Research Article

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Competitive Advantage Threats and Opportunities in the South African Clothing, Textiles, Leather, and Footwear (CTLF) Industry

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Abstract

Despite the employment and competitive advantage decline experienced in previous years, the South African clothing, textile, leather, and footwear (SACTLF) industry is still a significant contributor to the country's manufacturing sector. To restore employment figures last seen a decade ago in the industry, the SACTLF has to explore competitive advantage threats and opportunities, among others. To explore competitive advantage threats and opportunities in the SACTLF industry, a leading SACTLF retail group and two leading clothing manufacturers' associations (representing over 100 CTLF organisations) were purposefully sampled and interviewed. Emerging from the transcripts is that the low rate of innovation and lack of access to manufacturing inputs are the main competitive advantage threats. Strengthening quick-response time and localisation emerged as competitively advantageous opportunities. This article's findings show that the SACTLF industry has the potential to develop a competitive advantage. The findings of the study contribute new knowledge to the literature.

Keywords: Quick response, competitive advantage, lead time, industrial policy, and Porter's diamond model

1. Introduction

The South African clothing, textile, leather, and footwear (SACTLF) industry is battling to regain the competitive advantage lost to global competitors more than a decades ago. Wang (2014) defines competitive advantage as a stage in which a firm develops a set of attributes or factors that make it possible to perform much better than its competitors. Scholars argue that the SACTLF industry lost its competitive advantage due to several issues, including low investment in manufacturing infrastructure (DTI, 2010); poor technological systems (Das, Hunter & Botha, 2017); insufficiently advanced skills (Mbatha & Mastamet-Mason, 2018; Mbatha & Mastamet-Mason, 2015; Das, 2011); unsophisticated domestic value chain (Morris & Barnes, 2014; Das & Hunter, 2015). The competitive advantage decline was arrested by a range of government grants and incentives implemented since 2007, after the development of an Industrial Policy Action Plan (IPAP) by the Department of Trade and Industry (DTI). IPAP posits the SACTLF industry as a priority industry for government support (DTI, 2007; 2010; 2014; 2016).

Morris and Barnes (2014) highlight a competitive advantage development among 59 SACTLF manufacturers assisted by the government and apparel retail groups that showed quick-response

adoption. However, more effort is required for the SACTLF industry to improve the development of competitive advantage. This article seeks to identify existing competitive advantage threats and opportunities that could strengthen the competitive advantage development for the SACTLF industry if assessed and implemented.

This article is structured as follows: a literature review, methods applied, and a presentation of empirical findings. Lastly, this article presents the study's conclusions on the competitive advantage threats and opportunities in the SACTLF industry. This article's objective is to explore if there are such competitive advantage threats and opportunities. This article will contribute to the SACTLF industry literature and improve the knowledge of the industry's competitive advantage threats and opportunities. This article also seeks to contribute to the global stakeholder's understanding of the SACTLF industry threats and opportunities to encourage foreign direct investment. Lastly, this article seeks to add to the discussion between policymakers and the SACTLF industry practitioners regarding current competitive advantage threats and opportunities. The methods employed for this article are discussed in the following section.

2. Literature Overview

2.1 *Employment fluctuations in the South African CTLF industry*

In its thriving days, the SACTLF industry was among the largest employers of unskilled workers and women in South Africa (Mwamayi, Wood, Haines, & Mmbengwa, 2013). Nattrass and Seekings (2013) advise that the SACTLF industry has over 1400 firms, mainly in the Western Cape, KwaZulu-Natal, Gauteng provinces, and (to a lesser extent) the Eastern Cape and the Free State provinces. Tilly et al (2013) argue that the SACTLF industry achieved this number of firms thanks to protectionist measures from the government that offered the firms grants and incentives while increasing import duties. For the SACTLF industry to improve its competitive advantage, an assessment of competitive advantage threats and opportunities should be undertaken, underscoring the need for this article.

The literature on the SACTLF industry employment reveals contradictory figures, even though they are sourced from credible South African authorities. Miruka (2014) contends that the SACTLF industry employed over 155 000 people in 1996; and Bezuidenhout and Jeppesen (2011) contradict this, indicating that the SACTLF industry had 228 000 employees in 1996. While there is consensus in the literature about the decline in the SACTLF industry employment figures since 1996, there is a lack of consensus on how many jobs were lost since 1996. Mwamayi et al. (2013) state that the SACTLF industry lost 76 000 jobs since 1996; and the South African Sustainable Textiles and Apparel Cluster (SASTAC) Material Issues Report (2014) argues that the SACTLF industry lost 100 000 jobs from 1996 to 2013. These figures suggest that while the introduction of the African Growth and Opportunity Act (AGOA) in 2000 improved exports, it seems the Act has not yet had a positive impact on employment figures in the SACTLF industry (Morris & Barnes, 2014). The inability to regain the employment figure of 1996 suggests that the SACTLF industry may still be facing competitive advantage threats. It further shows that competitively advantageous opportunities were not identified, highlighting the importance of this article.

The literature shows fluctuating but improving employment figures in the SACTLF industry after the DTI trade policy interventions stabilised job losses. The 2010 Industrial Policy Action Plan (IPAP) states that the SACTLF industry had 126 245 employees in 2008 (DTI, 2010). At the Clothing and Textile Industries National Bargaining Council annual general meeting held on 29 November 2011, the Minister of Trade and Industry, Rob Davies, stated that the SACTLF industry employment figure decreased from 126 245 (2008) to 56 985 in October 2010 and then increased marginally to 57 728 in September 2011 (Das, 2011). The global recession and volatile exchange rates are cited as reasons for the decline in the employment figure (DTI, 2014). This article argues that the inability to identify competitive advantage threats and opportunities in the SACTLF industry may also account for the inability of the industry to improve its employment rates.

The National Bargaining Council data indicates that the SACTLF industry employment figures decreased to 52 656 from 57 728 in September 2011 (Morris & Barnes, 2014). The 2014 IPAP reported two contrasting employment figures of the SACTLF industry (DTI, 2014). The first figures indicate that the SACTLF industry employment increased from 57 728 in 2011 to 108 700 in 2013 the second set of data, sourced from the Fibre Processing and Manufacturing Sector Education and Training Authorities (FP&M-SETA), shows that the SACTLF industry employment figure increased from 57 728 in 2011 to 59 700 in 2013 (DTI, 2014). The 2017–2020 IPAP shows that the SACTLF industry employment figure increased to 137 816 in 2014 and increased to 143 719 in 2015 (Economic Sector, Employment and Infrastructure Development Cluster, 2017). While this trend of employment increase is encouraging, the SACTLF industry is still far from reaching the employment figure of 1996 (228 000). For the 2013 and 2014 increases to be sustained, the competitive advantage threats and opportunities should be identified, and strategies implemented to reduce the threat while exploiting opportunities. This needs to identify threats and opportunities highlights the need for this article and others like it.

2.2 Government intervention in the SACTLF industry

The South African government has developed several grants and incentives to support the development of competitive advantage for the SACTLF industry since 2007 (DTI, 2007; 2010; 2014; 2016). These strategies include clamping down on Lesotho's exploitation of the Duty Credit Certificate Scheme (DCCS), making Lesotho's apparel prices more competitive than South African apparel (Morris & Barnes 2014). According to Morris and Barnes (2014), Lesotho's apparel manufacturers could export to South Africa at a lower cost, thus encouraging many SACTLF manufacturers to relocate to Lesotho to exploit the DCCS. This exploitation resulted in many SACTLF manufacturers closing down since they could not compete on price. Despite the closures, Mbatha (2018) credits the South African government with improving the competitive advantage of the SACTLF industry through their grants and incentives expressed in their IPAP since 2007. Through these IPAP strategies employed since 2007, the SACTLF industry reduced firm closure and job losses, suggesting that the SACTLF firms have some competitive advantage that arises from government grants and incentives (DTI, 2007; 2010; 2014). However, Mbatha (2018) argues that while government grants and incentives improved competitive advantage in the SACTLF industry, other factors limit the development of sustainable competitive advantage in the SACTLF industry within these grants and incentives schemes. For example, these grants and incentives are mainly accessible to large manufacturers, not cut-make-trim (CMT) manufacturers.

Mbatha and Mastamet-Mason (2015) suggest that imports of apparel products have increased while exports have decreased, resulting in a negative increase in the balance of payments for South Africa. The contribution to gross domestic product (GDP) of the SACTLF industry dropped from 6% to 3% in 2013 (Statistics South Africa, 2013), indicating that the SACTLF industry contribution to GDP is diminishing because of competitive advantage challenges. Therefore, it is clear that while the South African government's strategies are credited with improving the competitive advantage of the SACTLF industry. However, further competitive advantage threats and opportunities are yet to be assessed and exploited by the SACTLF industry.

Porter (1990) advises that the government can positively or negatively shift competitive advantage towards an industry through its policies. This article shows the positive role played by the South African government to improve competitive advantage. However, the SACTLF industry still requires additional competitively advantageous opportunities to reclaim its glory days. For this to be achieved, studies must be conducted to assess the threats to and opportunities for competitive advantage. This article seeks to close this gap.

2.3 Battle for the domestic market

Porter (1990) advises that home demand influences economies of scale and determines the rate at which firms innovate and improve to develop a competitive advantage. Morris and Barnes (2014) indicate that the home demand for clothing, textiles, and leather products outweighs production.

Home demand for these products increased moderately, while the SACTLF production decreased from 75% in 2005 to 60% in 2011, paving the way for increased imports. According to Porter's diamond model, home demand increase presents the SACTLF industry with an opportunity to take advantage of the home demand by innovating and improving its competitive advantage to satisfy that home demand. Instead, the growing home demand gap was closed by imports from China predominantly, among others. The import market grew from 25% in 2005 to 40% in 2011 (Morris & Barnes, 2014).

The SACTLF industry has been unable to reclaim its lost market share for more than a decade from importers of clothing, textiles, and leather products (Mbatha, 2014; Morris & Barnes, 2014; Truett & Truett, 2010; Miruka, 2014). No studies were undertaken to understand why the SACTLF industry does take advantage of the growing home demand. This article presents an opportunity to the SACTLF industry and possible global investors to understand the threats and opportunities limiting the development of competitive advantage in this industry.

The SASTAC material issues report (2014) and Truett and Truett (2010) argue that the SACTLF industry could reduce their unit cost if their domestic market size increased. Morris and Barnes (2014) rebut this view, showing that while domestic market size continued to increase from 2005 to 2011, the SACTLF industry perpetually lost market share, thus suggesting that an increase in market size may not reduce the unit cost. Economies of scale may not have resulted in the SACTLF industry innovating and improving its competitive advantage, as Porter's diamond model suggests. This market-size factor shows that more studies are required to understand the competitive advantage limitations for the SACTLF industry.

Das (2011) highlights that South Africa has sufficient raw materials for producing textiles (wool, mohair, leather, vegetable fibres, and manufactured fibres) to satisfy the home demand for clothing, textiles, and leather production inputs. The SACTLF industry should view these competitively advantageous opportunities and develop a trade policy to exploit these opportunities. However, the South African government did the contrary. Mbatha (2018) shows that the 2007 strategy to import some manufacturing inputs (such as fabric) duty-free may have encouraged the SACTLF industry to import manufacturing inputs like fabrics from other countries to the detriment of textiles manufacturers in the SACTLF industry value chain. This strategy highlights a competitive advantage threat to the SACTLF industry. It also highlights a competitive advantage opportunity missed by the SACTLF industry.

2.4 Porter's factor conditions in the South African CTLF industry

This section of this article looks at the SACTLF industry's factor conditions as explained by Porter's diamond model. The model is generally credited as being used for competitive advantage analysis and creation (Mbatha, 2014). This article is limited to factor conditions and how they interact with other factors, as illustrated in Figure 1.

Figure 1: Diamond model (Porter, 1990: 127)

Factor conditions are defined as necessary production inputs required for production to occur (Porter, 1990). Factor conditions are further divided into basic (debt capital, natural resources, and unskilled workforce) and advanced factors (modern technology, infrastructure, highly educated workforce, and university research institutes in sophisticated disciplines). This section of this article reviews pertinent literature on the SACTLF industry that has advanced factors in searching for competitive advantage threats and opportunities.

Das (2011) states that the SACTLF industry opportunities include developed financial markets, research institutions, good airport infrastructure, and access to venture capital. Mbatha (2014) adds that improvements in internet connectivity speed in South Africa (through the installation of fibre optic cables across the country) creates an opportunity for the SACTLF to use internet connectivity to improve their innovation efforts.

In addition, Das (2011) indicates threats to the SACTLF industry's competitive advantage include high labour costs, poor domestic logistics, poor local infrastructure, poor quality of local cotton, and labour rigidity. Mbatha (2014) further highlights that electricity costs, inefficient ports (longer time to offload goods), and poor railway infrastructure connecting South Africa with the Southern African Development Community (SADC) countries presents threats to the development of competitive advantage.

South Africa has an inadequate supply of raw materials critical in satisfying domestic demand predominantly (Morris & Barnes, 2014). Truett and Truett (2010) contend that the lack of fabrics in South Africa promotes importing lower-priced raw material products, negatively impacting demand for domestic raw materials. Mbatha (2018) argues that the lack of domestic raw materials results from the government's strategy to reduce tariffs on imported raw materials, which results in a competitive price advantage for international firms to the detriment of the domestic textiles industry. This government strategy results in fabric shortages that negatively affect the competitive advantage of the SACTLF industry.

When fabrics are available, the SACTLF industry uses outdated fabric objective measurement (FOM) systems, while global competitors have adopted technologically advanced FOM systems (Das, 2011; Das & Hunter, 2015; Das, Hunter & Botha, 2017). This use of outdated FOM systems harms the ability of the SACTLF industry to develop a competitive advantage. Mwamayi et al. (2013) advise that the SACTLF industry has to deal with the raw material challenges for the industry to be more competitive. The raw material challenges indicate that the South African textile sector might have an advanced skills gap that leads to a shortage of the raw materials necessary for clothing, textiles, and

leather manufacture.

Literature highlights that modern technology in some manufacturing firms may be lagging, resulting in the competitiveness challenges still experienced by the SACTLF industry (Miruka, 2014; Morris & Barnes, 2014). The difference in the level of modern technology adoption is mainly due to the compliancy rule, which is discussed in detail in Section 3 – *Methods* below (Mbatha & Mastamet-Mason, 2015; Morris & Barnes, 2014). Through the SACTLF industry's acquisition of modern technology, the industry is now able to have shorter production runs (56 days), giving them a competitive advantage over imports that have a longer lead time (Morris & Barnes, 2014). The shift in production method is made possible through quick response adoption. The literature shows that quick responses contribute positively to the competitiveness challenge (Miruka, 2014). While the literature indicates that factor conditions in the SACTLF industry have improved for compliant manufacturing firms, the industry still faces intense competitive advantage challenges. These challenges highlight the importance of further studies to update the information regarding competitive advantage threats and opportunities. The research will help improve the SACTLF industry's socio-economic role in South Africa.

3. Methods

This article used a qualitative approach to understanding human experiences regarding production methods, sourcing manufacturing inputs, and the government compliance rules that literature shows may influence competitive advantage threats and opportunities. This article assumed an explorative case study research design to gain a deeper understanding of the competitive advantage threats and opportunities for the SACTLF industry.

Five clothing, textiles, leather, and footwear manufacturers' associations were purposefully sampled and recruited for the study. However, only two associations accepted the invitation to participate in the study. The two clothing, textiles, leather, and footwear manufacturers' associations also represent the SACTLF industry in the government's trade policy negotiations (Department of Labour, 2013). These two clothing, textiles, leather, and footwear manufacturers' associations represented 101 compliant and non-compliant SACTLF industry operators and over 10 000 employees.

Three major retail clothing, textiles, leather, and footwear groups were also invited into the study. However, only one retail clothing, textiles, leather, and footwear group agreed to participate in the study. This clothing, textiles, leather, and footwear retail group is South Africa's largest clothing, leather, and footwear (CLF) retailer (Das, 2011). The group has over 1200 stores in the SADC region, and its turnover is over ZAR26 billion, which is more than the turnover of the SACTLF industry (Mbatha, 2014). Due to the clothing, textiles, leather, and footwear retail group's market share and turnover, their experience is viewed as sufficient to explore the competitive advantage threats and opportunities for the SACTLF industry.

Semi-structured interviews were conducted with the group-sourcing executive of the retail clothing, leather, and footwear group, a chairperson, and a representative of the clothing, textiles, leather, and footwear manufacturers' associations. The clothing, leather, and footwear retail group participants were asked questions about their experiences sourcing clothing, leather, and footwear products from domestic and international suppliers. The clothing, textiles, leather, and footwear manufacturers' associations were asked about the challenges limiting their competitive advantage.

Factual recording of respondents' experiences was ensured using a tape recorder to ensure the validity of the study (Flick, 2014). Furthermore, respondents were sent transcript records so that they could confirm the accuracy of the records. A thematic data analysis was done in line with Braun and Clarke's (2006) framework. Data gathered from the respondents from the three groups was transcribed, analysed, and coded into themes (competitive advantage threats and competitively advantageous opportunities) in line with the objective of this article.

4. Findings

Reporting the results was done in a way that ensures the anonymity of the respondents and the protection of their competitive advantage strategies. In light of this, clothing, textiles, leather, and footwear manufacturers' association respondents were referred to as Interviewee 1 and Interviewee 2. In contrast, the clothing, leather, and footwear retail group respondent was referred to as the apparel retail group interviewee. The findings of this article are discussed using the following headings, namely competitive advantage threats and competitively advantageous opportunities.

4.1 Competitive advantage threats

4.1.1 Low rate of innovation

This study's findings show that the low rate of innovation is a competitive advantage threat for the SACTLF industry. The apparel retail group interviewee respondent outlined several factors that are associated with a low rate of innovation as follows:

You need to change your organisation structure, your production, the way you hold fabric, your relationship with mills, your relationship with dye houses. So it is about educating them and getting them to understand that you have got to be able to respond and use the quick response to respond to retailers' needs and customers' needs. But, in some instances, the management is very old, and they do not want to change much. The other challenges with local manufacturers are that they do not have very good management, they lack good production management and good supervisor's skills. So it is about educating them and getting them to understand that you have got to be able to respond and use the quick response to respond to retail needs and customer needs.

The factors highlight the SACTLF industry innovation challenges that the government would assist in resolving through its grants and incentives. Interviewee 1 highlights how the government's trade policy discriminates between compliant and non-compliant SACTLF manufacturers by indicating that 'Yet again, access to sector education and training programmes is based on the compliance. Because without skills improvement, continuous education in the sector, the ability to reach a level of world-class manufacturing is certainly compromised'. This finding shows that the SACTLF industry has a low rate of innovation as a competitive advantage threat that the South African government and the SACTLF manufacturers could not solve.

The finding indicates that the SACTLF industry lags behind its global competitors in its ability to apply innovative ways to organise its manufacturing firms, production methods, and value chain. The finding suggests that the low rate of innovation could be found in both the compliant and non-compliant SACTLF industry. While compliant SACTLF manufacturers do receive help from the government and their value chain partners, their rate of innovation is still regarded as a threat to competitive advantage development. The finding suggests that the low rate of innovation is worse in the non-compliant SACTLF industry due to the complete lack of government assistance to manage this threat to competitive advantage development.

4.1.2 Lack of access to domestically produced manufacturing inputs

The findings of this article indicate that the shortages of domestically produced manufacturing inputs are a competitive advantage threat to competitive advantage development in the SACTLF industry. Interviewee 2 narrates that:

The only thing that compromises South African companies presently is the accessibility to raw materials. Cotton drilling is virtually non-existent in the country, recently rejuvenated. We are still relying on foreign countries for our raw materials and, as a result, your lead time is complicated not on

the actual manufacturing of garments. It is compromised because your accessibility to be able to have your raw materials to the factory is the challenge.

This study found that Interviewee 1 and the apparel retail group interviewee shared a similar experience that proves that the lack of access to domestically produced manufacturing inputs is a competitive advantage threat to the SACTLF industry. While cotton-drilling firms were resuscitated recently, it is clear the firms are still unable to take advantage of home demand.

According to this finding, South Africa's dependency on imported manufacturing inputs lengthens its lead time. This dependency exposes the SACTLF industry to exchange rate volatility, resulting in a higher cost of manufacturing. Due to this threat, the SACTLF industry could not develop a competitive advantage through a shorter lead time.

While compliant, the SACTLF industry enjoys import duty rebates for these manufacturing inputs identified by the DTI. Non-compliant SACTLF industry manufacturers do not enjoy this import duty rebate, making their manufacturing costs higher than the compliant SACTLF industry. The finding shows that non-compliant SACTLF manufacturers have more competitive advantage threats than compliant SACTLF manufacturers. Should the manufacturing inputs be available at home, there would be no discrimination between compliant and non-compliant manufacturers in the SACTLF industry.

4.2 Competitive advantage opportunities

This article found some competitively advantageous opportunities presented under the sub-themes when analysing the transcripts: improved shorter lead times, strengthened quick response, and improved localisation by producing demanded manufacturing inputs.

4.2.1 Improving lead-time

The findings show that the SACTLF industry is capable of a shorter lead time, and the study participants explain how. The apparel retail group interviewee states that:

If you buy from China, you have to buy way in advance – four months in advance. You buy the whole container and if the style does not work, you have to mark it down and get rid of it. So you do not make much profit when the style does not work. So we will continue to buy from China and Bangladesh. But the products where the consumers demand the lowest cost and the product does not change much – we will still buy that from the lowest-cost supplier.

The finding shows that the SACTLF retail groups risk their profitability when they buy high-end fashion from countries like China when a style does not work. This risk of buying costly high-end fashion suggests a competitive advantage opportunity for the SACTLF industry for high-end fashion. Interviewee 1 details strategies that can be used to explain this competitive advantage opportunity in highlighting that:

The new concept is speed to market. The SACTLF industry liaises with apparel retailers directly, where they ensure that they have in-house raw materials and fabrics specified by the retailer. So that apparel retail groups can offer fashion that came out last week, South Africa's ability to put it on the shelf by next week is there, provided the raw materials are there. It is not your lower-end fashion that is compromised by lead time; it is your high end, your niche. Fashion becomes absolute next month. Therefore, you need to have less lead time to be able to manufacture straight to the shelf and to be able to keep up with changes as fashion changes. South Africa is capable of world-class manufacturing and of serving the export market in the clothing manufacturing industry.

Interviewee 2 narrates what prohibits the SACTLF industry from seizing this competitive advantage opportunity: 'The only thing that presently compromises South African companies is

access to raw materials. So the lead time to me is compromised by your raw materials more than by the manufacturing’.

The finding shows that ‘speed to market’ is the new production method made possible by the government, the SACTLF retail groups, and the SACTLF industry collaborations. These collaborations indicate that the SACTLF industry innovated the production methods and the value chain to improve its competitive advantage. This improved competitive advantage highlights that ‘speed to market’ is a competitive advantage opportunity the SACTLF industry should seize.

Further, the finding shows a competitive advantage opportunity to supply high-end clothing, textiles, leather, and footwear products by responding to the SACTLF retail group’s demand for size, colour, and style. This competitive advantage opportunity does not exist for basic apparel products since global suppliers have a competitive advantage. Improving shorter lead times may increase the domestic market share for the SACTLF industry and improve profits for the SACTLF retail groups. However, the findings show that this competitive advantage opportunity is constrained by the lack of manufacturing inputs discussed under the competitive advantage threat in this article under Section 4.1 in the findings. The perceived lack of manufacturing inputs required for high-end apparel production negatively impacts shorter lead times, which is a competitive advantage opportunity.

4.2.2 Strengthening quick response

Strengthening quick response was found to be a competitive advantage in this article. The apparel retail group interviewee explains the quick-response measures:

The government has given us about ZAR20 million to work with local manufacturers to try and implement a quick response. We drive a quick response with local manufacturers because local manufacturers are available to respond to demand. We can use that capability to respond to demand around the size and certain colours. We are working with industrial engineers, and we are working with companies and go into these companies and show them how to change. We do not mind paying the higher price. The return on sourcing has got to be higher. Then you do not mind because you have fewer markdowns and higher stock turns. Because you have fewer markdowns and higher stock turns, you do not mind paying a higher price.

This study found that the SACTLF industry, government, and apparel retail groups’ collaborations created a competitive advantage through quick response for the SACTLF manufacturers that supply these SACTLF retail groups. Through government funding, the SACTLF retail groups then internationally source manufacturing inputs to be in a position to achieve quick responses to the SACTLF manufacturers that supply them. While these findings show that the SACTLF industry makes efforts to innovate the production methods, the findings also show that the SACTLF industry and government have not put up strategies to solve the domestic manufacturing input gap, which is at the centre of all competitively advantageous opportunities.

4.2.3 Improving localisation by producing demanded manufacturing inputs locally

The findings of this study show that the SACTLF industry has a competitive advantage opportunity relating to the development of the manufacturing input value chain within the SACTLF industry. Interviewee 1 highlights that ‘The SACTLF industry can have fashion that came out last week on the shelf by next week – is there, provided raw materials are locally available’. Interviewee 2 shares the experience that raw materials determine local delivery. The apparel retail group interviewee adds, ‘Remember we can have shorter lead times, but we have problems with fabrics in South Africa. Our mills have closed down over the years; we do not have many mills to give us fabric’.

The findings indicate that the shortage of manufacturing inputs produced in South Africa impedes this quick response, domestic market increase, and competitive advantage improvement. Since the SACTLF industry still depends on imported manufacturing inputs, the ability to respond to

high-end demand is not as fast as it could be for the SACTLF industry to maximise its competitive advantage opportunity.

The finding shows that the SACTLF industry has a competitive advantage opportunity through improving localisation by developing manufacturing input firms in South Africa. The localisation of the manufacturing input sector will result in the reindustrialisation of the SACTLF industry. Localisation will also result in the value chain being strengthened and being more innovative in servicing the manufacturers. The localisation of the manufacturing input firms is a competitive advantage opportunity for the SACTLF industry.

5. Discussion

This article endeavoured to explore whether the SACTLF industry has competitive advantage threats and opportunities that can be explored by the SACTLF industry, government, and the SACTLF retail groups to improve the SACTLF industry's competitive advantage.

The competitive advantage threats found in this study were the low rate of innovation and lack of access to domestically produced manufacturing inputs. Various researchers corroborated this finding (Morris & Barnes, 2014; Das & Hunter, 2015; Mbatha & Mastamet-Mason, 2015). This threat to innovation highlights that the SACTLF industry and government support measures highlighted by the DTI (2007; 2010; 2014; 2016) have not eradicated these competitive advantage threats. This failure to eradicate the threats suggests that the current government trade policy and industrialisation strategies might have arrested the decline of competitive advantage. However, the strategies have not eradicated competitive advantage threats. The SACTLF industry was unable to reclaim its lost market share for more than a decade from countries like China (Mbatha, 2014; Morris & Barnes, 2014; Truett & Truett, 2010; Miruka, 2014) due to the perpetuating competitive advantage threats found in this article. The South African government and the SACTLF industry should explore more innovative and radical strategies to eradicate the stated competitive advantage threats, such as dealing with shortages of manufacturing inputs.

The findings also highlight advanced-skills-related challenges. Research corroborates these findings that skills challenges negatively affect the development of competitive advantage (Das, 2011; Mbatha & Mastamet-Mason, 2015; Mbatha & Mastamet-Mason, 2015). The existence of the latter competitive advantage threat shines the light on the Fibre-Processing and Manufacturing Sector Education and Training Authorities (FP&M-SETA) and universities. The findings of this article suggest that quick-response training is yet to be included in programmes offered by the FP&M-SETA and the South African higher education institutions, resulting in the perpetuating skills and quick-response challenges in the SACTLF industry.

The findings regarding the competitively advantageous opportunities highlighted that improving lead time, strengthening quick response, and improving localisation by producing demanded manufacturing inputs home. Various researchers corroborate this finding and state that innovation and manufacturing input challenges should be addressed for competitive advantage to be realised (Morris & Barnes, 2014; Truett & Truett, 2010; Mbatha, 2018; Mwamayi et al., 2013; Miruka, 2014). Through these findings, the SACTLF industry leaders may be presented with an opportunity to gain more knowledge about what is impeding the creation of a competitive advantage. The findings of this article may contribute to curriculum improvement at higher education institutions with clothing, textiles, leather, and footwear-related programmes by putting more attention on developing graduates with quick-response skills. Pursuing the above opportunities may improve shorter lead times and strengthen quick response in the SACTLF industry.

Das (2011) highlights that South Africa has sufficient raw materials for producing textiles (wool, mohair, leather, vegetable fibres, and manufactured fibres) to satisfy the home demand for clothing, textiles, and leather production inputs. This article took the discussion of inputs further and shows that the value addition on these manufacturing inputs results in these being a competitively advantageous opportunity. The SACTLF industry and government have an opportunity to create

domestic value-adding firms to turn the already existing raw materials into manufacturing inputs so that they gain a competitive advantage through quick response and shorter lead times.

When the government supports importing these manufacturing inputs (DTI, 2007), it does not foresee that such a strategy might work against the development of the domestic manufacturing-inputs firms, as argued by Mbatha (2018). These findings present the DTI and other key stakeholders with the basis to evaluate the strategy to incentivise importation of manufacturing inputs to strengthen the SACTLF industry value chain. Such an industry will require developing further research, supportive grants and incentives, and skills development so that the SACTLF industry can realise this competitive advantage opportunity. This development of the manufacturing inputs industry will require the collaboration of the SACTLF industry, SACTLF retail groups, government, and higher education institutions. This finding regarding government support for research and skills comes when South Africa aims to pursue localisation through the adoption of a knowledge economy (DTI, 2016).

While the pursuit of localisation through the development of the manufacturing-inputs industry may reduce imports from countries such as China, the development may also increase exports under the country-of-origin rules. The government would reduce unemployment by employing more people in the development of the manufacturing inputs industry. The SACTLF industry would increase the employment figure towards the figures last seen in 1996.

Lastly, the findings suggest that the development of this industry may see the SACTLF retail groups improve their profits by reducing manufacturing inputs holding costs and reducing markdowns.

6. Conclusions

The SACTLF industry is an important contributor to South Africa's employment, GDP, and reindustrialisation project. The SACTLF plays a key role in reducing unemployment. This broad contribution to South Africa's well-being highlights the importance of doing more research into the SACTLF industry.

This article identified areas of development for future studies that may strengthen the literature on competitive advantage threats and opportunities for the SACTLF industry. A larger number of respondents from all sectors (DTI, five apparel manufacturing industry associations and all major apparel retail groups) is necessary for future studies on the following for the SACTLF industry to improve their competitive advantage:

- Exploring FP&M-SETA and higher education with clothing, textiles, leather, and footwear curriculum gaps that affect the quick response, lead time, and speed-to-market rapid adoption.
- Exploring alternative models that may see the SACTLF industry rebuild its clothing, textiles, leather, and footwear manufacturing inputs side of the value chain.

The article explored if there are competitive advantage threats and opportunities. The findings and discussions of this article were addressed in previous sections. This article contributed new knowledge to the SACTLF industry literature by contributing the industry's competitive advantage threats and opportunities. This article also contributed to the global stakeholder's understanding of the SACTLF industry threats and opportunities to encourage foreign direct investment. Lastly, this article sought to add to the discussion between policymakers and the SACTLF industry practitioners regarding current competitive advantage threats and opportunities. This article added to the literature on competitive advantage threats and opportunities.

The findings of this article highlight that more research is required for the SACTLF industry to increase its competitive advantage.

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