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SERVICING THE MARKET NICHE – A POSSIBLE SOLUTION FOR THE MAINTENANCE AND SUCCESS OF THE FIRM ON THE MARKET IN THE CONTEXT OF THE GLOBAL ECONOMIC CRISIS

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Abstract

This work shows the importance of servicing the market niche by firms operating in the garment industry in the context of the world economic crisis. The paper presents the necessity of adapting companies' strategies based on the main trends set out by the global economic crisis. Within this work is presented a study that aims to highlight the degree in which Romanian firms acting in the clothing industry service the market niche, their identification, the measure in which these firms' management considers this strategy as a potential solution for the maintenance and/or success of their products on the market. In addition, the prospects concerning the increase in the number of companies servicing market niches are also described.

Keywords: market niche; strategy; global financial crisis; ethical fashion; cultural influences.

1. INTRODUCTION

An alternative to being a follower in a large market is to be a leader in a small market or in a market niche. Small firms generally avoid competing against large firms by penetrating markets for which the latter manifest a low interest or even no interest at all. On the other hand, increasingly more large firms create their own units in order to service market niches.

To find a niche means to find an area where an offer may be introduced, validating there a latent demand which could be answered by a product. Not all market segments are niches, but segmentation may determine the apparition of poorly covered market areas. In a marketing strategy, the niche offers the opportunity of exploiting a market segment where a product may be placed without being forced to "beat its way through" (Ristea et al., 2004).

The niche can be defined as (Serraf 1985):

- a market share that can be gained by a certain type of product or model previously non-existent on the market;
- a market share resulting from an offer with a price level not presently in use;
- the targeted clientele, to whom satisfaction must be imparted;
- a manner of use for a still undeveloped product.

The market niche represents a subdivision of a market characterised by: its small size; potential for development, usually volume limited; a particular type of clientele with specific expectations; competences that firms need to have in order to conquer a niche (Lendrevie, Lindon 1997).

In the work "The Winning Performance: How America's High – and Midsize Growth Companies Succeed" (1985), Donald Clifford and Richard Cavanagh have analysed the factors that determined the success of 25 profitable companies of medium size. They have ascertained that all these companies were servicing market niches. Consequently, firms having small market shares out of the total market may conduct profitable activities on market niches. Among the success factors of midsize companies servicing market niches, the two researchers have identified the following: the superior value of their offer, a larger price being reflected in this added value, the creation of a new productive experience curve and the modelling of organisational culture and vision.

A market niche servicing firm gets to know its consumers so well that it satisfies their needs better than other companies occasionally addressing the same market niche with their products. The firm that services a niche obtains larger profits, whereas a firm servicing the market as a whole obtains a higher turnover (Kotler 1998).

The characteristics of an ideal market niche are:

- a sufficiently large size and purchasing power in order for it to be profitable;
- high growth potential;
- being neglected by main competitors.

Firms servicing market niches have three objectives, namely: to create, to expand and to protect these niches.

The strategy of servicing market niches implies a major risk, consisting in the possibility of exhausting their potential or of being attacked. This is why these firms need to constantly create new niches.

Moreover, so as to increase its chances of survival, the firm should apply the strategy of multiple niches, preferable to the strategy of a unique niche (Kotler 1998).

It would be indicated for those firms penetrating on a market to firstly orient themselves towards one of its niches, avoiding the approach of the market as a whole.

In the study "Entering New Markets: Strategies and Performance", Ralph Biggadike examined the strategies of 40 small and medium-sized firms that penetrated markets where competitors already existed; he observed that 10 of them entered the market by charging a lower price, 9 by charging the same price as existing firms, and 21 by charging a higher price. Twenty eight firms maintained that their products were of high quality, five that they had a similar quality with existing products, and seven that their products were of lower value. The majority of the new entrants offered specialised product lines, destined to a narrow market segment. Less than 20% of them succeeded in creating a new distribution channel. Over half of the entrants offered superior client services. More than half of them spent less than existing firms with their sales workforce, advertising and promotion. Thus, the marketing mix of newly entered firms consisted of: superior price and quality; narrow product line; narrow market segment; similar distribution channels; superior services rendered; lower expenditure on salesmen, advertising and promotion (Biggadike 1977).

The analysis of the entry strategies used by small and medium size enterprises on markets where competitors already exist has proved the fact that most of them choose the strategy of servicing a market niche. Amongst the strategies of launching a new product on a market dominated by established brands, Gregory Carpenter and Kent Nakamoto have signalled the strategy of segmentation, which consists in the positioning of the product far away from the dominant brand, in the use of a high price and in the reduction of the advertising budget in order to exploit a profitable niche, that until then had not been taken advantage of (Carpenter, Nakamoto 1990).

Entering an attractive industry is difficult to do if making a direct assault on incumbents' strongholds. One way to enter and not attract lots of attention and retaliatory behaviour is to focus the entry on a niche in the market. Entering by targeting a niche would provide some protection because incumbents often ignore niche markets. One type of niche to look for is a segment of the market whose needs are currently underserved. (Carpenter, Sanders 2009).

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2. METHODOLOGY

A review of scholarly journal articles, books and other research materials from the domain of marketing and management was utilized to find evidence of theories and models to support or refute the use of the market niche strategy as a potential solution for the maintenance and/or success of companies in the context of the global economic crisis. A review was also performed concerning trends imposed by the world economic crisis on the production and distribution of clothing articles. A study was conducted, based on a questionnaire investigation involving a number of 137 firms in the Romanian garments industry. The aim of the study was to examine the degree by which firms operating in the garments industry in Romania serve market niches, to identify these niches and to determine the present status of adapting the strategies used by the analysed firms to the new trends identified in the clothing market and imposed by the global economic crisis.

Besides the study performed, information was collected from specialists working in the domain of garment production and distribution in Romania.

3. THE IMPACT OF TRENDS ENFORCED BY THE GLOBAL ECONOMIC CRISIS ON THE PRODUCTION AND DISTRIBUTION OF CLOTHING ARTICLES

The preoccupation for a healthy existence has led to the adoption of a lifestyle where sport and physical exercise play an increasingly important part in the life of the modern individual, hence the need for advanced clothing gear. One of the most renowned specialised sportswear fares is the ISPO (International trade fair for sporting goods and sports fashion), organised in Munich. During its 2012 edition, this important event attracted over 80,000 visitors from 100 countries, indicating that sports fashion can prosper even in crisis conditions. The exhibition area in Messe, Munich was completely booked, and the most numerous delegations of visitors, besides the German one, were those of Italy, Austria, Switzerland, France and the United Kingdom. What is more, the organisers have noted an increase interest from markets such as the US and Canada, as well as the Russian Federation, China and Turkey.

Among the winners of the ISPO Awards 2012 in the sportswear domain were:

- in the “Action” category, the firm Haglofs Scandinavia, with its jacket Vassi destined to skiers and manufactured from a very light fabric;

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- in the “Performance” category, the coat produced by Mountain Hardwear, made from three layers, benefitting from breathability and waterproof qualities and dedicated to aerobics in low temperature conditions;
- in the “Outdoor” segment, Arc’teryx, with its Alpha SV Jacket destined for mountain climbing;
- for accessories, the gloves from Ortovox, warm and comfortable, cushioned with natural Swiss wool, but also extremely technical products, such as the “bob” winter cap from Outdoor Research, named the “Transcendent Beanie”. The latter is manufactured from an ultra-light fabric and ensures the retention of warmth for the place where the body loses it the fastest – the head;
- within the eco-responsible category, the Pyua brand, that suggested a 3 in 1 coat for multiple uses, sports and free time.

PPR (previously known as Pinault-Printemps-Redoute until 18 May 2005, when it changed its name, becoming simply PPR) is a French multinational holding company which develops a worldwide brand portfolio (luxury, sport & lifestyle divisions and retail brands) distributed in 120 countries.

The management of the PPR group recently declared that it intends to attain a level of turnover of 24 billion euro until 2020, and 40% of this income shall be derived from the extension of its sports and lifestyle division which presently includes the brands Puma, Cobra, Tretorn, Volcom and Electric, as a result of the identification of an increasing demand for this segment. In the year 2011, the group obtained a total income of 12.2 billion euro, 11.1% higher than in 2010. The finalisation in 2011 of the takeover of the company Volcom has led to an increase in sales for the sports and lifestyle division by 16.6%.

Nike collaborated with the artist Pushead in the elaboration of the Nike Action Sports FW 2012/ 2013 collection, restructuring the product segments so as to concentrate on three groups of sports neglected in the past, namely: skateboarding, snowboarding and surfing.

Adidas, on the other hand, has adopted an alternative strategy to the basic one employed up to the present date, by launching the collection FW 2012/ 2013, which contains a street wear line in co-branding with Porsche Design. This collection, marketed as Adidas Originals by Porsche Design, contains cheaper and less technical articles compared to the luxury collections made by Porsche Design together with Adidas since 2006.

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With regards to the Chinese market, Robert de Kock, general secretary of the World Federation of the Sporting Goods Industry (WFSGI), has recently underlined some of its key trends. According to Kock, the retail market of sports articles will increase in this country by 15.5% in the year 2012, reaching 23 billion euro, after an increase of 18.1% in 2011. Despite the impressive size of the market and of the developing economy, the percentage of consumption in total GDP is of only 35%, significantly lower than in countries such as Japan (55%), France (57%), Brazil (65%) or the USA (71%).

If the luxury market has lately suffered on account of the economic recession, a segment that seems to have fared well is luxury lingerie. In fact, lingerie is perceived as a market that has performed well regardless of the crisis, benefitting from increased sales. Specialists make an analogy with the “lipstick theory”, demonstrated by the company Estee Lauder, which showed that, in an unstable economy, women indulge themselves with small luxury articles. Consequently, rising sales were recorded both by department stores such as Selfridges and by small online niche stores, the most emblematic of these being Fox and Rose. Sales for Fox and Rose increased at the end of 2011 by 130% compared to the similar previous period of the preceding year. According to the founder of Fox and Rose, Amanda Lorenzani, consumers are tempted to purchase expensive lingerie because they prefer to spend more time at home. Seeing that sales of intimate lingerie in general and of luxury lingerie especially have increased throughout the crisis, the fashion house Worth decided to present a collection of couture lingerie at the latest edition (2012) of the London Fashion Week.

Given the background of the global economic crisis, other trends in the domain of clothing production and distribution have been identified, among which there is the concept of ethical fashion, materialised in the respect for fair trade, recycling and organic textures (durable fair trade garments).

Thus, consumers are becoming more and more sensitive to environmental and social factors when they make daily purchase decisions, making enterprises’ managers confront themselves with a volatile set of aspects which impact the acceptance of products, programs and stores by the consumer. Frequently, managers feel frustrated that these aspects are beyond their influence or control.

A “green consumer” judges even a brand product by its eco qualities. The rapid development rhythm in the “green consumer” domain places the environment in the situation of becoming an issue of competitiveness for an increasing number of business sectors (Popescu et al., 2009).

The “fashion with a conscience” represents a solution for those willing to live in harmony with the environment and with themselves, and the rising number of those supporting ecologic fashion seems to be more than just a passing fad.

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Besides, the trends around which FW fashion has polarised even since 2011-2012, launched by the trend forecasting agency Peclers Paris, were: the eternal classic, the eco orientation, interculturalism and neo-romanticism. Regarding the eco orientation, one of the elements that designers need to keep track of is the aesthetics of simplicity, translated in terms of using simple, natural or recycled materials and of elaborating clothing products whose manufacturing must respect the planet's resources. The orientation towards simplicity and the symbiosis with nature entail, concretely, the adoption of the country style in one's clothing, a style we find weakly represented among the last seasons trends. This involves the use of simple colours, natural tones, nude nuances, in harmony with nature, but also with organic fabrics.

Accordingly, fashion trends shall consider themselves (once again) reflections of the state of humanity, imprinting their ecological orientation on the structure, form and colour of collections.

In addition, a series of events are already dedicated to the ecologic fashion, such as: The Green Shows Eco-Fashion Week (New York Fashion Week), London Eco Fashion Fair, Paris Ethical Fashion Show, International Fair for Natural and Organic Textiles INNATEX Germania (two editions per year), and so on.

Besides the main mass-market brands such as H&M, Inditex, Levi Strauss&CO, Marks&Spencer, which dedicate only a part of their collections to clients with principles, there are firms that produce and sale only "green" clothes. One of these is Komodo, which was founded in 1988 in London, "out of the transformation of a pair of Levi's trousers into a patchwork jacket". Komodo T-shirts are inscribed with logos such as "Free Tibet" or "Think, Act, Vote". Hence, one pays 20 pounds for a T-shirt, but everyone finds out that one has healthy principles.

Another eco brand is Howies, which is not as declarative as Komodo, but all its products are made of organic cotton. Kuyichi sells only denim made of organic fibre or obtained from recycling (it reuses recycled PETs or fabric remains).

Bibico is more fashion-oriented than the aforementioned brands, and their products are distributed through La Redoute catalogues. The group won first prize with its SS10 collection at the Paris Ethical Fashion Show and gets its inspiration from the creations of the Spanish designer Nieves Ruiz. The singularity of Bibico is given by the fact that all its products are sewed by women working in cooperatives certified by the World Fair Trade Organisation

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Besides the eco clothing for adults, another niche with high development potential is that of eco clothing for children. Even since 2005, the Swedish company H&M has launched on the market a line for children made out of organic fibres, entitled "Flower" (Turp-Balasz, 2010).

With regards to children's clothing, a niche with high potential is represented by clothing for special occasions, but also by that of fabrics and accessories for special occasions and events.

An identified trend is that concerning the promotion of quality garments coming from brands with motivation in respecting traditions and cultural influences.

Another segment which can be exploited is that of work protection gear (equipment ensuring security and health at workplace), but also that of military uniforms.

Moreover, another market niche is that of lace production, cords and decorative stripes.

According to Annick Jehanne, founder of Gold Kalaa Fashion Brand, fashion marketing consultant and teacher at Artcademy Fashion Business School, the most interesting markets at the moment are those where demand is not yet satisfied. To this respect, we can identify the clothing market segment for the elderly who do not want to wear something dull, clothes which are attractive for overweight people, business garments for young people.

Moreover, in emerging countries such as, but not limited to Brazil, China or India, many wealthy consumers are prepared to pay more for premium brands, which could re-launch the "Made in Europe" label.

During the International London Fashion Week Festival, which took place in the period 14-18 September 2012, another insufficiently exploited consumer preference was highlighted, namely that of "made-to-measure" clothing. In this case, one starts from a base of pre-existing patterns, after which adjustments are made depending on the client's demands, formulated during one trying on session. This market segment is in development everywhere in Europe, due to a reversed psychology that ignores or "makes spite" of the economic crisis. To exemplify, in the last four years of economic downturn, the premium segment has had a two digit increase, from auto to jewellery and apparel. Thus, people prefer a better product, with a longer lifetime, even if this implies a market with sensitively lower margins than the ready-made market. Marketing specialists predict that very soon there will appear "DO IT YOURSELF" stores. This concept involves the online search of a model or clothing arrangement, after which the client will come over to a show-store – meaning a contemporary concept of universal stores, where by the irreplaceable qualities of LED lights he or she will be able to execute the desired

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clothing with the help of tailors, leather dressers, designers or shoe creators trained to satisfy this consumer demand.

4. RESEARCH ON EXAMINING THE MEASURE IN WHICH GARMENT COMPANIES IN ROMANIA SERVICE MARKET NICHES AND ON THE CURRENT STATUS OF ADAPTING THEIR STRATEGIES TO THE NEW TRENDS IMPOSED BY THE GLOBAL ECONOMIC CRISIS

The Romanian garment industry is a branch with an old tradition in the export of a large variety of products, occupying the third place in Romania's exports and the fourth place in clothing exports in the EU, concentrating the largest number of SMEs in the industry, and being a representative branch in the identification of strategies used. These are the reasons why we considered it is opportune to prepare a research in this field of activity. Against the backdrop of the global economic crisis, starting with 2009, 10% of the existing garment companies went bankrupt, and 45% of them restructured. This has led to a decrease in production, but also in the number of employees. Within this context, the necessity of examining the measure in which the Romanian garment producers service market niches is justified by the fact that market niches constitute one of the solutions for the firm to remain and/or be successful on the market.

In the present research we set out to bring a significant contribution to the studied domain, both from a theoretical and pragmatic perspective.

In order to obtain a valid piece of information on market niches serviced by Romanian garment firms, we proceeded to carry out an opinion survey among them. The investigation was performed by means of a questionnaire distributed to the managers of the enquired firms.

The present research follows four main objectives:

Objective 1: To identify the features in production, and depending on the result, the strategies used by the analysed firms in the context of the global economic crisis;

Objective 2: To identify the measure in which firms in the Romanian garment industry service market niches and their particularities;

Objective 3: To identify the current status of adapting strategies used by the analysed firms to new trends observed in the garments market and imposed by the world economic crisis;

Objective 4: To fundament future directions towards the increase in firms servicing market niches.

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The questions were structured into three sections:

I. General information on the analysed firms

This section is comprised of general questions of identification, address, development region where the firm operates, establishing the firm's dimension judging by its number of employees, capital structure, destination of products.

II. Information on the degree in which Romanian garment firms service market niches and their particularities

The line of questions used in this section most directly serves the purpose of this research, as the questions are meant to ascertain the opinion of the respondents on the importance of using market niche strategies in the current socio-economic context, the link between the form of processing and the use of the market niche strategy, aspects referring to client focus, the identification of actual market niches serviced by the analysed firms, as well as their correlation with the firm's size, development area it belongs to, the difficulties encountered when adopting market niche strategies.

III. Future perspectives regarding the growth in the number of firms servicing market niches.

This section is crucial since it presents the main future means of growing the number of firms operating in the garment industry that service market niches.

The research was designed, conducted and analysed by the author.

I. The sample of studied firms

The questionnaire-based investigation was performed on a number of 137 firms operating in women's, men's and children's clothing industry from all development regions of Romania and refers to the year 2012. Details on the territorial structure of the sample investigated are presented in Table 1.

TABLE 1 - DISTRIBUTION OF SAMPLE BY DEVELOPMENT REGIONS

No.	Development region	No. of firms analysed	Percentage (%)
1	North-West	20	14.60
2	North-East	21	15.33
3	West	17	12.41
4	Centre	23	16.79
5	South-West	10	7.30
6	South-East	15	10.95
8	South	14	10.22
9	Bucureşti and Ilfov	17	12.40
Total		**137**	**100**

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The graphical representation of the geographical distribution by development regions for the respondent firms is presented in Figure 1.

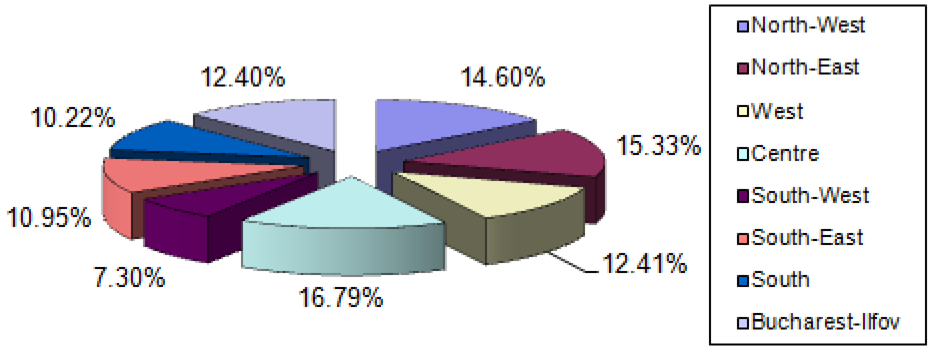

Figure 1 Graphical distribution of the sample by development regions

Presentation of general information on the firms in the sample

Considering capital structure, out of the 137 firms, 19 are mixed companies with foreign capital, and 118 are firms with local capital (fig. 2).

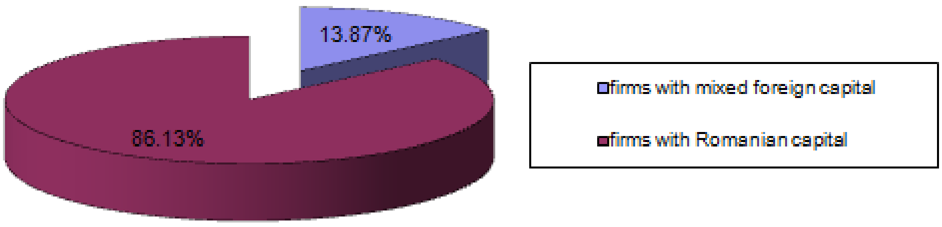

Figure 2 Structure of the sample by capital type

The structure of the companies by number of employees is presented in Table 2.

TABLE 2 - COMPANY STRUCTURE BY NUMBER OF EMPLOYEES

Total	Large (over 250 employees)	Medium (50-249 employees)	Small (10-49 employees)	Micro-enterprise (1-9 employees)
137	3	17	32	85

It can be observed that the percentage of micro-enterprises within the analysed sample is of 62.04%, of small enterprises of 23.36%, of medium-sized entities of 12.41% and of large companies of 2.19% (fig. 3).

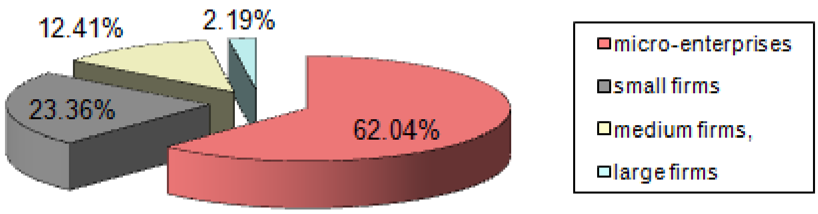

Figure 3 Structure of the companies by number of employees

By destination of products, among the 137 firms, 81 are involved in exports, the other 56 addressing the internal market with their own brands. Out of the 81 exporting firms, 65 companies export their entire production by means of the lohn system, and 16 firms make full-product exports, whilst supporting their mainly full-product exports also by lohn processing (fig. 4).

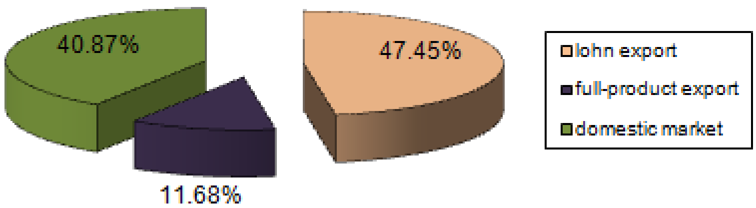

Figure 4 Product destination

II. On aspects regarding the identification and the servicing of market niches by the analysed firms, the answers received have revealed the fact that all full-product exporting firms service market niches. Moreover, a part of the firms addressing the internal market and having a personal brand have succeeded in greater proportion in servicing market niches. This proves the fact that servicing market niches represents a solution for the gradual abandonment of the lohn processing system, disadvantageous in terms of profit and of brand identity loss.

The 16 firms that export their entire production under their own brand have developed niche businesses as follows (fig. 5):

- 11 firms service the niche of sportswear (a micro-enterprise in the Centre region – gear for the paragliding and hang gliding sports sectors; 4 small firms, Centre region – the segment of ski equipment; 2 medium companies, the Centre region – cycling equipment; 4 micro-enterprises, North-Western region – the segment of ski equipment);

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- two firms service the niche of ecological garments (a mixed capital firm, medium, North-Western region – the segment of eco clothing made of organic hemp for women, men and children; a micro-enterprise, West region – the segment of folk costumes from organic flax);
- two firms produce lingerie and swim suits (a large firm, North-Western region – segments of intimate lingerie and swim suits; an average one, the Bucharest-Ilfov region – lingerie);
- one firm services the niche of military uniforms (a firm with mixed capital in the North-Eastern region).

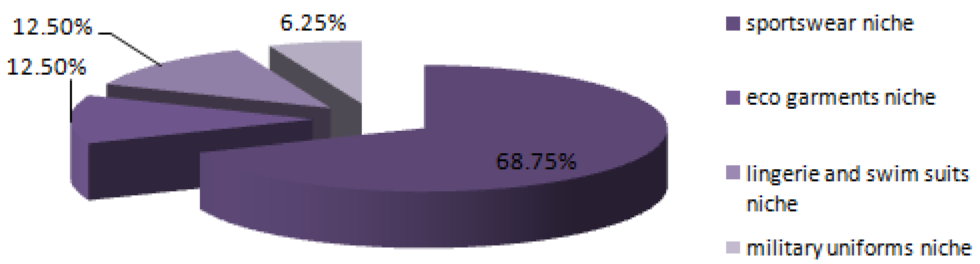

Figure 5 Niches serviced by full-product exporting firms

Out of the 56 firms addressing the internal market, 41 produce women's and men's garments without servicing market niches, and 15 service market niches as follows (fig. 6):

- 9 service the sportswear niche (4 micro-enterprises, Centre region, one medium, Centre region, 3 small in the North-Western region – the segment of anoraks, coats made of goose down, ski equipment; a small firm in the North-Eastern region – the segment of luxury sportswear);
- one company services the niche of eco garments for new born babies – a small firm, the North-Eastern region;
- two service the made-to-measure clothing niche for men, both micro-enterprises in the region of Bucureşti-Ilfov;
- two service the special occasions niche – one is a micro-enterprise from the Southern region, one is a small firm in the Bucureşti-Ilfov region;
- one serves the sole exemplar embroidered garments – medium-sized firm, Centre region.

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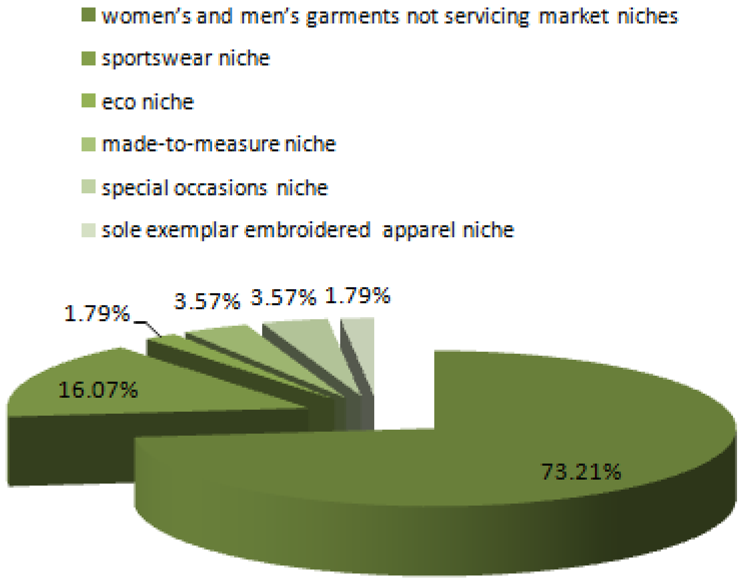

Figure 6 Niches serviced by firms addressing the internal market

One can observe the fact that 31 firms out of the 137 subjected to the analysis have developed niche businesses (all the 16 firms that export full-product and 15 firms addressing the internal market). Out of the 31 firms, 20 firms service sportswear niches, 3 firms exploit the eco garment niche, 2 firms produce lingerie, one serves the niche of military uniforms, 2 service the made-to-measure garments niche, 2 firms service the special occasion garments niche and one services the sole exemplar embroidered garments niche.

From the 16 exporting firms, 6 are micro-enterprises, 4 are small firms, 4 are medium firms and 2 are large companies.

Among the 15 firms addressing the local market, 7 are micro-enterprises, 6 are small firms and 2 are medium firms.

Out of the 16 exporting firms, 7 firms are from the Centre region, 6 firms are from the North-Western region, one belongs to the North-Eastern area, one is from the Western area and one is from the Bucureşti-Ilfov region.

From the 15 firms addressing the local market, 6 firms are from the Centre region, 3 from the North-Western area, 2 from the North-Eastern area, 3 from the Bucureşti-Ilfov zone, one from the South.

Judging by capital structure, 2 of the firms having developed niche businesses have mixed capital and both export full-product (one operates in the eco garments niche and the other services the military outfits niche).

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The managers of firms servicing the sportswear niche affirm that both the external and the domestic markets are attractive. Those exporting full-product procure their raw materials from abroad, as their products incorporate a lot of technology. These firms ensure their clients a guarantee of service in case of necessity by product. In addition, the managers of these firms consider that, on this market segment, it is highly unlikely to run into the assault of Chinese products, since it is uninteresting for those manufacturing tremendous quantities of cheap products. The clients of these companies are interested in the quality and usefulness of their products. The managers of companies servicing the sportswear niche and activating on the local market consider that there is an increasing interest on the domestic market for free time sporting activities, and the clients select quality products to the detriment of their Chinese counterparts.

Managers servicing the eco niche stipulate that the external market is attractive for this type of garments. The manager of the firm addressing the local market with clothing made of organic cotton for new born babies affirms that the success of the company's products is owed both by the very good quality-price ratio and by the actions taken by the firm in the direction of information on the advantages of using organic cotton.

The managers of firms producing lingerie consider that the sale of their products follows the trend of all the other European and American firms acting in this segment, meaning that they recorded increases during the crisis, even though the sales referred to luxury products.

Both the company CEO servicing the military uniforms niche and the managers of firms servicing the made-to-measure, special occasions and sole exemplar embroidered clothing niches perceive that their businesses have a great potential.

On the whole, drawing a conclusion out of the analysed firms, a relatively low percentage of firms service market niches.

III. Future directions on the increase in the number of firms servicing market niches.

- Raising awareness on the advantages of servicing a niche/several market niches through which changes in the garments market may be exploited (the change in consumption models in the clothing industry due to the variation in consumer trends, consumers who have become more practical, less loyal to renowned brands; due to the change in consumers' perception on the selection and purchase decision for a textile product depending on its value, quality and ecological characteristics, but also taking into account ethics and the producer's social responsibility);

- The identification of needs not found in the current market offer, but also the development of new products (a need not discovered in the existing market may have a strategic importance, given by the fact that it may represent an opportunity for those attempting to gain market share and also may represent a threat for those trying to maintain their position on the market (Von Hippel 1986);
- Servicing in a larger degree the sportswear niche with high future growth potential, following the preoccupation for a healthier existence, a trend which has led to the adoption of a lifestyle where sports and physical exercise play an increasingly important role in the life of the modern person;
- Informative and educational actions for the Romanian consumer in the direction of using eco clothing;
- Promotional activities for ecological products, such as the free distribution of samples for a period of six months to a panel of consumers and stores (for eco clothing destined to new born babies, for instance, the panel of consumers can be comprised of future mothers, respectively the free samples could be distributed within the first six months in maternities). In order to correctly ascertain the level of consumption and consumer education, the free distribution of samples in the first six months should be accompanied by studies on the implications of consuming ecological products for the customers, studies prepared every six months;
- Promotional activities for medicinal socks similar to those performed for eco products, but this time by the free distribution of samples in specialised hospital sections, by this ensuring the development of this niche business;
- Becoming aware of the need to help bring into line the Romanian clothing production to one of the important trends imposed by the global economic crisis, which is the respect for traditions and cultural influences, and by this exploit this market niche;
- Servicing garment niches for overweight people, given their worrying increase in numbers, for elderly people desiring and having the resources to purchase luxury products;
- The initiation of a collaboration with firms belonging to the four clusters in the textile-clothing domain in Romania (the Transylvania Textile&Fashion cluster in the Centre region, the ASTRICO cluster in the North-East, the Romanian Textile Concept in the Bucureşti-Ilfov area, the Traditions Manufacture Future TMV cluster in the South-East) with the aim of identifying

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and servicing market niches, so much more so as the study has revealed a higher financial and logistic potential for firms in the Centre, North-Western and North-Eastern development regions, and also the possibility of potential enhancement for the firms in the South-East. The collaboration with these clusters should be attained on four main directions: innovation, technology; marketing, promotion, internationalization; training, education and management;

- The initiation of a collaboration with the firm Lectra, global leader in integrated technological solutions for industries using new fabrics (textiles, leather, industrial textile materials and composite materials) in the manufacture of their innovating products, which incorporate a high level of technology. Lectra signed at the beginning of 2010 a partnership contract with “Gheorghe Asachi” Technical University of Iaşi, by which it granted rights of use for software licenses without the payment of loyalties. “Gheorghe Asachi” Technical University of Iaşi is part of the North-Eastern ASTRICO cluster;
- An increase in the number of Romanian firms taking part in national and international specialised fairs and in fairs focused on certain types of garments.

5. CONCLUSIONS

The study prepared within the present work pinpoints the future perspectives concerning the growth in the number of Romanian garment firms servicing market niches. The study highlights the fact that the main market niches services by the analysed firms are: mainly the sportswear niche, the eco products niche, luxury lingerie, military uniforms, special occasion garments, sole exemplar embroidered clothing. The paper revealed the fact that all firms exporting full-product service market-niches, whereas firms addressing the internal market service market niches in a relative low percentage. The study identified other potential market niches which could be serviced by Romanian firms.

In addition, the work reveals that the majority of firms servicing market niches are situated in the Centre area, followed by the regions North-West, North-East, Bucureşti-Ilfov and only one from the Western and Southern regions each.

Servicing a market niche represents not only a solution for maintenance and or/being successful on the market in the context of the global economic crisis, it is also a solution for the development of personal brands, by gradually abandoning the processing in the lohn system. Lohn processing has led and is leading to substantially lower profits and to the loss of brand identity.

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