

A CREATIVE PROJECT

SYRUP THREADS: A PROPOSAL FOR A SMALL

FIBER ARTS BUSINESS

BY

JESSICA BECK

BALL STATE UNIVERSITY

MUNCIE, IN

AUGUST 2011

## **Table of Contents**

|  |           |
|--|-----------|
| <b>Chapter 1-Introduction .....</b>                | <b>1</b>  |
| Introduction.....                                  | 1         |
| Purpose.....                                       | 3         |
| Rationale .....                                    | 4         |
| Limitations of the Project.....                    | 5         |
| Assumptions.....                                   | 6         |
| Definitions.....                                   | 6         |
| Summary .....                                      | 7         |
| <b>Chapter 2-Review of Literature.....</b>         | <b>9</b>  |
| Introduction.....                                  | 9         |
| The Fiber Arts Industry.....                       | 10        |
| Small Businesses and Value Systems .....           | 16        |
| Individual Preferences and Perceived Quality ..... | 18        |
| Summary .....                                      | 23        |
| <b>Chapter 3- Methodology .....</b>                | <b>25</b> |
| Sample.....  | 25        |
| Shop Owner .....                                   | 26        |
| Instrumentation .....                              | 26        |
| Reliability.....                                   | 28        |
| Procedure .....                                    | 29        |
| Summary.....                                       | 30        |

|  |           |
|--|-----------|
| <b>Chapter 4-Results</b> .....                           | <b>32</b> |
| Procedure .....  | 33        |
| Results of Owner Survey .....                            | 35        |
| Results of Observational Data .....                      | 46        |
| Summary .....  | 53        |
| <b>Chapter 5-Discussion</b> .....                        | <b>54</b> |
| Growth and Relevance of the Fiber Arts .....             | 55        |
| Summary .....  | 61        |
| <b>Chapter 6-Conclusions &amp; Recommendations</b> ..... | <b>63</b> |
| Conclusion .....   | 64        |
| Recommendations.....                                     | 65        |
| Summary.....   | 66        |
| <b>References</b> .....                                  | <b>68</b> |
| <b>Appendix A</b> .....                                  | <b>70</b> |
| <b>Appendix B</b> .....                                  | <b>71</b> |
| <b>Appendix C</b> .....                                  | <b>72</b> |



## **CHAPTER 1**

### **INTRODUCTION**

“Knitting is an act of imagination, although patterns may take away from some of the creative guesswork, the knitter is still largely responsible for conjuring up a finished project and choosing all of the elements – color, fiber, gauge, and so forth. In this way, knitting allows us to explore our creativity and what is creativity but a true expression of personality” (Greer, 2008, p.25). Greer identified just one of the many passions that drives knitters and other fiber artists in their work. One shop owner said, “I have customers who say to me, ‘This is my bar’, it’s important to have that social connection, I encourage it at my store...” Fiber arts stores that focus on specialty fibers and crafts such as knitting and crocheting have created social and creative outlets for fiber artists throughout the United States. In the last several years, there seems to have been a rise in interest for fibers and the small businesses that supply materials and classes for these individuals (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008). Although this increase of interest was identified by literature that was found on the industry, there was little indication as to why this rise has occurred. It could be speculated that the recession increased interest in hand crafts or that individuals were just more

interested in making things by hand. The institute, The National NeedleArts Association (TNNA), that works collaboratively with fiber artists and suppliers, has recently begun to recruit college fashion merchandising majors and other individuals who are interested in the fiber arts to pursue careers in this field (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008).

Fiber artisans have been around since the need for clothing arose and preserved specimens of yarns and textiles have been found to date back to 2000 B.C. (Downey & Conway, 2007). With the invention of textile yarns came the need to manipulate yarns into cloth and although weaving was the primary source of cloth, it is speculated that knitting began its evolution around 250 A.D. (Downey & Conway, 2007). Knitting and other fiber arts came to Europe around the Renaissance era and saw an important incorporation into the production of garments. Hand knitting transitioned from a craft used for making socks and stockings to the construction of hats, shawls, sweaters, as well as other accessories by the end of the Elizabethan era (Downey & Conway, 2007). Knitting evolved throughout history and there is evidence that knitting was a craft enjoyed by men and women in the 19<sup>th</sup> and 20<sup>th</sup> centuries (Downey & Conway, 2007).

Knitting found its way to the Americas by way of settlers. Women were said to knit on ships during the long journey to their new homes as a way to pass time and create garments (MacDonald, 1988). Little was recorded on its passage to the Americas or in literature of the time because it was seen as an everyday task rather than a leisure activity (MacDonald, 1988). Although historically, knowledge of these crafts were passed down from generation to generation in the home, today artisans who have maintained much of the knowledge about the fiber arts industry have passed down their knowledge of these

crafts through classes and workshops at local yarn stores and with organizations such as the TNNA. Because of this, fiber artisans and their suppliers are now closely linked (Downey & Conway, 2007, and Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008).

Small fiber arts business owners and their clientele are not the only ones interested in the fiber arts. Fiber arts such as knitting have also found their way into couture designers' lines, which has brought fiber arts to high fashion. Because of the current interest in the business of fiber arts and support from organizations such as the TNNA to seek a professional position, it is important to look at this industry as a viable and profitable means of business. The fiber arts industry has seen fluctuation over the last five years and though the industry was one of the many affected by the recession, it still managed to bring in over \$1.5 billion in 2009 (The State, 2010).

This creative project was completed to compile current offerings and an examination of business owners and fiber arts consumers' interests in the area of fiber arts. Data gathered by the TNNA about the consumer market was used alongside personal interviews conducted with business owners and field studies of fiber arts shops in order to create a profitable fiber arts business proposal.

### **Purpose**

The purpose of this creative project was to develop a business proposal for a fiber arts retail store in the Midwest by examining successful fiber and knit shops within the state of Indiana to determine successful business practices, as well as, inventory and class offerings that should be employed in a fiber arts store. To develop this proposal, data

about the industry through the use of data gathered by the TNNA and information gathered from shop owners were incorporated.

### **Rationale**

Although small fiber businesses exist, the visibility of their work is low in research and media. The majority of consumers who are aware of this type of fiber arts specialty store often learn about them through word of mouth or specialty magazines. Little academic literature exists on fiber arts industries as they function in today's culture or economy. Available data on the fiber arts industry is provided for a fee by the TNNA, but is not readily available for the general public. Report summaries have been published and are available for purchase from the TNNA, which provide current sales figures as well as projected sales and selections for fiber artists (The State, 2010). The majority of other literature on fiber arts focuses on the history of hand knitting organizations, which support fiber artists and social implications of crafts rather than business practices or market research on the fiber arts. The fiber arts industry including knitters, crocheters, weavers, spinners, cross stitchers, needle pointers and hookers maintains a strong following as a crafting subculture which can be supported from the amount of popular knitting and crocheting magazines published today, as well as the number of fiber arts shops in the United States. Fiber arts has also been utilized by popular fashion designers such as Schiaparelli, Gaultier, Galliano, Westwood and Rykiel which has, and continues to, create visibility for the hand knitted garments and fiber arts (Downey & Conway, 2007).

With the scarce literature on the specifics of the fiber arts industry it was important to go to the source of these businesses to derive factual business related



information as well as examine current information gathered by the TNNA. Individuals who enjoy these products have maintained a strong community by forming guilds, connecting through social networking, and teaching or participating in classes. In order to understand each fiber arts business' target market and how to better direct the inventory and offerings of the business being proposed in this project, it was important to look at these types of businesses first hand. This included conducting interviews with small business owners and visiting shops to assess the business' components such as floor layout, inventory, classroom space and atmosphere of stores that are currently in the market. In addition, current market research gathered by the TNNA on fiber arts consumers was utilized to formulate a well-rounded view of a stores functions and offerings for the final end user, the consumer. Existing data extracted from a recent study by the TNNA was used to analyze current consumer markets and preferences in fiber arts. Interviews with shop owners and field visits to randomly selected shops were conducted to further investigate the fiber arts industry. This data offered a look at the successes of the fiber arts industries and how to improve upon existing practices in a future store.

### **Limitations of the Project**

Due to the regional nature of certain types of fiber arts, the stores used in this study were all in the state of Indiana because this is the location for the store being proposed. Therefore, the information and implementations of data into the finalized proposal are only suggested for use in the Midwest and may not translate into other geographic regions such as the southwest United States because of variation in climate and availability of fibers.

## Assumptions

The assumptions associated with this project were directly related to interviews conducted for the research portion of this creative project. This project assumed that owners of fiber arts businesses were honest in the information they provided about their businesses. By not asking questions pertaining to personal finances or store revenue, it was assumed that owners gave accurate information regarding their enrollment rates and other shop details.

## Definitions

For the purpose of this creative project, the following definitions were used:

- *Needle Arts*- Crafts that include knitting, crochet, needlepoint, and cross-stitch (The State, 2010).
- *Notions*- Items used as supplies in addition to yarns such as knitting needles, and hooks for knitting and crocheting. Notions include things such as stitch markers, cabling needles, scissors, needle ends, darning needles, or any other implement that is necessary to completing a project that is not part of the final product (Stoller, 2004).
- *Hand knit*-The use of knitting needles and yarn to make knitted apparel or items that are made by hand rather than by a machine (e.g. The concept of “hand knit” is not new and has been passed down throughout generations. Many associate it with grandmothers, baby blankets and sweaters, but in recent years it has grown to encompass many demographics (Downey & Conway, 2010).)

- *Knitters*- Individuals who knit and have been known to form social groups based on their craft, they tend to shop at specialized yarn and fiber stores, and network with other knitters (Myzelev, 2009).
- *Hookers*- Individuals who (just like knitters) shop at special stores and form groups and networks, but their craft is crocheting instead of knitting. Hookers use a metal hook to manipulate yarn using a series of loops (Stoller, 2006).
- *Hand-Spinning*- A process that refers to the making of yarn by use of a spinning wheel or a drop spindle and roving of different fibers (The State, 2010).
- *Fiber arts consumers*- Individuals who participate in fiber arts crafting.
- *Fiber arts business owners*- Individuals or groups of individuals who operate and own small localized fiber shops that offer products for fiber arts.

### **Summary**

Fiber arts stores are an important economic component for individuals interested in pursuing fiber arts as a hobby or as a livelihood. There has been a resurgence and increased interest in fiber arts and the creation of handmade knitted, hooked and spun items. The cause of this resurgence has not yet been clearly determined. Therefore, in order to formulate an up-to-date and functional business proposal for a fiber arts store, current fiber arts businesses were examined. Reasons for supporting small businesses such as these have been linked to local economies and the support of hand crafters. The rise of many passionate knitters who support this industry entertain their crafts for reasons of economy, product quality and personal entertainment. This creative project examined not only the successes of these small fiber arts businesses, but also the desires

and needs of hand crafters and hand craft consumers in order to facilitate an all-encompassing business proposal.

The following chapter provides a review of the literature about the individuals involved in fiber arts, as well as the small businesses that cater to them. This was used as added support for additional research on the topic of fiber arts businesses and give validity to a proposal focusing on a fiber arts business. Additionally, the methodology for collecting data and the necessary steps to write the business proposal are provided for a better understanding of this project.

## **CHAPTER 2**

### **REVIEW OF LITERATURE**

#### **Introduction**

This literature review examines research that relates to, and promotes, the business practices, inventory, and class offerings to build a fiber arts business, different ways the fiber arts industry is flourishing within the United States, and evidence of the existence and benefit of a growing fiber arts industry. Since there is a shortage of research that has been conducted on small fiber arts businesses, the bulk of the data used in direct relation to the industry itself came from a study by the National NeedleArts Association (TNNA). Other areas of interest included the importance of small business values and customer preferences on small businesses in order to build a better understanding of the consumer markets. This literature review has been divided into three categories to address different aspects of research for this project. These categories include: The fiber arts industry, small businesses and their value systems, and individual preferences and perceived quality as they relate to product offerings, small business generation and fiber arts as a profitable industry.

## **The Fiber Arts Industry**

“In the last fifteen years domestic hobbies, especially needle and paper crafts, have been revived in the English-Speaking world” (Myzelev, 2009, p.149). Myzelev (2009) discussed the way in which crafting has catapulted to the forefront of modern culture. She considered the implications of fiber arts crafts in conjunction with their history to movements such as feminism and gender equality. More specifically, Myzelev examined the ways in which fiber arts crafts are issuing forth a sense of identity and independence to the individuals who participate in the fiber arts. Fiber crafts, such as knitting, are viewed as empowering to individuals because it is an expression of self and a productive use of free time (Myzelev, 2009). Crafting promotes self-sufficiency by giving power to individuals’ choices in using their free time for productive work and puts choice back into additional fiber arts activities by offering an assortment of colors, fibers, and patterns to choose from when crafting a project. Crafting can give people a sense of self worth and independence by allowing individuals to explore their own talents within the fiber arts. A perception of fiber arts as a craft of frivolity and of granny squares and pot holders is evolving for a new generation of knitters and fiber artists. They are not only using these trades to acknowledge and romanticize the past, but to find a voice in their own generation.

Hand knitting is impacting the world of haute couture, art, technology and craft production (Myzelev, 2009). This resurgence of interest in fiber arts and handcrafts, such as knitting, is what has led to a boom in fiber arts crafts within the last 5 years (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008). Trends within the fiber arts industry have been carefully studied by the trade organization, the National

NeedleArts Association. The National NeedleArts Association (TNNA), founded in 1975, is the first trade association for fiber arts crafters to join other crafters, designers, manufactures, authors, publishers, vendors and suppliers of the fiber arts craft industry. They reported that in 2009 alone, the craft industry generated over \$1.15 billion in revenue (The State, 2010). “TNNA offers its members opportunities to discuss and exchange ideas, learn new techniques, obtain valuable business education, address industry issues and most importantly ‘do business’” (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008, p.324).

In 2006, the TNNA, feeling the pinch of limited fiber arts education, reached out to the Family and Consumer Science (FCS) program at the University of Akron in Ohio. They felt that the options for fashion merchandising students were becoming limited by the class offerings that geared students towards work with retail and buying of apparel exclusively. They felt that many of the courses in the merchandising major foundation, such as visual merchandising, textiles and buying, prepared students for work in the fiber arts as well as other retail venues. The TNNA was seeking to expand their growing industry with fresh ideas and students who had background and education in the subject of fiber arts. The TNNA advocated for the owners of fiber arts businesses claiming that the only way to perpetuate this craft was to bring it up to date and get more people interested. They used students involved in the FCS merchandising program to generate internships and fiber arts design classes to see what interest students would have in this unexplored area of their major (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008).

The internship conducted by the TNNA used surveys and challenges to get the students involved in the use of fiber arts for design and marketing. The TNNA survey data revealed what Myzelev (2009) would later substantiate in her study of fiber arts. Both studies found that fiber arts, in fact, did lead to a sense of empowerment, positive mental health and a connection with the community. After the completion of the internship, the TNNA found that students overall experiences with the fiber arts were positive. However, at the beginning of the project, many of the students had little to no skills in any of the fiber arts (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008). The TNNA stated that since the informal instruction of fiber arts has generally been removed from the domestic setting, much of the education on these crafts is now done through classes outside of the home such as university classes and external classes and workshops like those held in fiber arts stores and by the TNNA at their annual conferences (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008).

The positive impact of the fiber arts internships on students in the fashion merchandising programs rejuvenated the University of Akron's fiber arts department and students were very enthusiastic about pursuing careers within the fiber arts (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008). The TNNA believed that by cultivating interest in the fiber arts they would be able to recruit new professionals in the field who would bring new ideas and attitudes about fiber arts to the industry (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008). Myzelev (2009) believed that interest is also being generated from societal need for crafts that focus on fine-tuning skills and patience, such as knitting and other fiber arts. She stated that participation in these crafts create communities which help overcome social



obstacles, generate common interests, create communities, promote ethical products and build personal esteem.

Evidence that interest in the fiber arts has been growing can be partially substantiated by the TNNA. By the end of 2004, over two thousand companies held membership with the TNNA including 487 wholesalers, and over 1800 retailers (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008). In a summary released by the TNNA, examination of the industry's sales from 2004 to 2009 revealed that the industry was impacted by the recession. The industry saw growth between 2004 and 2006 but an overall decline during the heart of the recession. That said, sales in 2009 began increasing again almost to the full sales in 2006 (The State, 2010). By 2009, there were 2050 yarn stores alone which averaged sales of about \$177,000 and saw a 13% profit margin (The State, 2010). The industry's growth data indicates that there may be an increasing number of viable job options in the field of fiber arts. With both the encouragement of merchandising students by the TNNA, as well as the growth of other individuals with an interest in this area, businesses that teach classes as well as have product offerings are thriving in this industry (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008).

Data released by the TNNA (The State, 2010) indicated that during the recession, much of the money spent by knitters and crocheters were spent on classes using stash yarns (yarns or materials that were previously purchased and put away into a 'stash' for future use) or yarns from local business. Fiber artists focused on honing their fiber arts skills while money was tight and supplies were too expensive to purchase. The fiber arts industry on whole lost market share due to the recession, along with big box stores and

large chain retailers, who also lost significant portions of the retail market. This provides evidence that the loss was likely due to the recession and it affected the fiber arts industry across the board, not just local yarn stores. Although household income of needle artists had decreased over the recession, TNNA found that individuals who had household incomes of greater than \$60,000 annually had no change in their spending habits with the fiber arts. In their report, the TNNA credits this to the fact that individuals with higher income felt less of an economic pinch than those in the lower income bracket and that spending patterns changed due to recession based income changes not disinterest in the fiber arts (The State, 2010). Despite the economic down turn, knitters and crocheters spent \$500-\$800 on average for supplies and \$200-\$500 on average for classes in 2009. TNNA calculated that about 1.5 individuals were currently participating in fiber crafts. This was an overall increase since 2004. The amount of fiber artists generally ranges between 1.5 and 1.7 billion individuals annually (The State, 2010). The overall expenditure by fiber artists who specialize in knitting and crocheting was rising back up to the amount of spending that took place in 2006 prior to the recession and overall spending exceeded the amount spent on fiber arts in the year 2004 (The State, 2010).

The TNNA reported that the types of shops knitters spent their money for projects and class needs was overwhelmingly at independent brick and mortar fiber arts shops. Knitters bought 47% of their supplies from these retailers, only purchased 10% of their supplies from chain stores such as Hobby Lobby, Jo-Ann, or Michaels and as little as 1% of their supplies from mass merchandisers such as Wal-Mart. Other store purchases included fiber arts websites, trade shows and direct from producers. Crocheters evenly

dispersed their spending between independent retail shops and chain stores (The State, 2010).

The TNNA also addressed the amount of time spent on projects and the types of projects that most knitters and crocheters participated in. The overall amount of time that individuals spent knitting has increased since both 2004 and 2006. On average, 46% of knitters and 43% of crocheters spent over 10 hours a week on their projects while the majority of respondents in both categories said they spent roughly 6-10 hours on their projects each week. Knitters on average completed more than 24 knitting projects in 2009 and crocheters completed at least 31 projects. Fiber arts projects also became more interchangeable with more crocheters picking up knitting, and more knitters completing crocheting projects (The State, 2010). Projects most commonly completed between 2004 and 2009 included socks, sweaters and gloves for knitters and toys, baby items, dish clothes and towels for crocheters. Other projects of interest by these groups included scarves, holiday ornaments, ponchos or shawls, table linens, afghans, handbags and wall art (The State, 2010).

Within the product market of fiber arts, not only are fiber arts stores seeing an increase in interest from individuals partaking in these crafts, but also finding ways to encourage people to work on their craft even while money was limited during the recession through offerings of classes. Knitters and crocheters have expressed an interest for more variety not only in patterns but yarn selections, tools and notions, gift items, threads and fibers, as well as kits and embellishments for their finished projects. The fiber arts market is beginning to experience some growth and the fiber arts industry itself seems to be picking back up as the recession comes to an end. The desire of the TNNA to

reach out to fashion merchandising students to create fresher looks within fiber arts, the request of knitters and crocheters for more product variation, and the increased interest from individuals learning or continuing their interest in fiber arts suggests that this is not only a viable business, but also has room for growth among fiber artists.

### **Small Businesses and Value Systems**

The number of brick and mortar retailers for fiber arts totaled 40% of all retailers in this industry (The State, 2010). Other retailers included 26% of independent online retailers and the remaining businesses were unclassified. Brick and mortar stores made up the largest percentage of available retailers within the types of retailers in the fiber arts. On average, individuals who knit and crochet are more likely to visit an independent fiber arts shop over another venue for their fiber arts needs (The State, 2010). When examining a small fiber arts business, location and population of fiber art crafters becomes essential. The smaller the community, the less inventory and class availability there will likely be. However, the smaller community can provide an opportunity to build a stronger customer base and a relationship with the individuals who shop at a specific store.

Miller and Besser (2000) examined how community values effect small businesses. They found that businesses thrive in communities with similar value systems, meaning that the ethics and core values of the business reflect the needs and values of its community. Consumer profiles become key to understanding the area in which the business is located, the inventory, the class offerings, and the types of consumers that frequent the business. Successful businesses reflect the needs and values of their surrounding community. “The values of top management are an essential element in explaining the behavior and performance of a business” (Miller & Besser, 2000, pg. 68).

Values can also affect how a business is marketed to a community. For example, if a small shop is opened in a large community that gets most of its information from the internet through blogs, it would be unwise to only put press releases in the physical newspaper (Miller & Besser, 2000).

Due to the fact that fiber arts businesses tend to be small and their communities may have an impact on their success, it is very important to consider the networking and community aspect of the business. The sense of community for groups of fiber artists, as implicated by Myzelev (2009), may be a crucial aspect to the survival of these types of handicrafts and ergo the businesses that support fiber arts. Therefore, a focus on community and personal relationships within the business become vital to keeping the business profitable and helpful to fiber artists.

Small businesses often struggle with a competitive edge in the market place. The fiber arts market is no different. Issues of pricing and social responsibility play important roles in competition for small businesses (Miller & Besser, 2000). Community values and ethics were shown by Miller and Besser (2000) to have a significant impact on how business owners practiced these values. Social responsibility is not easily, or often, measured for small businesses because the focus has been on larger corporations and industries. According to Miller and Besser (2000), since smaller businesses do not have the buying power of large corporations, they tend to have to purchase less and often end up paying more for the same products offered in a local chain store.

In order to keep up with their competition, small businesses have had to employ creative marketing strategies and market specialization with their product offerings (Miller & Besser, 2000). This could include carrying specialty items for a market or

offering services that chain stores do not offer. In fiber arts, this could include services such as classes or assistance with understanding patterns or supply purchases for their consumers. This allows the smaller businesses to justify higher prices that come with having smaller inventory options. Many of the items found in fiber art stores (e.g. yarn, needles, sewing notions) can also be purchased from big corporate stores such as Jo-Ann Fabric and Craft Stores and Hobby Lobby. These larger stores pose competition to fiber arts stores, therefore, fiber arts stores have had to seek out specialized markets by carrying specialized fibers, hand dyed yarns and offer a selection of classes which can boost overall revenue.

Miller and Besser (2000) examined what can affect efficient business practices and came to the conclusion that individuals with higher education tend to have more ethic values advocating for more knowledgeable business owners. Business owners that take the time to research their community base and consumer markets will have more effective product offerings and tend to keep a closer eye on their competition (Miller & Besser 2000).

### **Individual Preference and Perceived Quality**

Specialized fields such as fiber arts and small cottage industry businesses lend themselves to a different type of product analysis than traditional store settings. Many products are subject to extrinsic values, such as customers' personal values, demographic and psychographic backgrounds (Darden, 1985). In order to understand why individuals have a preference for some fiber offerings, and not others, were addressed in a conference in the mid 1980's which looked at perceived quality of various shopping locations and product offerings. Even individuals in specialized markets have perceptions of what items

are of the highest value and quality (Daren, 1985). Darden (1985) employed what he called the six dimensions of perceived quality, which he believed effected people's ideas about the quality of goods and services. Although the six dimensions were considered in relation to electronics and home appliances, he believed that these dimensions could be applied to other consumer products, which may have unexplainable or difficult to define perceptions (Darden 1985). Each is important to consider when looking at consumer preferences as a means of explanation. Each of the six can also be employed when establishing customer demands in a fiber arts setting. The dimensions include:

1. Social factors based on store type- "Consumers perceive the quality of a product differently depending upon whether they are to buy it from traditional department stores, mass merchandisers, discount stores, or specialty stores. These differential perceptions may be the result of various socialization factors" (Darden, 1985, pg. 162). For example Darden (1985) examined how the jewelry store Zales carried a line of merchandise that was also sold at the department store Dillard's. Even though both Zales and Dillard's were owned by the same company and the product line was the same, individuals in the study believed that the products at Zales were of higher quality. Consumers believed the jewelry store would carry higher product quality because they specialize in the market.
2. Perceptions across store type- Consumers have different opinions about product offerings based on various store types and product offerings. Perceptions are effected by their perception of a store not by the actual products. Products could be the same thing but are perceived to be of higher

quality based on the store they are purchased from. This relates to the type of store from which items are purchased. Individuals perceive an item from a department store to be of higher quality than from a discount store. Darden (1985) argues this could be subject to the fact that a specialty store or a department store may have products of higher quality and a wider assortment than their discount stores and so individuals perceive that because there are more choices, one store is better than another. This could also be affected by the stores ability to offer specialized services based on the product or varying levels of customer service that also impact consumer views of products.

3. Demographics and psychographics- Age, education level, marital status, number of children, income levels and other demographics affect perceptions of quality. For example, in the case of the fiber store, a person who has more education about fibers and their durability and ecological impact may use a natural fiber over a synthetic.
4. Social visibility- Quality perceptions are based on how they are perceived by a larger social group. Products that offer exclusivity to consumers are seen as high quality. Also products with high visibility are seen as higher quality. For example, name brands that are known to everyone (e.g., Calvin Klein) would be considered higher quality than an off brand (e.g., Target's store brand Xileration).
5. Social approval – Individuals need to be congratulated or recognized by the types and brands of items they purchase. This influence is directed by outside social implications generally influenced by different social groups. It is



indirectly affected by brands and stores, but is made acceptable by different social groups. “Social approval for product categories differs across perceived-quality groups. Social approval from others is expected to relate to the kinds of chains at which the consumer feels free to shop. For example, social approval or disapproval from others perceived by the individual about shopping for jewelry at Sears may cause that individual to ascribe certain degrees of quality to the jewelry that he or she may purchase at Sears” (Darden, 1985, pg. 162).

6. Value Systems- Individual’s value systems influence their perceptions of the stores they shop at and the merchandise they carry. Values may affect purchasing decisions based on ethics or image of a company or brand. For example, if a store such as Marsh carries only locally grown produce and consumers view local purchases to be more ethical and sustainable, then they would choose to shop at Marsh instead of another store. This can mean consumers will pay more for items that they feel represent their values.

These perceptions affect the ways in which people shop. For example, in the area of fiber arts, if organic fibers are seen to be more environmentally friendly than synthetics, this would affect the types of fibers an individual (with these values) would shop for. If the local Hobby Lobby does not carry organic cotton and only carries acrylic yarn, individuals might have a higher perceived quality of a specialty fiber store that carries environmentally friendly yarns. Some individuals might be more inclined to shop at one store over another because the stores ethics, values, shop layout, friendliness of the staff or how much help they receive with personal projects. In addition to these effects of

perceived quality, different target markets may have more of an impact on these types of markets (Lee & Litrell, 2006).

Lee & Litrell (2006) focused specifically on how social groups and perceived quality work hand in hand to affect product purchases. They created a classification for a social group with significant buying power called “cultural creatives.” Cultural creatives were a marketing segment generally consisting of middle aged women who focused more on personal expression in their products than fashionability, maintained a high standards of quality ideology about hand crafted goods, often purchased hand crafted goods and focused on ethically and ecologically sound product offerings. This target segment could be a specific group that would be worth marketing to for fiber arts classes due to their interest in hand crafted items and their desire for self-expression. These individuals also tend to have higher education, extra expendable income and take great pride in having unique items and objects that show their individuality (Lee & Litrell, 2006).

Although Lee and Litrell (2006) specifically focused on ethnic handicrafts sold on the internet, the existence of a target segment such as this indicates a potential consumer segment that may also frequent handicraft markets which are fueled by the fiber arts industry. These women may be part of a target market for finished products created by needle crafters or may be interested in needle crafts themselves. Lee and Litrell (2006) explained that ‘cultural creatives’ perceive the quality of handicrafts to be superior in certain ways to mass manufactured product offerings because of uniqueness, customization, and the products are often one-of-a-kind quality. They are an example of how perceived quality affects purchasing decisions. This may be one indication that there

are specific markets that do thrive on fiber arts and are willing to support the small businesses that produce them (Lee & Litrell, 2006).

### **Summary**

Given the growth of the fiber arts industry and the desire of individuals to partake in fiber arts and needle crafts as a potential career direction, a strong argument was made to build a business with comprehensive class and inventory offerings for individuals who craft or desire to learn. As the TNNA study in 2008 reported, not as many individuals are learning fiber crafts from the home as in the past and with limited offerings from schools (e.g. Universities) individuals have turned to their local fiber shops and workshops to learn how to do these crafts. Building a business that incorporates a sense of self and education with an avid eye for fibers will benefit the future generations of fiber artists as well as perpetuate the current market.

In order to build a proposal for a profitable and well-run fiber arts business, a need must be established. The TNNA internship study (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008), indicated a need for more professionals in the area when they began recruiting members at Akron University. They also established that the fiber arts industry is a multi-billion dollar business market that needs future investors. According to Myzelev (2009), a strong fiber arts culture exists, whether it is because of the need for self-expression or a desire to belong to a community group, individuals are finding a place for themselves within fiber arts. After affirming the need to look comprehensively at the demands for the fiber arts industry, Miller and Besser (2000) brought attention to the importance of small shop values and illustrated some important points to consider when building a new business to reflect a surrounding

community. This becomes important when a business is based on networking through classes or small social groups. Lastly this literature review showed different aspects of how perceived quality affects individual's shopping habits. Lee and Litrell (2006) gave an example of a market segment that benefits and supports hand crafters. By using all of the supportive data and compiling important points like shopping perceptions, types of consumers and store values, there was a basis for building a well-researched business proposal for a fiber arts store that specializes in needle crafts.

## **CHAPTER 3**

### **METHODOLOGY**

The following creative project aimed to create a fiber arts business proposal based on market research conducted by The National NeedleArts Association (TNNA) and a field study of individuals who already own and operate TNNA certified stores in the state of Indiana. The purpose of this creative project was to determine the viability and profitability of owning and operating a brick and mortar fiber arts store, why consumers are interested in specialized markets for fiber arts, consumer preferences of inventory and class availability and how to enter the current fiber arts market with a new business.

#### **Sample**

In this business proposal one sample population was already researched by the TNNA, the consumers of this market segment. The TNNA survey gathered questionnaires from over 10,000 respondents through mail surveys (The State, 2010). Data collected in their 2009/2010 consumer survey were used to build consumer views on offerings and inventory in fiber arts shops. In order to examine the retailing aspect of this industry, interviews not related to the TNNA's research were conducted on fiber arts stores within the state of Indiana that focused on knitting and crocheting. The main focus

of this proposal was to use data collected from this sample of storeowners in order to create a rationale and justification for the use of certain products and offerings available in the final proposed fiber arts store.

### **Shop Owners**

From a pool of twelve TNNA certified shops in the state of Indiana, five stores were randomly selected to be used in the research for this study. The businesses were not singled out based on their locations or inventory classifications. These five businesses were used in a qualitative assessment of storeowners throughout Indiana. This data was used to give a closer look at the different ways in which fiber arts store owners run their individual shops. The criteria for being included in the final store selection from this sample group consisted of stores that have been in operation for at least five years. This criterion was included in order to justify their establishment in the current market. Businesses were not asked any direct financial information but were simply asked to verify that they were not filing for bankruptcy. This helped to look at their business as one that was at least pulling through the recession and would still be open for business as the economy began to pick back up. The intended outcome of this business proposal was focused on knitting and crocheting; therefore, it was also the focus of the stores that were interviewed. Interviews with owners established their years of operation, product offerings, inventory, and class offerings within their shops. (See Appendix A)

### **Instrumentation**

A list of available TNNA certified businesses and Internal Review Board (IRB) approval were obtained before utilizing the instrumentations in business owner interviews. Since there was little academic research about fiber arts stores, data gathered

by the TNNA was used in order to analyze consumer markets within fiber arts. The interview and observational instruments were derived from information gathered about consumers, but not from store owners. The interview questions and observational instruments were created in order to get a sense of diversity and uniqueness of store layouts, inventory, the shop's creation and other data about owning a TNNA certified fiber arts store that specialized in knitting and crocheting. The main instrument used in this study was a questionnaire (Appendix A). This was utilized in one-on-one interviews with shop owners to analyze information about the starting of their store, how the TNNA factored into their business, and information about consumer behavior from a firsthand source. Interview questions were also geared to yield data about common items that sell in shops within the state of Indiana, narrowing the focus down to one specific geographic area.

The second instrument used in this study was a list of observational criteria for each store (Appendix B). This observational criterion was established to get a sense of each shop's layout, method of displaying inventory, product offerings, classroom spaces and overall appearance of the store. The observational criterion was not utilized to critique shops displays or inventory, but rather to gather different ideas on how various shops display merchandise and conduct business. Since these shops were individually owned it was important to note the differences in appearance, layout, and tone of business conducted in the store, as each business had a very unique approach to their own business. Instruments used for the research for the business proposal utilized the interview method of collecting data in a qualitative open-ended questionnaire.

**Reliability**

According to research by author's Fontana and Frey (2005), "Interviewing is one of the most common and powerful ways in which we try to understand our fellow humans" (Denzin & Lincoln, 2005, p.697). However, qualitative data often lends itself to interpretation and can often times be contextually based. The reliability of the data collected from the interviews with these small business owners was based on a qualitative research interview method called, structured interviewing (Denzin & Lincoln, 2005). In order to ensure that responses to questions were answered as similarly as possible even though they were conducted in different atmospheres or the research area could not be duplicated, it is important to keep as much as possible consistent. For example, it is important to ask each question from the questionnaire in the same order, with the same wording and same vocal inflections, to allow the respondent to give an answer without any response from the surveyor, to make sure all answers are given by the intended respondent alone and to not interpret questions but rather repeat or clarify them (Denzin & Lincoln, 2005). In order to alleviate variations in response or answers, it was also important to save further discussions about the business until after each interview. These guidelines were used with a common setting for each interview conducted with small business owners. The interviews were all pre-scheduled, pre-rehearsed by the researcher, and were conducted in the individual's shop in the area they felt most comfortable.

Honesty of the information provided by business owners was based on their personal interest. The assumption was that business owners who were interested in participating provided accurate information about their fiber arts stores. Most business owners want to make their businesses look good. By not asking direct financial



information and allowing them to build up their business through interview questions, they built a positive public relations appearance. An additional benefit of this research is adding to the literature written about the fiber arts industry, which can help to generate more interest in this particular type of handicraft. Because direct information about specific businesses was collected, information tying it back to their shops was removed from the final data. This allowed owners to feel more comfortable and allowed them a space in which to be completely honest about their business. In order to advocate for this group, it was important to this study to interview several businesses within this industry. Even though there were varying product offerings and class offerings, similar interests and information about start up and other aspects of running a fiber shop emerged during the interview process.

### **Procedure**

After Internal Review Board (IRB) approval was obtained, the TNNA business database was used to locate possible shops in the state of Indiana. Twelve TNNA approved fiber arts stores were identified who offered knitting and crocheting as well as classes at their locations. The first step was to determine each store's eligibility and willingness to be included in the study's population. Once this information was gathered, five stores were then randomly selected to be interviewed. Therefore, each of the 12 stores was called to determine their interest in participating in the study as well as their qualifications prescribed by the criteria. A telephone script was used in order to keep questions and interactions consistent between the stores and to ensure that all of the information that needed to be gathered during the phone interaction was addressed. The criteria that each store needed to meet included having been opened and established for at

least five years to ensure that they made it through the recession, to further establish that they survived the recession stores were automatically disqualified if they were filing for bankruptcy. Other qualifications included that the stores specialized in knitting and crocheting supplies and offered classes through their store.

Once storeowners gave their consent to be considered for the study, five stores were randomly selected. However, only five stores remained available for the interview process, therefore all stores eligible were included. Interviews times were scheduled with each business owner. A trip to each of the five stores was made to conduct the interviews (Appendix A). Participants were given an informed consent document to look over before they began the interview and any clarification about the nature of the study was made available before the interview began. The interviews lasted anywhere from 30 minutes to an hour. Interview answers and observational data was hand written by the investigator and then transcribed shortly after each interview. Promptly after the interview was conducted any further discussion based on the business was addressed and the observational data (Appendix B) about each store was collected.

## **Summary**

Chapter 1 introduced and outlined the basic criteria for this creative project. It gave important rationale and definitions that were used in the creation of a small fiber arts business that specializes in yarn. Chapter 2 analyzed data from several sources looking at the fiber arts industry, businesses and value systems, and individual preference and perceived quality. First, the history of the fiber arts industry and the implementation of knitting as it has existed historically and presently was established. Then, The National NeedleArts Association's (TNNA) recruitment of new fiber arts professionals

showed new need for a growing industry. The TNNA's data on current market offerings and profitability within the fiber arts market gave support for the financial success of a small business within the fiber arts. Small businesses and value systems examined the need for a well-researched basis for building a business and the types of small businesses that are successful. Lastly, the section on individual preferences and perceived quality examined the justification for reasons for a profitable fiber arts business.

In this chapter, the necessary procedure to conduct interviews, gather business data and write a business proposal has been outlined based on the research data. Responses from interviews helped to answer questions about business owner feelings and opinions about the inner workings of small hand knit cottage industries. They also provided more insight into how one would go about creating an effective fiber arts business.

## **CHAPTER 4**

### **RESULTS**

This creative project was designed in order to develop a business proposal for a fiber arts store by examining current market interest by consumers as well as interviewing owners of successful fiber arts shops in Indiana. Business owner data was used to determine business practices currently held by individuals already in the fiber arts market. Academic research on the market of fiber arts was very limited. In order to gain firsthand knowledge about the businesses that supply fiber artists and more about the spending habits and projects of the fiber artist's themselves, The National NeedleArts Association (TNNA) data was analyzed from a 2010 study on the consumer market. Interviews with business owners were conducted in addition to the TNNA data to gather more information on the intended market. The TNNA provided data about consumer markets in fiber arts through a large report that interviewed more than ten thousand people interested in the fiber arts including wholesale, retail, and consumers. Since the final outcome of this creative project is a business proposal, it was important to consider both consumers and business owners. Data gathered from the TNNA focused on the

consumers' market spending habits, project selection, craft selection and general demographics. Therefore, the need arose to gather information about the business practices of small fiber arts businesses.

### **Procedure**

The instruments used for this study included a business owner survey (Appendix A) and a business observation list (Appendix B). The two were used in conjunction to make observations and obtain data about the current practices of businesses focusing on knitting and crocheting fiber arts crafts within each store. The fiber arts stores used for this study were required to be affiliated with the TNNA in order to keep data consistent. The state of Indiana was the main focus as it is the location for the intended business being proposed. Interviewing businesses within the state of Indiana not only allowed for a better analysis of current customer markets, but also competition in the state.

Using the TNNA database, 12 businesses were identified who offer knitting and crocheting as their main fiber arts focus, each of these businesses also taught classes, which was another criteria for interviewing business owners in this study. After obtaining Internal Review Board (IRB) approval the process of narrowing down which shops to use in the study began. Using a script in order to recruit participation, a phone call was made to each of these shops. Out of the twelve shops contacted, only seven stores agreed to participate. One of these shops had only been open for 4 years, which did not meet the criteria for inclusion and was thus removed from participation in the study. Of the remaining six stores, one store declined interview due to time constraints and the remaining five fiber arts shops were interviewed. Interviewing five of the twelve shops

covered 40% of the shops within the state of Indiana and provided a sufficient look at fiber arts businesses within the state.

There were five shops total that met all of the criteria and were willing to meet for an interview and a visit to their location. Each of the five scheduled a meeting time at their convenience with the researcher. After meeting times were established, the primary researcher traveled to each location. Upon meeting the interviewee, an informed consent form was given to each research subject (Appendix C) in order to establish the criteria for the interview. Based on the guidelines for the structured interview, each of the five stores participants were asked the questions from the owner interview instrument (See Appendix A) in the same order and the same wording, in order to follow the structured interview qualitative study guidelines.

Following the owner interview, the store observation instrument was used to compile data on the current ways in which storeowners in the fiber arts industry utilize store layout for their shops (See Appendix B). The store observations included store layout, teaching space, product offerings, customer service options, and advertising within the store, taking into consideration the needs of consumers and the limitations of storeowners. Similarities in the store spaces did arise during the interviews and observations; however, each store was very unique to its area and was configured based upon consumer and owner preferences. The data gathered from the surveys and observational data was transcribed and compiled into a chart and similarities between store data and TNNA data as well as commonalities between stores were analyzed. After compiling both the interviews and the observational data, the results were factored into

the final business proposal in order to create a satisfactory combination of needs and wants among the consumer markets as well as the store components.

### **Results of Owner Surveys**

Each of the shops interviewed had been open between seven and twenty-two years (See Table 1). Although storeowners had unique responses to some of the interview questions, a few commonalities arose. Three of the five stores were located in a downtown location near, or in, a historical district. The other two shops were located on farms. The shops themselves had similar yarn selections ranging from lace to bulky weight yarns. Two of the most common yarn brands carried in each store were Cascade and Plymouth brand yarns (See Table 1). Owners from Stores #2, #4 and #5 pointed out that carrying Cascade yarns was important to them because it was an American made yarn. Four out of the five shops included, or incorporated, some sort of locally made or manufactured good to be sold in store, whether it was yarn, fleece, or accessories. Generally locally manufactured goods included items such as locally grown and spun yarns or knitting and crocheting accessories such as yarn bowls, buttons and broaches (See Table 1). However, all five of the shops expressly stated that if they had access to more local brands they would carry them in their stores.

One criterion for inclusion in this qualitative study on small business owners was that each location offered classes. All of the TNNA certified stores that specialized in knit and crochet within the state of Indiana listed class offerings as a product in their business profile. Each of the five stores offered beginning knitting and crocheting classes. Additional classes taught by each location were based on interests of the owners, location of the store, and product inventory for the shops. For example, Shop #1 was a smaller

shop that had only one employee, the owner, and she created the classes. She made samples for each of her classes and was responsible for organizing, advertising and coming up with new ideas for her repeat customers. Her classes were different in comparison with Shop #4, which was comprised of multiple employees and classes were outsourced to a woman within the community. Shop #4 could focus on individuals learning basic skills in one-on-one classes and additional projects for classes or groups were generated by an outside source. This allowed their shop to offer more one-on-one work and a more structured class schedule. This was true of Shop #5 as well since they had three employees with which to share the work. Common classes, aside from basic knit and crochet, generally included classes that focused on finishing techniques or specialized projects such as lacework and cabling. Classes also included projects such as sweaters, mittens or shawls (See Table 1). Class times varied based on the object being produced. Shop #2 stated that often times classes for sweaters or afghans could be a series of classes over several months, while others may be only one or two sessions.

Class sizes, except for Shop #3 and #5, were generally between six and seven individuals per class (See Table 1). Class sizes appeared to vary based on the available seating within the shops and, according to Shops #1 and #2, you wanted to keep class sizes to a smaller number in order to maintain the social aspect of the art. Each of the businesses said that their yarn inventory was the most profitable for their business (See Table 2), but that classes generated more business and sales over all. Shop #1's owner said, "It goes with the territory, most yarn stores have classes, it keeps people coming into your store to buy new items. It also keeps people interested in what they are doing". Shop #4 had a similar response, "You do it out of need, people will come into a yarn



store and they will want to learn how to knit, it's practical to have classes at a store, it also provides an additional service to customers and it is expected of shops". Shops #2, #3 and #5 had similar responses to the reasons why they offered classes. Classes were offered at varying frequency between the five stores, anywhere from 1-4 times a month. Stores with limited employee resources generally taught less classes and stores with multiple employees were able to teach up to a class every week. Shop #1, #2, and #3 offered classes either once or twice a month, but had only the sole proprietor to teach. Shops #4 and #5 had four and three employees respectively, and were able to teach classes on a scheduled basis as well as a class almost every week in their shop (See Table 1).

**Table 1- Shop Response Data Set #1**

| Store # | Years of Operation | Yarn Inventory (brands)   | Local product Offerings   | Class Offerings  | Average Class Size | Classes Offered per Month | Square Footage |
|---------|--------------------|---|---|--|--------------------|---------------------------|----------------|
| 1       | 9 years            | Plymouth<br>Cascade<br>Borrocco<br>Rowan<br>Scacell<br>Dale of Norway<br>Malabrigo                                    | None- because it was unavailable.   | - Beginning Knitting<br>- Beginning Crochet<br>- Socks<br>- Sweater<br>- Scarf<br>- Lace sampler<br>- Technique<br>- Fixing mistakes   | 6                  | 1-2 times per month       | 600            |
| 2       | 7 Years            | Classic Elite<br>Mountain Colors<br>Opal<br>Cascade<br>Plymouth Crystal<br>Palace<br>Jameson<br>Misty Alpaca<br>Punta | - Yarns dyed by a woman in Indianapolis<br>- Fleeces produced by a local Sheep Farmer<br>- Custom made Jewelry for knitted wear (broaches, shawl pins)<br>- Yarn bowls from a local potter<br>- Handmade bags from a local seamstress | - beginning Crochet<br>- Beginning knitting<br>- Techniques<br>- Project based classes<br>- Lace work<br>- Custom fitting patterns<br>- Felting<br>- Fair isle<br>- Intartia<br>- Finishing techniques | 7                  | 3-4 times per month       | 1600           |
| 3       | 22 Years           | Plymouth<br>Lion<br>Borrocco  | - Locally produced alpaca wool blend natural yarn (spun locally)  | - beginning Crochet<br>- Beginning knitting<br>- Beginning tatting<br>- Tea folding<br>- Sewing classes  | 4                  | Once a month              | 700            |

| Store # | Years of Operation | Yarn Inventory (Brands)  | Local Product Offerings  | Class Offerings  | Average Class Size                   | Classes Offered Per Month   | Square Footage |
|---------|--------------------|--|--|--|--------------------------------------|---|----------------|
| 4       | 6 Years            | Brown Sheep<br>Cascade<br>Elite<br>Noro<br>Sublime<br>Debbie Bliss<br>Manos<br>Malabrigo<br>Trend Setter<br>Arcuna<br>Taki Yarns<br>Rowan<br>Mountain Colors<br>Dragonfly<br>Tili Thomas<br>Katia<br>Aplaca with a Twist<br>Jameson<br>Dream in Color<br>Nashua<br>Pagewood Farms<br>Karabella<br>Austerman<br>Ella Rae<br>Louisa Hardig<br>Shibui | - locally knitted or crocheted garments<br>- handmade buttons<br>- handmade jewelry for knitted goods<br>- handmade stitch markers | - beginning crochet<br>- beginning knitting<br>- Interloc<br>- lace<br>- finishing techniques<br>- sweaters<br>- cables<br>- mittens<br>- socks<br>- two at a time socks | 2-6 per class depending on the class | Twice a month for general classes, individually scheduled for beginners classes | 1200           |

| Store # | Years of Operation                                 | Yarn Inventory (Brands)   | Local Product Offerings   | Class Offerings  | Average Class Size | Classes Offered Per Month | Square Footage |
|---------|--|---|---|--|--------------------|---------------------------|----------------|
| 5       | 12 Years for the shop, 6 years with the Sheep Farm | Cascade<br>Brown Sheep<br>Plymouth<br>Thaki<br>Staci Charles<br>Horrisville<br>Henry's Attic<br>Jager Spun<br>Jo jo Land<br>Alpaca with a twist<br>Knitting Fever | <ul style="list-style-type: none"> <li>- Local sheep fleeces produced on site and from other farms</li> <li>- Processed wool for spinning made locally and on the farm</li> <li>- Hand spun yarn</li> </ul> | <ul style="list-style-type: none"> <li>- beginning knitting</li> <li>- beginning crochet</li> <li>- spinning</li> <li>- weaving</li> <li>- dying</li> <li>- project based classes</li> </ul> | 1-10 people        | 3-4 times a month         | 1400           |

The storeowner interviews revealed some information about their connection with the TNNA. Each of the business owners stressed the importance of the TNNA with respect to annual trade shows and all but one of them became involved with the TNNA because they wanted to start a business (See Table 2). Each of the owners expressed that it was the next logical step to utilize the TNNA for available data and available wholesalers to create a business proposal.

Though the stores themselves were each unique in their layout and presentations, commonalities arose with their methods of advertising, their target market, the products that generated the most revenue for their businesses, and their best selling products. Each of the store's owners spoke of the difficulty of advertising for their type of business. The best and most common method, as expressed by the business owners themselves, was the use of word of mouth advertising (See Table 2). Shop #2 owner made a point to address this by saying, "It's a time [and place] to be social and build a community... it's important to have social connections". She also stated that it was ineffective to utilize traditional forms of advertising, at least for her business, because of the social nature of the fiber arts craft itself. Three of the five shops attributed their greatest customer bases to word of mouth and one business offered incentive to their customers for talking about their shop by sending them a coupon and a thank you letter. Other common advertising implements included localized brochures, local restaurant menus, school programs, trade magazines, radio advertisements, Facebook and websites (See Table 2). All the shops, except for Shop #3, had a website that kept prospective customers up to date on class schedules, new products, the story of the shop, and other features the shops offered. Each

of the shops kept up with their current consumer market by sending e-mail newsletters or promotional mailers (See Table 2).

The target markets identified by the owners of each of these businesses substantiated the data reported by the TNNA in 2009. According to the TNNA, the largest group of knitters and crocheters were between the ages of 40 and 59. The average age for both categories was 48 and 49 years respectively (The State, 2010). Though the overall age bracket, according to the TNNA, is becoming younger, the five stores interviewed corroborated the findings of the TNNA survey. Four of the five stores gauged the age range of their customers between 40 and 75 years with only one shop having a younger customer base in their 30's. Several of the shops noted that they had younger customers, but that did not make up the largest portion of their consumer demographic (See Table 2).

The most common best selling products listed by business owners included worsted weight yarns, sock yarns, and yarns for baby projects. According to Shops #1, #2, and #4, sweaters, socks and hats were among the most sought after projects within their shops (See Table 2). The TNNA stated in its recent findings that hats and baby items were the most frequently made by knitters and crocheters in 2009 and it was projected for 2010 that individuals would become more interested in sweaters, socks and hats for their projects (The State, 2010). Shop #4 owner felt that sock yarn and sock projects were more appealing because of the economy. She stated, "Sock yarns have been the most popular at this store because they generally have more yarn for less money. They also have lots of options, you can get hand painted and nice luxury yarns that go farther for your money and can be used for more than socks, but is generally the best

value”. Most stores reported that the yarns that sold the best included ‘economy’ yarns, or yarns that provided more product for less money. Worsted weight yarns like Cascade were nationally produced and therefore less expensive than some imported luxury yarns. Shops #1, #2, #4 and #5 all said that Cascade and less expensive yarns were their biggest sellers other than sock yarns (See Table 2).

**Table 2- Shop Response Data Set #2**

| Shop # | Are yarn or classes responsible for more revenue? | Why Involved with TNNA   | Advertisement Methods  | Target market  | Best Selling Products  |
|--------|---|--|--|--|--|
| 1      | Inventory, specifically Yarn                      | “ It was a good way to network and a good way to keep connected to trade shows and starting a business”  | <ul style="list-style-type: none"> <li>- Local 50’s diner menu</li> <li>- E-mail</li> <li>- Website</li> <li>- E-mail newsletter</li> <li>- Facebook</li> <li>- Word of Mouth</li> </ul>                                   | Female, middle aged, 40’s, 50’s, has some younger customers because of local college | Worsted weight yarns and sock yarns.   |
| 2      | Inventory specifically Yarn                       | <p>“ For the information, it’s only a small fee to be associated and you get to see how other businesses are doing in comparison with your sales and business and what consumers want”</p> <p>Also uses them for suggested wholesalers and trade shows</p> | <ul style="list-style-type: none"> <li>- Radio ad</li> <li>- Word of Mouth (most important)</li> <li>- Yellow pages</li> <li>- E-mail</li> <li>- E-mail newsletter</li> <li>- Monthly mailer</li> <li>- website</li> </ul> | Females ages 40 and above  | Sock yarns, wool products, baby yarns, luxury fibers that can’t be found at major retailers. |
| 3      | Yarn and knitting machines                        | <p>“It allowed me to source supplies and products and get into related associations with other retailers and wholesalers”</p> <p>Goes for trade shows and to connect with new retailers.</p>   | <ul style="list-style-type: none"> <li>- e-mail newsletter</li> <li>- advertises in knitting magazines for his wholesale business</li> <li>- Knitting machine publications</li> </ul>                                      | 95% female ages 45-75, lots of grandmothers  | Yarns for baby projects  |



| Shop # | Are yarn or classes responsible for more revenue? | Why involved with the TNNA  | Advisement Methods   | Target Market  | Best Selling Products   |
|--------|---|---|--|--|---|
| 4      | Product inventory, yarn                           | <p>“ Seemed a no brainer, if you want to be a professional you keep involved with trade organizations, if you’re going to be successful that is where you need to be. They offer you the ability to get started because you can go to trade shows and they make you look more reliable because you are official”</p> <p>Also uses TNNA for classes to learn new techniques, and to keep up to date on the latest yarns and wholesalers.</p> | <ul style="list-style-type: none"> <li>- Word of mouth incentive program</li> <li>- Underwriting and advertising for local PBS Interweave knit how to show</li> <li>- Advertise on a local vehicle</li> <li>- Silent auctions</li> <li>- Free class drawings</li> </ul>            | Mostly women, although men that do frequent their shop are generally repeat customers, ages 40 and higher. | Sock yarns, or Cascade yarns, group project supplies.   |
| 5      | Yarn and supplies for classes                     | <p>“ Just joined, went to the trade show in San Francisco to meet with distributors and just renewed every year since then. Keeps the business connected to the trade industry.”</p>  | <ul style="list-style-type: none"> <li>- website</li> <li>- e-mail newsletter</li> <li>- advertise in local tourist pamphlets</li> <li>- sponsor 4h kids</li> <li>- Trade magazines</li> <li>- Local band programs</li> <li>- Local fiber fest</li> <li>- Word of Mouth</li> </ul> | Women in their 30’s and over   | Plymouth and Encore yarns, although much of their sales are generated by tourists, who generally purchase locally produced goods. |

## Results of Observational Data

The observational instrument for this study was established in order to identify the variations between store types, layouts and inventory. Because each of the shops that participated in this study was independently owned, displays, classroom spaces, layout and inventory were not prescribed for each store. Unlike chain stores such as Jo-Ann Fabrics and Hobby Lobby, these storeowners are personally responsible for creating signage, advertising and developing the overall atmosphere of the store. However, because these stores specialize in the same craft, some commonalities were observed in each of the five stores.

The location of the cash register was an important element in each store, as it seemed to be one of the focal points of each store. Registers were usually surrounded by specialty merchandise or other inventory within the store, other than just yarns or notions. Registers were not located in a consistent position in each of the shops. Shop #1 and #5 had their registers located to the immediate right of the entrance to the store. Shops #2 and #3 had their registers located in the middle of their store layout and Shop #4 had their register located directly in front of the entrance all the way to the back of the store (See Table 3). The location of the register, although different in each shop, seemed to be juxtaposed to a high traffic area of the shop. Though the store layout varied, each of the five stores had their register located within view of the front door. Products sold next to the registers also varied between the store types, but most of the stores carried knitting accessories such as specialty needles, buttons, magazines, and specialty yarns closest to the register. Register areas included objects that did not necessarily have a place in the rest of the store such as yarn storage or locally produced bags (See Table 3). The register

area seemed to be a place for extra items within each shop. Due to the eclectic selection of goods at the registers it was important to note what other types of products were carried in each of these stores. Stores varied on the types of products they carried beyond basic yarns, notions, knitting needles and crochet hooks. Other accessories included buttons, broaches, jewelry, yarn storage, cleaning supplies for specialty yarns, and products for other types of needle crafts such as quilting (See Table 3). Other products available at these retail locations also included livestock such as sheep (used in fiber arts for their fleeces), sewing supplies, and weaving and spinning equipment (See Table 3.)

Organization systems and method of display for yarn and notions between stores were similar. Commonly used display pieces included wire rack cubbies (Figure 1) and white particleboard cubbies (Figure 2). Other common furniture items among the stores included large oak bookshelves, old or refurbished antique furniture such as dressers, armoires, laminate bookshelves, and wooden crates (See Table 5). The nicer furniture was used more frequently for displays that featured sample products made from featured yarns, while cubbies and cubicles were used more often for stacking and organizing types of yarns. Only Shop #3 labeled the cubbies with the types of yarns and prices. Pricing within stores was done either by labeling the outside of the cubbies with the yarn type and the price of the yarn, stickers on the tags or by writing directly on the labels for the products.

Organization of yarn in these stores varied on the location. Shops #1 and #3 organized their yarns by brand. This seemed to be the easiest way to organize yarns in these two shops as they were the smallest shops and had the least amount of yarn inventory. The larger shops, Shops #4 and #5 utilized a method of organization that

sorted the yarns into fiber and weight types and then separated out the different types of brands. Shop #2 had its own method of organization. Yarns were re-organized five times annually in order to rotate stock. Shop #2 also had the most square footage and was divided into several rooms. Shop #2 rotated its stock so that consumers would frequently see new product which may have been located in a lower traffic area of the store (See Table 4).

**Figure 1- Wire Cubbie**



**Figure 2- Particle Board Cubbie**



Classroom spaces were most frequently incorporated into the store layout. Only Shops #2, #4 and #5 separated their teaching spaces from the rest of their store, but all five stores utilized a very informal teaching area incorporating home furnishings to make crafting spaces feel more like a living room or dining area than a formal classroom. Shop #5 was the only location that had a separate formal workshop for yarn dyeing and fiber fusing, but was also the only shop to offer classes on those types of techniques (See Tables 4).

Though three out of the five stores had the ability to display items in the windows of their shops, only two took advantage of this by putting sample pieces of products made from materials offered in the store in the window displays (See Table 5). Displays within the stores were put on mannequins or hangers and hung in various places around the shop. Yarn displays didn't seem to have a specific promotional garment hung near them in any of the stores. Yarns were organized into cubbies and furniture and layouts were designed to have consumers move through the entire floor space.

**Table 3- Shop Observational Summary Data Set 1**

| Store # | Location of Register  | Product Nearest Checkout   | Other products sold at the store  |
|---------|---|--|---|
| 1       | To the right of the entrance of the store, first thing upon entering and faces the inside of the store (last thing on the way out of the store) | Luxury kettle dyed yarn, handmade felted purse displays, magazines on the counter  | Hand felted purses, yarn storage bags and jars, knitting needles, basic notions (stitch markers, row counters, cable needles, stitch holders and magazines)   |
| 2       | In the middle of the store, at the entrance of the house. Store has two entrances, located by the main front entrance.                          | Handmade items such as jewelry, yarn bowls, all of the local merchandise is carried next to the register or adjacent. Other items include yarn bags and storage and sample garments or items hung around or near the register, hand crafted novelty needles and spinning products. | Handmade jewelry, roving, pottery, clasps for sweaters, bags, purses, knitting notion pouches, wool washes, buttons, notebooks, key chains, novelty needles, drop spindles.   |
| 3       | Middle of the store, set back from the entrance, on the left hand side of the store.  | Notions, needles, sewing supplies, tassel and pom-pom makers and fabric yo-yo makers. Quilting supplies  | Quilting supplies, sewing supplies, baby gifts, pamphlets, small knick knack gifts pertaining to sewing, knitting, paper folding, or quilting, wind chimes, small selection of quilted items and purses, folded paper wreaths and books |
| 4       | At the back of the store in front of the entrance door.   | Handmade buttons and broaches, handmade stitch markers, magazines and sock yarns.  | Handmade buttons, ceramic yarn bells, sheep organization merchandise, mugs, coasters and bags that were related to knitting or fibers, notions, books, magazines.   |
| 5       | Immediate right of the entrance to the store.   | Handmade sheep, handmade buttons, broaches and needle cases, bags, notions and books. Alpaca yarn from local vendor, had their own display at the entrance of the store.   | Livestock (sheep), spinning wheels, looms, spinning supplies, fleeces, bags and notions, knitting kits, books and broaches, handmade needle cases and stuffed animals. Tapestries.  |

**Table 4- Shop Observational Summary Data Set 2**

| Store # | Organization System   | Classroom/ teaching space location and layout   |
|---------|---|---|
| 1       | Yarns are organized by brand with inexpensive and children's yarns towards the back, sock yarns in the center and other yarns placed by brand around the perimeter of the store   | Small seating area in front of store, a couch, with matching chairs, a coffee table and a small gas fireplace. Located in left front of store. Setting was informal and combined with store.  |
| 2       | Storeowner said she does not have an organization system for her yarns, she moves and re-organizes merchandise about 5 times per year in order to rotate inventory. This keeps stock constantly moving.   | Located in largest of five rooms. Located in the middle of the store itself (not a separate room used only for classes) Had 3 big oak dining room/ kitchen tables and chairs put around them. Table is covered in class supplies. Setting was informal and separated.   |
| 3       | Yarn inventory is relatively small and kept by brand in the back right of the store, knitting machine display in the back left, magazines, books and class table located in the middle next to the register and the front has notions and other supplies on the left and specialty yarns and sample products on the right.  | Classes are held in the middle of the store at a small wooden table with 4 chairs around it. Setting was informal and combined with store.  |
| 4       | Was arranged by weight and fiber, to the left of the entrance was alpaca and sock weight yarns, middle of the store housed most of the wool ranging by various brands, weights and colors, and the back room of the store had selection of cottons and linens. Other specialty yarns were located throughout the store. Cascade yarns were the largest inventory, but were separated by yarn weight throughout. | Classroom was separated into the second room of the store. A small seating area had 2 couches and 2 love seats placed in a square that was separated from the store by a large shelf featuring hand made goods. Other classroom space included a small kitchen table and chairs located in the same room, but away from yarn and other supplies. Setting was informal, but separate.  |
| 5       | Yarns organized by fiber type. Alpaca, wool, machine washable wool, wool blends, sock wools, silk blends, baby yarns, acrylics and cottons, hand spun yarn, roving, fleeces, weaving looms, spinning wheels and supplies, dyeing supplies, notions and books, were all in separate sections throughout the store.   | Class room area for classes were in the back of the store and held at 3 wooden tables and chairs. The area itself was informal and was included with the rest of the store. The weaving and spinning stations were located amongst the weaving looms and spindles and was both informal and in the middle of the inventory. The dyeing classroom area was separate and formal was separated into a small room that was offset from the rest of the store and the merchandise. |

**Table 5- Shop Observational Summary Data Set 3**

| Store # | Merchandise Display  | Display Window  |
|---------|--|---|
| 1       | Yarn is displayed using closet organizing white particle board cubbies around the outer perimeter of the store. Other furniture for display included wood crate system, handmade check out station, and oak dressers for product displays  | Screen with knitted items attached to it in front right, other window display is a children's sweater display next to a small child sized vanity  |
| 2       | Black wire closet organizing racks are used for the majority of display for yarns, white closet particle board cubbies, several industrial style plastic shelves, wood crates, and peg boards. Nice oak book shelves are used to display items in the main entrance of the store.  | Store is in a house, does not have windows to do formal displays.   |
| 3       | White wire closet racks, peg boards, book store style upright magazine racks, and white particle board closet organization cubbies.  | Two traditional windows that could be used for window displays, one side has picture frame with sweater and a tea-folding wreath and left over Christmas greenery garland. The other window has potted plants |
| 4       | All oak or other wood shelving units, included cubbies, book shelves, and shelves custom made for displaying yarns. Wooden wine racks. Shelving along walls had cabinets and drawers for extra inventory storage as well as contact and ordering information binders. Wire racks were used for hanging displays and were only used to cover two pillars extending from a balcony in the store, these racks had small baskets attached to display buttons or non-yarn inventory and were used to hang specialty hand dyed yarns | Had two large windows, but no window displays. Large window at entrance had large decal of the shops name and logo.   |
| 5       | Store had 4 laminate book shelves in white and faux wood used in the front of the store and the back for housing books, notions, and weaving yarns. The rest of the display furniture was white wire organization cubbies. These were used for everything else in the store.   | Did not have a display window, was located in a barn.   |



## Summary

After analyzing data from business owners and comparing it to the TNNA's findings on consumer markets, a few patterns emerged. Most of the shops carry a variation on the same assortments of yarn, but have several of the same items in their stock. Each store carried at least a lace, sock, worsted, and bulky weight yarn, had a specialty brand for wool, alpaca and cotton. Some shop's inventory was more elaborate than others, but basic notions, knitting needles, crochet hooks and accessories for knitting and crocheting were in the basic stock of each store. Store owners' consumer demographics fell within the range of the TNNA's findings of frequent consumers: women in their mid 40's and older. Store design was carried out differently in each shop based on the available space and inventory, but each store created an informal learning environment for their classes.

Display furniture was consistent throughout all of the stores, but varied in color and orientation within the store. Commonly purchased products by consumers reported by the store owners were also similar to TNNA data results. Consumers frequently purchased sock yarns and worsted weight yarns that were generally less expensive and had more yardage. Project types such as sweaters, hats and socks were noted as the most popular projects of choice by consumers, the TNNA, and small business owners. Though there were variations between the shops based on breadth and depth of selection and consumer size, similarities were present between both sets of data. This data was then used to create a business proposal for a small fiber arts store, much like the shops interviewed in the research portion of this project.

## **CHAPTER 5**

### **DISCUSSION**

The purpose of this creative project was to examine consumers and owners of small fiber arts businesses that focused on knitting and crocheting as their main product offering in order to build a business proposal for a fiber arts store. Academic literature was scarce on the actual fiber arts industry, so the basis of the research was focused on current findings within the fiber arts market conducted by The National NeedleArts Association (TNNA) and first hand interviews with business owners. Other literature included the small amount of research done on fiber artists and handcrafts as well as the relationship of small business owners to their consumer base and a description of perceived quality as it relates to consumers shopping in this market. This chapter will look back at the research conducted on small fiber arts businesses and how the review of literature tied into the final project. It will also examine how utilizing data from the TNNA and first hand interviews added to this project and to the literature available about fiber arts as a business venture.

## **Growth and Relevance of Fiber Arts**

While conducting research on the fiber arts industry, not much academic literature can be found. The absence of information on this growing industry suggests a lack of study on the market available within fiber arts. There are at least 1.5 billion fiber artists within the United States alone and the industry makes more than \$1.4 billion dollars annually (The State, 2010). The recent interest in fiber arts and crafting was discussed as it pertained to current culture in the literature review and in data released by the TNNA on the fiber arts market. Business owners that were interviewed for the research portion of this study discussed the changes in the market due to recession. However, the relevance of fiber arts was supported in research done by Myzelev (2009) on the recent resurgence of the crafting culture. With fiber arts being shifted to modern tastes, the call for new projects and the amount of individuals interested in these crafts has increased over the last decade (Myzelev, 2009). The TNNA became involved with this shift by recruiting students from the Family Consumer Science (FCS) department at their local college to get more business professionals to see the legitimacy and possible business avenue of the fiber arts within the fashion design and merchandising discipline (Jennings-Rentenaar, 2008). These two sources supported the interest being generated by individuals in hand crafting and fiber arts, but gave little information on the businesses within this genre.

The TNNA noted that much of the techniques for fiber arts such as knitting and crocheting was previously taught in the home, but with changes in social structure, education and career path, this is generally not occurring (Jennings-Rentenaar, Stansbery Buckland, Amoroso Leslie, & Mulne, 2008). These types of skills have found their way

into hobbies for some, and livelihoods for others, and it is local fiber arts businesses that have taken up passing these skills to new generations. In order to meet the needs of those pursuing these crafts and to keep individuals interested, it is important to make classes and workshops available within small fiber arts stores. For small businesses, this becomes a selling point. All five of the businesses interviewed in this study discussed that classes are taught through their facilities. These classes were not a main source of revenue for their shop, but because crafters were often required to purchase materials from the stores, classes were responsible for more sales. The TNNA confirmed that fiber artists, even during the recent economic recession, were likely to spend hundreds of dollars on classes within a year (The State, 2010). Classes are a way for fiber artists to learn new skills in their trade, and because of this, continue buying materials from small fiber arts shops. This supports the need for a shop that has adequate education in the fiber arts. In addition, the importance of the development of a business proposed for the Midwest is noted since research completed by the TNNA indicates the Midwest has the largest percentage of fiber artists (The State, 2010).

Growth within the fiber arts, such as knitting and crocheting, increased between 2004 and 2006. Because of economic hardship caused by the recession, fiber arts stores saw a decline in purchases made by fiber artists between 2008 and 2009 (The State, 2010). Data from a recent study by the TNNA indicated that as the recession has lessened, sales began to steadily increase over the last year for small fiber arts shops like the one proposed in this project (The State, 2010). The TNNA and small business owners supported other indications of a maintained interest in the fiber arts but a decrease in spending due to the recession. The TNNA reported that fiber artists during the

recession utilized more of their ‘stashes’ and increased spending on classes. This means that fiber artists utilized materials they had previously purchased and instead spent their money to learn new skills utilizing supplies they already had. Of the knitters and crocheters surveyed by the TNNA, many reported that one third of the projects completed during 2009 were from their personal ‘stash’ (The State, 2010). Small business owners confirmed this. Shops #1, #2, #4, and #5 stated that their consumers were making purchases that would give them more yarn for their money. Items such as sock yarns and worsted weight yarns that provided a larger quantity of yarn for an economic price were more likely to sell. Shop #4 reported that this was due to the recession, that individuals who participated in the fiber arts of knitting and crocheting wanted to get “more bang for their buck” and used yarns that would make more projects for less. Shop #1 said that her biggest challenge was coming up with new classes that utilized less expensive yarns or projects that didn’t cost much to make. This brought revenue into her store by catering to this mentality. The TNNA indicated that the drop in spending was not due to decreased interest, but rather a more fiscally conservative time period for fiber artists (The State, 2010).

Interviewing small business owners was crucial to gaining first hand insight into the consumer relationships, product offerings and professional interests of fiber art businesses. Aside from product offerings, store layouts and trade organization data, interviews were a way to gain insight into small business and consumer relationships within the fiber arts. The TNNA stated that knitters were more likely to visit an independently owned shop than a commercial craft store and crocheters were evenly tied between independent shops and chain stores (The State, 2010). The storeowners

interviewed in this study explained the draw to these fiber arts stores. Shop #2 indicated that with her store, she maintained the interest of her customers by providing materials that could not be located at chain stores. This provided an opportunity for a competitive edge over other businesses that sell similar products. This competitive edge is important for a small business to thrive. Even though other stores may carry similar products, offer classes, etc, Store #2's owner said "It is very difficult to keep in competition with local chain stores like Jo Ann Fabrics or Michaels, you really have to focus on what they do not have and try to carry it".

Miller and Besser (2000) stressed the importance of maintaining competitive edge over other retailers by offering more products or services that cater to specific clientele. While interviewing each of the shops, it was made apparent that many of the shops focused on specialty fibers that could not be purchased in 'big box' or large retail stores. It was also expressly stated on more than one occasion, that these shops focused on the types of specialty products and services they offered their clientele, such as classes or one-on-one lessons that provided a different atmosphere or a chance for networking, that chain stores did not offer. Shop #4 in fact had specifications for why their shop was different than others by only carrying natural specialty fibers. Each of the shops interviewed indicated that classes generated interest in the fiber arts, as well as new and repeat customers for their businesses. These classes were as much a social outing as they were a learning experience.

According to the TNNA, the majority of knitters and crocheters utilize independent yarn stores more frequently than chain or 'big box' stores for their supplies (The State, 2010). Though their survey did not go into great detail about why this is,

several explanations can be speculated by using Darden's (1985) six dimensions of perceived quality. All six perceived quality dimensions can be applied to specialty fiber arts stores. These dimensions include social factors based on store type, perceptions across store types, demographics and psychographics, social visibility, and value systems. The first is applicable when it comes to specialty fiber arts because although stores such as Jo-Ann Fabrics and Hobby Lobby carry yarns that include specialty fibers such as alpaca, wool and cotton, the brands they carry may not be associated with high quality. More information is needed on the actual perceived quality of fibers purchased within specialty fiber arts stores, but according to shop owners it is apparent that specialty stores are perceived to have better yarns.

This same justification can be factored into perceptions across store types. Specialty fiber arts stores carry a larger breadth and depth of yarn in comparison with chain stores that also include other crafting supplies; this could indicate that specialty yarn stores have more to offer in the way of a specific crafts because their focus is narrower. The specialization of the fiber arts store can make the store more appealing to its consumers than a chain store. Because of its narrower focus, consumers may feel their specific needs are being addressed and are not just a small part of a larger business.

The owner of Shop #2 emphasized the point that people come to independent stores and take classes because of the importance of social networking. She said, "I try to keep it (class sizes) around 7 people, if you get too many people you can't teach because people get to talking, which is what they should be for in the first place. It's a time to be social and build a community. I have a customer who says, 'This is my bar' it's important to have that social connection, I encourage it at my store, so I try to keep my classes

smaller". The concept of social networking came up in all but one of the five interviews conducted with small businesses. Owners pressed the importance of creating a community atmosphere with their shops. They did this by offering incentive word of mouth programs, having social knitting groups, turning classes into networking opportunities, or by getting involved with other local businesses. Many of these store owners expressed an element of connection with their consumers. The stores have a sense of pride in the individuals who shop at their stores. This was indicated by shops #1, #2 and #4 when business owners at these shops beamed about projects their customers were working on or carried their work for sale in the stores.

According to Miller and Besser (2000), small businesses attract customers based on unique relationships between a surrounding community and the core values of a small business. The values of the of small business owners, for successful shops, usually reflect the values of the surrounding community. This creates a sense of belonging for consumers who shop at these stores and helps small businesses to thrive (Miller & Besser, 2000). Shops examined in this study each had very distinctive characteristics that made them unique to their location, whether it is their shop layout, their method of advertising, or the types of products they carried.

### **Summary**

The research conducted by this creative project on small business owners helped add to the limited information on small specialty fiber arts stores. Currently, most research that has been conducted on these types of businesses has been collected by The National Needle Arts Association (TNNA) and is not available to the general public. Information about the creation and operation of businesses, such as the one proposed, is



not something that has been thoroughly researched. Myzelev (2009) supported the interest in fiber arts, Downey (2007) addressed interest in hand knit items by haute couture designers in high fashion lines, and the TNNA addressed the interest in the industry by fiber artists in their publication: *The State of Specialty Needle Arts 2010: Executive Summary* (2010). The interest for fiber arts by consumers has been established, but more research was needed on owners of these individual businesses.

The research conducted for this study examined current business practices of small fiber arts stores, their inventory, the classes they teach, and the demographic of individuals who frequent stores in the Midwest, specifically, Indiana. Interviews revealed that the preferred method of advertising for each business focused on localized advertising and word of mouth. The overall look at why individuals got started in the fiber arts business was varied, but each utilized the TNNA to gather important data on how to build and maintain a fiber arts store. Interviews with storeowners established both commonalities with local businesses, which supported data gathered by the TNNA and compared inventory and class offerings for each store. Though the TNNA conducted a field study on how to generate new interest in the fiber arts, they did not examine individual businesses and the part they played in perpetuating fiber arts. The research portion of this creative project not only collected data from the owners of fiber arts shops, it also examined the variations of the shops based on their locations, visual displays, inventory, store layout and other items carried.

Fiber arts owners became an important population to examine when writing a proposal for a small fiber arts store specializing in knitting and crocheting. The types of classes offered, the inventory, the atmosphere, and the interactions between business

owners and their consumers were each unique, but necessary factors in these small fiber arts stores.

The National NeedleArts Association (TNNA) gathered data on the interests of the 1.5 to 1.7 billion fiber artists within the United States that currently frequent these independent retailers to gain knowledge about how money is being distributed to stores within the fiber arts industry (The State, 2010). After examining the market for fiber artists through the TNNA and interviewing small business owners on their experiences with owning small independent shops, the viability of creating a small fiber arts business became apparent. The final outcome of researching this target market and current offerings in fiber arts through small businesses will be a business proposal for a shop like the one's observed in this project.

## **CHAPTER 6**

### **CONCLUSIONS AND RECOMMENDATIONS**

The purpose of the project was to examine industry data in order to create a business proposal for a fiber arts store. Data collected by The National NeedleArts Association (TNNA) on consumers within the fiber arts market that participate in crafts such as knitting and crocheting as well as data gathered on independent fiber arts shop owners within the state of Indiana were utilized to gain an understanding of the fiber arts market. The proposed fiber arts store is to be located within the state of Indiana; therefore information about local businesses was highly relevant to this business proposal. Data on fiber arts, the ethics of small businesses, and the perceived quality of the products carried at specialty stores was addressed in the literature review and then again in the Discussion as it pertained to this project. Of the twelve TNNA certified fiber arts businesses specializing in knitting and crocheting in the state of Indiana, interviews were conducted with five owners of these shops in order to collect data about the operation of a small fiber arts business. Information was collected on owners' inventory practices, store layouts, product categories, class types, TNNA involvement, and additional information

about their consumer groups. The combination of information gathered from the surveys conducted by the TNNA, responses by business owners, and observational data on individual shops, provided a picture of what owning and operating a small fiber arts business entails. This data was then compiled and used as market research in the accompanying business proposal.

### **Conclusion**

Data provided by the TNNA was extremely helpful when it came to gathering figures in relation to spending habits, shopping patterns and most frequently purchased or made goods. Utilizing firsthand knowledge from fiber arts shop owners allowed the business proposal to include information directly from individuals who have already completed the process. This study utilized businesses that were well established, offered a fair amount of products and services to their customers including supplies and classes, and were not in financial ruin. Each of the shops had a unique way of approaching their business. Utilizing shops within the TNNA helped to legitimize more of the data collected about consumers in that market as the businesses being interviewed were businesses included in the industry the TNNA was interviewing.

While doing interviews, it became apparent that the shops reflected their surrounding communities in the way they presented their store and spoke about their consumers. This provided support for Miller and Besser's (2000) report on the importance of businesses reflecting community values. The information gathered from the shops gave some insight into how to operate and stock a store, as similarities in display, product and class offerings were found in each of the five stores. In the final business proposal, it was important to include information on individualized branding and

product mix in order to provide information on the competition and identify a need currently not being served. Interestingly, each shop owner stated that they work with other shops and try to carry an assortment of goods that other shops do not carry. The shops themselves seem to work together, rather against each other, while advancing the fiber arts crafts.

### **Recommendations**

Many of the shops interviewed for this study suggested that if they had access to more handmade or locally made goods, they would be willing to stock them in their stores. This could be an additional area of research to examine stores in more depth about the stocking of locally produced goods and whether or not the TNNA could, or does, incorporate this in their networking with small businesses. Additional research could also be completed with the customers of each location, as there are certain aspects of the businesses that could only be verified by individuals who shop at those stores.

The Final data collected for the survey has limited application, as the data collected focused on the state of Indiana. Further research on specialized markets within the United States or the Midwest would be needed to make any conclusion about the broader fiber arts market outside of the state of Indiana. In the future, adding additional information about demographics and inventory purchasing information, the research from this project could be expanded to compare differences and similarities of the various types of stores, demographics and psychographics of small shop owners within various regions in the United States. Research on how shops vary between climates and populations of fiber artists could create a customized recommendation for individuals opening a fiber arts store in any geographic location.

Other considerations for further research include expanding data collection to businesses that do not currently belong to the TNNA. There are several stores that focus on fiber arts within the state of Indiana that are not TNNA certified. A comparison of shops that belong, and do not belong, to the TNNA and the differences that arise in the issues researched within this study could also be addressed. Analyzing data on shops that do not belong to the TNNA could yield different results as to the function and start up of the various stores within the state.

### **Summary**

There are many ways to use the research portion of this creative project in order to expand upon current data available about fiber arts in academic literature. Since the focus of this project was a final business proposal and the research was used as market research for the area of fiber arts where academic information was lacking, this project focused more on the basic operations of fiber arts stores and the buying habits of consumers reported by storeowners. The first chapter introduced the project along with the rationale for conducting a research portion to support data. Chapter 2 addressed the available literature about the fiber arts industry supplied by the TNNA and other articles on crafters, small businesses, and perceived quality and how each of these related to the final outcome of this project, a business proposal. Chapter 3 addressed the procedure and instrumentation used for obtaining information from small business owners. Chapter 4 discussed the outcome of the interviews and observational data collection, Chapter 5 discussed the impact of the literature review on the project as well as the possible implications of this research adding to the literature available, and lastly this chapter has

discussed the final conclusions for this research project as well as suggested avenues for further research.

## REFERENCES

- Darden, W. R., & Schwinghammer, J. (1985). 10: The influence of social characteristics on perceived quality in patronage choice behavior. In J. Jacoby & J. Olsen, *Perceived Quality: How Consumers View Stores and Merchandise* (pp. 161-172). Lexington Books.
- Denzin, N. K., & Lincoln, Y. S. (Eds.). (2005). *The Sage Handbook of Qualitative Research* (3rd ed.). California: Sage Publications.
- Downey, G., & Conway, H. (2007). Knit Into Fashion. In *Knit couture: 20 hand knit designs from runway to reality* (pp. 31-37). New York: St. Martin's Press.
- Greer, B. (2008). *Knitting for Good: A Guide to creating Personal, Social, and Political Change, Stitch by Stitch*. Boston, Massachusetts: Trumpeter Books.
- Jennings-Rentenaar, T., Stansbery Buckland, S., Amoroso Leslie, C., & Mulne, S. (2008). Expanding opportunities in fashion merchandising: a successful internship programme through an innovative collaboration with The National NeedleArts Association. *International Journal of Consumer Studies*, 32, 323-327.
- Lee, S. E., & Littrell, M. A. (2006). Marketing Cultural Products on the Internet: Targeting Cultural Creatives. *International Textile & Apparel Association*, 24(1), 33-45.
- MacDonald, A. L. (1988). *No Idle Hands: The Social History of American Knitting*. New York: Ballantine Books.
- Miller, N. J., & Besser, T. L. (2000, January). The Importance of Community Values in Small Business Strategy Formation: Evidence from Rural Iowa. *Journal of Small Business Management*, 38(1), 68-85. Retrieved from Business Source Premier database. (2116876)
- Myzelev, A. (2009, July). Whip your hobby into shape: knitting, feminism and construction of gender. *The Journal of Cloth & Culture*, 7(2), 148-163.
- Stoller, D. (2006). *Stitch 'N Bitch Crochet: The Happy Hooker*. Workman Publishing Company.
- Stoller, D. (2004). *Stitch 'N Bitch: The Knitter's Handbook*. Workman Publishing Company.
- The State of specialty needlearts 2010: Executive Summary* [Data file]. (2010). The National Needlearts Association.



*The state of specialty needlearts 2010.* (2010). The National NeedleArts Association.

**APPENDIX A**

## Owner Interviews

1. How long have you been in business?
2. What product offerings do you have at your store? Yarns, local brands? Name brands?
3. What is the proportion between local and name brands within your store?
4. What class offerings do you have at this store?
  - a. What types of classes do you offer?
  - b. How often do you offer them?
  - c. How many people on average attend these classes?
5. What made you decide to have class offerings?
6. Would you say that your classes or your product inventory is more profitable to your business?
  - a. Why do you think this is?
8. How did you get started creating the store? Why?
9. How did you get involved with the TNNA?
10. Why did you decide to be TNNA certified?
11. Do you advertise? How?
  - a. What formats have proved the most useful? (i.e. E-mail newsletter, local paper)
12. What kinds of customers make up the largest portion of your customer base? Ages? Gender?
13. What products are the most popular at your store?

## **APPENDIX B**

### Observational Criteria:

1. How is store laid out, diagram of store layout.
2. How is yarn displayed, what is used to display it? (i.e. Book shelves, hangers, coat racks)
3. Do they have a display window, if so what is displayed in the window?
4. Where is the location of the checkout?
5. Does the store have a class-room area separated from the shopping floor?
  - a. If not where are classes happening (if they happen at store)
  - b. If they do, how is it laid out?
6. Does the store have an organization system? Are certain types of yarn placed in certain locations? How is it organized (weight, color, fiber)?
7. What products does the store have? Do they carry local merchants?
8. What kinds of products are nearest the cash register?
9. Where are the notions kept? At the front of the store, back of the store, in with books or pamphlets, dispersed throughout store?
10. What other items are sold in the store?

## **APPENDIX C**

### **Study Title: Close Knit: A Business Proposal for a Fiber Arts Business**

#### **Study Purpose and Rationale**

The purpose of this research project is to gain first hand knowledge about fiber arts businesses and their consumer markets as well as inventory offerings from owners of fiber arts businesses that specialize in knitting, crochet and spinning.

#### **Inclusion/Exclusion Criteria**

To be eligible to participate in this study, you must be over the age of 18, be a member of The National NeedleArts Association, have been in business for a minimum of five years and are not currently filing for bankruptcy with the fiber arts business in question.

#### **Participation Procedures and Duration**

For this research project you will be asked to participate in an in person interview that should take one hour. Your participation is completely voluntary and if at any point in the interview you are not comfortable answering one of the questions or want to cease the interview, you may stop the interview at any time.

#### **Data Confidentiality**

All of the data collected during the interview process will be kept in confidence. All of the names and data collected will be given a number, and all information pertaining to your name, the name of your business, or your location will be omitted in the final use of this research data.

#### **Storage of Data**

As a participant in this study, you will be recorded during the interview process. This recording will only be used for reference while data is being analyzed. Written and recorded data will only be accessible to the principle investigator and the faculty advisor for this project. It will be kept in a locked filing cabinet until such a time that it is turned into an electronic document. This information will be kept in a password locked file. Upon completion of this project all data will be destroyed, or erased.

#### **Risks**

The only risk associated with this study will be the loss of time from the interview process.

#### **Who to Contact Should You Experience Any Negative Effects from Participating in this Study**

Should you have any anxiety or wish to remove your data from this study, please contact the principle investigator, Jessica Beck at 765-620-9074 or the academic advisor, Amy Leahy at 765-285-5958.

### **Benefits**

There is no direct benefit from being involved in this study, except the possibility of increased visibility of The National NeedleArts Association, of which you are a member.

### **Voluntary Participation**

Your participation in this interview study is voluntary and confidential. If at any point you are uncomfortable with an interview question you may decline to answer. You may also end the interview at anytime without penalty or prejudice. Feel free to remove your answers to interview questions at any time during the study, or if you wish to discontinue your participation please feel free to contact the investigator to remove your data from the study. Feel free to ask any questions of the researcher at any time during the study.

### **IRB Contact Information**

For one's rights as a research subject, you may contact the following: For questions about your rights as a research subject, please contact the Director, Office of Research Compliance, Ball State University, Muncie, IN 47306, (765) 285-5070 or at [irb@bsu.edu](mailto:irb@bsu.edu).

### **Researcher Contact Information**

Principal Investigator:

Jessica Beck, Graduate Student

Family Consumer Science

Ball State University

Muncie, IN 47306

Telephone: (765) 620-9074

Email: [jebeck@bsu.edu](mailto:jebeck@bsu.edu)

Faculty Supervisor:

Dr. Amy Leahy

Family Consumer Science

Ball State University

Muncie, IN 47306

Telephone: (765) 285-5958

Email: [aleahy@bsu.edu](mailto:aleahy@bsu.edu)