French Jeans: case study of born local strategies. An analysis from a value-based perspective.

Keohane, Juliette; Rayna, Thierry; Cabanes, Benjamin

i3-CRG, École polytechnique, CNRS, Institut polytechnique de Paris, Palaiseau

Juliette.keohane@polytechnique.edu

Abstract:

This research aims to extend our knowledge of reshoring factors by highlighting motives to manufacture locally against all odds. Yet, there were previously not identified because research has essentially focused on large multinational companies or well-known luxury brands. In the textile industry, the dominant business model for a couple of decades is cost cutting and efficiency to maintain a competitive advantage. Nevertheless, underestimate total cost were associated with operations abroad: cost advantages of offshoring locations deteriorate or when knowledge needs to be transfer and integrated. Therefore, several companies reshored their activities seeing potential benefits in local production. The changing market dynamics in the global textiles and apparel market makes the analysis of born local strategy and the associated business models in the sector more relevant. A value-based perspective permits to understand how those business capture, create, and deliver value. It moves beyond product, service, and process innovation. The empirical research will study 16 French brands in the apparel industry, that sell French made Jeans. The findings describe how the disadvantage of being born local (high costs, resources constraints and no flexibility) can however be counterbalanced by a business model innovation though new ways for creating and distribution value.

Mots-clés : manufacturing, textile industry, suppliers, location

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INTRODUCTION

The move towards reshoring is surprising because companies had very good reasons to offshore, principally to cut costs. But in most cases reshoring is part of a global manufacturing strategy where reshored production is just one element and generally corresponds to upper range producs leveraging local craft expertise resources. Yet there has been recently the emergence of manufacturing companies born local, in particular in the textile sector, where offshoring has been by far the most prevalent. While some companies in the fashion/textile sectors have remained local, this has been typically the case of 'luxury' well-known fashion brands. While even some of such brands have ended up offshoring, like Burberry or Clarks (Verdu and al., 2012; Caniato and al., 2011).

It is suprising to see new and unknown brands such as 1083 or Le Slip Français deciding against all odds to be born local and produce fashion "made in France".

This is even more surpring because they are born local in a country pretty devoid of local manufacturing capabilities and craft and unlike many brands reshoring their products, are basic/plain (e.g. jeans and underwear) and reasonably priced.

How can such born local brands even exist? How existing literature on reshoring can explain the decision to be local? How such cases can extend our knowledge of reshoring motives by highlighting motives to manufacture locally against all odds that were previously not identified because research has essentially focused on large multinational companies or well-known luxury brands.

The case of 1083 and similar companies (such as "Le Slip Français") is at first glance rather puzzling. Indeed, they manufacture locally in economically advanced countries what is overwhelmingly produced abroad: clothes. Since the 1980s firms in countries such as France have been the object of a massive offshoring movement, to such extent that they are nowadays hardly any textile or clothing manufacturing firms left in those countries.

Of course, in France, local clothes manufacturing has subsided in specific niches, typically the luxury industry. However, what 1083 and similar companies manufacture are typical middle-range products sold at prices similar to the well-known middle-range brands (e.g. Levi's, Wrangler, Lee, and Diesel.), so they do not conform to this first reason of 'staying local' despite massive offshoring.

A second reason for staying local could be that there are barriers to accessing manufacturing resources abroad. While this may be true in some sectors, this clearly has not been the case in the clothing industry, where numerous 'born global' fashion companies have emerged over the past two decades (e.g. Bershka, The Kooples, Sézane, for the most successful ones), and access to offshore manufacturing is relatively affordable, even to newcomers.

While the reasons for being 'born local' have seldom been explored by the literature (Acs and al., 2013) – the literature typically understands being 'born local' as an initial step before eventually becoming global (Moen, 2002) , in the 'unfortunate' case when the company was not able to directly be "born global" – the rational for companies to produced locally – i.e. in richer countries – in a globalized economy has been investigated in the literature investigating the reshoring movement, i.e. the reasons for multinational companies who had deserted local manufacturing to manufacture abroad to return, at least partially, to local manufacturing.

1. LITERATURE REVIEW

1.1 Principal motives for reshoring: Cost structure reduction and lack of key resources in the host country.

Reshoring has become an important trend and is crucial to national economies and firm competitiveness (De Backer et al. 2016). Manufacturing reshoring, defined as the voluntary process of repatriating manufacturing activities previously offshored to a foreign country, either through outsourcing or in-sourcing (Fratocchi, Di Mauro, Barbieri, Nassimbeni, & Zanoni, 2014). The motivations and reasons for reshoring activities have been covered by the literature. Three main theoretical perspectives are used to understand the offshore/reshoring decisions: Transaction Cost Theory (Williamson, 2008), Resource Based View (RBV) (Teece et al, 1997) theory or with a network perspective which focus on Activities, Resources, and Actors (Baraldi, 2018).

In the textile industry, the dominant business model for a couple of decades is cost cutting and efficiency to maintain a competitive advantage (Di Mauro, 2018; Fratocchi et al, 2016). Nevertheless, underestimate total cost were associated with operations abroad:

- *Cost issues:* cost advantages of offshoring locations deteriorate (Ancarani, 2015) with a wage increase in Asian countries (Dachs et al, 2019) or some part of Europe like Romania (Di Mauro, 2018), increased of geographical and cultural distance (Kinkel et al, 2009) create costs to negotiate, monitor and enforce cross-border transactions and ownership (Mora et al, 2014). Consequently, high coordination costs are additional.

- *Cost linked to Knowledge:* when knowledge needs to be transfer and integrated (Mihalache et al. 2012) but also when long period of supplier development and training are necessary to create a « production culture » (Di Mauro, 2018).

Nonetheless, costs are not the only explicative factor for reshoring activities. Other motivations are identified in the literature:

- *Knowledge and innovation issues:* scarcity of skilled human resources in the host country (Bals and al, 2016), loss of knowledge base and core competencies by heavily relying on external service providers, erosion of innovation (Tate et al, 2017).
- *Production quality:* difficult to keep quality maintained (Di Mauro, 2018; Fratocchi et al, 2016)

Therefore, several companies reshored their activities seeing potential benefits in local production. Making location decisions a new issue for firms must deal with. Literature has proven that is constitute a shift of the firms' competitive strategy (Di Mauro, 2018; Grandinetti and Tabacco, 2015; Huq et al., 2016) from the traditional cost cutting strategy. Indeed, reshoring does not constitute a failure of the offshoring initiative but rather from a shift of the reshoring competitive strategy (Grandinetti and Tabacco, 2015; Huq et al., 2016).

1.2 New ways of creating value thanks to new technologies

Literature has proven that firms that have been improving their capabilities are the one that going to benefit the most in a global competitiveness textile industry (Chandra, 1999). As the central dynamic is being price competition (Bulut et al, 2011), companies can seek higher

competitiveness by adopting new technological solutions. Indeed, new technologies (Dachs et al, 2019), automation, robotization can reduce labor intensity (Ancarani and al, 2018; Di Mauro, 2018; Tate, 2014) by improving productivity and reducing scraps (Bals et al., 2016). It can also improve quality in production processes (Arlbjørn and al, 2014). Thus, technologies can be "equalizers" of location costs (Bals and al., 2016).

The driving force for new technological solutions are being the need for cleaner, cost-effective, and value-added textile products (Ahmed and al, 2010). In the textile industry, much attention for treatment of textile and dyeing wastewaters are made : membrane separation processes, ultrasonic, photochemical and electrochemical processes in order to create new materials and new methods. Textile manufacturing includes several sequencing processes (singeing, sizing, desizing, scouring, bleaching, dyeing, printing) that are characterized as whole by consumption of resources, such as water, electricity, and fuel and usage of several types of chemicals, all of these have enormous impact on environment.

Already, in the 90's, new technologies were available to facilitate major changes in U.S. production systems like communication technologies, automatic air or light controlled sewing machines, and laser and ultrasonic cutting can provide quick response capability and improved apparel quality in U.S. apparel industry (Lin, 2001). However, today most of the countries develop technologies to be competitive. Special attention has been paid to the biotechnology in textile industries in China (Chen et al, 2007) which means the development of new types of textile fibers and polymers and application of enzyme technology in textile wet processing. In addition, improvements in energy efficiency in Colombian textile manufacturing activities are a main concern through production processes, investments in R&D, and application of new technologies (Martinez, 2010). India specialized in the era of wearable computing which means

in the applications combine electronics and information technology with textiles (Raichurkar and al, 2015). Purchasing new machinery or enhancing the quality of the existing machinery and introducing new technology can also be very useful in increasing the research & development (R&D). It plays a major role for increasing the industrial growth of a country (Khan and al, 2010). Thus, the focus is on value creation, technology and technological adaptation and capacity building.

As different manufacturing technological innovations can play different roles in driving the relocation decision (Barbieri and al, 2018), the introduction of new technologies can lead to reconsidering the division of the production process as well as the location of each stage, which may mean reshoring some of them (Martinez-Mora and al, 2020).

1.3 Reshored product: a selective strategy depending on pricing model and target market segments.

Firm, when reshoring decides to have a selective reshoring strategy of the production. It means that offshoring and out-sourcing the production is reserved to low- and mid-end products. The reshoring process is only to produce high-quality products to produce in-house, due to the criticality of technical performance. Indeed, because of the difficulty to keep quality maintained in high-range companies, reshoring is a strategy to improve product quality (Di Mauro, 2018; Fratocchi et al, 2016).

However, high-quality reshored product requested by the consumers of a market niche like technical moutanin shoes produced in Italy. Reshoring is a quest for innovation and quality to enhance customer value (Di Mauro, 2018). Customers perceive value of those product attribute (Frattochi et al, 2016; Tate et al 2014). The location of production may be a decision criterion

(Tate et al 2014). Therefore, some well-known brands as Gucci, Ferragamo and Tods work with local suppliers to certify a product fully manufactured in Italy (Di Mauro, 2018) as a brand-image strategy. The literature describes the effect of "Made In XX" as a way for the company charge a premium price (Di Mauro, 2018). The central dynamic is moving from low- and medium-end products manufactured as a contractor to higher-value ones sold with its own brand name, premium branding strategy (Di Mauro, 2018; Baraldi, 2018).

Also, increasing concern amongst consumers about the social and environmental impact of their purchases. The reshoring literature shows how there is a changing market dynamic in the global textiles and apparel market (Capadei et al., 2021). Thus, incorporating sustainability into the supply chain has become a key priority for most of the big players in the industry known as H&M, Patagonia, The North Face, Louis Vuitton (Shen et al, 2017). Every brand in the clothing supply chain, individually or in partnership with organizations begin to implement eco-friendly practices (Moorhouse and al, 2017): Levi Strauss and Eurnu in 2016 designed the first pair of jeans made using post-consumer cotton waste. G-Star Raw created the world's first denim collection made from ocean plastic. Mud Jeans developed jeans that are leased to customers for a monthly fee and then return. Several fashion companies have introduced new sustainability initiatives which challenge the conventional business models within the industry.

The supply base here is considered as key aspect in a reshoring strategy (Di Mauretto et al, 2020) to deliver quality to the customer value (Di Mauro, 2018).

1.4 Evolution of the governance and the value network to obtain flexibility both in host and home country.

Traditionally, managing long-distance operations and sub-contractors' relationships is an important risk of supply chain interruption. It has led companies to reverse their location decisions (Frattocchi, 2016). Due to massive delocalization since the 90's, textile and apparel

industries are characterized by a long, complex, and fragmented global value chain (Gereffi et al., 2010), that has raised dilemmas of governance (Böstrom et al, 2016; Bulut and al, 2011) because of power asymmetry between Western buyer firms and contractors. The high capture of value was made by firms in the global chain.

Governance structure and the search for competitive advantage through location decisions are interrelated (Rugman and Verbeke, 2001). Increased collaboration with domestic suppliers is necessary to have an effective business and sustainable reshoring strategy (Barbieri and al, 2018). Also, new technological processes lead firms to slice their value chains differently (Martinez-Mora and al, 2020). In addition, trade restrictions amplifying uncertainty across complex production and sewing networks in the global economy. The firms affected seem to bypass trade restrictions with two main strategies: switching productions: locations, end markets and or suppliers or upgrading value chain activities (process, product functional) (Gereffi, 2021).

However, those shifts means redefining and reconfiguring supply networks to develop R&D and innovation: rebuild a domestic one or rely on the supply networks still located in the domestic country or to the offshored country (Moretto et al, 2020). The redesign of the network structure and relationships can bring higher competitiveness (Barbieri and al, 2018): flexibility is chosen over low costs (Moretto et al, 2020; Di Mauro, 2018; Fischer, 1997).

In the reshoring literature, proximity boost innovation by sharing ideas (Moretto et al, 2020), co-locating production and development (Di Mauro, 2018), collaborating with other entities within the local district (Di Mauro, 2018), facilitating the transfer of tacit knowledge (Feldman, 2000). Nonetheless, the reshoring decision still means for the firm to be part of a transnational network with different supply markets (Baraldi, 2018).

2. METHODOLOGY

We decided to conduct empirical research with multiple case studies (Yin, 2009). As an instrumental case study (Stake, 2013), the purpose of those case studies is to go beyond the case. With multi-case study and its strong interest in the quintain, the interest in the cases will be primarily instrumental (Stake, 2013). The objective of this research is an attempt to generalize causal links and descriptions of the world out of empirical instances. A back-and-forth process between the research evidence and considerations of theory was undertaken (Earl Rinehart, 2021). This abductive methodology aims at generating novel theoretical insights that reframe empirical findings in contrast to existing theories (Timmermans and al, 2012).

We employed multiple data collection methods to exploit opportunities for triangulation (Jick, 1979).

The data collection was conducted during the period September 2021 to January 2023. During the first stage, information was gathered from multiple public sources. This phase was highly exploratory of the information directly or indirectly connected to the objective of the research – born local strategies in textile industry. This stage mainly consisted of the study of documented information and archival records. The first phase allowed a clearer definition of the textile industry and its dominant business models. The second phase consisted of interviews by the founders, employees, and suppliers of the firms. Purposive sampling is employed to ensure that the most relevant informants are selected (Goulding, 2005). Finally, we conducted several direct observations during different occasions. This provided a firm grounding for understanding the main dynamics underlying the born local strategy.

To study the companies' strategies, we decided to use the business model framework as a simplified representation of a company value proposition, creation, delivery, and capture

(Geissdoerfer et al, 2018). It enables to have a full view on the entire "architecture" of a company (Teece, 2010) by focusing on the capabilities, the resources, the distribution channels or the cost structure. Business models permit us to understand companies' strategies to commercialize new ideas and technologies (Chesborough, 2010). In addition, non-monetary value seems as important as monetary value for the stakeholders and their ecosystems (Geissdoerfer et al, 2018).

To enable us to distinguish in a detailed manner the different types of values at two levels, the firm, and the business environment, we use the 360º Business Model Framework (Rayna et al., 2016). This framework proposes 5 components: Value creation, Value proposition, Value capture, Value delivery and Value communication. Value communication defines the way companies communicate with stakeholders in their environment about the value they create. This last component of the model enables us to gain comprehensiveness on the different values and identity of the companies and the product they offer to the market. As the reshoring literature emphasizes on the cruciality of added value of the reshored product, it seems particularly interesting for our study to use this framework that include the channels used to communicate and the story the firms tells to set itself apart from the competition (Rayna and al, 2016).

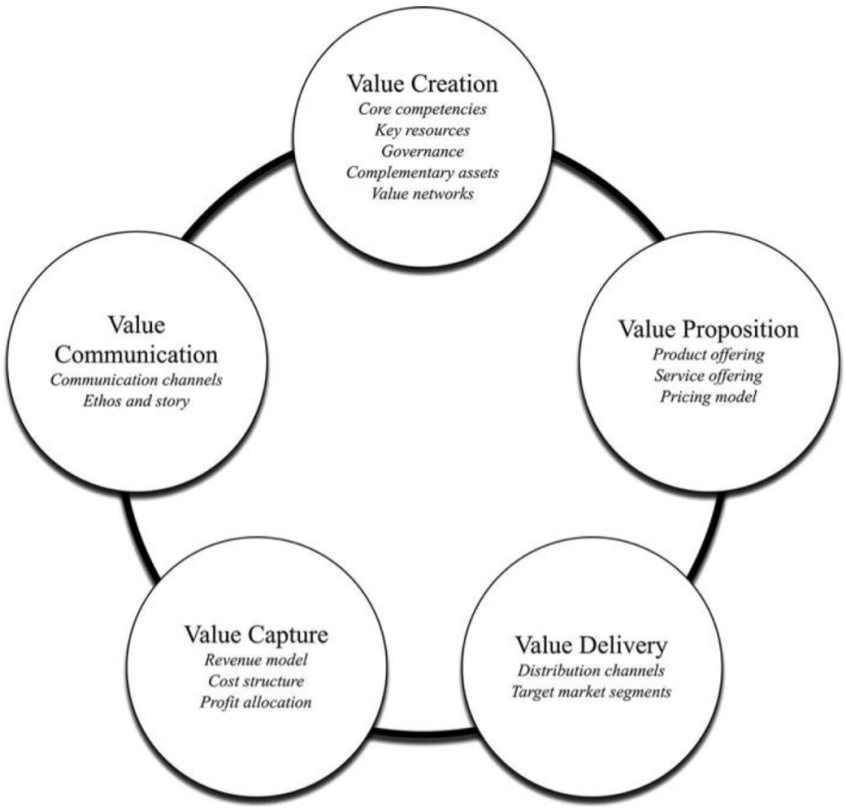

Figure 1. 360º Business Model Framework (Rayna and al., 2016).

2.2 Data collection

2.2.1 Documentary information

We accessed several information sources: various articles from local and national press. We further viewed video material: 2 TV documentaries specifically on the case studied (around 140 minutes in total). Also, we used the book (192 pages) written by the founder in a data collection as a testimony. In addition, we compiled more than 10 newspaper and magazine interviews of the founder, more than 25 company webpage and articles blog, 7 posts on social media and 5 TV interviews for local or national television programs.

2.2.2 Interviews

A total of 13 interviews (table 1) were conducted for the research. To have a greater perspective of the advantages and disadvantages of a born local strategy, we meet internal actors (employees and the founder) but also external actors, mainly suppliers as they play a key role in the governance. The interviews focused on all the components of a business model: creation, capture, delivery and communication values. More precisely, the questions asked were about the resources and the competencies, the key partners of the business, the target market segments, the cost structure, the different distribution channels and the elements that are important for them to communicate.

Data from a multi-case study usually will come mostly from the cases studied, but the researchers may gather other data than case data (Stake, 2013). Thus, an interview was also conducted with a journalist specialized in textile delocalization and provided interesting insights for our research.

Table 1. Interviews and length

# OF INTERVIEWS, ROLE IN THE BUSINESS	INTERVIEWS LENGTH
1. Founder, firm #A	52 min 16 sec
2. Partnership Manager, firm #A	56 min 41
3. Garment workshop manager, firm #A	55 min 43
4. Founder, firm #C	43 min 18
5. Founder, firm #F	26 min 43
6. Founder, firm #O	34 min 28
7. Seamstress trainer, supplier	58 min 55
8. General Director, supplier	96 min 20
9. General Director, supplier	89 min 54
10. Production Director, subsidiary company	57 min 26
11. General Director, clothing manufacturer	58 min 41

	12. General Director, clothing manufacturer	60 min 04
	13. Journalist specialized in delocalization	62 min 26

2.2.3 Direct observations

One supplier site was visited in an information situation (general visit, short stay) involving interaction with the director and employees. It allowed us to deepen our understand from a seamstress perspective. In all cases, we took notes of our observations during and after the visit.

Also, our participation to 3 days major event on the "Made In France" subject provided us with more than 10 pages of general and gives us insights about the

2.3 Data analysis

The analysis of data followed an abductive and iterative process between literature and the data. All the interviews were transcribed, giving us more than a hundred pages of primary data. We assessed numerous data sources to have a comprehensive understanding of the case. This allowed us to identify the factors and various elements of a born local strategy, as well as the successful drivers in the studied case. We conducted a series of iterations between our data, both secondary and primary, and the literature on reshoring, to discuss our emerging findings and interpretation and to better identify the expected contributions.

2.4 Case studies and research setting

To understand the born local strategy, a multicase research was conducted. In multicase, the single case is of interest because it belongs to a particular collection of cases. The individual cases share a common characteristic or condition. The first case selected was the most

successful growing brand selling French made jeans. Jean as being the symbol of a universal product, globalized and ultra-competitive, and whose manufacture is extremely polluting, the firm aims is to create a new textile industry that is local, ecological, and competitive.

The firm supplies basic clothing: jean, skirts, shoes, t-shirt, hats, gloves, scarves. The brand is based in South-East of France, in Romans-sur-Isère, a traditional textile and clothing area, which has witnessed a significant long-term decline in employment over the last 40 years. Apart from the organic cotton which does not grow in France, all the manufacturing stages are domestic: spinning is in the Vosges, dyeing and weaving are in the Loire, manufacturing is in Marseilles. In this model, the unit specializes in conception (design, models), production plans and product marketing. It buys the raw materials and entrusts their transformation to other units (subsidiaries or other subcontractors) to produce clothing items for which it ultimately retains industrial property. The firm product range offers sustainable clothes and domestically manufactured opening the Made In France products to premium market segment. It pays great attention to the ecological and social impact of their products in the sector.

Thus, to have a selection of cases, the critera of selection of the other cases was based on the same value proposition of the company: selling french made jean. The cases in the collection are somehow categorically bound together. A total of 16 companies were founded (table 1). The objective of this research is to examine the functioning and activities of each case but the first is to understand the case (Stake, 2013). We study what is similar and different about the cases from a value-based perspective to understand the phenomenon better (Stake, 2013).

Table 2. Overview of selected organizations for case studies

#	CASE	DATE OF CREATION	EMPLOYEES	LOCATION OF THE HEAD OFFICE	2021 COMPANY TURNOVER	FOUNDER'S BACKGROUND

1	#A	2013	49	Romans-sur-Isère (26)	5 907 600,00 € (2021)	Computer scientist and trader in the apparel industry
2	#B	2016	8	Lyon (69)	239 400 € (2019)	Management and development and finance skills also first experience in Made In France t-shirt
3	#C	2018	1	Sainte-Geneviève-des-Bois (91)	74,900 € (2021)	
4	#D	2011	6	Guingamp (22)	380 000€ (2022)	
5	#E	2016	6- 9	Frayssinet-le-gelat (46)	1 600 000 € (2022)	Political science background and family business (two brothers and a sister)
6	#F	1974	9	Decines-Charpieu (69)	450 000€ (2020)	Textile industry worker
7	#G	2014	4-10	Nîmes (30)	610 000€ (2022)	History and art background and a former art director
8	#H	1892	26	Florac (48)	2 900 000€ (2021)	Jean makers on 4 generations: family business created in 1892.
9	#I	2012	17	Nancy (54)	2400 000€ (2021)	Davy Dao, harcelé à l'école à cause de ses habit + voyage au Vietnam ou il a vu les conditions de travail des employé.e.s
10	#J	2013	15	Roubaix (59)	749 100€ (2018)	Christelle Merter (Ingénieure textile)

11	#K	2010	1	Roanne (42)	130 000€ (2022)	Entrepreneur that creates the brand in 2015
12	#L	1994	2630	Roubaix (59)	355 778 906 (2021)	Successful men apparel brand
13	#M	2013	3-5	Trouville-sur-mer (14)		Pattern maker in a Normandy company supplying several Parisian fashion houses
14	#N	2018	26	Chanverrie (85)	7 000 000€ (2021)	Former General Director of a worlwilde textile brand
15	#O	2003	6-10	Bordeaux (33)		Profesionnel trainee in electronics and robotics, than marketing and sales degree
16	#P	2016		Angers (49)		
17	#Q	2010	14	Lavelanet (09)	750 000€	Weavers and dressmakers for 5 generations

The research setting is represented by the French clothing industry. We select this specific setting since the clothing industry is facing important reconfiguration, thus making the born local strategy a relevant issue. Due to massive delocalization since the 90's, the sector has lost two thirds of its workforce and more than half of its production. The market is however dominated by a few large multinationals. The use of international subcontracting and/or the relocation of production for multinational groups can lead, in France, to a model of "factoryless goods producing firms". Clothing is one of the industrial activities most affected by this phenomenon throughout the world. From now on, France massively imports "textile" products, especially clothing and shoes, half of which come from Asia and a third from Europe.

The chosen multi-cases enable us to explore the implementation of a home country supply chain strategy. This choice dependent upon one main reason making the companies suitable for studying this question: being born local which means producing the jean in France and acting in the Made in France market. The 16 cases selected produce at least the most intensive labor work in France: the weaving and the sewing.

3. ANALYSIS

3.1 Made In France jeans value proposition.

3.1.1 Product offering

All the cases sell jeans, a basic clothing, that are "made in France". It appears that most of the companies have a reduced offer of jean, going from a single model to 10 model : #I - 2 jeans for men, 2 jeans for women; #B- only one model for men; #E - 2 jeans for men, 3 jeans for women; #F - 3 different models for women and men; #G- 4 models for men and 2 for women; #H- 5 for men and 7 for women; #K - 2 jeans for men; #O - 5 for women and 10 for men; #P - 6 models for men; #Q- 1 men's and 1 women's model.

Only two cases, sell more than 10 different jeans: #A with 5 different cuts but also high and low waist; #D 12 jeans.

No technicity is added to the French made jean when compared to other brands. Most of them are made from cotton and elastane. Only two cases propose linen jean (#F; #I), and another jean is also made of 35% Merino wool (#H). However, using linen or merino wool impact the cost structure as the raw material is more expensive. The market target segment is changed: it enables the brand to charge a premium price for a jean. For instance, a firm develop a special yarn technology that males the jeans more resistant and is directly targeted to motorcyclist (#O).

3.1.2 Service offering

A few service are offered by the firm selling the jeans : custom-made (#M; #Q), customization of jeans (#M), writing the customer's name on a wall in the workshop (#Q), Deposit system (#A), guarantee on the jean (#O; #P), and visit of the workshop (#A; #J, #F; #H; #I, #Q).

3.1.3 Pricing model

Three main pricing model ranging from 70 euros, considered as affordable jean to a more luxury-premium jean with above 130 euros.

Table 3. Three main pricing model for a Made In France jean

PRICE RANGE	FIRMS
Less than 70 euros	#E; #L
From 90 to 130 euros	#A; #C; #D; #F; #I #J; #K, #P
Above 130 euros	#B; #G; #H; #N; #O; #M; #Q

3.2 Value creation

3.2.1 Core competencies

There are two distinctive core competencies to sell jean: the one linked to the production and the one linked to the commercial and marketing skills to sell the product. Indeed, technical skills and industrial skills are necessary to produce a jean. It takes more than 40 different steps to create a jean from the design to the distribution of the product. All the steps ask different knowledge, know-how, and machines:" *The fabric arrives at the workshop, it is cut, it takes about fifteen workstations to assemble a pair of jeans*"(Founder, #F). Seven out of the 16 cases s have integrated a part of the manufacturing process in their business model.

However, what appears to be strategic in this case study are the commercial and marketing skills to develop a brand in a highly competitive industry. Most of the employees of the brands; except for the one that integrated all the manufacturing processes (#F; #G; #H; #M; #Q), are dedicated to business development, finance, sales, marketing, communication, or IT (#C) and to shop managers (#A; #I)

3.2.3 Key resources

Raw materials constitute an important key resource to produce jeans. Even though, the products are labeled "Made In France", the cotton comes from Asia or Africa. Two jeans (#I, #F) are however made with linen, highly grow in North of France which enables the company to communicate on the origin of the raw material and the ecological impact of sourcing raw material in the home country. However, except for three brands, the jeans are made thanks to a network of multiple suppliers: it goes from coordinating 5 suppliers to more than 30 suppliers. *"So everything that is before the fabric is made on a single site which is a Valencia in Spain. That's it and then, after the fabric, as I was saying, it can go to a whole bunch of workshops. There is MCD, MCD which is at Montceau-les-mines, there is l'Ascenseur which is in Merville, in Hauts-de-France, And DSL which is in Capbreton, After the confection, there is an operation to ennoble the fabric this time but therefore the jeans and which is done in Bordeaux*" (Founder, #O)

The geographical locations of those suppliers are mainly France but, in a few examples, (#J; #O) to reduce the cost of production some alternative like Brasilia or Tunisia are chosen.

Moreover, ownership of a production facility and workshop (#A; #F; #G; #H; #I; #M, #Q) is identified by the founders as important for their business model : "*I prefer to be on something that I am 100% in control of and even if there are parts that are delegated"* (Founder, #C) Indeed, it enables them to gain industrial knowledge and know-how and it is also a strategic

part of their communication plans as they can communicate on how it is created in their workshop with multiple photos.

In these cases, the employees and their industrial and products knowledge and know-hows are crucial. Seamstresses, weavers, mechanics are part of the creation of value.

3.2.4 Value network

In addition to suppliers, other brands that are related to the made in France market are part of the network for three brands (#A; #B; #D). The brands like Saint James, Simond, Armor Lux are strategic partners. They collaborate on specific products that can be jeans but also other products (e.g pull-over or shoes). It enables the French made jean brands to be visible to customers through other brands. Also, on a cost point of view, they are shared by the two brands that are collaborating on a specific product.

Also, customers can be actively engaged and entirely part of the business model (#A; #F; #C; #P; #E; #G; #I; #Q; #O) thanks to their financial contribution trough crowdfunding platforms

3.2.5 Complementary assets

Some of the brands only sell jeans (#F; #L; #M) but most of them sell other products to diversify their value proposition.

- The other clothing products are also basics: t-shirt, sweatshirt, socks, skirt, dress, bermudas shorts (#B; #C; #G; #D; #J; #O) underwears (#A; #J)
- Other clothing but only in jeans (#H)

- Also, companies that sell accessories: apron, gloves, bags, belt, suspenders, card holder (#H); hangers, scarves, beanies (#A); beret, slipper, scarf, COVID mask, household linen (#N); caps (#G), socks (#I), jeans making kit (#A)
- The way of producing the jean to differentiate from the other brands. For instance, customised jeans made entirely by hand with no machine (#P).

The service of visiting the workshop in which are made the jean appears to be an interesting complementary assets : "*it's super engaging for consumers because they see who makes the jeans when they go to visit our factory and conversely opening our factories to the public, it's the best way to make our workers experience the pleasure that gives the customers and the meaning they give to the customers when they make their jeans*" (Founder, #A) "*People come and buy their jeans from us with a visit. But there is nothing organised, it is very spontaneous*." (Founder, #F)

Another asset used by most of the firms are labels: " *There are labels, there are, there are quite a few actors who are interesting, and I think of Green Fashion, Plateau fertile, Fashion Green hub, Slow We Are.By being labelled Slow We Are, it can be a recognition of our approach, so it is not greenwashing" (Founder; #C)*

3.3 Value Delivery

3.3.1 Distribution channels

The 16 brands all sell their jeans online. However, a few of them have physical shops (#A – 5 shops; #B – 1 shop; - #G- 1 shop; #I – 1 shop): "*We don't want to have all our eggs in one basket, so 50% in the shop 50% on the internet and when one of the two channels works well, we invest in the other, so we stay at 50-50*." (Founder, #A)

Another distribution channel used to have a physical presence is to sell in the workshop where the jeans are produced (#A; #H; #F; #Q). A particular case, as a supplier become BtoB channel to a direct-to-consumer sales as they developed their own brands and their own jeans.

One distribution channel used by all the brands except one (#F), is resellers. Indeed, a large reseller networks of multi-brand shops are used to sell the jeans. It goes from 5 resellers (#C) to 88 (#J) to more than 125 resellers (#A).

3.3.2 Target market segments

From a price perspective, it goes from accessible jean (#E; #L; #J), to premium (#A, #B, #G; #J; #M, #P, #Q) to expensive jeans (#O; #H).

From a distribution, all the jeans made in France are sold in France. However, some Made In France jeans are sold abroad in Europe like Switzerland, Spain, Germany, Belgium, Italia, Corsica (#A; #H). Some destinations are further afield like Japan (#H) or USA (#O).

Some brands produce exclusively for men (#B #P); other for women (#D).

There is no specific niche market targeted by any brands except for one specific brand that decided to focus on a niche market which is motorcyclists (#O) by producing very resistant jean.

3.4 Value capture

3.3.1 Revenue model

Selling the jeans are not the only way of capturing value. Some brands have public fundings to purchase and modernize their tools and factory. For instance, Firm #H had more than 412 000 euros from the public administration to invest in production capacity. More precisely, to expand

the production space and to develop a training course for technical skills. In addition, firm #A had more than 700 000 euros of public fundings. 375 000 euros went for the acquisition of sewing machines and automatic clothing machines installed on ergonomic frames offering 100% electrical assistance in the adjustment of workstations. Also, private fundings are also used to capture value for three firms (#A; #E; #J). In 2019; firm #J fundraised more than one million of euros to develop.

In addition, customers are actively engaged through crowdfunding campaign (table 4) in the value capture of their business models. They participate by investing money in the business or by buying jeans in presales which enables the company to have some funds to invest in production capacity. Also, customers by visiting the workshop and paying the service participate differently to the value capture of their business model (#H).

Table 4. Crowdfunding campaign

Firm	Crowfunding platform	Year	Expected contributions	Reached contributions
#A	Ulule	2013, 2019, 2023	100 presales (2023)	378 presales (2023)
#F	Ulule	2019	1000 presales	1347 presales
#C	Ulule	2019	10 000euros	23 253 euros
#P	KissKissBankBank	2017	3000 euros	3065 euros
#E	Ulule		100 presales	2 767 presales
#G	KissKissBankBank	2018	20 000 euros	28 736 euros
#I	Ulule	2018	13 500 euros	122 227 euros
#Q	KissKissBankBank	2022	2500	2515 euros
#O	Tudigo		10 000 euros	48 000 euros

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3.3.2 Cost structure

The production cost of a pair of jeans Made In France based on four brands (#A; #C ; #H ; #O) varies between 45 and 50 euros, The largest expenditure item is the sewing, then it is the raw materials.

"*We arrive at a fabric which, on average, will cost about 20€. This is a range that will be from 14€ to 42€, so with an average price of 18€. And it's true that it's still very expensive every year, we manage to lower the price a little bit by lowering the performances which are extreme and by selling more fabric for less. I'm at about 90 euros because I sell Made in France*" (#O). This production cost is ten times more expensive than a jean made in Asia : "*And moreover, in the evidence, there was only the price which was annoying, but finally it is not annoying the price it is really the derisory price in the developing countries and the price, it is normal in in France for example*" (#C)

3.5 Value communication

3.5.1 Communication channels

A wide range of communication channels are used to showcase the value proposition. It can be traditional press local (#G; #E; #F; #H; #M; #Q) and national (#A; #I) , by books telling the story of creating a Made In France Jean brand (#A), by opening the workshops to visits (#A), by crowdfunding campaigns (#A) , TV documentaries (#A; #I), social media (#A; #D; #E; #F; #I; #L), or creating a blog on their website (#A; #O; #C) to tell the journey of how is created the jean.

Having broad opportunities to communicate through multiple channels create a "campaign dynamic" (#A).

3.5.2 Ethos and story

The focus on the communication is on several elements : history of the production if it's an old manufacturer (#G, #H, #Q), history around the founder (#I; #A, #Q), location of the head office

and historical elements based on the geographical implementation (#Q, #G, #H #A, #I), function of employees for technical know-how with the example of seamstresses (#A; #H, #Q), composition of the jeans and the price and real cost of the product (#A, #C; #I; #O), networks of suppliers and their location (#A; #D; #J) or collaborations with other brands (#A; #I).

The communication has a large focus on sustainable development. Either their communicate on the social impact (#Q; #E), the economic impact (#F; #G), or the environmental impact (#J; #C; #I; #O: #B) of the activities. Some of them communicate on one of the components and other communicates on the three of them (#A, #M; #P)

4. DISCUSSION

Four main business model appear to be dominant based on two variables (figure 1). Those variables were selected during the research process with back-and-forth iterations with the data to understand similarities and differences between the business models. First, by the way the value is created – internalized or externalized production. Second, how is it distributed – digital or hybrid strategy which means digital and physical shops.

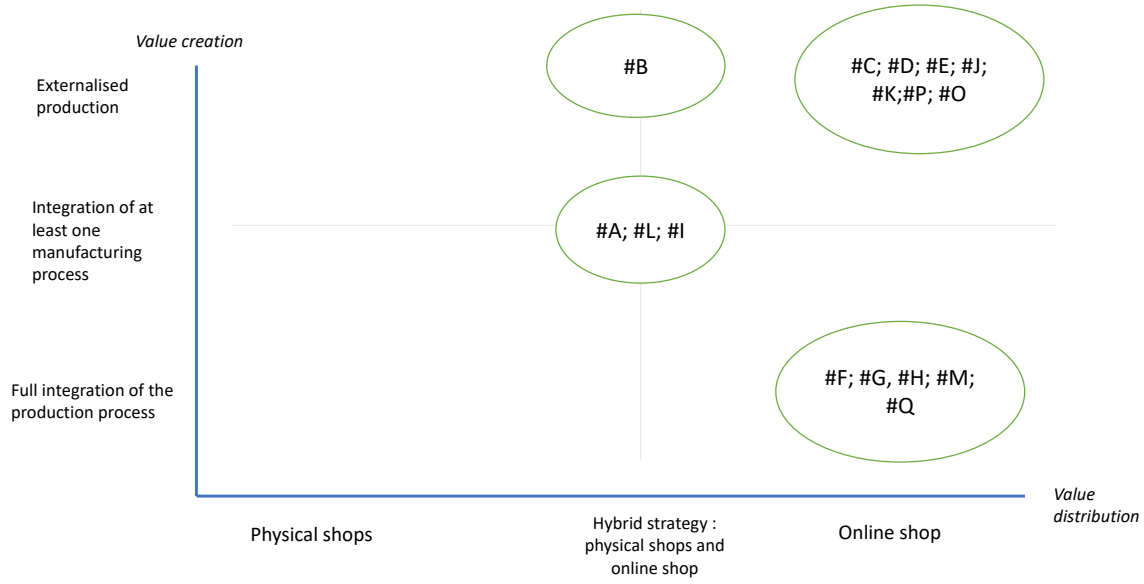
Seven of the cases studied are clustered in the model with only digital distribution and fully externalized production. In this model, the unit specializes in conception (design, models), production plans and product marketing. It buys the raw materials and entrusts their transformation to other units, suppliers to produce clothing items for which it ultimately retains industrial property. The value creation depends on many suppliers that needs to be coordinated.

On a distribution channels level, they have no physical shops. However, they all benefit from a large network of resellers, for instance 88 (#J). Depending, on the distribution strategy, the resellers are in various place in France or in a specific region. For instance, firm #D produce in

Brittany and sell most of its product in Brittany – which implies that most of the resellers are therefore in Brittany.

In the second model, the distribution channel is only digital and no physical shops and on a value creation point of view, the jean sold are entirely made in the brand workshop, it is a fully integrated production process. Suppliers are needed for raw materials.

Figure 1. Four dominant business model based on value creation and value distribution.



Third, in the hybrid model of distribution and integration of at least one manufacturing process, the unit specializes in conception and product marketing but also on production and manufacturing skills and capacity. For the three brands clustered in this model, the weaving and

the sewing were internalized by buying a factory. Nevertheless, the value creation is still dependent of a broad number of suppliers. For instance, firm #A still needs more than 30 suppliers to create jeans because its capacity of production is not enough to meet the demand of the customer.

On a distribution channels level, they have a hybrid strategy: online and physical shops. For firm #A, online are for 60% for the product sold. They have 5 different shops French cities: Romans, Lyon, Nantes, Grenoble, and Paris. However, #I only have one shop in Nancy.

In addition, they also benefit from a large networks of resellers (#A more than 130; #I more than 25)

In the fourth model that is only represented by one brand (#B), it is a full coordination of suppliers to create jeans, but the model of distribution is hybrid: having on online presence but also a physical shop

5. CONCLUSION AND CONTRIBUTIONS

Born global as a location decision has been studied in the literature. However, the born local decision has yet not has received much attention. Although these firms are local and not multinational, they manufacture products typically and overwhelmingly manufactured abroad. The reshoring literature concepts has therefore been chosen in this research. Therefore, the question of whether these firms can operate locally while staying financially sustainable or whether they find an advantage in doing so has been addressed.

The preliminary findings highlight the difficulty for a born local to be sustainable, as nor the cost, nor the market nor the production can be optimized due to local resources and knowledge constraints. The research results shows that important cost has an impact on how value is distributed. The brands have fully benefitted of digitalization and online strategy as a

distribution channel to grow. The distribution channels are one of a key element of the Made In France Jean business model but the way the product is created still has its importance. Here, the central role of the firm as a coordinator is fundamental to develop a sustainable born local strategy. Governance and creating engagement between the stakeholder to create value is a crucial competency for managers. Using online communication does not only serve distribution objectives but also leverage communication values. As numerous communication channels are used to sell the product: it implies creating value through communication as a key element of a reshoring initiative.

The expected academic contributions is to participate to the reshoring literature by exploring a born local strategy, the motivations, and its processes. Also, to explore the advantage of whether these firms can operate locally while staying financially sustainable and finally, to understand the role of digital technologies in the value creation.

For practitioners contributions, the research expects to understand how value is created by the firm but also among partners in national and local networks and highlight the fundamental role of a coordinator in a sustainable born local strategy enhanced by digital technologies.

For further research, a more detailed analysis of the implementation of a born local business with the different obstacles and difficulties could provide much deeper understanding of the phenomenon. Also, it will be particularly interesting to understand how value is created within the value chain and how it is distributed among partners in the value (Ghauri et al., 2021).

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