Third Party Stakeholders: The Key To Coopetition Strategies In The Ready-To-Wear Sector?

Laetitia Dari

As well as a reputation for a singular life-style, France has an international reputation in the imagination of consumers for clothing design and Haute Couture. Paris and even Marseilles are considered creative strongholds, not-to-be-ignored forums for the most famous fashion designers. The ready-to-wear industry plays a particularly important role in the economic, social and cultural world of our society. Yet it is undoubtedly the most uncertain business sector in that everything hinges on an element that is by its nature risk bearing: fashion. Under these conditions, which strategies are appropriate for coping with rapid product renewal? Are enterprises interested in cooperating in order to cope with market instability? If we take it as axiomatic that collective strategies exist in the ready-to-wear sector, a new question arises: are collective strategies part of a global approach in a given sector, coordinated at every level of the industry or, on the contrary, are they restricted to just a few organisational processes?A study of the industry shows the existence of a coopetition situation: both individual and collective strategies that exist within a single industry. In other words, competition and cooperation are relationship models that coexist, sometimes at levels that differ from those observed in other sectors. This paper highlights in particular the role played by third party stakeholders such as syndicates and style agencies, which may be viewed as orchestrators of the implementation of collective action in a highly competitive environment.

Key words: *individual strategies, collective strategies, coopetition, third party stakeholders, ready-to-wear.*

1. INTRODUCTION

From overalls to a dinner jacket, from a cotton twill smock to a wedding dress, a tank top to a little stretch skirt, from the supervisor to the couturier, the seamstress to the top model, from dawn to dusk the apparel industries are part of our life.

Université de la Méditerranée (Aix-Marseille II)
Centre de Recherche sur le Transport et la Logistique, France.
413, avenue Gaston Berger. F-13625- Aix en Provence Cedex 1, France
E-mail: dari_laetitia@hotmail.fr

They produce basic clothing as well as accessories; “costume” that corresponds to practical needs and the need for fantasy. They occupy a central position in the economic, social and cultural universe (…). The product is deemed fundamentally banal, the technology basic, the activity non-strategic. Yet nothing could be further from the truth. Success in the clothing industry presupposes a triple conjunction: product renewal through creation, control of a production process that is subject to the vagaries of fashion and must therefore be capable of adapting very quickly, and efficient distribution that relays market trends at a very early stage” (Dominique Strauss-Kahn, former French Industry and Foreign Trade Minister, 1991).

This quote clearly illustrates that the industry has an essential function in our societies. Yet it is undoubtedly the most uncertain business sector in that everything hinges on an element that is by its nature risk bearing: fashion. Uncertainty resides in the lack of information concerning real consumer expectations in terms of apparel. Since design is the core profession of enterprises in this sector, it affects spheres in which designers’ irrationality, imagination and whimsical spirit play a predominant role. The risky and uncertain aspect of this sector stems from the fact that design is related to art and thus to a form of subjectivity. To consider that a fashion collection is “beautiful” is therefore a personal interpretation that multiplies the possibilities for companies in this sector to please or displease.
In addition, although the product is generally considered to be ephemeral and pointless, and activity in this sector is deemed to be non-strategic, nothing is further from the truth. The success of the clothing industry hinges on control of different phases: product renewal through design, adaptability of production tools to the vagaries of fashion, and efficient distribution that relays market trends. This industry is an important sector that includes over 1,500 businesses with more than 20 workers, employing nearly 160,000 people and with a turnover of 32 billion euros in 2006. This paper focuses specifically on ready-to-wear, since the activity of garment manufacturing represents the largest market share of the industry under consideration (44 % of turnover), and also because the ready-to-wear sector is a factor that cannot be ignored in any observation of fashion phenomena.

Industry enterprises are linked to each other according to technical industry logic according to Parat (1997): ready-to-wear cannot be summed up as a series of marketing and/or competitor relationships between enterprises. A number of “satellite” stakeholders exist: federations, professional associations, distributors, the media, celebrities, etc. who also play a part in the success of the industry. These stakeholders will initiate strategies in a highly unstable economic context, related to the presence of highly restrictive environmental factors. The sector is characterised by both strong competition between companies and by the instability that results from the very nature of the limited life of the product. Fashion can be a profit factor if the instability that it generates is under control. But it can also be a danger for firms, given the multitude of purchasing behaviours. Consideration of the strategies used by enterprises is vital in such a highly uncertain context. Is it in their interest to group together and cooperate in order to cope with the instability of their market, at the risk of losing part of their latitude in decision taking?

If we take it as axiomatic that collective strategies exist in the ready-to-wear sector (companies collaborate in order to reduce the uncertainty of their environment), a new question arises: are collective strategies part of a global approach within a given sector, with coordination taking place at all levels of the industry or, on the contrary, are they restricted to a few organisational procedures? In other words, is it possible for a series of cooperation logics and competition logics to exist in one and the same industry? If this were true in the case of the ready-to-wear sector, then, according to Nalebuff & Brandenburger (1996), companies would be in a situation of *coopetition*, in other words cooperating and sharing the uncertainties relating to their environment in certain activities, but remaining competitive in other activities. They could then benefit from the competitive advantages that result from both cooperation and competition (Bengtsson & Kock, 2000; Dagnino & Padula, 2002; Paché & Medina, 2007).

The objective is to understand what is taking place in the French ready-to-wear sector. This paper aims to define the strategies implemented by enterprises and the relationships adopted within the industry depending on whether firms cooperate or remain in competition; and to identify the third party stakeholders that intervene at each level and their roles and influence. Thus, upstream of the industry, the presence of style agencies permits firms to monitor the market. Other third party stakeholders, especially the professional associations, develop common projects with a view to improving industry coordination and dealing with the threat of new foreign entrants. However, this willingness to coordinate and centralise sector activity does not take place at all levels. For example, logistics are highly externalised and collective projects in this domain appear to be of no interest to firms that take individual action in this area. We realize that if individual strategies and collective strategies coexist in one and the same industry, they are also due to the influence and impact of third party stakeholders. The latter, therefore, appear to manage and structure the industry through their role and position in the sector. In these conditions, are third party stakeholders the means of managing coopetition in an industry? Is their influence the same according to the organisational procedures in which they intervene?

We shall see firstly that collective strategies permit enterprises to control the instability of their environment, but that these do not necessarily exclude competition. Next, taking the case of the ready-to-wear sector, we will demonstrate the existence of a situation of coopetition. Finally, we will examine the role and position of the third party stakeholder as coordinator in the implementation and management of this strategic duality.

2. LITERATURE REVIEW: COLLECTIVE STRATEGIES

Clothing fashion is a quickly changing phenomenon that has a strong impact on the consumer and his or her social life. Fashion is therefore strategic, but is difficult to grasp due to its complexity, which makes this business sector especially uncertain and hazy. For this reason it is appropriate first of all to consider the composition and structure of the industry. Who are the principal actors? What problems do they come up against in the sector? Under these conditions, how do industrialists envisage remaining profitable in the market in the long term?

2.1. READY-TO-WEAR ENTERPRISES AND THEIR ENVIRONMENT

Having been influential in the industry for a long time, textile and *haute* couture manufacturers must now come to terms with new participants. Fashion remains guided by the suppliers, but demand is taken into consideration more and more (product choice, wider product range, variety of distribution channels).

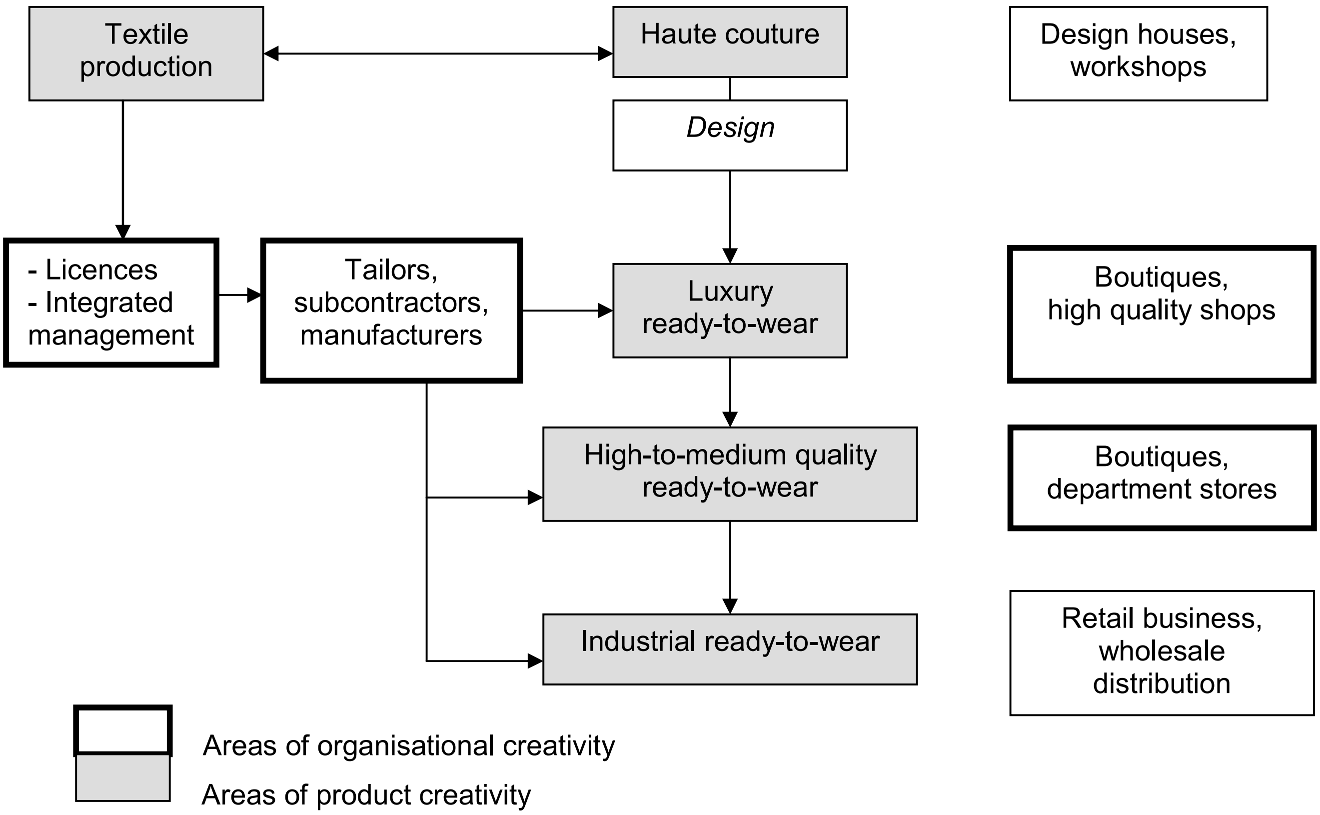

Figure 1 The textile-garment-distribution industry

Source: Rouet, French Ministry of Culture, 2005: 8.

The industry has been in decline since the 1980s, (reduction in spending on garments, international competition, volatile demand). Firms must adapt and be more flexible in order to renew their products more quickly. The sector has now become unstructured: less segmented and hierarchical, it allows businesses to be more creative and dynamic. However, these characteristics give rise to new problems for the industry's enterprises: the lack of a clearly established sector framework, dependent on the creative will of stakeholders and subject to the risks of demand, can prevent firms from establishing a certain amount of economic stability.

The constraints linked to the sector have, therefore, modified the place of firms in the industry. Relationships between actors are now changing, resulting in reorganisation of the sector. Marketing relationships between industrialists, distributors and consumers, as well as the rapidity of exchanges, requires the intervention of intermediaries to distribute fashions on fragmented markets in which the following can be identified (Barrère and Santagata, 2005, p.148):

- luxury *prêt-à-porter* (couturiers and fashion designers)
- fashion ready-to-wear (quality ready-to-wear from stylists, boutiques, the great couturiers' distribution lines)
- classic fashion (quality tailoring distributed by department stores)
- mass distribution (large distribution chains supplying street fashion)
- the lower segments

Firms now adapt to the demand for fashion. It appears that consumers chose fashion trends either *ex-ante* (where demand determines supply), or *ex-post* (where demand chooses from suppliers' various offerings). Nevertheless, firms in the sector can anticipate fashion and even create and impose it on consumers. They will test products, transcribe preferences and finally develop a homogenous fashion with guaranteed markets for the firm.

The old product distribution cycle (6 months for design and 6 months for production) is in question. Environmental constraints require greater "just in time" flexibility (collections designed 6 months before being put on the shelf, weekly renewal of supply). Distribution constraints bring with them a change in the production model with three product typologies (permanent, seasonal and product updates). Industry firms must rethink the management of their products, which are ephemeral and linked to an unstable, ever-changing phenomenon, fashion. In order to compensate for demand that is uncertain, firms are obliged to anticipate and even to select the trends that will be tomorrow's fashion. To do this, they must rely on third party stakeholders to centralise decisions concerning the choice of trends. Enterprises are part of a true network within which certain decisions are taken in collegiate fashion. Finally, with regard to distribution and renewal of supply, firms must be more flexible and gain time throughout the chain. These modifications in terms of distribution leave room for the projects of stakeholders that, faced with the international ready-to-wear industries, want to consolidate the industry and make it more competitive and productive. These projects also encourage firms to take collective action in their sector and develop new types of relationships between themselves.

What are the behaviours of enterprises in the ready-to-wear industry? What place can collective action have in the sector? If the firm is perceived as an entity capable of developing strategies so that it no longer suffers from the risks of its environment and so can survive, is it not possible to reverse the trend, therefore? In other words, the enterprise is substituted for the consumer, defining its expectations and desires in the place of the consumer. By acting collectively and creating consensus agreement between enterprises on future fashions, it is no longer the end customer who decides the rules of the game, and uncertainty regarding product sales is reduced. When we look at the set of fashion products, strong similarities can be observed between them: so are the sector's firms not able to make and unmake fashions? What happens then to competition and rivalry between firms?

2.2. READY-TO-WEAR ENTERPRISE STRATEGIES

A commonly held idea is that an enterprise interacts with its environment. Yet in general we speak of these relationships as constraints on a firm, since the enterprise is in fact forced to adapt to the variations and influences of its milieu. In a more "individualistic" view of the firm, we realise that relations between the organisation and the environment are shaped by the choices made by the enterprise. The latter has a degree of autonomy and can manoeuvre with a degree of independence to defend its interests. Finally, the third type of approach links the enterprise-environment relationship with the notion of conflict. Here we are in a framework of competition: the organisation must constantly be better than its rivals in order to survive. Constraint, choice and competition are central concepts to the field of strategic management. Another dimension can nevertheless be envisaged for firms: the pursuit of collaboration and the formulation of common action to improve relations between the organisation and its environment. Figure 2, inspired by Astley (1984), synthesizes the approaches referred to and the trajectories that can be envisaged from one to the other.

To consider an enterprise as being influenced by, but also able to have an impact on its environment, is to situate oneself in a context of so-called "interactive" strategies. As Koenig notes (1996), "heteronomous approaches, as is the case with voluntarist strategies, rely on dissymmetry. The initiative here is given either to the context or to the stakeholder. The notion of strategic interactions is, on the contrary, characterised by shared activity, by dynamic interdependence between the stakeholder and the context". So the enterprise can avoid being deterministic and undergo a process of "natural selection" by moving closer to other businesses in order to carry out a common project. This type of association resembles cooperative behaviour by which an enterprise makes a long-term commitment to same-sector businesses in common action logics in order to ensure its survival. The strategy employed is termed as collective and, for Astley & Fombrun (1983), the response is relevant for the enterprise when the environment turns out to be extremely turbulent. Not surprisingly, therefore, such a strategy is particularly suited to R&D activity, since high path dependency emerges from the examination of choices made by enterprises in this domain (Barnett *et al.*, 2000).

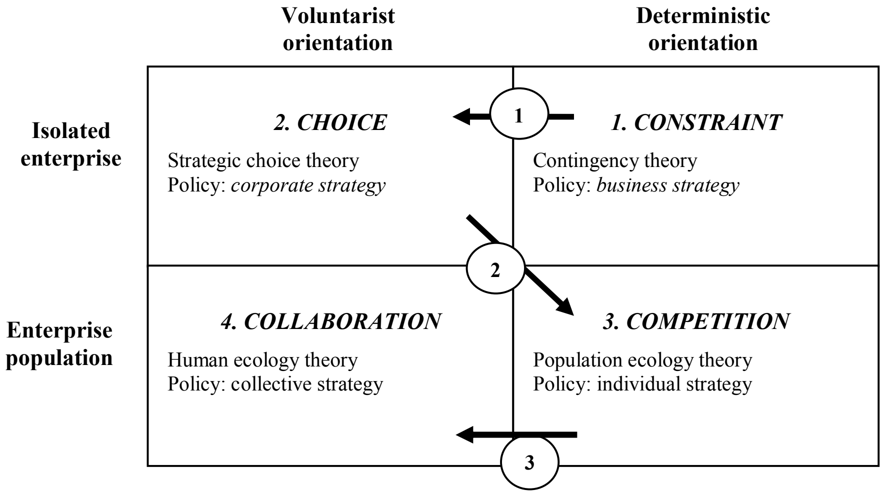

Figure 2 Enterprise orientations and trajectories
Source: Astley, 1984 : 527.

Cooperation holds a separate place in the relationship types defined by Joffre & Koenig (1992). The authors indicate that the approach is put in place when enterprises realise that the only way to ensure their own survival is to concern themselves with the survival of the sector by initiating *solidarity behaviours*. In other words, “stakeholders belonging to the same system are in a situation of both competing for limited resources and showing solidarity due to the need to avoid destruction of the system” (Joffre & Koenig, 1992). Joffre & Koenig (1992) are careful to distinguish between solidarity behaviours and collaboration strategies whose primary objective is to permit the development of the enterprises involved who share their resources and efforts to this end; in the second situation, we are close to networked organisations as organisational forms of rupture (Fulconis, 2004; Mikipaa, 2008). We must therefore ask ourselves whether the goal of collective strategies is to help enterprises to survive in their sector and to ensure that the latter lasts (solidarity behaviours), or whether they are used to strengthen the position of organisations and guarantee their development (collaboration).

It appears that a firm manages to respond best to demand by launching a fashion. But since fashion is a collective phenomenon, the enterprise must convince consumers to adopt the product. Furthermore, the fashion industry includes many partners. This means that as well as convincing final demand about a future fashion, the enterprise must also mobilise the whole of the industry value chain and convince stakeholders of the relevance of the products proposed. Nevertheless, instead of taking a risk by involving all the industry organisations, firms can try to launch a fashion collectively and create a consensus on a future fashion. This consensus will permit mass selling: the market does not allow itself to be led by fashion but seeks ways to create and impose it. Thus firms collectively take control of their future.

According to Astley & Fombrun (1983), collective strategy is in fact a global response proposed by a set of organisations that collaborate over the long term in order to absorb the instability generated by their environment. In other words, "common mobilisation of resources and formulation of action within communities of organisations" exists (Yami & Le Roy, 2006). It contributes to the emergence of a social environment that is collectively constructed and controlled by the enterprises, enabling them to cope with variations that are too great in the environment previously referred to. Here we find ourselves in a situation in which the enterprise develops "strategies at the collective level in order to address its complex inter-dependencies" (Mintzberg *et al.*, 1999). Astley & Fombrun (1983) distinguish between different types of collective strategies and retain two main criteria: on one hand, the nature of businesses and the type of relationships that exist between them, which permits a distinction to be made between "commensal" strategies (between competitor enterprises in a horizontal relationship) and "symbiotic" strategies (between complementary enterprises in a vertical relationship); on the other hand, the direct or indirect nature of strategies, pinpointed according to the possible definition of the economic benefits drawn by each partner. In the end, four types of collective strategy may be identified, as shown in Table 1.

Table 1 Four collective strategies identified

Types of association	*Commensal*	*Symbiotic*
Direct	Confederate	Conjugate
Indirect	Agglomerative	Organic

Source: Astley & Fombrun, 1983: 580.

Confederate strategies are usually found in very concentrated environments in which a small number of businesses co-exist; they are generally mergers or dyadic alliances (*joint ventures*). Agglomerative strategies develop more in environments made up of several small-scale businesses; central bodies, such as cartels or syndicates, try to coordinate the sector but there is no formal link between enterprises. Conjugate strategies rely on direct contracts in order to set up activities (for example, between principals and sub-contractors). Finally, organic strategies are mutual commitments in a network of enterprises whose activities are complementary. In the case of fashion and ready-to-wear in France, the conventional situation is that of an agglomerative collective strategy. In fact, the sector is characterised by a large number of SMEs and is also made up of multiple organisations whose aim is to protect and represent the interests of the industry overall. In addition, the geographic proximity of the various stakeholders, in districts or *clusters*, is a positive incentive for developing common activity. However, does collective strategy exclude any other? In other words, does it put an end to the individual capacity of each enterprise to take decisions in its own interest?

3. METHODOLOGY AND RESEARCH DESIGN: PARADOXICAL COOPETITION IN THE READY-TO-WEAR SECTOR

The intention of our research is not to dissociate individual and competitive strategies specific to each enterprise from collective strategies. In fact we think that the inter-organisational relationships are more complex and cannot merely be reduced to rivalries or exchanges. To decide on a unidimensional analysis of the relationships between enterprises would amount to glossing over the complexity and wealth of inter-organisational exchanges. Martinet (1994) highlights the “conflict / competition” type of double-headed Janus relationship. Although this idea was developed by François Perroux in the 1960s as an “all-inclusive form”, Martinet’s contribution (1994) systematizes its impact: the nature of the exchanges between enterprises cannot be analysed solely as either pure conflict or pure cooperation, but as including an intermediate dimension that contains both situations. Nalebuff & Brandenburger (1996) echo this position with the concept of coopetition by which businesses cooperate and share the uncertainties relating to their environment, but still remain in competition: “Rivalry may lurk below the surface of cooperation, but cooperation also sits over and smooths out rivalry” (Mintzberg *et al.*, 1999).

According to Martinet (1994), “whether we like it or not, any strategy choice involves taking a stance in the conflict / cooperation continuum with regard to the concerned parties involved”. The equilibrium between conflict and cooperation therefore constitutes the relationship and its intensity; power is the element that ensures the balance between the two. Hamel *et al.* (1989) present cooperation as continuity of competition and if there is cooperation, it is due to the desire to avoid potentially fatal conflicts with other enterprises. Cooperation and competition can therefore be viewed as phases in the life of an organisation. Hunt (1997) shows that rival enterprises can be partners and benefit from the advantages that derive from both competition and cooperation. Bengtsson & Kock (2000) propose that the advantage of coopetition is a result of the combination of rival pressure (the result of competition) and access to resources (the result of cooperation). On one hand, rivalry between enterprises obliges them to take steps to obtain the best position in the sector; this pressure permits the development of new products and markets. On the other hand, cooperation is a way for organisations to increase their competencies, reputation and resources; new products can also be developed at lower cost according to the participation of each stakeholder.

This research has been carried out in the French ready-to-wear sector. The analysis is by nature qualitative. Our wish to identify third-party stakeholders within a coopetitive network, to understand their role in the development of coopetition strategies, is part of an exploratory approach as defined by Charreire and Huault (2002). Data collection was carried out with primary data obtained through semi-structured interviews and secondary data from specialist, professional journals. Between September and December 2008, 15 interviews were carried out with the principal stakeholders of the ready-to-wear sector: national federations, regional professional syndicates, member enterprises, associations and professional institutes, style agencies and stylists. The interviews were carried out one to one and face to face, recorded and then transcribed as quickly as possible in order to preserve the quality of information (Romelaer, 1999).

3.1. FROM MARKETING COORDINATION …

The coopetitive relationship appears evident in an analysis of the different levels of industry. In fact, a high level of coordination can be observed upstream in particular with regard to the definition of fashion trends and promotion of the sector, and downstream competition with regard to logistics, which remains highly internalised by industrial enterprises.

Due to its chronic instability, the ready-to-wear sector requires the intervention of a central stakeholder that has a degree of legitimacy with the enterprises to draw up the guiding principles of global strategy. One of the major difficulties for enterprises remains the definition of tomorrow's fashion trends and making sure that these will find favour with consumers. According to Hirsch (1972), quoted by Abrahamson (1996), key stakeholders exist that transform innovation into fashion by positioning themselves at the interface between designers (supply) and consumers (demand). For the author, these stakeholders, which he calls *contact men*, are responsible for identifying, selecting and promoting major innovations. Taking cultural industries (publishing, music and cinema) as an example, Hirsch (1972) suggests four successive phases leading to the emergence of a fashion, from creation to dissemination, as shown in Figure 3.

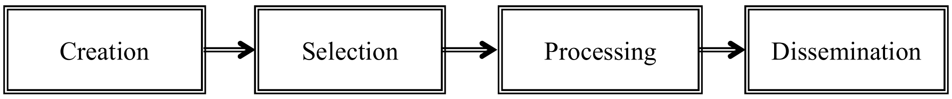

Figure 3 Successive phases leading to the emergence of a fashion
Source: Hirsch, 1972: 639-659.

Firstly there are the creators, who think up innovations and try to put them in place. There then come, secondly, a series of stakeholders who take part in selecting from these innovations. Thirdly, the selected innovation is modified so that the target set of consumers accepts it (process of democratic contagion). Fourthly and finally, the *fashion setters*, to use Abrahamson's expression (1996), promote institutionalisation of the fashion and ensure that it is widely disseminated. Referring to this sequential model, Warnier & Lecocq (2004) note that style agencies position themselves as central stakeholders in the upstream phase of the development of a fashion. Their members identify "the moods of the moment" in brainstorming sessions and make a selection of the most promising innovations in terms of market share, turnover, etc.

"We hope we get it right. It's a long research job and it's rare that we're very far off the trends that appear. To identify trends, we are constantly working on research in magazines, boutiques, in France and abroad, at fashion shows, with sociological and market research. Then, with our research, we choose what seems to us to best represent society's expectations. The trend books are put together from work and design leads. It's obvious that we have a role as influencer, we influence the decision takers: only some of the collected set of trends will be retained and it is our creative staff that selects them.
Trends are a mix of the street and the style agencies: the style agencies are inspired by what goes on in society, what people like, what has left an impression … But then the job of selecting takes place and our teams intervene and make their choices". (Carlin style agency.)

"Once every season, our studio designers and the freelance teams that always work with us get together and they each prepare, on their own, in private, 4 themes that they present; and each one presents their themes to the whole team. Then there are brainstorming sessions and debates; and what's quite funny, in fact, is that there are generally a huge number of things that intersect and we manage to sort out 4 themes in particular with colour ranges, fabrics… everything that's linked to the theme. That way we get to know the "*air du temps*", what people are feeling at a given moment." (Nelly Rodi style agency.)

"So it stays fairly vague so that the brand can then adopt the trends and adapt them to its own image. We provide the impetus and a framework for reflection regarding market inspirations. But after that it's true that it's very important for the brands, who do not all have the same market, the same target, can re-appropriate the contents of the trend book and re-evaluate it for their own collection. That is the real way the trend book works: it's not a turnkey solution; it's a notebook for inspiring strategy, that takes the market into account, but which is produced as an aid, as a creative partner. It's a creative coach". (Carlin style agency.)

The role of the style agency is nevertheless the subject of debate, in that the choice of the most promising innovations is made in a unilateral fashion. Only the members of the style agency are involved, no other actor from the sector, not even "representative" consumers. This shows the weight this body carries in the ready-to-wear industry, especially since there are no more than four or five style agencies in the world! Structured on the basis of an oligopolic market, sharing the same opinion concerning up-and-coming trends, they have the power to *invent the present*, and some observers condemn their ability to totally manipulate the consumer: "Everything is already manufactured, purchased, ready to put on the shelf, and you are sure to like it, as happens every season. Because nothing is left to chance. Having pored over it for more than a year, the fashion industrialists are already convinced about what you'll like and what you'll wear. Because, of course, you won't choose. The others, what they call trend consultancies or style agencies, have done that for you" (Le Bris [2001], quoted by Warnier & Lecocq [2004]).

"(…) the style agencies provide the main themes (…). So they will set the tone for colours and materials… The alchemy happens later on, after distribution of the brands during *salons* and through the collections. A brand with an in-house style agency will always use an outside style agency: that's where it obtains its research documents, where it buys them. They cannot ignore the main trends and see what is going on and being done: their culture obliges them to look and synthesize what they see as a vital part of their design. The major fabric manufacturers use this work as the basis for what trends might be and they cannot rely solely on their instinct, there must be homogeneity". (Fédération Française du Prêt-à-Porter Paris).

"The style agencies are powerful to a greater or lesser degree because they will be the ones to decide the trends, especially the main trends. Each brand will then adapt to it for the season." (Institut Mode Marseille).

"In the end it's not the brand that needs to justify a fashion, it's the style agencies that highlight the trends everyone accepts: the brands see the same style agencies (there are five or six in France, slightly more throughout the world), and stock up in the same way. You could say there is a kind of "mimicry" about the way they working, a great harmony. In the end there are products that recall the fashion but that are different because the brand still retains its style, its image. The trends are identified by the style agencies. They are the ones that centralise all the social events that have made an impression on the consumer. Using this data they are able to come up with a feeling that will influence fashion. They analyse what people are passionate about to be sure that next season's fashion will suit them". (Fédération Française du Prêt-à-Porter Paris).

We should point out that apart from the style agencies other central bodies exist at national and regional level, such as the *Fédération Française du Prêt-à-Porter* (French Ready-to-Wear Federation) and the *Institut Français de la Mode* (French Fashion Institute). Although their role is not identical to that of the style agencies, they have an important position in that they federate all the enterprises, since their mission is to provide financial assistance, to promote and communicate regarding the ready-to-wear sector.

"(…) they bring in a huge number of people, who bring in business and make France visible. Paris truly remains the creative capital of the world and that is really the work of the professional bodies, which do their utmost so that France, Paris, remains the design and fashion capital". (Institut Français de la Mode).

"Colour is fundamental for the industry: it will determine the direction to give to trends. The *Comité Français de la Couleur* (French Committee of Colour) is a committee of style agency experts who meet and put together a range of strategic colours. This committee remains a referent that federates the style agency people for colour sessions. A colour trend book for the whole sector is then published." (Carlin style agency).

"(…) it [the place of the professional bodies] is essential, because we are there to serve the enterprises. Enterprises do not necessarily have the time to spend on thinking and anticipating; so that is also our role, to try to do some of that for them. In any case, we are there to anticipate what is required, to see how the industry will develop 3-4 years from now and then propose the tools for them to adapt to this development. As for the syndicates, they defend the industry, so it's essential. Then we have a lobbying role too (…)". (Cité Euroméditerranéenne de la Mode Marseille).

Although industrialists in charge of a portfolio of well-known brands seem to cooperate on functions that are considered to be strategic, such as new product design, they pursue their own distribution logistics strategies in parallel.

3.2. … TO LOGISTICS COMPETITION

Although activities relating to distribution logistics in business sectors such as mass consumer goods are massively subcontracted to service providers, they remain highly internalised in the textile apparel industry. For now, enterprises do not seem to be interested in the projects for mutualisation of logistics proposed by some professional associations. Thus, unlike in the previous example, the power of intermediary stakeholders appears to be limited and they are not yet considered as having a legitimate place within the industry. However, the rapid renewal of products (six collections a year instead of three) and the social-economic context of the industry (international competition, changing consumer norms, reduced production in France, modification of distribution channels) require reconsideration of methods of coordination. Enterprises must now be in control of the industry downstream to replace old products and disseminate new fashions, taking into account production rhythms that are shorter and shorter and the continuous flow of collections. This forces them to ensure they are in control of physical flow and the flow of information, to put in place reactive organisation to cope with rapid product obsolescence and reduce planning, production and delivery lead-times.

Interviews carried out show that firms tend to refocus on their core profession. Some will subcontract part of their logistics and retain some functions, whereas others will externalise the whole of their logistics. Thus not all firms have moved on to the supply chain model of logistics.

"There are still quite a few that internalise their logistics. This is starting to change since in the end if they externalise this function they save money, it's done better … But there are still a lot that like to go into their stocks, they need to see what stock is left at the end of the season. It's difficult, it's an approach that has to be worked at, to say to yourself "my stock isn't here any more, it's all based somewhere else in France, I can't see my stock any more"; some can't take that step. It's not their core business. All the family-run SMEs that have started up have done everything, all at the same time and they've also looked after the delivery and logistics side of things. Some spend their time going to look at the stock, to see if everything's fine and whether they have a lot of stock or not much, which product works well and so which product sells. Ok, they're more "visual", others are more organised and leave it to other people to manage that". (Cité Euroméditerranéenne de la Mode Marseille).

"Downstream logistics (order preparation and shipping) seem to be well organised, either internally or externally, especially by transport companies. However, although enterprises are willing to entrust shipping, both upstream (coming into the warehouse) and downstream (leaving the warehouse), to freight companies, they do not think that this side of business is very strategic, they're less willing to externalise warehouse-stocking functions and especially order preparation. Production logistics (scheduling, launches, supply) is still not very structured in medium and small enterprises". (Fédération Française du Prêt-à-Porter Paris).

Some of the set of enterprises externalise all or part of their logistics, others have integrated or reintegrated it. Nevertheless, logistics procedure is tackled in a fragmented fashion. The choices seem to be a function of the length of time historically spent on considering logistics, the allocated budget, the global strategy of the enterprise and the characteristics of its distribution channels. A cooperative dynamic, spurred on by regional stakeholders such as syndicates, is proposed for certain logistics projects. These projects, whose goal is mutualisation of resources and know-how within the industry, are not always viewed favourably by enterprises.

"Even if in general they remain internalised, logistics are sometimes externalised, especially when distribution is very lean, particularly for the brand names. Enterprises remain focused principally on their core business (brands, creation). But for the last 20 years they have been trying to broaden their competencies in the domains of supply chain and lean and agile distribution. Logistics for them is a lever that permits revenue increase at the end of the season and a reduction of residual stocks. There is increasing externalisation, especially when the enterprise experiences strong variations in volumes (higher or lower), refocusing on their core business, and a willingness to appropriate the competencies of logisticians". (Institut Français de la Mode).

> "As for saying that enterprises are ready to cooperate regarding logistics, that's another story. In Marseilles there's something else that exists, called SPL Mode. You should check with them. I wouldn't be surprised if it doesn't work: logistics is a strategic function for enterprises, not just operational; there's a confidentiality aspect and also the fact that we're in a sector where the entrepreneur has a very individualistic character". (Fédération Française du Prêt-à-Porter Paris).

As can be observed, although the presence of third party stakeholders in the two types of relationships (cooperative and competitive) can be envisaged, their role and their power to influence vary significantly. As a first approximation, there is upstream cooperation with regard to brand management, more specifically at the level of identifying fashion trends. Downstream, on the other hand, the keynote remains competition with regard to bringing new products to market, with a refusal of any mutualisation of logistics resources.

Thus the ready-to-wear sector comes under the "paradoxical management" of coopetition by which the enterprises undertake common projects at the level of strategic creation activity, *via* style agencies, but remain voluntarily competitive in other industry activities that, elsewhere, are generally the object of advanced cooperation. It is necessary to understand this "paradoxical management" by considering third party stakeholders as "orchestrators" of collective action.

3.3. DISCUSSION OF FINDINGS: THE THIRD PARTY STAKEHOLDER, AN ORCHESTRATOR OF COOPETITION?

Taking tourism as an example, Gundolf *et al.* (2006) indicate that enterprises always obey a system of "institutional embeddedness". In other words, the fact that enterprises in a given sector work closely with central bodies leads them to generate supplementary resources that enable them to guarantee their survival and ensure their competitive position within the sector itself. These central bodies therefore have a strategic position since in a way they set up collective strategy: they construct a social reality, that of the sector as a set of enterprises that is united and tightly knit, not a completely random market that is risky for potential investors. Knowing that no formalisation of collective strategy is truly explicit, to some extent they vouchsafe its visibility. In other words, the professional associations have "a role as 'umbrella', to protect and provide coherence to collective action" (Gundolf *et al.*, 2006). As well as in the tourism sector, the same type of organisation can be found in the film industry (Roy & Yami, 2006), in the fish canning industry (Le Roy, 2003), in the arts and crafts (Loup, 2004), in the spectacle trade (Geindre, 2000), etc. These professional committees, syndicates and other bodies try to form zones of protection for sector enterprises.

Orléan (1994) has studied the function of the third party stakeholder in an inter-organisational relationship. He stressed the essential role of confidence and the capacity of the main actor to free enterprises from the constraints inherent in a complex situation, taking into account in particular the high degree of uncertainty. Following the same line of research, Geindre (2000) explains that a professional syndicate may then be considered as a third party playing the role of federator that is of prime importance for sector enterprises. In fact, it presents itself as the initiator of projects that unite enterprises in common action such as international promotion; it has a capacity to bring everything together and at the same time give the parties involved the illusion that they never lose control of common activities (Geindre, 2000). The professional syndicate, as the guarantor of the definition of and respect for the rules of relationship within the sector, also facilitates transactions and the formalisation of sustainable links between enterprises. In other words, the objective of the professional syndicate is to incite "concerted behaviour, the reason for which is to improve the relative position of its authors or to develop the context for their actions" (Koenig, 1996).

Greenwood *et al.* (2002) stress the central character of professional associations and give three reasons for this. First, they represent "arenas" in which enterprises regularly encounter each other and interact; these interactions enable enterprises in particular to adopt "reasonable" conduct, since the third party stakeholder initiates a consensus that facilitates relationships and agreements between enterprises. Secondly, professional associations are legitimate "representatives" in that they define good practice in the sector and represent it in the eyes of public and/or private institutions. Finally, professional associations have the power to normalise and sanction in order to protect the sector from any possible excesses. The latter role is usually implicit and is not overtly applied to enterprises. So we see that professional associations define the organisational field in which businesses evolve, according to DiMaggio & Powell (1983): "Sets of organisations that, in the aggregate, constitute an area of institutional life; key suppliers, resource and product consumers, regulatory agencies and other organisations that produce similar services products". In fact they participate in creating a community, with its values, routines and rules of functioning.

The third party stakeholder is responsible for the governance apparent in the industry. As Fourcade mentions (2006), the third party stakeholder, in the sense that we intend, is a "mentor", bringing together "at the same time the project 'catalyst', personality, local authority, intermediary body (such as CRITT, a centre for the promotion of technology transfer), one element in the area of reference". The mentor manages and coordinates the industry. It assures its coherence and effectiveness. The "Musketeer" effect is referred to in this particular context: "all for one and one for all". The famous phrase of the French author Alexandre Dumas is a good summary of the strategies implemented in the ready-to-wear industry. The first part of the phrase "all for one and one for all" refers to the firms' capacity for cooperation when their environment becomes much too unstable. This spurs businesses to adopt a collective attitude of convergence: it is in their strategic interest to work collectively. The second part, "one for all" refers to the capacity of the mentors, responsible for governance, to federate firms around common action and together construct the resource or resources for their cooperation.

What influence might the action of professional associations have on the life expectancy of a sector's enterprises? In the end this is the question that Baum & Oliver (1991) tried to answer. In their opinion, the willingness of a professional association to federate enterprises results in a reduced probability of organisational mortality, linked with cushioning of the harmful effects of competition and integration of the businesses in a community, a kind of "protected area" outside the marketplace. They will effectively conform, *via* the orientations of the professional association, to the expectations of their institutional environment, so reducing their vulnerability. Referring to the work of Meyer & Rowan (1977) and Scott & Meyer (1983), Baum & Oliver (1991) highlight the positive impact that joining a community has on an enterprise: in return it is rewarded for respecting the norms, for example with a partner's offer of access to foreign markets. In such conditions, is the conduct of collective strategies always the best way for the enterprise to emancipate itself from the influence of its environment? This appears to be "isomorphic" with its background and it is tempting to say that the enterprise makes "constrained choices". It makes choices according to environmental constraints in order to emancipate itself from this environment; but the choices that are made become new constraints for it. So, by conforming to new rules, the enterprise submits to the conditions of a new environment introduced by the third party stakeholders.

Nevertheless, the impact of the third party stakeholder in defining the area of cooperation that each of the sector enterprises considers relevant will directly depend on its expertise and legitimacy in the areas concerned. This opens up interesting fields of research into the management of inter-organisational relations. The most stimulating of these is to establish a relationship typology for the whole of an industry by identifying the tendency (cooperation or competition) that is most frequently encountered at each level and the influence that a central body can have. An initial draft of this typology may be envisaged as indicated in figure 4:

		Level of coopetition	
		Strong competition	**Strong coordination**
The place of stakeholders in the industry	**National or global**	**National federations** Firms are in a situation of competition in spite of the presence of third party stakeholders. The latter have historic legitimacy and succeed in federating the industry on particular points (lobbying, communication, spokesperson, etc).	**Style agencies** Firms are coordinated through omnipotent stakeholders. This coordination is necessary for their survival and occurs at several levels (trend definitions, justification of a fashion, definition of brand image and image of a collection, etc).
	Regional	**Professional encounters and exchanges** Firms are in a situation of competition but encounter each other through the formal and/or informal relations that structure the life of the industry (salons, trade fairs, fashion shows, the media, etc).	**Regional associations and institutes** Firms coordinate and decide to share means and resources for coordination in certain projects (training, logistics projects, salons, conferences, etc).

Figure 4 Typology of coopetition in the ready-to-wear sector: the place and role of the third party stakeholder.
Source: Personal elaboration.

This graduation of coopetition (competition and coordination) permits four main categories of stakeholders to be highlighted: federations, style agencies, associations, professional encounters and exchanges. Figure 4 relocates these actors according to two levels of relationships (national/global and regional). Thus firms position themselves at different levels of relationship according to the intervention of these actors, with a specific actor intervening at each level.

4. CONCLUSION

Studying individual and collective strategies within the same industry is one of the most interesting approaches, in that there is a binary understanding of inter-organisational relationships. The concept of coopetition permits us to highlight the role of professional bodies and their more or less limited influence on the sector. The third party stakeholder is usually studied in cooperative relationships, but may equally be at the centre of competitive relationships. Its presence is sometimes questionable despite its willingness to federate the sector through common action.

The results of our research are limited. New interviews are required to allow us to verify the paradox that may or may not exist in the ready-to-wear sector: cooperation *via* collective strategies for the identification of trends; competition *via* individual strategies for carrying out logistics activities. We also need to understand and explain this paradox: the maturity of firms, refocusing on the core profession, the strategic importance of logistics, etc.

It would also be of interest to make a more precise study of coopetition. Extension of the typology presented earlier could then be envisaged to understand better the strategy choices that might be made. Is coopetition simply a stage on the way to cooperation or does it constitute a completely separate strategy? This typology would in particular permit the identification of key stakeholders at certain stages of the industry and assess their impact and their justification in terms of collective projects. Coopetition is a sector-based phenomenon that takes different forms from one sector to another. The study focuses on one particular, regional hub of apparel in Marseilles. It would be interesting to broaden the research to other regions, other countries, and even other business sectors.

Finally, a certain number of questions may arise that have not yet been considered in the literature: what are the justifications for collective action spurred by the third party stakeholder? What is the power of the third party stakeholder and, consequently, what is its lifespan in the industry? What link can be established between the role of the third party stakeholder and its impact on the level of performance of enterprises and/or the industry? How does the process of institutionalising a sector develop, enabling the transition from individual strategies to collective strategies and what are the critical stages? How can collective action be effectively constructed taking into account the potential risk of enterprise opportunism? Is there a risk that the central position of these actors will give rise to problems relating to concepts of confidence and opportunism? Coopetition, the third party stakeholder and sector institutionalisation, as illustrated by the atypical ready-to-wear industry, are rich fields for research into the many lines of enquiry that still remain for management research.

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