

SOURCES OF NEW PRODUCT IDEAS OF THE READYMADE CLOTHING ENTERPRISES IN TURKEY

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-Abstract-

The aim of this research is to determine the sources of new product ideas that middle and large scale garment enterprises benefit from in processes of new product development. This study also examines the participation and contribution of customers to new product development process in ready made sector. Survey research model was applied in this research. The 86 middle and large scale ready made enterprises in Turkey are the samples of this research. The questionnaire was used for gathering the research data. The questionnaire is prepared for defining the customer participation and the sources of new product idea that garment enterprises benefit from in new product development processes. The research finding indicates that customers are the most used sources of new product idea and that research & development departments and ideas of the workers are the least used sources of new product ideas. It was determined that customers provided contribution about style, color, fabric and the other details of products to new product development process.

Key Words: *New Product Development, Idea Sources, Readymade*

Jel Classification: M11

1. INTRODUCTION

The garment industry has a significant place in the world trade. According to the data of World Trade Organization (WTO) in 2010, export value of garment industry in world trade in 2009 was 316 billion dollars and had 2.6% share. When countries' shares of exportation in garment industry, it is seen that EU countries

(27 countries) have 31%, China has 27%, Turkey 4%, Egypt 3%, Mexico 3% whereas others have 32% (WTO, 2010: 42).

When garment industry in Turkey is probed, it is seen that since 1980s, it has been one of the cornerstones of country's economy, and that all garment enterprises have been influenced in negative ways because of unduly competition caused by countries that make low-cost production in recent years. When the current situation is compared with 2000s, even if it is seen that the sector itself has lost too much blood, it still maintains its importance for country's economy. According to reports of Istanbul Textile and Garment Exporters Union, while the share of the sector in exportation in 2000s was 26,1%, it regressed to 18,3% in 2005 and has regressed to 12,46% as of 2010 (ITKIB, 2011).

Global competition in garment industry has become intense owing to layout changes in world trade. In order to maintain their existence and to be able to compete in that sector, garment enterprises need to be innovative (Choi et. al., 2005:24). Kotler (2000) also stated that being innovative and developing a new product form the future of a company and products changed with new ones play an important role in sale persistence of company. Toshihiro (1996) similarly suggested that innovation and product development are of the most important elements in labour organization and quite substantial for the continuity of success.

Processes of new product development of garment enterprises in global competitive environment and source of ideas that they take benefit of in those processes are significant. Creativeness and innovation of a company is expected to contribute to leading their new product development processes cooperating with their customers and to intellectual composition of new product development. In that case, in terms of propounding the available situation of middle and large scale garment enterprises in Turkey, researching source of ideas that these enterprises take benefit of in new product developing processes and analysing customer participation to these development processes are quite momentous.

The study is expected to have a guiding light for leading new product development processes of garment industries in Turkey.

2. THE AIM OF THE STUDY

The aim of this study is to examine the sources of new product ideas that middle and large scale garment enterprises benefit from in processes of new product development. Besides in this research, participation of customers whom we see as

important source of ideas in literature in new product development will also be probed.

In accordance with that aim, research questions below will be tried to be answered

- What are the sources of new product ideas that middle and large scale garment enterprises in Turkey benefit from in their processes of new product development?
- What is the degree of customer participation to new product development processes of middle and large scale garment enterprises in Turkey?

3. LITERATURE REVIEW

3.1. Innovation and New Product

There exist numerous innovation and new product presentation in literature. Nystrom (1993) defines innovation as the composition of new ideas, processes and products and their acceptance and implementation. Ilhan (2006), in the study, identifies innovation as a change on product and services in order to accord with changes in market.

New product concept is specified by Crawford and Di Benedetto (2003) as a statement about anticipated product features (form or technology) that will yield selected benefits relative to other products or problem solutions already available. Cooper (2001), on the other hand, designates new product as the new if it is not available in market for 5 or less than 5 years.

While speaking of a new product, how it will be and for whom it will be a new product must be stated clearly (Guiltinan et. al., 1997:192). Booz, Allen& Hamilton (1982), considered all new product development activities with six categories. These are: New product for the world, new product line, addition to available product line, revision or improvement on available product, relocating and bringing down the cost. In Allen and Hamilton' study which is one of the first researches regarding new product categories, it has been emerged that only 10% of products presented to market as "new" is new. Crawford and Benedetto (2003) updated this research and determined that the rate of new products for companies in 2000s was 25% and the rate of products which are "spick and span" for the world was only 2%.

3.2. Developing New Product

Developing a new product is the creation of services or labour meeting the needs of customers (Powell & Cassill, 2006:157). Choi et. al., (2005), on the other side, indicated that new product development is an interdisciplinary activity requiring the contribution of almost all functions of a company and that marketing, design, production and finance functions are the imperatives of new product development projects.

Cooper (2001) stated that new product development is the most risky and important efforts of modern companies. While new product development increases creativeness and leadership, it also provides market growth and increase in profit. The success of new product development is assessed via quality, price, rapid of development, cost of development of product and ability of developing team that develops new products effectively and efficiently (Powell & Cassill, 2006:157). Failure rates and costs of new products are quite high. New product failure is a relativistic concept and can be identified in two ways. The first is the certain failure product which means no profit from new product for this company and even being unable to cover expenses. The second is the relative product failure. In that case, the company gains profit, however, it cannot reach the expected profit level (Ilhan, 2006:16). According to Booz-Allen and Hamilton (1982), the failure rate of new products put on the market between 1963-1981 is 33-35%. According to a more recent study by Crawford (2003), the failure rate of new products is around 40%.

Factors affecting new product success; product quality/superiority, economic advantage of users, accordance of the whole company/project, technological appropriateness, susceptibility of company, situation of competitors, identified opportunities are stated as the definition of project (Guiltinan et. al., 1997:201).

3.3. New Product Development Process

New product development process is identified as activity group including mainly marketing opportunity perception, production, sales and transportation activities (Pitimaneeyakul et. al., 2004:113). Current applications of new product development process are shown in table 1. When table 1 is examined, it is seen that all new product development processes are generally start with “idea generation”.

Table 1: New Product Development Processes

1980's	Cooper & Kleinschmidt	Initial Screening	Preliminary Market Assessment	Detailed Market Study/Market	Business/ Financial Analysis	Product Development	In-House Product Testing	Customer Tests of Product	Test Market/ Trial Sell	Trial Production	Precommercialization Business Analysis	Production Start-up	Market Launch
1990's	Bearden et. al.	Idea Generation	Idea Screening		Concept Development & Testing	Business Analysis		Prototype Development	Test Marketing		Commercialization		
	Guiltinan et. al.	Idea Generation	Screening		Product Development	Product/Market Testing		Business Analysis	Commercialization				
	Churchill & Peter	Idea Generation	Idea Screening		Business Analysis	Product Development		Test Marketing	Commercialization				
2000's	Brassington & Pettitt	Idea Generation	Idea Screening	Konzept Testing	Business Analysis	Product Development		Test Marketing	Commercialization		Monitoring and Evaluation		
	Kotler	Idea Generation	Idea Screening	Concept Develop.	Development of Market Strategy	Business Analysis		Product Development	Test Marketing		Commercialization		
	Cooper	Discovery	Scoping		Build Business Case	Development		Testing and Validation	Launch		Post Launch Review		

Resources: Cooper & Kleinschmidt, 1986; Bearden et al., 1995; Guiltinan et al., 1997; Churchill & Peter, 1998; Brassington & Pettitt, 2000; Kotler, 2000; Cooper, 2001.

3.4. New Product Development Processes in Garment Industry and Customer Participation

When new product development processes of garment enterprises are compared with other products' new product development processes, it is observed that new product development processes of garment products are respectively shorter.

La Bat and Sokolowski (1999), specified garment product development process into 3 categories. These categories include problem definition and research, creative analysis and application stages. Problem identification and research includes problem reception and research; first idea, product plan and determination stages. Creative analysis includes idea composition, conceptual design, prototype development, researches for alternative designs, evaluation and decision stages. Application stage, on the other hand, consists of solution for defined problem, evaluation of design selection and application stages.

Gaskill (1992) qualified garment product development process with eight different stages as trend analysis, concept development, fabric selection, pallet selection, fabric design, silhouette and style representation, prototype formation and analysis and presentation.

Cooperation between customer and supplier company purports the contribution to decision process of supplier company members and customers. Decision structures consist of either single-person based centred structure or participative decision structure. Participative decision structure that reflects interdependence on product development projects obligates solution seeking in-cooperation against complications and uncertainty in the process (Hoegle & Wagner, 2005:533).

4. METHOD

Survey research model was applied in this research. Survey research models are the very research approaches that aim to depicture a situation that is either in the past or still available. The matter, individual or object that becomes the subject of the research are tried to be identified as is and with their own conditions (Karasar, 2010:77).

The 86 middle or large scale ready made enterprises in Turkey are the samples of this research. For size criterion in the enterprises is based on the definition of "directorate of developing small and middle scale enterprises". According to the definition of Kosgeb, companies with 50-249 workers are middle scale, 250 and over workers are large scale ones (KOSGEB, 2005:2). Findings belonging to research sample are given in table 2 below.

Table 2: General Findings related to companies in scope of the research.

Experience Time In The Industry	f	%
1-10 year	26	32,5
11-20 year	32	40
21-30 year	14	17,5
31 year and up	8	10
Ihracat Yapma Durumları		
Export	29	36,71
Domestic Market	9	11,39
Both	41	51,9
Status of Production		
Manufacturing for own brand	29	41,43
Manufacturing for other brands	41	58,57

n:86

Questionnaire form was used in collecting research data. It had been prepared intending to measure customer participation to new product development processes and source of new product ideas that garment enterprises benefit from in new product development processes. SPSS 15 software was used for data analysis. Results were presented with frequency and percentage tables.

5. FINDINGS AND DISCUSSION

5.1. Findings Related to Source of Ideas from which Enterprises in scope of the Research Benefit in New Product Development Process

In this chapter, findings related to source of ideas from which enterprises in scope of research benefit in new product development processes were given place. These findings are shown in table 3 below.

Table 3: Findings Related to Source of Ideas from which Enterprises in scope of the Research Benefit in New Product Development Process

What are the sources of ideas that are benefited from in new product development process?	f	%
Opinions and suggestions of designer group	39	19,02%
Works of R&D unit	21	10,24%
Opinions and suggestions of company workers	21	10,24%
Customer demand and expectations	61	29,76%
Fashion fairs and parades	30	14,63%
Results of market research	27	13,17%
Other	6	2,93%

n:86

Considering source of ideas that enterprises in Turkey in scope of the research benefit from in new product development processes, it is seen that they benefit from customer demand and expectations the most and from R&D unit works and opinions and suggestions of workers the least.

In Cooper's (1986) study that includes 123 companies and 252 new product development situations, it was propounded that 20% of source of ideas taken benefit of in new product development process was customers, 17,4 sales force, 13,3 management, 12,3 R&D department, 7,7% competitor products, 22,1% other sources.

In the study about source of ideas of new products, Mc Adam (2002) pointed out that customers represent a significant idea source for new product ideas and stated that 6 of 8 enterprises taking part in research scope make brainstorm with their customers for new product development. Mc Adam also emphasized that R&D and marketing/sales departments are as significant as customers in terms of source of ideas.

5.2 Findings about type and level of customer participation to new product development process of enterprises in scope of the research

In this chapter, Findings about customer participation to new product development process of enterprises in scope of the research was included. Findings about type of customer participation to new product development

process are given in table 4 as findings about customer participation areas are given in table 5.

Table 4: Findings about type of customer participation to new product development process of enterprises in scope of the research

What is the type of customer participation to product development and design?	f	%
Customers decide about what to be produced	38	46,34%
We design the products together with our customers	15	18,29%
We pay attention to our customers' demands on some of the products we manufacture	27	32,93%
We take cognizance of our customers' demands for our products	2	2,44%
Total	82	100%

n:86

Table 5: Findings about areas of customer participation to new product development process of enterprises in scope of the research

To what choice of your customers do you pay attention for new product and designs?	f	%
Style selection	7	7,14%
Colour selection	11	11,22%
Fabric selection	11	11,22%
Clothe detail selection	11	11,22%
All	57	58,16%
None	1	1,02%

n: 86

Customer demands and expectations are important in a sector like textile and garment design in which design is quite substantial. If a company observes its customers well and can make a synergy that will provide simultaneous usage of customers and their own creativeness, it may produce higher rate of innovation (Atilgan, 2003:92). In that case, companies are expected to lead new product development processes by cooperating with customers and to be innovative and creative in the meantime.

From research findings, it has been emerged that 44,19% of companies in scope of the research has a cooperation structure in which only customers decide on product development and design, 54,81% of companies perform customer participation in every stage of product development and design.

6. RESULTS

Results related to middle and large scale garment enterprises in Turkey in scope of the research are as below.

The largest percentage of source of ideas benefited from in new product development stage consists of customers whereas the smallest percentage is built up with R&D departments and opinions/views of workers.

In new product development process, it has been precipitated that a cooperation structure in which only customers decide on new product and selections of customers for all about style, colour, fabric and clothe details selections are paid attention is high.

This result can be interpreted as the fact that companies in Turkey and in scope of the research manage new product development processes as customer-centred. Considering the fact that available structures of garment enterprises in Turkey are contract manufacturing, this can be an obstructive factor for companies to be creative and innovative although being customer-centred is a factor that enables customer-satisfaction.

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