Explore the Production and Export Strategies of Garments "Made in Ireland"

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Background

Ireland is a developed EU country with a long history of marking and exporting garments (Carden, 2018). Specific "Made in Ireland" clothing categories are popular in domestic and international markets because of their unique cultural elements (Carden, 2014). However, like the case in other high-income developed countries, the survival of apparel "Made in Ireland" faces both opportunities and challenges in today's global economy and raises heated public debates (Hodges & Link, 2018; Keough & Lu, 2021).

This study intends to explore the production and export strategies of garments "Made in Ireland." The study's findings will generate critical new knowledge about apparel production and export patterns beyond "big players" in the developing world like China and Bangladesh. As there is a growing interest in exploring the survival strategy of the garment industry in a high-income developed economy, the results will offer valuable input contributing to related business strategy development and policymaking (Burlina & Di Maria, 2020).

Literature review

Existing studies and classic trade theories suggest several opportunities for the survival of "Made in Ireland" apparel production and exports, including 1) Consumers often see clothing as a cultural product, not necessarily just about price (Hamilton, 1987). 2) Consumers' growing interest in a garment's country of origin could favor "Made in Ireland" because of its overall positive image regarding sustainability and social compliance (Handfield, Sun, & Rothenberg, 2020). 3) Some high-income EU countries remain the world's leading garment producers and exporters, particularly in the premium and luxury market segments (Froud, Hayes, Wei, & Williams, 2018). However, as a developed country, Ireland does not enjoy a comparative advantage in making and exporting labor-intensive garments, nor could it compete with large-scale developing apparel exporting countries for product variety and volume (Collins, Mahon, & Murtagh, 2018).

Thus, we propose the production and export strategies of apparel "Made in Ireland" to include three distinct features: **First,** as a high-wage developed country, Ireland's apparel production and exports would focus on the relatively high-end of the market and reduce direct price competition with cheap products made by low-wage developing countries (Datta & Kouliavtsev, 2020) (H1). **Second,** leveraging garments' country of origin effect, apparel "Made in Ireland" would emphasize its unique Irish history and traditional craftsmanship (Abraham & Patro, 2014; Grobar, 2019). (H2). **Third,** to reduce market competition, apparel "Made in Ireland" can focus on categories that enjoy a unique cultural heritage with a worldwide reputation, such as jumpers and kilts (Carden, 2014; Burke, 2018). (H3).

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Methods

For the study, we selected two datasets from EDITED, one of the leading fashion big data tools (EDITED, 2022). First, we randomly selected 2,000 SKUs (Stock Keeping Units) of apparel items that explicitly mentioned "Made in Ireland" in their product description. These products were sold in Ireland and globally, from January 1, 2018, to December 2021. Then, we randomly selected another 2,000 SKUs of imported apparel items sold in Ireland over the same period. These products could post the most direct competition challenging the survival of apparel "Made in Ireland." (Citino & Linarello, 2021). The four-year period covered the most updated data available and was long enough to illustrate a stable pattern. Each apparel item included a detailed product description, market segments, and pricing information (EDITED, 2022).

Given the categorical nature of the data collected, we conducted a logistic regression analysis to test the hypotheses (Austin & Merlo, 2017). *Ireland* was used as the dependent variable, measuring whether an apparel item is "Made in Ireland" (i.e., 1=yes; 0=no). Corresponding to the hypotheses, we included five independent variables:

- *Luxury* (1=if an apparel item is in the luxury or premium market segments; 0=otherwise);
- *Traditional* (1=if an apparel item explicitly mentions any of the following keywords in the product description: "traditional," "centuries-old," and "historical."; 0=otherwise);
- *Jumper* (1=if an apparel item is an Irish jumper or cardigan; 0=otherwise);
- *Skirt* (1=if an apparel item is an Irish skirt or kilts; 0=otherwise);
- *Discount* (1=if an apparel item was sold at a discounted price; 0=otherwise);

Results and Discussions

The logistic regression was statistically significant at the 99% confidence level (likelihood ratio (L.R.) statistics =3993, *p=0.00*). Specifically: **First,** apparel "Made in Ireland" were 143.6% more likely (Wald X^2=791.9*, p=0.00*) to be in the luxury or premium segments than imported items sold in the Ireland retail market when holding other variables constant. Consistent with H1, the result suggests garments "Made in Ireland" tend to focus on the high-end of the market to offset its high wage level. **Second**, apparel "Made in Ireland" were 33.1% more likely (Wald X^2=45.6*, p=0.00*) to highlight its traditional craftsmanship and history in the product description than imported items. The result supports H2. **Third**, consistent with H3, apparel "Made in Ireland" were 52.0% more likely to be in the category of "jumpers" (Wald X^2=517.5*, p=0.00*) and 9.3% more likely to be "skirts" (Wald X^2=33.6*, p=0.00*) than imported items when holding other variables constant. These two product categories have a long Irish heritage (Carden, 2014). **Additionally**, contrary to H4, no evidence shows apparel "Made in Ireland" statistically were less likely to be sold at a discounted price. In other words, apparel producers in Ireland still need to face price competition in the marketplace.

Implications and future research agenda

The findings enhance our understanding of the state of apparel "Made in Ireland" and have several important implications. Notably, the results challenge the conventional view that apparel

production and export are only relevant to low-wage developing countries. Instead, the findings empirically reveal the possibility of sustaining apparel manufacturing in a high-income developed economy even today in the 21st century. The results also suggest that leveraging cultural elements, highlighting traditional craftsmanship, and focusing on a niche market strategy would be essential for the survival of the garment industry in a high-wage developed country like Ireland. However, the findings also indicate that price competition, such as discounts, may not be avoidable for garments "Made in Ireland" despite all the efforts.

Case studies and in-depth interviews can be conducted further to gain more insights into the state of garments "Made in Ireland," including firms' detailed business strategies and their perceived business challenges. It would also be meaningful and interesting to explore the survival strategies of the garment industry in other high-income developed countries.
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