning television (attitudes).

3.5.3 Pilot study

The questionnaires were tested in the following way.

- Top ten customers' questionnaire: A local customer, outside the top ten was interviewed to test the questionnaire. In addition, the marketing manager for Jacquard products at Da Gama Textiles was consulted for his view about questionnaire design. Both people suggested minor changes to the structure of questions such as simplifying questions. These changes were implemented by the researcher and the questionnaire was re tested with the same people and results found to be acceptable.
- Bed and breakfast managers and owners: Five bed and breakfasts in the Durban area were handpicked and interviewed. Once again the marketing manager for Jacquards was consulted for advice on question structure. A number of changes were found to be necessary once the five bed and breakfast managers had been consulted. Firstly a question about their view of Da Gama's marketing was found to be irrelevant as none of the managers had dealt directly with Da Gama, nor had they been the recipients of any of Da Gama's marketing efforts. The decision was taken to remove this question. A few other minor changes were necessary, in terms of the structure of questions. Once the questionnaire was re worded, it was re tested with the same people. The results were found to be acceptable.

Newman (1995: 6) suggests that pre testing is the least expensive way to make sure that one's questionnaire research project is a success. The primary purpose of a pre test is to ensure that the questionnaire gives the respondent clear, understandable questions that will evoke clear understandable answers. The major purpose of pre testing is to:

- Uncover question sequence problems,
- Locate areas where respondents may terminate the interview,
- Eliminate and /or add questions,
- Determine any recording difficulties,
- Refine closed ended categories,
- Improve wording,
- Determine clarity of each issue, and
- Convert open ended questions to check lists.

Newman (1995: 7) highlights the fact that one is writing for a particular audience and purpose, and for placement next to other questions. As one prepares a questionnaire, one should fill in the blanks to the seven simple questions below:

- Have you asked the right question?
- What do you want to know?
- How will you use the answer?
- Are respondents going to understand the question?
- Are respondents going to know the answer?
- Are respondents willing and able to answer?
- What do the answers mean?

Rapaille (2006: 44) believes that people do not intentionally lie during surveys and focus groups - they simply try too hard to please. When asked about their interests and preferences, they tend to give answers they believe the interviewer wants to hear. One should also be careful of the answers arising from a focus group.

Taking this into consideration, when analysing the data, any sharp deviations should be carefully investigated, and if necessary, the interviewees involved may need to be questioned again to ensure that validity and reliability are maintained in this study.

3.6 Data analysis

The collected data was sent to a statistical expert to be analysed. Spreadsheets were used to represent the data. Once represented in spreadsheet format the data was then collated and presented in a graphical format through the use of bar charts and frequency tables, allowing for more concise and accurate interpretation.

3.7 Data Measurement

3.7.1 Scales of measurement

Leedy and Ormrod (2005: 25) identify the following four categories of scales of measurement:

- Nominal – which aims to distinguish between attributes being measured,
- Ordinal – aims to establish a rank order for the variable being measured,
- Interval – which has two features, namely; equal units of measurement and its zero point has been established arbitrarily,
- Ratio – which entails a fixed zero point from which the equal differences between numbers are measured.

In this study, nominal and interval scales of measurement have been used.

3.8 Conclusion

This chapter has discussed the various methodologies used in the research project. The research design clearly defined the two population groups being studied and what the goals of the study were. The sampling procedure involved sampling two groups: the top ten Jacquard customers of Da Gama Textiles as well as 150 randomly selected bed and breakfasts in the KwaZulu-Natal region. Data collection was carried out with the intention of finding out what the people being interviewed thought of Da Gama's Jacquard products. To ensure that the questionnaires were designed correctly, a pilot study was carried out before the actual data collection took place.

Finally the data was analysed and then measured to assist with interpretation, recommendations and conclusions.

Chapter 4: Results and discussion

4.1 Introduction

This chapter will discuss the results of the study from data collected from respondents. The data which has been sorted and analysed using statistical methodology will be presented through the use of frequency tables, bar charts as well as through statistical discussion. An assessment will be done to determine how the results and findings assist in achieving both the primary and secondary objectives of the study.

4.2 Sample response rate

4.2.1 Bed and breakfast owners and managers

Of the 150 bed and breakfast managers and owners approached for interviewing, a total of 65 responded to the request to be interviewed. This equated to a response rate of 43 percent.

4.2.2 Top ten customers

All top ten customers approached were willing to be interviewed, that is, a 100 percent response rate for this sample group was achieved.

4.3: Bed and breakfast owners / managers survey.

The results of the questionnaire to bed and breakfast owners and managers are presented below.

4.3.1 Size and furnishing traits

4.3.1.1. Number of rooms

Table 4.1 reveals that 63 percent of respondents had between five and nine rooms in their establishments. A further 30 percent had between one and four rooms in their establishment, with a tiny minority having more than ten rooms.

Table 4.1: Number of rooms.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-4	20	30.8	30.8	30.8
	5-9	41	63.1	63.1	93.8
	10-14	2	3.1	3.1	96.9
	15-19	2	3.1	3.1	100.0
	Total	65	100.0	100.0	

The vast majority of respondents had fewer than ten rooms in their establishments. This indicates that a typical bed and breakfast in this study is generally small.

4.3.1.2 Frequency of refurbishing

Refurbish, in the context of this questionnaire referred to the replenishing of linen, curtaining and tabling within the establishment.

Table 4.2 reveals that just over two thirds of respondents, or 67.7 percent have replenished their stocks within the past six months.

Table 4.2: Frequency of refurbishing

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < 6 months ago	44	67.7	67.7	67.7
6-12 months ago	6	9.2	9.2	76.9
12-18 months ago	7	10.8	10.8	87.7
18-24 months ago	2	3.1	3.1	90.8
> 2 years ago	6	9.2	9.2	100.0
Total	65	100.0	100.0	

It can be seen that the typical bed and breakfast regularly replaces their linen, tabling and/ or curtaining fabric in their establishment.

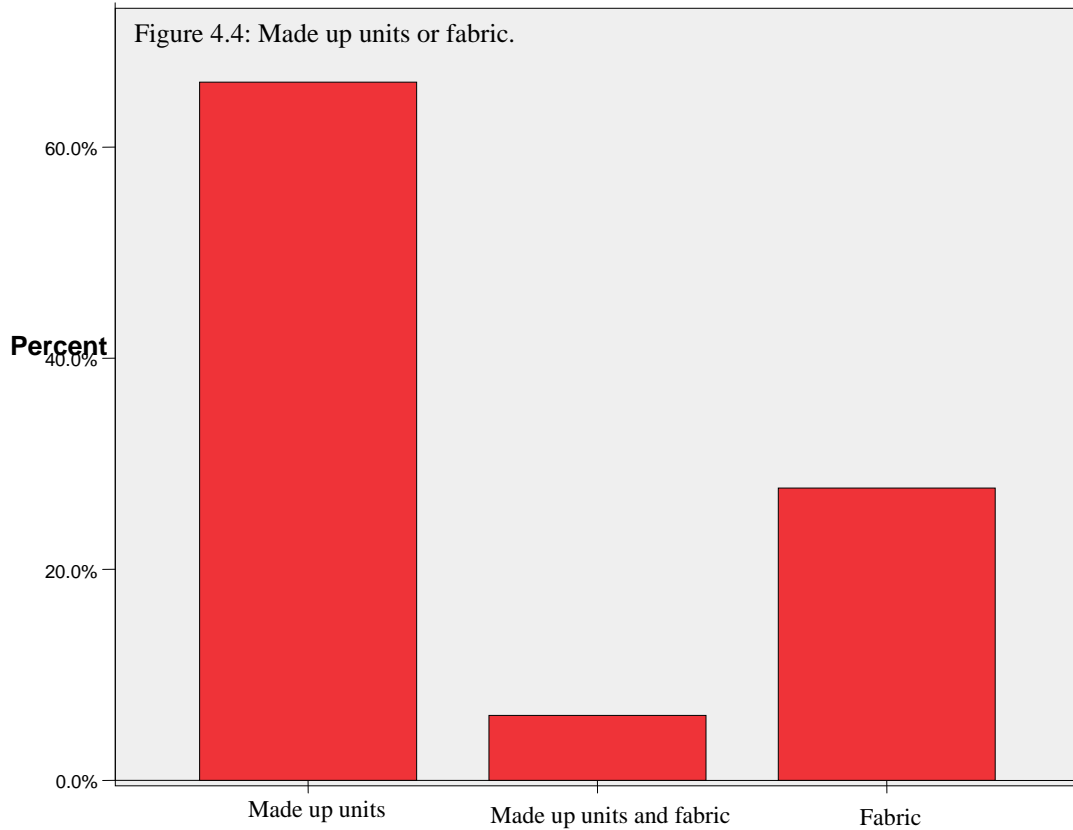
4.3.2 Purchasing Trends and Behaviours

4.3.2.1 Made up units or fabric

Table 4.3 and figure 4.4 show that around two thirds (66.2 percent) of respondents purchased made up units during their previous replenishment of stock for their establishment. Just less than one third of respondents purchased fabric, which they then converted into made up units.

Table 4.3 Made up units or fabrics.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Made up units	43	66.2	66.2	66.2
Made up units and fabric	4	6.2	6.2	72.3
Fabric	18	27.7	27.7	100
Total	65	100.0	100.0	



By far the majority of respondents preferred to purchase made up units instead of purchasing fabric alone, and having it converted.

4.3.2.2 Conversion of Fabric

This question was posed only to those respondents who had purchased only fabric, or fabric and made up units.

Table 4.5 shows that of the 22 respondents who either purchased fabric alone, or purchased fabric and made up units, nine of these, or 41 percent, made use of private people to have the fabric made up into units. However, a number of the other options identified by the respondents (such as WC referral and PMB CMT) could also be classified as private sewers. Private sewers can be defined as those who operate on a small scale, many of them on a part time basis.

Table 4.5 Conversion of Fabric

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Curtains by Lulu's	1	1.5	1.5	1.5
Decorator	1	1.5	1.5	3.1
Durban	1	1.5	1.5	4.6
Mr. Price, At Home	1	1.5	1.5	6.2
N/A	43	66.1	66.1	75.4
Own sewing	4	6.1	6.1	78.5
Part-time CMT PMB.	1	1.5	1.5	80.0
Private	9	13.8	13.8	93.8
Self	1	1.5	1.5	95.4
W. C. Referral	1	1.5	1.5	96.9
Waste Centre	1	1.5	1.5	98.5
Wholesalers	1	1.5	1.5	100.0
Total	65	100.0	100.0	

From the information above it can be concluded that among those respondents who purchased fabric to be converted into units, the vast majority made use of private sewers for this purpose. This is an indication of the need to make use of a cost effective service provider.

4.3.2.3 Location of purchase

Table 4.6 shows that almost half of the respondents (49.2%) purchased from a chain store. All of these would have purchased made up units as chain stores these days do not sell fabric. The next most popular choice was from an independent retailer. The bulk of these purchases would have been fabric as most independent (fabric) retailers sell far more fabric than made up units.

Table 4.6: Location of purchase.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Chain store	32	49.3	49.3	49.3
Chain store and independent retailer	1	1.5	1.5	50.8
Chain store and decorator	1	1.5	1.5	52.3
Chain store, independent retailer and decorator	1	1.5	1.5	53.8
Independent retailer	19	29.2	29.2	83.1
Independent retailer and decorator	3	4.6	4.6	87.7
Decorator	7	10.8	10.8	98.5
Various	1	1.5	1.5	100.0
Total	65	100	100	100

It can be concluded that the majority of respondents purchased made up units from a chain store, whereas fabric was generally purchased from independent retailers.

4.3.2.4 Chain store where units were purchased.

This question was posed to those respondents who selected 'chain store' in the previous question.

Table 4.7 reveals that there was no clear favourite option for this question. However if we combine those respondents who selected Mr. Price, 'wherever' and 'any chain store', then Mr. Price would be the most popular option.

Table 4.7: Chain store where units were purchased.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Any chain store	1	1.5	1.5	1.5
B & M Marketing	1	1.5	1.5	3.1
Classic Textiles	1	1.5	1.5	4.6
Frame, Linen direct	1	1.5	1.5	6.2
Game	1	1.5	1.5	7.7
Linen Loft, Mr. Price	1	1.5	1.5	9.2
Mr. Price	2	3.1	3.1	12.3
Mr. Price, At Home	7	10.8	10.8	23.1
Mr. Price, Sheet Street	2	3.1	3.1	26.2
N/A	30	46.2	46.2	72.3
National Acc. Assoc.	1	1.5	1.5	73.8
Sheet Street	3	4.6	4.6	78.5
Waste Centre	1	1.5	1.5	80.0
Wherever	9	13.8	13.8	93.8
WHETHERLYS	1	1.5	1.5	95.4
Whiteheads, Mr. Price	1	1.5	1.5	96.9
Wholesalers	1	1.5	1.5	98.5
Woolworths	1	1.5	1.5	100.0
Total	65	100.0	100.0	

4.3.3 Fabric Types

4.3.3.1 Fabric types purchased for bedding requirements.

Table 4.8 shows that about half, or 50.8 percent of the respondents chose percale cotton for their bedding requirements. The next most popular option was poly cotton with 18.5 percent of respondents choosing this fabric type.

Table 4.8 Fabric types purchased for bedding requirements.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Cotton	11	16.9	16.9	16.9
Cotton and poly cotton	3	4.6	4.6	21.5
Poly cotton	12	18.5	18.5	40.0
Percale – cotton	33	50.8	50.8	90.8
Percale-poly cotton	6	9.2	9.2	100.0
Total	65	100.0	100.0	

With the majority of respondents opting for percale cotton or poly cotton when selecting bedding for their establishments, cotton, poly cotton and percale poly cotton do not seem to be in demand.

4.3.3.2 Fabric types purchased for curtaining requirements

In table 4.9 it can be seen that slightly more than half or 52.3 percent of respondents chose cotton products for their curtaining requirements. The next most popular option was poly cotton, with 13.8 percent of respondents choosing this fabric type.

Notable for this question was the number of respondents (21.5 percent) for whom this question was not applicable. The reason for this was that these respondents had not replaced the curtaining in their establishment for more than two years.

Table 4.9 Fabric types purchased for curtaining requirements.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Cotton	34	52.3	52.3	52.3
Cotton, poly cotton and taffeta	1	1.5	1.5	53.8
Poly cotton	9	13.8	13.8	67.7
Poly cotton and taffeta	1	1.5	1.5	69.2
Taffeta	2	3.1	3.1	72.3
Taffeta and Jacquard	1	1.5	1.5	73.8
Other	3	4.6	4.6	78.5
N/A	14	21.5	21.5	100.0
Total	65	100.0	100.0	

Although the majority of respondents opted for cotton or poly cotton products, it is clear that these respondents do not replace their curtaining often – far less often than they do their linen and tabling products.

Respondents who selected the 'other' option for this question were asked to specify which fabric they chose for their curtaining requirements.

From table 4.10 it can be seen that blinds were the most popular choice. The next most popular option was bull denim or heavy fabric.

Table 4.10: other specify

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Blinds	4	6.2	6.2	6.2
Bull denim	1	1.5	1.5	7.7
Denim	1	1.5	1.5	9.2
Heavy fabric	1	1.5	1.5	10.7
Lace & Blinds	1	1.5	1.5	12.2
N/A	56	86.3	86.3	98.5
Various prints	1	1.5	1.5	100.0
Total	65	100.0	100.0	

4.3.3.2: Fabric types purchased for tabling requirements.

In table 4.11, it can be seen that place mats, at 35.4 percent were the most popular option amongst the respondents. If we exclude those respondents for whom this question was not applicable then the actual percentage for the place mats option becomes 42.6 percent. Next most popular was white cotton at 23.1 percent or 28 percent excluding the 'not applicable' answers.

Table 4.11: Fabric types purchased for tabling requirements.

	Valid	Percent	Frequency	Cumulative Percent
Valid	1	1.5	1.5	1.5
Jacquard	3	4.6	4.6	6.2
Place mats	23	35.4	35.4	41.5
Place mats and white cotton	3	4.6	4.6	46.2
White cotton	15	23.1	23.1	69.2
White cotton and plain coloured cotton	2	3.1	3.1	72.3
Plain coloured cotton	3	4.6	4.6	76.9
Plain coloured cotton and printed cotton	1	1.5	1.5	78.5
Printed cotton	1	1.5	1.5	80.0
Other	2	3.1	3.1	83.1
N/A	11	16.9	16.9	100.0
Total	65	100.0	100.0	

It is clear that unlike the larger, more specialised catering groups who would make use of Jacquard and poly cotton, respondents from this group were content to select place mats for their tabling requirements.

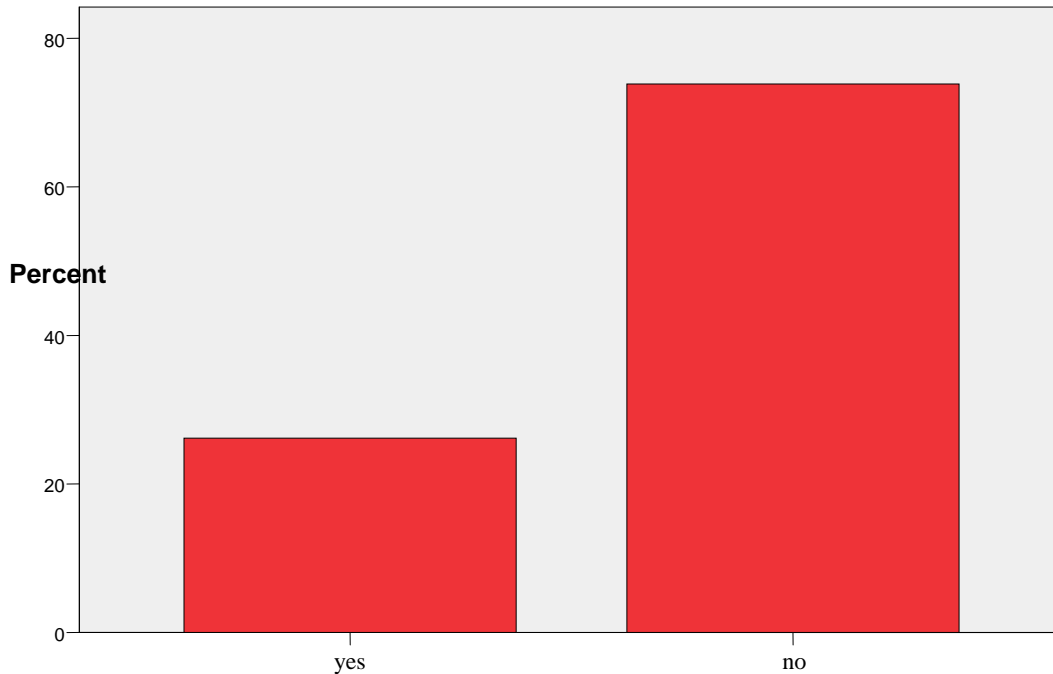
4.3.3.3: Respondents' preference for Jacquard products over other curtaining and bedding products.

Table 4.12 and figure 4.13 show that only 26.2 percent of respondents would prefer Jacquard products to other linen, curtaining and tabling products which might be available on the market.

Table 4.12: Preference for Jacquard products over other curtaining and bedding.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	17	26.2	26.2	26.2
No	48	73.8	73.8	100.0
Total	65	100.0	100.0	

Figure 4.13: Preference for Jacquard products over other curtaining and bedding products.



It can be concluded that among these respondents, Jacquards are not a widely popular product choice. What was noticeable during the interviewing process was the lack of product awareness amongst respondents about Jacquard products. Reasons for this may be partly ignorance that the product exists, or an impression that it is expensive.

4.3.4 Refurbishment plans

4.3.4.1 Respondents refurbishment plans before 2010

Table 4.14 reveals that only 21.5 percent of respondents expect to replenish their curtaining, linen and tabling stocks before the start of the 2010 world cup. Reasons given by respondents were mainly that the event is only scheduled to last for one month and they would assess the state of their stocks after the event.

Table 4.14 Respondents' refurbishment plans before 2010.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	14	21.5	21.5	21.5
No	51	78.5	78.5	100.0
Total	65	100.0	100.0	

It is apparent that a huge event such as the 2010 World Cup will not influence the spending patterns of bed and breakfast owners and managers.

4.3.4.2 Number of rooms to be refurbished

This question was posed to those respondents who expected to refurbish before the commencement of the 2010 World Cup.

As can be seen in Table 4.15, 9.2 percent of total respondents expect to refurbish five rooms, and 6.2 percent expect to refurbish three rooms. However, among only those who expect to replenish their stocks before the World Cup, 30.8 percent expect to refurbish three rooms and 46 percent expect to refurbish six rooms.

Table 4.15: Number of rooms to be refurbished.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Two rooms	1	1.5	1.5	1.5
Three rooms	4	6.2	6.2	7.7
Four rooms	2	3.1	3.1	10.8
Five rooms	6	9.2	9.2	20.0
N/A	52	80.0	80.0	100.0
Total	65	100.0	100.0	

The above finding would surprise many people as the belief exists that most bed and breakfast establishments would prefer to replace their linen, curtaining and tabling fabric before a big event such as the Soccer World Cup. Based on these findings, the greatest opportunity for fabric suppliers would be after the conclusion of the World Cup.

4.3.5 Post research follow up

4.3.5.1 Interest in product updates

As can be seen from table 4.16, a slight majority of 55.4 percent of respondents answered yes to this question. This is in stark contrast to the replies given to question 10 where only 26.2 percent of respondents would choose Jacquards above other competing products available in the market place. The interviewing process may have increased product awareness levels. Receiving product updates would be a cost effective, or free, method of assisting bed and breakfast managers in their decision making.

Table 4.16: Interest in product updates.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	36	55.4	55.4	55.4
No	29	44.6	44.6	100.0
Total	65	100.0	100.0	

It can be concluded that respondents are generally interested in receiving updates from Da Gama about the latest designs on offer.

4.3.5.2 Preferred method of communication

This question was posed to those respondents who were interested in receiving updates about Da Gama's Jacquard products

In table 4.17 it can be seen that the overwhelming majority of respondents who would be willing to receive Jacquard product updates from Da Gama, would prefer them to be sent via e-mail.

Table 4.17: Preferred method of communication.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Email	31	47.7	47.7	47.7
Brochures posted to you	4	6.2	6.2	53.8
N/A	30	46.2	46.2	100.0
Total	65	100.0	100.0	

4.4 Top ten customers' survey

The results of the survey on the Top 10 customers are presented below.

4.4.1 Measure of customer loyalty

4.4.1.1 Number of years as a Da Gama Jacquards customer

Table 4.18 shows that 50 percent of the customers interviewed have been purchasing Jacquards from Da Gama for ten years or more. A significant 30 percent have only been purchasing Jacquards for three years or less.

Table 4.18 : Number of years as a Da Gama Jacquards customer.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-3 years	3	30.0	30.0	30.0
5-10 years	2	20.0	20.0	50.0
> 10 years	5	50.0	50.0	100.0
Total	10	100.0	100.0	

With as much as 50 percent of the top customers having purchased Jacquard products from Da Gama for ten years or more, it is clear that customer loyalty levels are good. It also shows

that a large portion of Da Gama’s top Jacquard customers are stable long term businesses.

4.4.2 Quality rating

In the questionnaire, for questions two through eight, respondents were given five options to select, these options being ‘very poor’, ‘poor’, ‘average’, ‘good’ and ‘very good’.

4.4.2.1 Quality rating of Da Gama Jacquard tabling

In table 4.19 we can see that 50 percent of those interviewed believed the quality was good with 40 percent believing the quality of Dagama Jacquard tabling was very good. One of the respondents (representing 10 percent of the respondents) did not answer the question as they had not purchased Da Gama tabling products before.

Table 4.19: Quality rating: Da Gama Jacquard tabling.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good	5	50.0	55.6	55.6
	Very good	4	40.0	44.4	100.0
	Total	9	90.0	100.0	
Missing	System	1	10.0		
Total		10	100.0		

It can be concluded from the above findings that customers are more than satisfied with the quality of Dagama Jacquard tabling products.

4.4.2.2 Quality rating of Da Gama Jacquard bed linen

Table 4.20 reveals that 30 percent of those interviewed rated the quality of Da Gama bed linen as good with 20 percent rating it as very good. A further 50 percent of respondents did not answer the question as they had either not purchased the product before, or chose not to answer the question.

Table 4.20: Quality rating: Da Gama Jacquard bed linen.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good	3	30.0	60.0	60.0
	Very good	2	20.0	40.0	100.0
	Total	5	50.0	100.0	
Missing	N/A	4	40.0		
	System	1	10.0		
Total		5	50.0		
Total		10	100.0		

As was the case with the quality of Jacquard tabling products, customers are more than satisfied with the quality of Da Gama Jacquard bed linen.

4.4.2.3 Quality rating of Da Gama Jacquard curtaining

Table 4.21 demonstrates that 40 percent of respondents believed that the quality of Da Gama Jacquard curtaining was good, with a further 40 percent believing it was very good.

Twenty percent of the respondents did not answer the question as they had not purchased these products before.

Table 4.21: Quality rating: Da Gama Jacquard curtaining.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good	4	40.0	50.0	50.0
	Very good	4	40.0	50.0	100.0
	Total	8	80.0	100.0	
Missing	N/A	2	20.0		
Total		10	100.0		

It is evident once more that respondents are pleased with the quality of Da Gama Jacquard curtaining.

4.4.3 Service rating of Da Gama Jacquard products

4.4.3.1 Standard of designs

Table 4.22 shows that 50 percent of respondents found the standard of designs to be average, 30 percent believed they were good and 20 percent found the standard of designs to be very good.

Table 4.22 : Standard of designs: Da Gama Jacquard products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Average	5	50.0	50.0	50.0
	Good	3	30.0	30.0	80.0
	Very	2	20.0	20.0	100.0
	Total	10	100.0	100.0	

Respondents were not completely satisfied with the choice of designs for Da Gama Jacquard products. What complicated matters was that several of these respondents produced minimum quantities of the design of their choice which were reserved for them only. Any criticism of designs may be an indication that these designs were not good sellers.

4.4.3.2 Product knowledge of Da Gama Jacquard sales staff

After studying table 4.23 it can be seen that 30 percent of respondents found the product knowledge levels to be very good and 60 percent found them to be good. Only 10 percent (one respondent) selected 'poor' as an option.

Table 4.23: Product knowledge: Da Gama Jacquard sales staff.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Poor	1	10.0	10.0	10.0
Good	6	60.0	60.0	70.0
Very good	3	30.0	30.0	100.0
Total	10	100.0	100.0	

It is evident that respondents are generally satisfied with the product knowledge levels of Dagama Jacquard sales staff.

4.4.3.3 On time delivery of Da Gama Jacquard products

Table 4.24 demonstrates that answers to this question among respondents are evenly spread. Ten percent believed on time delivery reliability was very poor and another ten percent believed it was poor. Thirty percent felt it was average, while twenty percent gave it a rating of good and thirty percent gave it a rating of very good.

Table 4.24: On time delivery: Da Gama Jacquard products.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very poor	1	10.0	10.0	10.0
Poor	1	10.0	10.0	20.0
Average	3	30.0	30.0	50.0
Good	2	20.0	20.0	70.0
Very good	3	30.0	30.0	100.0
Total	10	100.0	100.0	

With such a varying response to this question, it may be a case of certain customers being given priority over others in terms of on time deliveries. With 50 percent of respondents believing that deliveries were either average, poor or very poor, this is reason for concern. Management will need to be alerted to this fact.

4.4.3.4 Condition of fabric upon delivery

From a study of table 4.25 it can be concluded that thirty percent of the respondents rated the condition of fabric when delivered to their door as very good, with another thirty percent rating it as good. Twenty percent of the respondents believed it was average and another twenty percent felt it was poor.

Table 4.25: Condition of fabric when delivered.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Poor	2	20.0	20.0	20.0
Average	2	20.0	20.0	40.0
Good	3	30.0	30.0	70.0
Very good	3	30.0	30.0	100.0
Total	10	100.0	100.0	

Although 60 percent of respondents selected good or very good as an option, the concern is that 40 percent selected average or poor. This would also need to be brought to the attention of management as it would require intervention.

4.4.4 Suggestions for improvement

This qualitative type question invited input from respondents as a means of achieving one of the objectives of the study, that objective being to gauge the effectiveness of the current branding strategy for Jacquard products.

All ten customers responded to this question. Of these, five customers commented about the pricing strategies used by Da Gama. The customers were of the view that the pricing strategy should be reviewed, and compared to imported Jacquards products, Da Gama was too expensive. Four customers wanted better design selection in the range being offered. Another comment made was that more choice of base cloths should be given. One customer felt that more colourful designs should be introduced. Two customers commented that the fabric was often delivered dirty and it was necessary to cut off the first few metres of the fabric before selling the fabric. Another two customers requested that an improved Jacquard stock situation would provide more sales opportunities for Da Gama. One customer commented on an occasional problem encountered with shade variation and felt this could be improved.

4.5 Conclusion

This chapter has analysed and reviewed the responses given by members of the two sample groups, i.e. bed and breakfast managers and the top ten Da Gama Jacquard customers.

What has become clear from the answers given by bed and breakfast managers and owners is that brand awareness of Da Gama in general, and Jacquards in particular, is extremely low. Amongst those bed and breakfast managers who were aware of the Da Gama and Jacquards brands, it is evident that loyalty levels were not particularly high.

Among the top ten customers it is certainly noticeable that at least half of respondents were concerned about price points. Design selection was the next most discussed item among customers. On time delivery was also of concern to a significant number of respondents. The final chapter will focus and expand on the conclusions and recommendations.

Chapter 5: Conclusions and recommendations

5.1 Introduction

The results of the study were extensively analysed and discussed in the previous chapter. This chapter will draw the study to its conclusion. Especially important will be what the implications of the study are for Da Gama, both negative and positive. Opportunities for Da Gama to develop both the corporate and Jacquard product brand will be discussed as well as competitor threats to Da Gama Jacquard products. A recommended branding strategy to be applied towards both bed and breakfast managers and Da Gama's top Jacquard customers will be presented. This will include a suggested action program.

5.2 Study Conclusions

The data collected and analysed in the previous chapter will be used to draw conclusions.

5.2.1 Bed and Breakfast owners and managers

5.2.1.1 Size of establishment and refurnishing frequency

It was found that the vast majority of bed and breakfast owners and managers interviewed were managing small establishments. Most of the establishments had fewer than ten rooms. Therefore, unless they are responsible for more than one establishment, their buying power will be low. It may be a consideration for several owners and managers to combine their buying, especially with universal items such as plain coloured sheets, table cloths and duvets. However, caution needs to be advised as it is the uniqueness of bed and breakfasts which gives them a competitive advantage over the competition.

With more than two thirds of respondents having replaced their linen, tabling and/ or curtaining at least in the past six months, it was clear that bed and breakfast owners and managers overall are important customers in these market segments. Due to their smaller volumes and independent purchasing tendencies, it is likely that to date, their buying power has been underestimated.

5.2.1.2 Purchasing trends and behaviours

Two thirds of respondents purchased made up units, with only one third of respondents purchasing fabric, which they arranged to be converted into made up units. This is an indication that respondents were generally not comfortable with selecting fabric and then needing to find someone who would convert it for them. Suppliers targeting this market segment will need to be aware of this and respond appropriately. Either they should work hand in hand with converters and refer them when supplying bed and breakfasts with fabric, or supply the ready- made item itself.

The minority of bed and breakfasts who purchased fabric tended to make use of private sewers, i.e. sewers who operate on a very small scale, and often on a part time basis. Fabric suppliers should identify the more prominent sewers and strengthen their links with this group in order to establish 'win – win' partnerships.

It is clear that those respondents who purchased made up units, did so from a chain store, showing the importance for fabric manufacturers of establishing strong links with these groups. Mr. Price and Sheet Street seemed to be the preferred chain stores among respondents.

5.2.1.3 Fabric types

With more than half of respondents selecting percale cotton for their bedding requirements, unless the product range is expanded, marketing opportunities for Da Gama Jacquard products will be limited – most Jacquard products are of a poly cotton construction to reduce shrinkage, (compared to 100 percent cotton) and to reduce the cost and improve the durability. There are a few Jacquard products made of percale cotton which could be used. More however will be required to fill this gap in the market.

The majority of respondents chose cotton for their curtaining requirements. Although made of a different composition (most Da Gama Jacquards are poly cotton), the curtaining segment is one which Da Gama should target with Jacquards as these products are ideally suited to this end use. Less encouraging is the fact that more than 20 percent of respondents had not replaced their curtaining for the past two years.

For their tabling requirements, 28 percent of those respondents who make use of tabling products (excluding the 'not applicable' answers) selected white cotton. This is a segment Da Gama should target as it manufactures Jacquard products ideally suited to tabling.

Twenty six point two percent of respondents would choose Jacquards over other linen, curtaining and tabling products available on the market. This was due partly to a lack of product awareness of Jacquards. Further information and 'education' would be necessary to improve both the levels of product awareness and a preference for the product.

5.2.1.4 Refurbishment plans

Contrary to expectations by many, only a little over 21.5 percent of respondents expected to replenish their curtaining, tabling and linen stocks before the start of the 2010 World Cup. A comment from several respondents was that tourists may damage the linen, curtaining and tabling materials in their establishments during the World Cup. The bed and breakfast managers / owners would therefore prefer to wait until after the event before doing any major replenishment of stocks. Those who intended to replenish before the start of the World Cup indicated that they would replenish for at least half their rooms. This represents a major opportunity for fabric suppliers, with more than one fifth of all bed and breakfast owners / managers expected to replenish half their rooms within the next few months.

5.2.1.5 Post research follow up

When asked if they would be interested in receiving product updates, more than half of respondents indicated that they would be interested in receiving updates via e mail. Clearly this is a strategy Da Gama should seriously consider when marketing its Jacquard products. This would assist in increasing both product awareness and product loyalty levels for the product.

5.2.2 Top ten customers

5.2.2.1 Customer loyalty

With 50 percent of respondents indicating that they had been purchasing Da Gama Jacquards for ten years or more, this demonstrates that product loyalty levels were relatively high. Answers given to other questions, however, make it clear that there are many threats to this loyalty which will necessitate a decisive branding strategy of clear differentiation.

5.2.2.2 Quality rating

With 90 percent of respondents showing confidence in the quality of Da Gama Jacquard tabling (they gave a rating of good or very good), 100 percent of respondents who chose to answer rating the quality of Da Gama Jacquard bed linen as 'good' or 'very good', and 80 percent of respondents rating Jacquard curtaining as 'good' or 'very good', it is clear that quality is one of the competitive advantages of Jacquard products that should be emphasised in a branding strategy. Customers should continue to be reminded of the quality of these products. However, it is important that this be seen in the context of the fact that cheaper imported Jacquards are available on the market place, which may not be of a similar quality but are major threats. The branding strategy would need to include methods of combating this threat.

5.2.2.3 Service rating

The standard of designs appears to be a weakness of Jacquard products, with 50 percent of respondents rating the standard as average. With suitable management intervention this could be turned from a weakness into a strength.

According to 90 percent of respondents, product knowledge levels of Jacquard sales and marketing staff were either good or very good. This is an indication that little or no intervention is required.

On time delivery appeared to be a weakness, according to Jacquard customers. At least 50 percent rated it as either average or below average. This clearly indicates that major action will be required to correct this situation.

Forty percent of respondents rated the condition of fabric when delivered as either average or below average. Once more this is cause for concern for management. Quick and decisive action will be required to correct this situation.

5.2.2.4 Suggestions for improvement

When asked for suggestions about how to improve the marketing of Da Gama Jacquards, 50 percent of respondents believed the product was relatively expensive. Unfortunately, even taking into account the different levels of quality, this response appears to represent what is taking place in the marketplace. Especially among buyers for chain stores, the brief is often given for a product to be purchased at a particular price point. The Da Gama product, while certainly of an acceptable quality, will be out-priced by an imported product, which, although of an inferior quality, is at an acceptable price point and is chosen ahead of the Da Gama product. Within the branding strategy, price points will need to be taken into account and cheaper methods of production will need to be discovered

5.3 Recommendations

5.3.1: Suggested branding strategy: bed and breakfast owners and managers

- Targeted bed and breakfasts : with Da Gama Jacquards being of a higher quality, and by implication, more expensive, it is suggested that Da Gama initially target the four to five star bed and breakfasts who would prefer a higher quality standard and be less price sensitive.
- Targeted regions : the main centres of South Africa should be targeted initially, that is the greater parts of Johannesburg and Pretoria, Durban, Cape Town, Port Elizabeth and Bloemfontein.
- Responsible person: the person responsible for the creation of a branding strategy targeting bed and breakfast owners and managers would be the marketing manager of the Confined Furnishing division, a division which encompasses Jacquard products. This division is his responsibility, and it would be in his interests that sales of Jacquards should grow.
- Action program: the suggested action program should entail firstly building brand awareness levels, and then secondly building brand loyalty.
- Time frame: it is suggested that the first stage of the program, building brand awareness, should commence in February 2010 and be completed by the end of April 2010. Stage two, building brand loyalty should start at the beginning of May and continue until the completion of the World Cup in July 2010. Thereafter the entire strategy could be reviewed. Any necessary changes could then be implemented.

5.3.1.1 Building brand awareness levels

A database should be developed, the details of which could be used to approach bed and breakfast establishments. Various websites are available, which could be used to source this information, the largest being 'Where to stay in SA'. Every bed and breakfast within the targeted region which carries the required four or five star rating should be approached, and contact details stored, especially e mail addresses. Larger bed and breakfasts should be telephoned to ensure contact details are correct. These calls should also serve the purpose of introducing the owners/managers to Da Gama and to explain how Da Gama can assist them in their future purchasing decisions. The objective of more 'word of mouth' promotion will also be achieved this way.

With the database in place, informative e-mails should be sent out to every bed and breakfast on the mailing list, giving details of who Da Gama is and what products the company offers to the market place. Explanatory information should be given regarding Jacquard products. Of particular importance is the fact that explanations should be given within the e-mails to assist potential customers about the end use of various Da Gama Jacquard products.

5.3.1.2 Building brand loyalty levels

Once the requisite e mails have been sent out to prospective users of Da Gama Jacquard products, the next stage of the strategy should be to build brand loyalty through the distribution of brochures, electronically depicting current and new ranges. Included in the brochures being distributed will be recommended stockists of Da Gama Jacquard products. Given that most bed and breakfast managers and owners expressed a preference for purchasing made up units over fabric during the study, it is important that Da Gama identifies customers that stock made up units as well as those that stock fabric. If it is found that certain

regions of South Africa lack stockists of Da Gama Jacquard products, then new partnerships will need to be established with those who do. Alternatively, fabric converters will need to be identified, who can be called upon to convert fabric into made up units for particular stockists.

5.3.2 Suggested branding strategy: top ten customers

The results of the study showed that generally speaking, brand loyalty levels among the top ten customers were acceptable. However, given the volatile state of the textile industry, there are no guarantees this will continue. A strategy to maintain and improve brand loyalty levels is essential in order to ensure that Jacquard products continue to remain competitive in the market place and to ensure that customers, especially those supplying chain stores, consider those products a viable option.

5.3.2.1 Pricing Strategy

Clearly pricing levels need to be adjusted in order to compete with those of imported products. A number of options should be considered to reduce the price of Jacquards. Until now the trend has been for Da Gama to utilise high end quality yarn for Jacquard products. Although the resulting product was one of a higher quality, it also resulted in a more expensive product. It is suggested that in future, where viable, cheaper yarns be utilised which will allow these products to compete with imported ones. In addition, it is suggested that wherever possible, economies of scale be achieved through the utilisation of common warps. A warp is the thread which runs along the length of the fabric. By using this more cost effective method, the average cost of the fabric should be reduced as volumes increase. Other costs, such as labour costs and the reduction of waste should also be analysed and reduced where possible.

5.3.2.2 Strategy to improve standard of designs

During the study, several top customers requested that the standard of designs be improved. One important source of new designs is through the attendance of international fabric festivals, which are held in several European cities during the year. At these festivals, textile manufacturers from around the world display their merchandise, thereby offering an opportunity for textile designers, marketing managers and product managers to gain valuable insight about new styles, colours and fashion trends in fabric. Recently, as part of a cost cutting exercise, Da Gama management cancelled the attendance at these festivals. However it is suggested that those involved in creating new designs be allowed to attend these festivals in order to gain innovative new ideas for designs. The cost of attending these festivals should be more than offset by the benefit gained when the new designs are favourably accepted in the market.

A request made by several top customers was to create more variation in base cloths. This could be achieved through changing the traditional composition blend which Da Gama has used until now. This will allow them to remain competitive cost wise, but still be able to offer an acceptable range of base cloths and designs.

5.3.2.3 Strategy to improve service

Concern was expressed in the study by top customers about on time deliveries and the condition of fabric when delivered to their premises.

- On time deliveries: although problems do occur in factories, for example, machines break down, raw materials may arrive late, or bottle necks develop within the mill, it is recommended that management give priority to ensuring on time delivery is achieved for Jacquard products. Marketing and sales staff can assist by giving early warning of customer requirements and reserving base cloth early or at least on time, thus alleviating the pressure on production staff not to run late.
- Condition of fabric when delivered to customers: part of this problem would be production and despatch related, that is some goods were despatched in poor condition. However, a large portion of blame rests on the transporters, who allow dirt to gather in their trucks. Some trucks also leak when it rains. Regular inspections should be carried out on these trucks to ensure the goods being transported remain in a saleable condition until delivered

5.4 Limitations of study

Due to budget constraints this study was of a limited scope as it involved using a population of 463 bed and breakfasts only in the KwaZulu-Natal region from which a sample of 150 was drawn. The total bed and breakfast population in South Africa is much larger, with an estimated 2 000 to 5 000 bed and breakfasts registered. The questionnaire used for the top customers was relatively short, also due to budget constraints. Ideally a larger questionnaire would reveal more information about opportunities and threats which exist for Da Gama Jacquard products.

5.5 Suggestions for future research

It is suggested that a future study be conducted of the major hotel groups in the country who are extensive users of curtaining, linen and tabling fabric. Catering companies should also be studied, to determine how their tabling needs can be better served. Export opportunities to African countries should also be explored. A future study of bed and breakfasts in countries such as Malawi, Mozambique, Botswana, Swaziland, and Namibia is likely to reveal more opportunities for suppliers such as Da Gama Textiles.

5.6 Conclusion

This chapter discussed the conclusions that can be drawn from the study, which has been conducted. Within the bed and breakfast group, conclusions were drawn about the typical size of an establishment, purchasing trends and behaviours, fabrics types, refurbishment plans relating to the World Cup and the response of bed and breakfast owners and managers towards suggested post research follow up. Among the top ten customers, conclusions were drawn about existing customer loyalty levels and how customers rate the quality and service levels from Da Gama. Conclusions were also drawn about constructive criticism which was collected from these customers. The information collected from both groups of respondents was used to develop a suitable branding strategy for Da Gama to apply to its Jacquard products.

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