

**CORNELL JOHNSON SCHOOL OF BUSINESS  
CENTER FOR SUSTAINABLE GLOBAL ENTERPRISE**

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**NYS REGIONAL  
WOOL**

**BRANDING &  
MARKETING  
REPORT**

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2020

**PREPARED BY**  
ANDREA HOHMAN & DANA HAVAS

## THE PROJECT

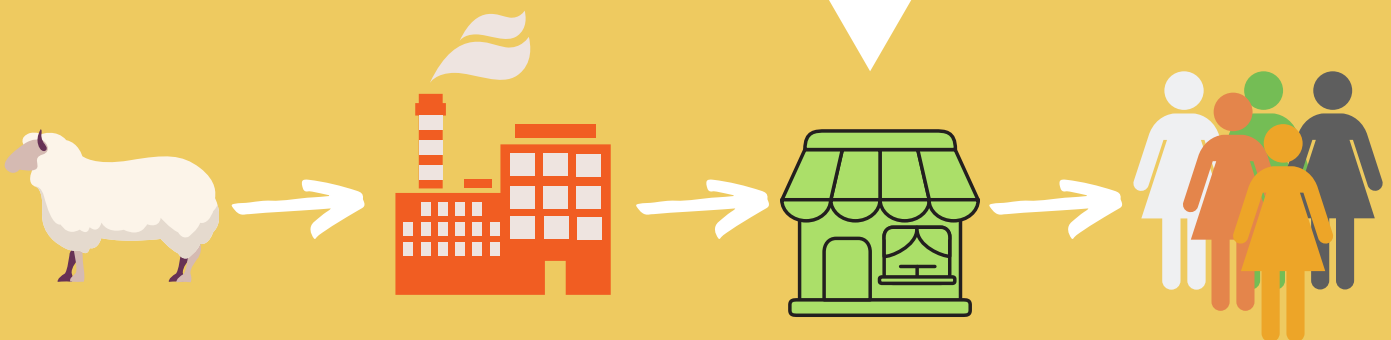
Retailers that sell NYS and NE US small-flock fiber and fiber value-added products find themselves in a competitive landscape. In order to successfully compete and grow their businesses they must have strong branding and marketing plans.

This report aims to serve as a branding and marketing plan guide for these retailers, by making recommendations related to improving consumer perceptions of these products and giving an quick overview on marketing channels regarding the target customer.

## THE VALUE OF BRANDING AND MARKETING

Branding performs an important duty for consumers by ensuring a level of consistency, allowing consumers to expect a certain quality of product or service based on the reputation of the brand. A strong brand is a shortcut for communicating the values of the company and signals the quality of the product without requiring additional effort on the part of the consumer.

Effective marketing campaigns can help alert consumers to the brands & products while communicating key attributes.



## FUN FACTS\*

- 801 sheep-wool farms in NYS
- > 699 of them are small flock (<100 head)
- >250,000 lbs-wool produced and sold (NYS)
- ~50 Angora goat-mohair farms in NYS
- 462 Alpaca farms in NYS
- 2019 wool-pool price for clean white ~\$0.45/lb.-wool
- 4 sheep-wool pools in NYS
- 1 alpaca-wool pool in NYS



# CHALLENGES MARKETING NYS AND NE US SMALL- FLOCK WOOL

While fiber is not typically the primary product produced on NYS and NE US sheep farms it is a product that can be sold for profit, which in turn contributes to the sustainability of the farm.

These fiber producers are faced with an option - pay to throw away their fiber, sell their fiber to the wool pool for cents on the pound, or direct market their fiber and/or value-added fiber products to the general public, fiber-hobbyists, and designers for dollars on the pound.

Farmers and other retailers who sell small flock fiber and value-added fiber products face numerous challenges often due to scale - From navigating a fragmented supply chain to paying

high prices for processing and, of course, competing with their market competitors.

In a recent study performed at Cornell University (Chan & Havas, in process), it was found that consumers preferred cotton to wool when it comes to socks and blankets - items often produced using small flock NE US wool. More so, synthetic fibers can be produced quickly and cheaply resulting in a demand reduction of wool and other natural fibers (Trejo, 2016).

It is, therefore, imperative that animal fiber producers and retailers, competing for precious consumer attention, build a strong understanding of how and where to market their products.

## Wool Pool Participants

Contribute their wool to be processed in a large group with others, creating bulk products that they can sell for a small profit.

## Niche Producers

Responsible for all aspects of production. Laborious but can often command a higher price for their product than others in the industry.



## EXECUTIVE SUMMARY

This report devises a brand identity and reviews relevant marketing channels for those selling products produced using NYS & the NE US wool by working through the 3 C's: consumer, company, & competition.

Through primary and secondary research the target consumer was identified to be Gen-X and Baby Boomer females with a bachelor's degree or higher and whose values align with the LOHAS movement.

The current NYS & NE US wool industry brand was found to be inconsistent. Many in the industry felt that they did not have the time or resources to put into branding and marketing their business.

US Cotton, ZQ/RWS merino wool, and recycled synthetics were identified as primary competitors being that they are used to produce similar products, share sustainability claims, and sell at a price point comparable to NYS & NE US wool & woolen goods.

When compared to its competitors, NYS & NE US woolen goods were differentiated by the use of small scale production practices leading to positive environmental, social, and transparency-related attributes.

Using compiled consumer data, competitor analyses, and company reflections, a brand position statement was developed:

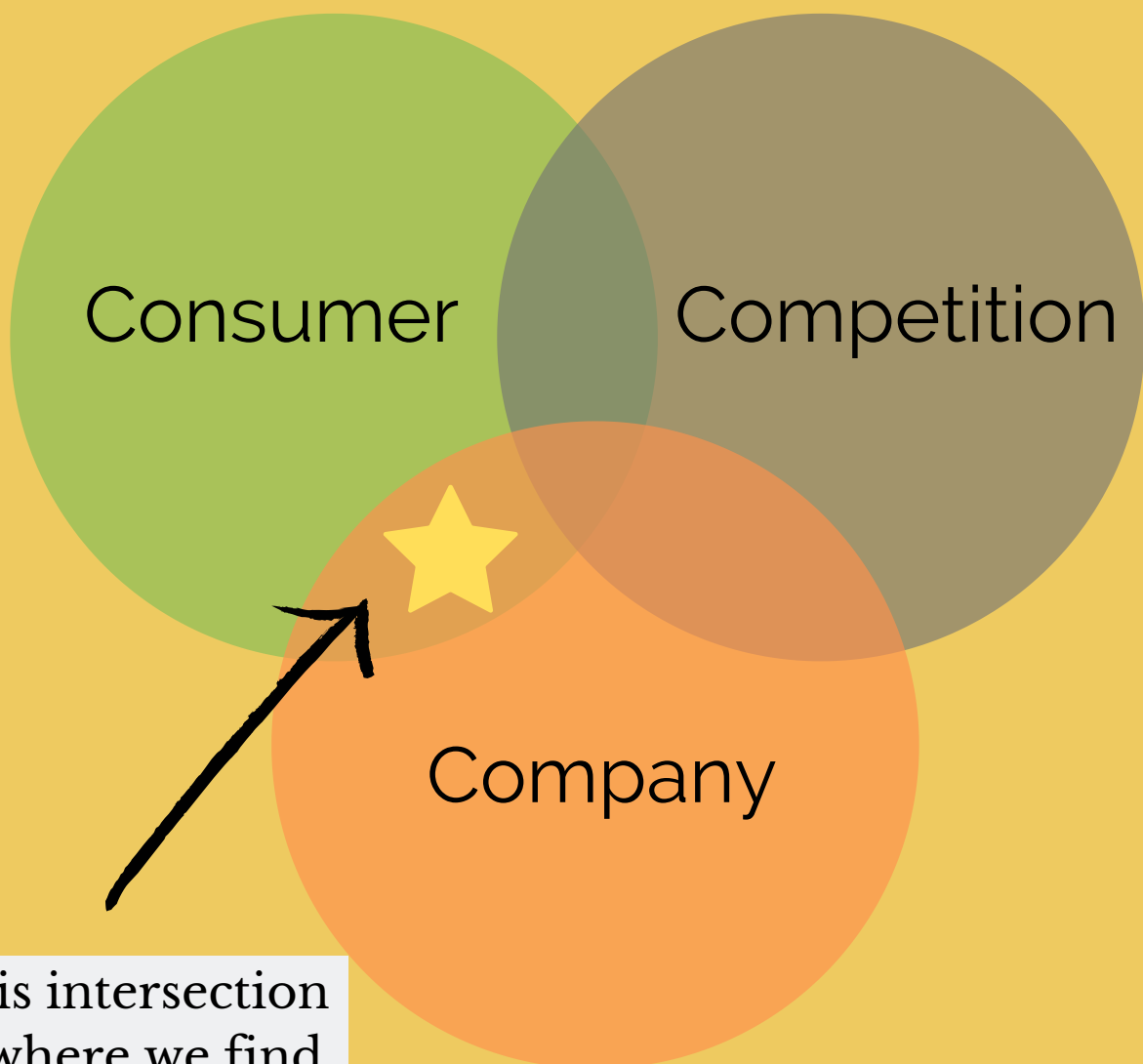
*“For the target consumer, NYS wool best provides an environmentally sustainable, socially responsible, high quality, & durable product because it is produced domestically by small, local farmers that care about their land, their animals, and their employees.”*

Survey data suggests that the target consumer can be best reached through in-store product placements, social media, and through word of mouth marketing.

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## READING THIS REPORT

The key to developing an effective brand strategy is understanding the NYS & NE US small flock fiber industry, its target consumer, and its competitors. This report will take you through these 3 components, highlighting their intersections and what these intersections tell us about the business and the market.



This intersection is where we find the ideal market placement for small flock NYS & NE US wool.

# THE CONSUMER

AN ANALYSIS OF THE TARGET CONSUMER  
FOR THE EXPANSION OF NYS WOOL  
- AND -  
AN OVERVIEW OF THE CURRENT  
CONSUMER PREFERENCES FOR WOOL  
PRODUCTS

# WHO IS BUYING?

Targeting branding and marketing efforts by identifying the target consumer for NYS & NE US wool products.

## Highly Educated

Higher levels of education tend to be correlated with higher incomes, indicating an ability to pay premiums for local, green, humanely produced products.

## Urban\*

## 40+

Older individuals tend to have greater financial stability after years of employment and are more likely to have extra money to spend on higher-priced products.

This is further emphasized by the fact that children of these individuals are likely financially independent.

## LOHAS

LOHAS consumers prefer to purchase goods from companies that align with their environmental and social values and are willing to pay a premium for products that do so.

These consumers are likely to be early adopters of products and take time to research new products.

## Female

Females are often the primary purchasers for their households, especially in product categories like home goods and textiles.

Of the target consumers surveyed, 70.48% reported that they were the primary purchaser for their household and 21.06% said they shared the duty with a spouse.



# WHO IS BUYING?

## MARY - 64

Mary lives in outside of a major urban center, sits on the town hall council, and takes part in other projects related to bettering her community. Holding a master's degree in plant science, she works as a Senior Research Associate at a university in the city. In her free time, she loves taking yoga classes and enjoys meditating.

As an empty nester, Mary is always on the look-out for new products and brands to purchase for herself. She spends a lot of time commuting, giving her a lot of time to read her newspapers and magazines, which are where she finds a lot of new products.



## EMILY - 46

Emily is a nurse practitioner living in a major urban center with her partner. After she completed nursing school she moved to the east coast. She lives an active lifestyle - she loves to hike and do yoga when she can find the time. She loves spending time outdoors and is passionate about educating herself on environmental issues.

Her love for the environment means that she often boycotts brands that don't align with her values, this often means that she hunts down niche brands that she feels she can trust. She is seen by her friends as their go-to source for advice on sustainable products.





## WHO IS BUYING?



### LINDA - 57

Linda lives in a suburban community, and she is physically active. She is a member of the local cycling club and regularly volunteers to help with their fundraisers. An empty nester and married for 32 years. She settled down after getting her Bachelor's degree with her college sweetheart. After having kids she started a career in HR and has is now the HR Manager of a large firm.

Linda feels strongly about purchasing from companies that align with her values. She especially seeks out opportunities to support women be it through donating, volunteering, or searching for opportunities to purchase items from women-owned businesses.

### SHARON - 72

Sharon is a professor who lives in a major urban center with her spouse. Though she loves the city, she likes to spend her weekends getting out of the city and into nature for hikes and nature walks. When she can't find the time for a hike, she likes to knit to relax.

She is passionate about workers' rights. She spends a lot of time researching issues that she cares about and because of this, her friends trust her opinions on what products to buy and what causes to support.

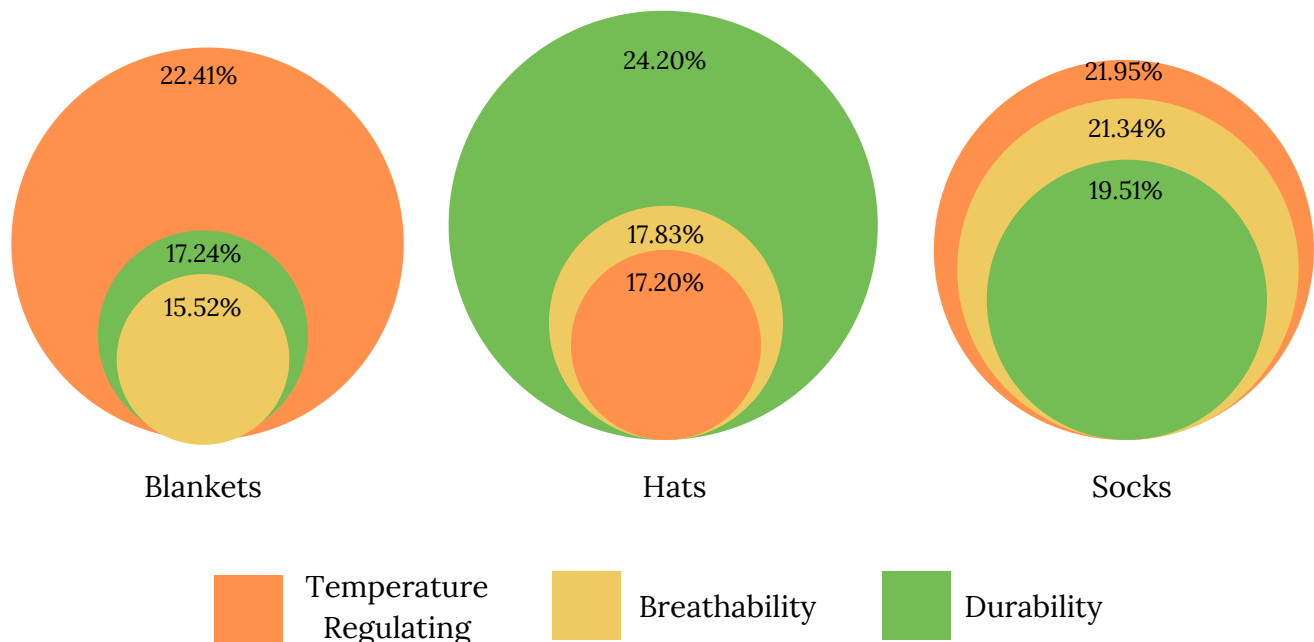


# WOOL AND THE CONSUMER

## PROPERTIES

In order to effectively market to the consumer it is critical to understand why the consumer might purchase wool products and how they use these products.

Figure 1  
Consumer Preference for  
Wool Traits



Wool is a versatile fiber with numerous useful properties, making it a valuable material for a variety of industries. Commonly known traits include its ability to regulate temperature and its durability. In addition, wool is also breathable, hypoallergenic, anti-bacterial, moisture-wicking, and flame resistant, to name a few other of its amazing properties.

A survey conducted on the Cornell University campus found that, when it comes to medium grade wool products, like hats, socks, and blankets, consumers exhibited a preference for its ability to regulate temperature, its breathability, and its durability (Figure 1). Another survey found that the mere mention of these properties increased the consumers' utility and willingness to pay significantly (Havas & Chan, in process).

# WOOL AND THE CONSUMER

## LABELS

In order to effectively market to the consumer it is critical to understand why the consumer might purchase wool products and how they would use the products.

Figure 2  
Increase in Probability of Purchase:  
Product Labels



Labels can add credibility and value to a product in the eyes of the consumer by ensuring quality standards, and a certain degree of transparency without the consumer having to put in additional effort toward information gathering.

Research finds that the target consumer is willing to pay a premium for products that align with their values (NMI 2008). Labels that highlight sustainability claims and personal connections can play an important role in attracting attention to the product and encouraging sales (Hustvedt et al, 2008; Soutar, 2009; Sneddon et.al, 2014). A 2020 discrete choice experiment conducted by researchers

at Cornell University found that labels that highlight properties as well as sustainability claims such as 'environmentally friendly', 'animal welfare', and 'social responsibility' increased the probability of a consumer purchase (Figure 2) (Chan & Havas, in process). The same study tested the value of origin-based labels such as, USA, state, and local, and found that the only origin label that significantly increased consumer utility was the USA label. These results align with previous studies that suggest that American consumers are willing to pay more for textile products that were produced in the USA (Ha-Brookshire & Norum, 2011; Cao et al. 2014).





# WOOL AND THE CONSUMER

## LABELS

Sustainability claims, 'Made in the USA', as well as properties are shown to increase the probability that a consumer will make a purchase (Figure 2). Understanding these labels and how producers and retailers can use them can add greater value to the products and make them more competitive in the marketplace by attracting consumers.

### Socially Responsible

Socially responsible products are made by a company that focuses not just on generating profits, but also on benefitting society through their business efforts. Workers in all steps of the supply chain are treated well with fair wages and reasonable labor hours.

### Made in USA

To legally use the Made in USA label, all significant parts, labor, and processing that make the product must be from or done in the United States of America (FTC). The Made in USA label is already well known among American consumers as it has been used on products for decades.

### Environmentally Friendly

A product is produced in a manner that is conscious of environmental impacts and the product itself is "good" for the environment. More specifically, regarding woolen goods this is a product that is grown using farming/grazing practices that produce a limited carbon footprint by enhancing carbon storage.

### Animal Welfare

All animals are free to carry out natural processes without being intentionally harmed either internally or externally.



# WOOL AND THE CONSUMER

## CONSUMER RESPONSE

In order to effectively market to the consumer it is critical to understand why the consumer might purchase wool products and how they would use the products.

"I usually always look to see where products are made, and I definitely appreciate when products are made in the United States." (Anonymous Consumer 5, 2019)

"I look for companies that can describe their commitment to sustainable production." (Anonymous Consumer 8, 2019)

"[Wool is] really great for outdoor stuff." (Anonymous Consumer 4, 2019)

"[What is important to me is] price, quality, and the reputation of the company." (Anonymous Consumer 3, 2019)

"I try to pay attention to the company's labor laws and [if they are] hiring legally." (Anonymous Consumer 7, 2019)

"There needs to be more advertising. [Wool retailers] need to explain why it is necessary to not import goods that are so wasteful and harmful to local people." (Anonymous Consumer 7, 2019)

"Wool rugs are the best because they are super durable and will last for generations." (Anonymous Consumer 3, 2019)

## MARKET SOURCES

One key to effective marketing is understanding where and how to best reach the target consumer.

Our survey (Figure 3) revealed that the **top three ways the target consumer acquires information** about new products are:

- in store
- friends and family, and
- social media.

This is promising for small flock producers as both word of mouth and social media advertising can be low cost or even free. We also found that NYS & NE US farmers and vendors already rely heavily on word of mouth advertising.

These results highlight the importance of selling products in retail locations as the majority of consumers reported they found out about new products while in store.

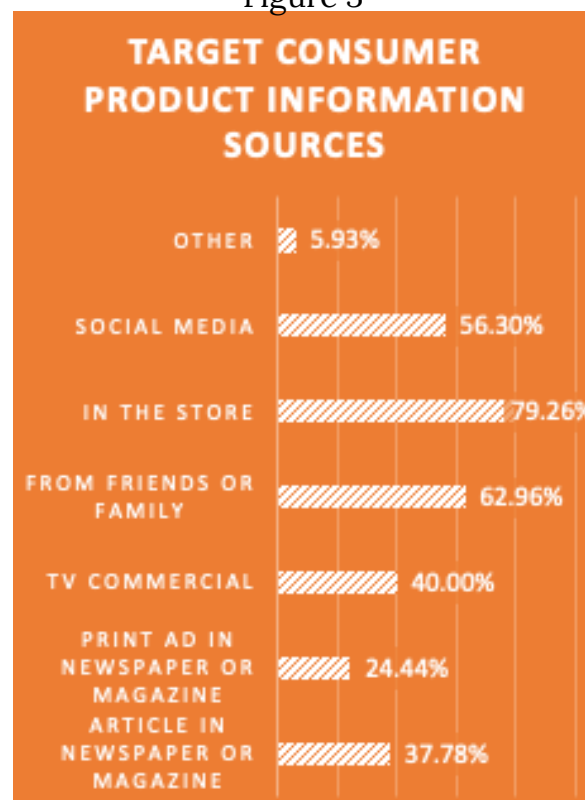
The target consumer is comprised of two age groups - Baby Boomers and Gen X (38 - 73). Boomers tend to be high-information buyers and are more likely to be swayed by factual advertising than gimmicks. The majority of Boomers would rather discover products through their own research rather than through more traditional advertising mechanisms (NMI 2012).

Social media can be an important and free advertising tool for communicating with and reaching out to consumers. Though social media is often associated

with younger generations, social media has been growing in popularity with Boomers and Gen X over the years. From 2007 to 2012 alone Boomer use of social media grew from just 2% to 50% (NMI 2012). Facebook in particular is especially popular among both Gen X and Baby Boomers.

Social media can be especially important in reaching affluent and high net worth women who would have the money to spend on higher price goods as these women tend to be technologically savvy and frequently use social media (Mintel, 2014).

Figure 3



## SUMMARY OF TAKE-AWAYS: CONSUMER

The key to building a brand for NYS wool is to keep current consumers interested while expanding to new markets.

- The target consumers for NYS fiber are older, educated females, whose values align with the LOHAS consumer movement.\* They are the primary purchasers for their household and make an effort to educate themselves on new products and companies.
- Labels that highlight sustainability claims, 'Made in the USA', and relevant properties increase the likelihood of the target consumer purchasing a product.
- The target consumer learns about new product most often from shopping in stores, from friends and family, and through social media.
- To increase brand engagement and market reach it is recommended that vendors sell products in retail stores, develop a social media presence, and encourage word-of-mouth amongst consumers.

# THE COMPANY

AN OVERVIEW OF THE CURRENT NYS & NE  
US WOOL MARKET

- AND -

AN ANALYSIS OF CURRENT BRANDING AND  
MARKETING PRACTICES USED BY NYS & NE  
US SMALL FLOCK FIBER RETAILERS



## MARKET COMPOSITION

To tailor branding effort, we take a closer look at what animal fibers are being produced in NYS & the NE US, the number of farms, and the market prevalence of different types of fibers.

Most fiber farms in NYS, and throughout the NE US are small flock farms (<100 head) (USDA, 2017) and are increasingly owned and run by females (USDA, 2017; Trejo, 2014). As is common with small holder farmers, small flock farmers often rely on external income to supplement farm income (Fernandez-Cornejo et al., 2007; Hoppe, 2014; Trejo 2014) and rely on family members for on-farm labor (MacDonald, 2014).

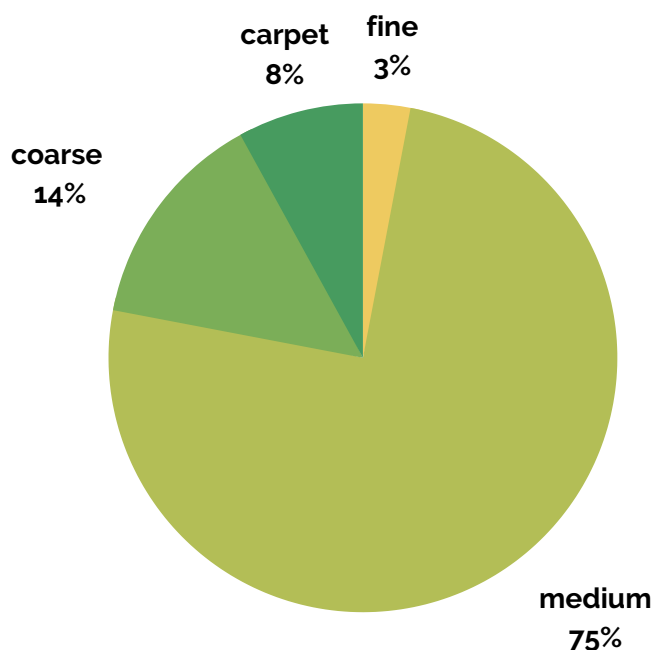
Small-flock NYS farmers produce a variety of animal fibers including wool from sheep, alpaca, and goats. USDA 2017 data showed that despite this variety, sheep were the most common fiber animals in the state and are therefore the target of this report.

Sheep registry data and expert opinion suggests that medium grade wool (22 - 30 microns) is the most common animal fiber produced in NYS (Figure 4).

Data on breed and fiber types are limited as it relies on the self-reporting of farmers and fails to account for mixed breed sheep, which are not reported to breed registries.

Figure 4

### NYS Wool Production by Grade



Sheep counts for New York State were collected from sheep registries and breed were then separated into grades based on ASI micron count standards.



# WOOL FIBERS

Exploring the unique attributes, properties, and uses of wool fibers.

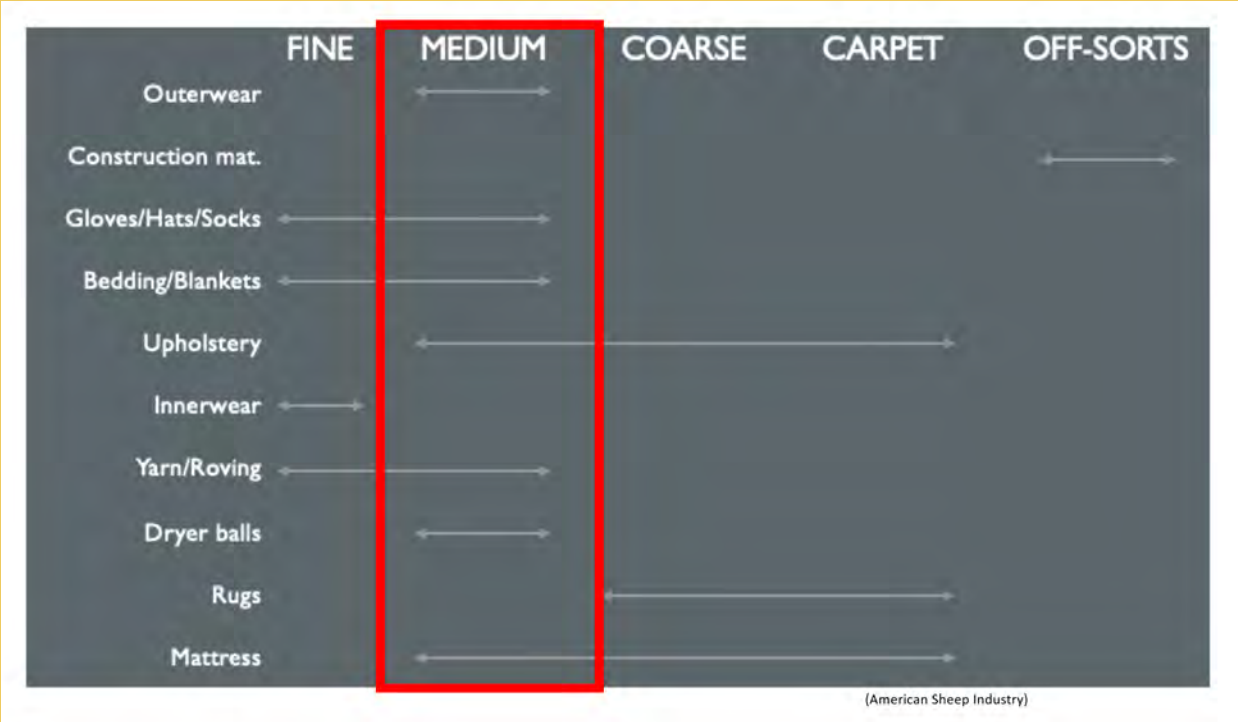
Wools' various properties make it a valuable material for a wide variety of products, and while processing plays a critical role in its end-use, wool's most defining attribute is its fiber diameter.

Fiber diameter, measured in microns, plays a large role in its end-use. Lower micron fibers, a.k.a. fine-wool such as merino, are considered next-to-skin soft, while medium-grade fibers commonly found in NYS are rarely used for next-to-skin garments. Interviews with consumers revealed that many find wool to be itchy or

uncomfortable, some even citing 'wool allergies'.\*.

Due to the fiber diameter, medium grade wools are commonly used for outerwear items such as gloves, hats, blankets, and socks (Figure 5). Outerwear and home good items come in less contact with the skin and benefit from the durability of the fibers. These types of products are commonly made by both small flock farmers for direct markets and intermediate value-add designers and retailers.

Figure 5



# CURRENT PRACTICES

## BRANDING NYS WOOL

Where are we now? Understanding what is already happening in the market, what is works, and what areas could be improved upon.

Branding and marketing efforts for NYS & NE US wool products are fragmented as individual sellers have performed this work independently resulting in different messages with varying levels of success. Small flock NE US wool-retail businesses have built brands primarily around the local and small-scale nature of production, with an emphasis on developing associations between their products and places (See Figure 6).

A survey of the marketing practices of NYS fiber producers conducted in 2014 found that the most common technique being used to market products to consumers were the characteristics of the

fibers (Trejo, 2014). Specific properties such as warmth, breathability, and durability among others were found to add significant utility to a given product in the eyes of the consumers (Havas & Chan, Unpublished).

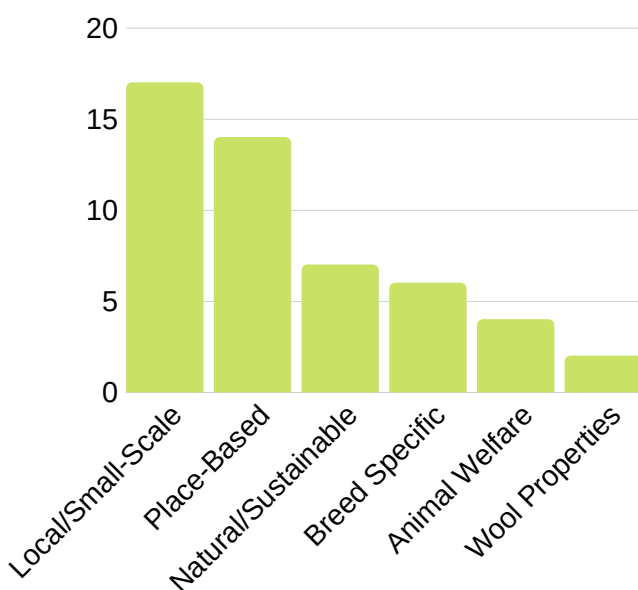
Previous research shows that sellers often used messaging that conveys a sense of nostalgia and history. Additionally, some emphasize aspects of production pertaining to the slow fashion movement (Stannard, 2018).

Reviewing brand messages from small flock fiber retailers throughout the NE US it was found that even though many businesses have developed some degree of a brand message, their mission statements and messaging are often unclear and/or lengthy. While the brand concept may be clear to loyal customers, a new consumer may find the brand concept vague or even absent.

This inconsistency of branding in the NYS and NE US small flock fiber market results in confusing messages for the consumer. Streamlining the branding and marketing throughout the marketplace, can create a more consistent message and reduce the amount of time that individual sellers need to spend building and maintaining their own brands.

Figure 6

### Branding Concept Frequencies



N = 27

## CURRENT PRACTICES

### MARKETING NYS WOOL

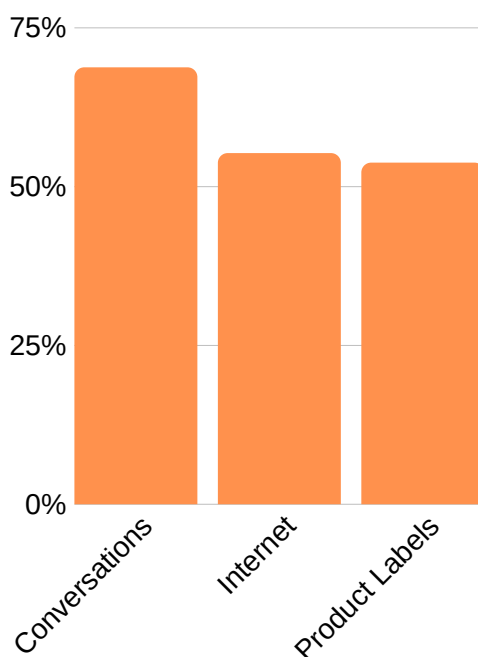
Where are we now? Understanding what is already happening in the market, what is going well, and what areas could be improved upon.

"[My marketing is] all over the place - word of mouth, an instagram page, but actual farming gets in the way of this." (Anonymous Farmer 1, 2019)

"I use social media, I have my own website, and I sell on consignment at my local store." (Anonymous Vendor, 2019)

Figure 7

#### Marketing Technique Frequencies



N = 64 (Trejo, 2014)

Marketing efforts currently in use range in the efficacy of pathway. Some producers and retailers use the internet; websites, social media, and emails to connect with their customers and market their products. While others stick to in-person communication by spreading word about their products and sales through personal interactions and word of mouth (Figure 7).

Because this industry is composed of numerous small business owners and farmers, there is a significant variance in the amount of time and resources that these retailers can put into their marketing efforts.



## SUMMARY OF TAKE-AWAYS: COMPANY

Understanding the current branding and marketing practices within the NYS and NE United States wool market can highlight strategies that are working well, as well as potential gaps??

- Medium grade wool is the most abundant fiber among small fiber producers in NYS & NE US.
  - The properties of medium grade wool make it well suited for products like outerwear and home goods.
  - Current comprehensive brand messaging is fragmented due to the numerous businesses in this marketplace.
  - Individual brand messaging is often vague and lengthy resulting in confusing messaging for new customers.
  - Many small flock wool and value-added retailers emphasize the small scale production and/or the local nature of their goods.
  - Many of these same retailers rely heavily on word of mouth marketing to attract new customers.
-

# THE COMPETITION

AN OVERVIEW OF NYS & NE US MEDIUM  
GRADE WOOL'S MARKET COMPETITION  
- AND -  
DIFFERENTIATING NYS & NE US WOOL  
FROM ITS COMPETITORS

## COMPETITIVE NICHE

The set of competitors in the same niche as NYS & NE US wool are those that can serve the same functions and also command a similar price point.

The target consumer for NYS and NE US sourced & produced wool-based products prefers to purchase from brands whose values align with their own, therefore the most direct competitors are those that can also compete on this front. This is especially true for brands that emphasize social responsibility and environmentally friendly standards.

Medium grade wool, the most prevalent wool type in NYS and the NE US, is often used to make items such as outerwear, gloves, hats, socks, and home goods like blankets, filling for mattresses & pillows, and even dryer balls. Competitors operating in this niche are other wools (such as merino wool), cotton, and synthetics.





## UNITED STATES COTTON

Cotton marketing emphasizes its natural origins, breathability, durability, versatility, ease of care, and positions cotton as an alternative to synthetics ([fabricofourlives.com](http://fabricofourlives.com)).

### "The Fabric of Our Lives"

Cotton and wool are often used to produce similar products, ranging from clothing and accessories to other textiles and home goods.

A recent study shows that when purchasing socks and blankets cotton is preferred to wool, increasing the likelihood of purchase by 7.2% and 7.7% respectively (Chan & Havas, in process). Even when grown organically, cotton is typically less expensive than wool.

Despite the overlap in uses, there are important points of differentiation between the two fibers. One difference

is that consumers perceive wool as warm and good for colder weather (farmer market interviews). This could also be a potential downside as interviews revealed that consumers associated wool with cold weather and felt it was not necessarily suited to warmer weather (consumer interviews).

There are important differences between wool and cotton production. While cotton production takes place on prime agricultural lands and often has high water requirements wool, if pastured appropriately, can be produced on marginal land and can potentially sequester carbon.

Because of cotton's competitive edge, it is imperative to analyze its branding efforts to decide how best to positively differentiate wool. US cotton advertising focuses on the versatility, ubiquity, and ease of cotton products.





## RSW & ZQ MERINO WOOL

These merino wools brand themselves as socially responsible and environmentally sustainable. Marketing campaigns emphasize relationships in their supply chains.

Other wool-based products are natural competitors to NYS & NE US wool products since they share the same inherent properties that make wool unique. Merino wool, in particular, has significant name recognition in the market and is a popular option for consumers interested in wool items.

There are multiple merino wool brands and certifications that represent sustainable business practices. ZQ and Responsible Wool Standard certifications set baselines for wool production using metrics of social and environmental responsibility (as well as animal welfare). Such wool standards have gained popularity with brands such as Smartwool and Patagonia who have reputations for being ethical.

"Sustainable. Ethical. Traceable. Wool, done right."

These companies often mention the certifications in their marketing campaigns, as they align with the companies' and consumers' values. On the other hand, these wool brands are sourced from Australia, New Zealand, and parts of South America, requiring a large supply chain to enter the US market and additional GHG\* emissions to cover the distance.

Because ZQ & RWS wool shares a very similar market with NYS and NE US wool it is imperative to analyze their branding efforts.

\*GHG STANDS FOR 'GREEN HOUSE GAS', THE CAUSE OF THE GREENHOUSE EFFECT IN THE ATMOSPHERE, WARMING THE PLANET





## SYNTHETICS & RECYCLED SYNTHETICS

Synthetics' marketing is often limited as the main point of the competition is its low price. Recycled synthetics market themselves as the solution to plastic waste.


"Impactful waste diversion."

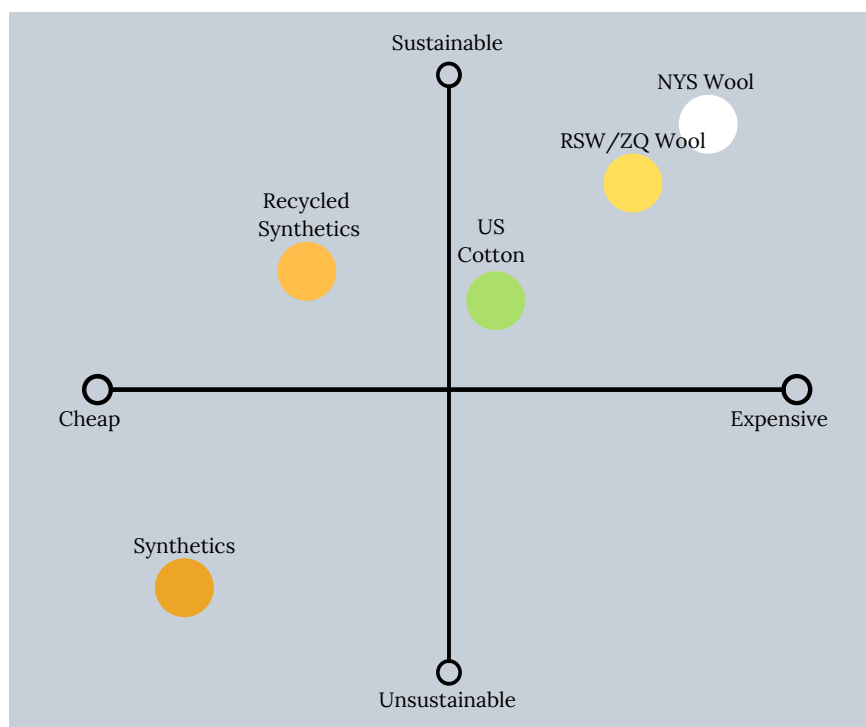
Traditional synthetic fiber has grown in prevalence due to its low-cost and versatility. While synthetics and wool produce many of the same products, due to the values-based purchasing habits of the target consumer, conventional synthetics are not as large of a competitor as they might be in the mainstream market.

Survey data shows that conventional synthetics have a lower utility in the eyes of the target consumer, however, the dramatically lower price makes them competitive.

Recycled synthetics, however, have the potential to be much more competitive with NYS & NE US woolen goods. With concerns about plastic and its negative impact on human health and the environment, the use of recycled synthetic fibers made of reclaimed plastics has risen in popularity. Popular brands are introducing lines made from recycled plastics and new innovative companies have begun popping up in a variety of markets.

Where traditional synthetics could compete primarily on a cost basis, these new fibers are more environmentally sustainable than their raw counterparts and have become a more appealing option for the conscientious consumer.





## Cost and Environmental Sustainability of Fibers

**Environmental sustainability** reflects the ability to improve the quality of human life while living within the carrying capacity of the Earth's supporting eco-systems and without compromising the ability of future generations to meet their needs.

### US Cotton

Cotton production often involves large amounts of water as well as inputs like fertilizers and pesticides. Cotton production also requires large amounts of agricultural land and often involves the conversion of natural lands. Like other natural fibers, cotton is biodegradable and doesn't leave harmful residues in the environment after its consumer life.

### RWS & ZQ Merino

RWS and ZQ certifications hold producers to certain environmental standards, however the larger scale nature of production combined with the transportation emissions needed to import the product to the US adds to the environmental footprint of the fibers. Like all other wool, this is a natural, biodegradable product that sequesters carbon.

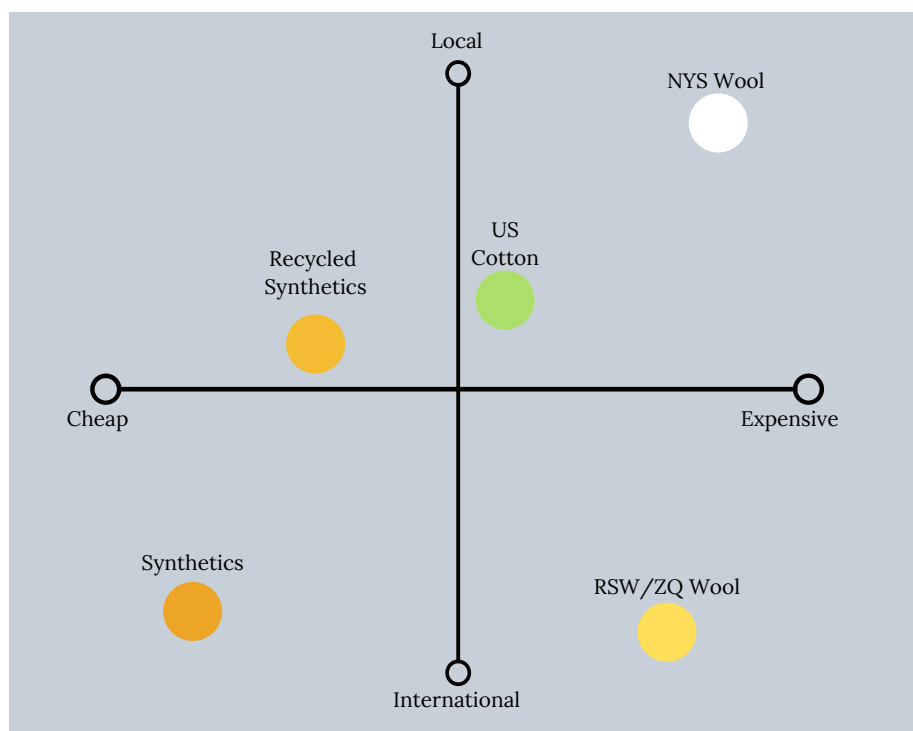
### Synthetics

Synthetics are made from non-renewable resources and can pollute the environment once they've lived out their consumer lifecycle. Even recycled synthetics can release microplastics that are harmful to ecosystems. Sometimes recycled synthetics aren't even made of post-consumer products but rather new plastics made specifically to be "recycled".

### NYS Wool

Wool is biodegradable, meaning that unlike synthetic materials it doesn't stay in the ecosystem for long. Wool lasts longer than other natural fibers like cotton due to its durability and the nature of wool fibers is such that they are one of the most readily recyclable fibers and can easily be used to create new products at the end of the original product's life.





## Cost and Origins of Fibers

The **origin** of the product influences not only where the money is going, but also the standards being used for production and sometimes the length of the supply chain.

### US Cotton

US cotton is produced globally so the origins of cotton products can vary. The US is a large producer of cotton, so sometimes the purchase of a cotton product can be domestically beneficial. US cotton production takes place largely along the southern border of the country.

### RWS & ZQ Merino

RSW and ZQ merino wools are most often produced in Australia, New Zealand, and parts of South America where the economic benefits are far away from the American consumer.

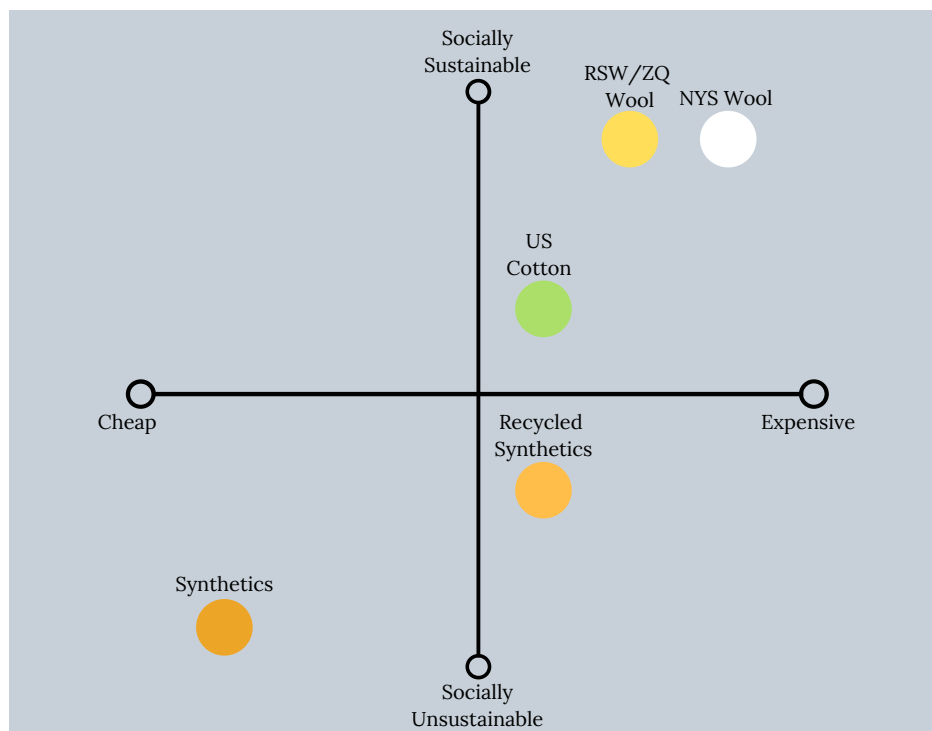
### Synthetics

The vast majority of traditional synthetics are produced in large factories in China with some production also happening in India. The EU and the US are two of the largest consumers of synthetics, meaning these products have to travel a long way to get to consumers.

### NYS Wool

NYS wool products are grown and produced in the US, meaning that the economic benefits generated by each purchase can be seen domestically and even locally. This domestic origin also means that the production of these fibers involved lower transportation emissions and more money if kept in the local economy.





## Social Responsibility and Cost of Fibers

**Social responsibility** means that companies focus not just on generating profits, but also on benefitting society through their business efforts. Workers in all steps of the supply chain are treated well with fair wages and reasonable labor hours.

### US Cotton

The social responsibility of cotton depends greatly on the place of production. US cotton produced is grown and harvested by workers, typically in accordance with US labor laws, which have higher standards than many other cotton-producing countries.

### RWS & ZQ Merino

RSW and ZQ certification requires that producers meet certain responsibility standards that promote fair wages and safe working conditions. The financial sustainability of their farmers is a cornerstone of their production model.

### Synthetics

The social responsibility of both traditional synthetics, as well as recycled synthetics, depends on the country of origin as well as the type of synthetic fiber.

### NYS Wool

NYS wool is produced in the US in accordance with US labor laws. In addition to being grown domestically, the remainder of the supply chain is generally also domestic. The money from purchases supports local communities and families. In addition, NYS wool supports small business owners rather than large companies.



# DIFFERENTIATING NYS & NE US WOOL

How can we make NYS & NE US wool stand out to the consumer?

Beyond wools' inherent properties NYS & NE US wool has the benefit of environmental and social responsibility, claims that can be highlighted to help differentiate products made using NYS & NE US medium grade woolen goods. Of course, the challenge of the high price tag is difficult to overcome since all consumers are price sensitive. To help reduce this price sensitivity it is important for retailers to emphasize these key factors.

## SOCIAL RESPONSIBILITY

- US production inherently implies higher standards for **workers' rights** are met, which may not be met if its production occurred elsewhere. This positive social good and economic benefits result in immediate people/place connections so valued by the consumer.
- There are also positive links between NYS wool production and **female empowerment**. In recent years it has been found that there has been significant growth in the numbers of women who own small farms and many members of the current small-flock fiber market in New York are female (USDA, 2017).

## ENVIRONMENTAL SUSTAINABILITY

- New York state wool is unique among the competition due to its smaller scale of production. The wool is grown on small farms and sent to domestic mills and factories. This **smaller supply chain** reduces GHG emissions related to supply chain logistics and enables **accountability and transparency** in production.
- Wool is an **environmentally sustainable** product. It is biodegradable and if pastured appropriately, it can sequester more carbon than other natural fibers. Wool fibers are also easily recycled into new materials and are durable enough to last generations.

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Origin and properties of NYS & NE US woolen goods are also compelling selling points in the eyes of the consumer. There are different labels that can be used to indicate the origin of a product, however, according to research, the 'USA' label is the only origin label with a strong enough brand identity to attract consumers. The many properties of wool fibers can also appeal strongly to consumers when appropriately communicated.

## PROPERTIES

- The characteristics of wool fibers result in **breathable** textiles. These textiles are also **hypoallergenic** and **moisture-wicking**.
- The unique suite of properties inherent to the wool sets it apart from other fibers and is not replicated in synthetic fibers, making it attractive to consumers in a way **no other fibers can match**.
- Wool products are **extremely durable**, which means their useful life is often longer than products made from other fibers (Woolmark, 2019).

## USA

- Wool grown in NYS & the NE US is largely processed and sold in the USA, making the final product **compliant with the FTC's "Made in USA"** standard, a great free marketing tool where applicable.
- This label has significant recognition among consumers as it has been used for decades. This label builds upon **pride in American manufacturing** and a desire for goods produced **closer to home**.
- <https://www.ftc.gov/tips-advice/business-center/guidance/complying-made-usa-standard>

## SUMMARY OF TAKE-AWAYS: COMPETITION

The key to building a brand for NYS and NE US wool is to keep current consumers interested while expanding to new markets.

- Understanding how competitors succeed in branding can help NYS and NE wool succeed as well.
- Important competitors for NYS & NE wool are US cotton, RWS/ZQ merino wool, and recycled synthetics.
- High price alternatives have used strategies highlighting their environmental impact, comfort, and versatility.
- What sets NYS wool apart from the competition is how it is produced and its inherent properties
  - NYS wool production largely involves small farms, small mills, and small factories all located in the USA. These farms pay fair wages to their workers in accordance with US labor laws.
  - Short supply chains mean that there can be more accountability and transparency, as well as a lower environmental impact.
  - Wool has a variety of inherent properties consumers value including temperature regulating, breathable, and durable.



# BRAND POSITIONING STATEMENT

AN IDENTIFICATION OF THE POSITION OF  
NYS AND NE WOOL

-AND-

AN EXPLANATION OF THE CREATION,  
TESTING, AND POTENTIAL USES OF  
UNIQUE SELLING PROPOSITIONS

# BUILDING A BRAND POSITIONING STATEMENT



Using the compiled consumer data, competitor analyses, and company reflections, a brand position statement was developed. This brand position statement was then used to create a series of unique selling propositions that exhibited some of the characteristics of NYS & NE US wool that research had shown to be desirable - those found in the brand position statement. These propositions are consumer-facing messages about what makes NYS wool special.

# UNIQUE SELLING PROPOSITIONS

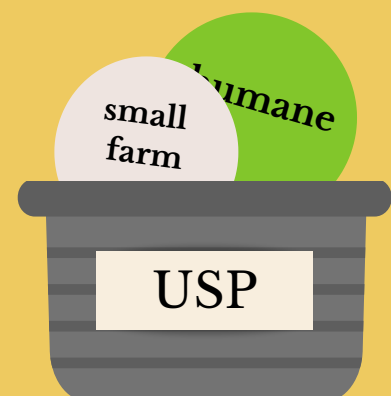
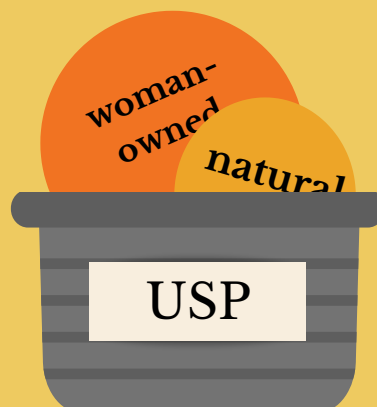
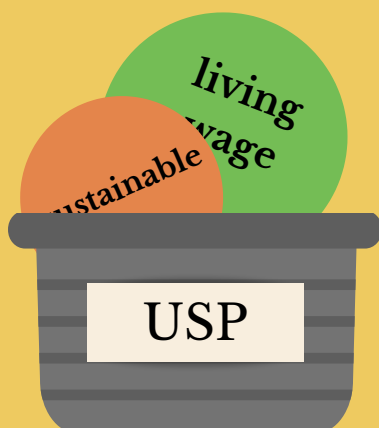
USPs are statements used in branding and marketing efforts to explain to the consumer what makes your product special - why they should buy it.

Using the brand positioning statement as a guide, a series of Unique Selling Propositions (USP) were developed and gathered. USPs are short succinct phrases that reflect the key takeaways from the brand position statement and work to attract the target consumer. The goal of the selling proposition is to emphasize a specific benefit that makes the company and its products stand out when compared to the competition.

The brand positioning statement and the USPs are more than just a phrase - they serve as guides for future marketing decisions. For example - Do you want to add a product to your line? Look to your brand positioning statement - Will the product and its

marketing campaign attract your target customer by accurately reflecting the benefits you have identified (environmentally sustainable, socially responsible, high quality, durable) using the points you have highlighted (produced domestically by small, local farmers that care about their land, their animals, and their employees)? If not then the product is not appropriate for you to market or the campaign need to be reworked.

Strong USPs can serve as a jumping off point for marketing activities. Once you've identified the points of your brand that resonate most with potential consumers, you can build them into your marketing efforts.



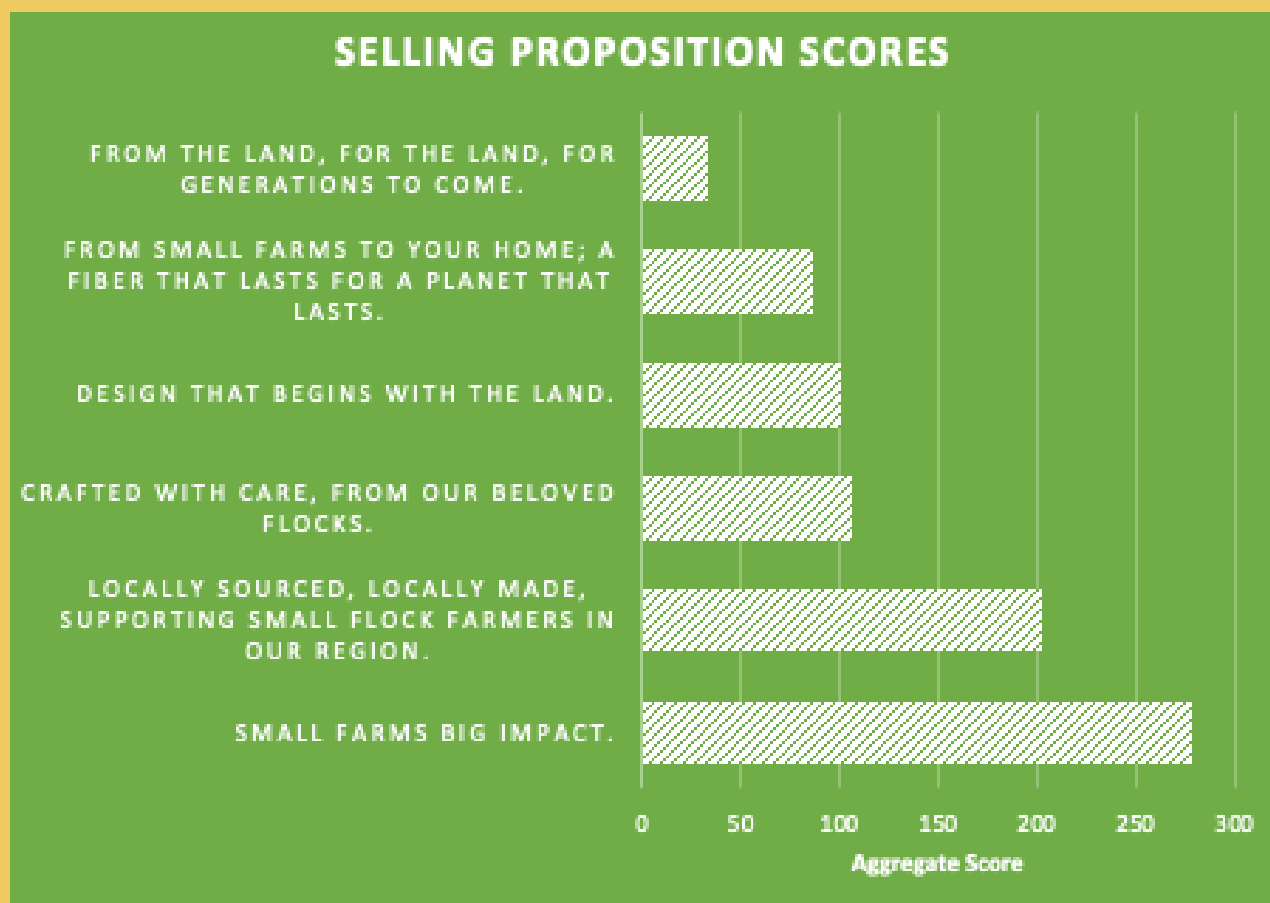
## UNIQUE SELLING PROPOSITIONS

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To identify the most persuasive USP, designed from existing selling propositions used by retailers of NY & NE US woolen goods and the brand positioning statement, a survey was developed and participants were asked to chose their top three USPs and rank them on a scale of 1 - 3 (1 being the most persuasive and 3 being the least).

The selling proposition "**NYS Wool - Small farms, big impact**" received the highest score (Figure 8). This USP was included in the survey as an example of a short, succinct proposition that included both a mention of the smaller scale of production as well as the positive social/environmental impact of NYS & NE US woolen goods.

Figure 8



Aggregate scores from rankings, sample size N =199.



## SUMMARY OF BRAND POSITIONING STATEMENT

- Brand positioning statements helps guide businesses in future product development and marketing campaigns.
  - Brand Positioning Statement for NYS Wool:  
*For the target consumer, NYS wool best provides an environmentally sustainable, socially responsible, high quality, & durable product because it is produced domestically by small, local farmers that care about their land, their animals, and their employees.*
  - USPs introduce the consumer to the brand position, values, and benefits.
  - Survey data suggested that the target consumer favored a short succinct USP that focused on environmental issues and the smaller scale of production associated with NYS wool.
  - Businesses can test USPs with potential customers using survey platforms to determine which points appeal to consumers the most.
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# CONCLUSIONS & RECOMMENDATIO NS

AN IDENTIFICATION OF THE POSITION OF  
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# CONCLUSIONS

## TARGET MARKET & COMPETITORS OF NYS AND NE US WOOL

### TARGET CONSUMER

In order to successfully reach a market for NYS and NE US wool products produced, retailers must identify their target customer, first and foremost. Our research has identified the target consumer to be at the junction of Gen-X and Babyboomer females, with post-secondary education, a household income >\$40,000 and values that align with the LOHAS consumer movement.

### COMPETITORS

NYS and NE US wool competitors are sustainable fibers that are used to produce similar products. These competitors including US cotton, RWS/ZQ wool, and synthetics (often recycled synthetics). These competitors have managed to command higher price points and attract consumers through messaging focusing on sustainability, ethics, and practicality.

Survey results suggest that consumers are more likely to purchase products made using cotton opposed to wool and synthetics. However, in the same survey it was shown that wool does have an advantage over synthetics. It is worth pointing out cotton's strong brand messaging and how that messaging contributes to cotton's market success.

Analyzing the way that the competitors appeal to consumers and comparing them to NYS and NE US wool in regards to key factors that are important to the target consumer helps to identify ways in which NYS and NE US wool can be differentiated from its competitors.

# CONCLUSIONS

## DIFFERTIATION OF NYS & NE US WOOL AND THE BRAND POSITIONING STATEMENT

### DIFFERENTIATION

Research suggests what sets NYS and NE US wool apart from its competitors is a combination of factors relating to the location & practices of production and the size of the supply chain. These factors may also contribute to social responsibility and environmental sustainability messages, two attributes often used by the competition to command a higher price point and attract consumers. This type of messaging is found to add to the product appeal for the target consumer.

While labels like 'environmentally sustainable,' 'socially responsible,' 'animal welfare,' and 'USA made' all increased the likelihood of a purchase, the labels that increased purchase likelihood the most were in reference to benefits attained from the inherent properties wool. When advertised to the consumer, properties like warmth, durability, and breathability have a significant impact on the likelihood of a purchase. These results suggest that educating consumers about the positive attributes of wool gives wool a competitive edge.

### BRAND POSITIONING STATEMENT

The NYS and NE Wool brand can be summarized by the statement:

“For the target consumer, NYS wool best provides an environmentally sustainable, socially responsible, high quality, & durable product because it is produced domestically by small, local farmers that care about their land, their animals, and their employees.”



# CONCLUSIONS

## CURRENT BRANDING PRACTICES AND BUILDING A NYS & NE US WOOL BRAND

### CURRENT BRANDING PRACTICES

Farmers, value-added producers, and retailers throughout NYS and the NE US produce a variety of branding messages and pursue all sorts of marketing and distribution efforts for their products and businesses. This results in inconsistent messaging and lacks the much needed efficiency resulting from identifying and then speaking to the target consumer.

### ADDRESSING THE INCONSISTENCIES

In order to create an effective brand for NYS and NE US woolen goods the production practices of the wool itself must be made more consistent. To reach this end, it is recommended that those working in this supply chain should set standards for wool production, such as quality and sustainability recommendations, so that consumers can be confident in the consistent quality of the NYS and NE US wool products. Such standards might include classing standards and transparency requirements.

### BUILDING A BRAND

This research has identified important points of differentiation between NYS & NE US wool and its competitors in regards to the interests of the target consumer, developed a brand positioning statement, and discussed potential USPs. Moving forward with the creation of a brand should incorporate some of these ideas in a way that is feasible for members of the market. The consistent incorporation of these ideas throughout the market can help to build a strong brand identity for NYS and NE US wool despite the fragmented nature of the market.

# CONCLUSIONS

## MARKETING

### CURRENT MARKETING PRACTICES

Many of the retailers currently working with NYS & NE US wool products have difficulty finding time to work on marketing efforts, as the work necessary for running these small businesses is time consuming in and of itself. Currently, word of mouth as well as some web based marketing efforts, including social media, are the strategies that many retailers are employing.

### MARKETING & USPs

Marketing is ultimately deciding what to say to you customer, and where to say it (you may also want to identify the distribution channels your target customer frequents).

In this report the branding research helped to uncover potential USPs. It is recommended that you develop USPs in a similar manner to help create messaging specifically designed for your customers. The USPs and positioning statement will also serve as a guide for your marketing plan and product development.

### REACHING YOUR CUSTOMER

Survey responses, market research reports, and previous research regarding small flock fiber retail markets have identified best practices in reaching the target customer. It is highly recommended that NYS & NE US wool product retailers create and actively maintain a social media presence, sell products in retail stores, and encourage word-of-mouth with thier existing customer base.

# APPENDIX



## 'LOCAL' BRANDING

How is the term 'local' currently being used and how do consumers react to 'local' branding and marketing?

Emphasizing the 'local' aspect of NYS & NE US woolen goods was found to be a common branding approach for producers and vendors. Interviews reveal that some producers feel that emphasizing the 'local' side of their product allows them to connect with local consumers, but also makes their products more attractive to tourists in the region looking for keepsakes or gifts. This is corroborated by survey results, where consumers expressed a preference for local products when looking for gifts, souvenirs, or vacation mementos.

Our interviews suggests that labeling an item as local may attract some consumer attention and that consumers do like the idea of purchasing locally made products. Our survey data, however, shows that consumers are generally not willing to spend significantly more to purchase an item that has been locally produced. Additionally, few consumers actively seek out locally produced textiles, and responses suggest that consumers are often not aware that local fibers and textiles are an available option.

"[My customer] would not have bought a pair of my socks if all she wanted to do was keep her feet warm...what mattered to her was that it was a souvenir of the Hudson Valley."

(Packer 2019)\*

"If I buy gift items I definitely try to buy locally, that's important to me." (Anonymous Consumers 5&6, 2019)

"Customers from out of town will come in and ask for local yarn to bring home as a souvenir."

(Parinello 2020)\*

"I get a lot of customers who come in to buy my socks as gifts for their family and friends back home."

(Ferguson 2019)\*





# 'LOCAL' BRANDING

What does the term 'local' mean to the consumer and how can understanding the consumer interpretation aide in branding and marketing efforts??

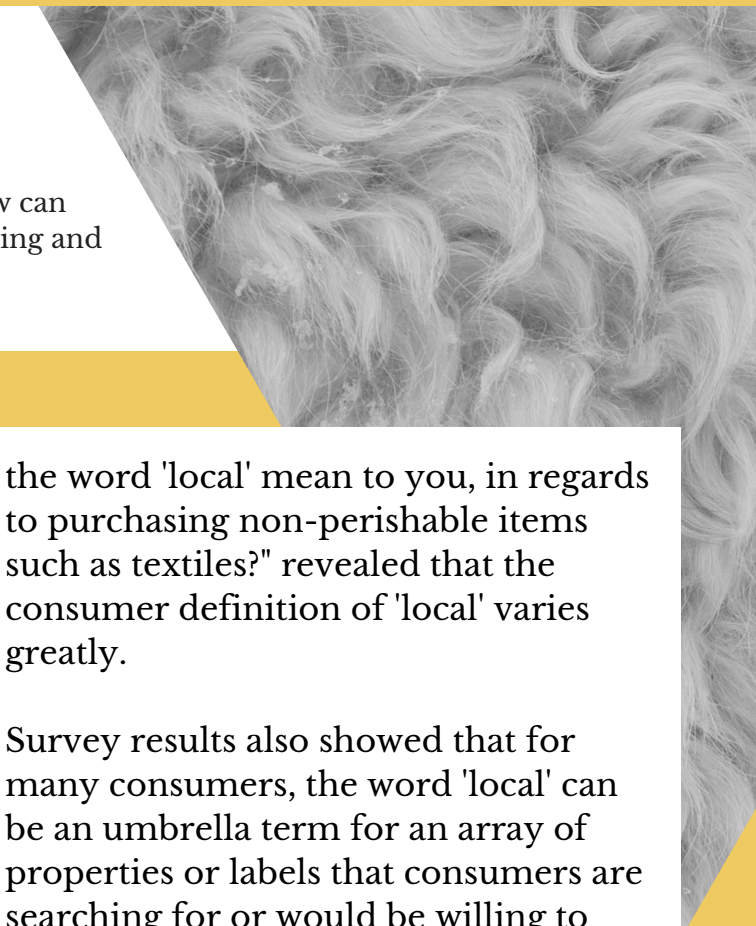
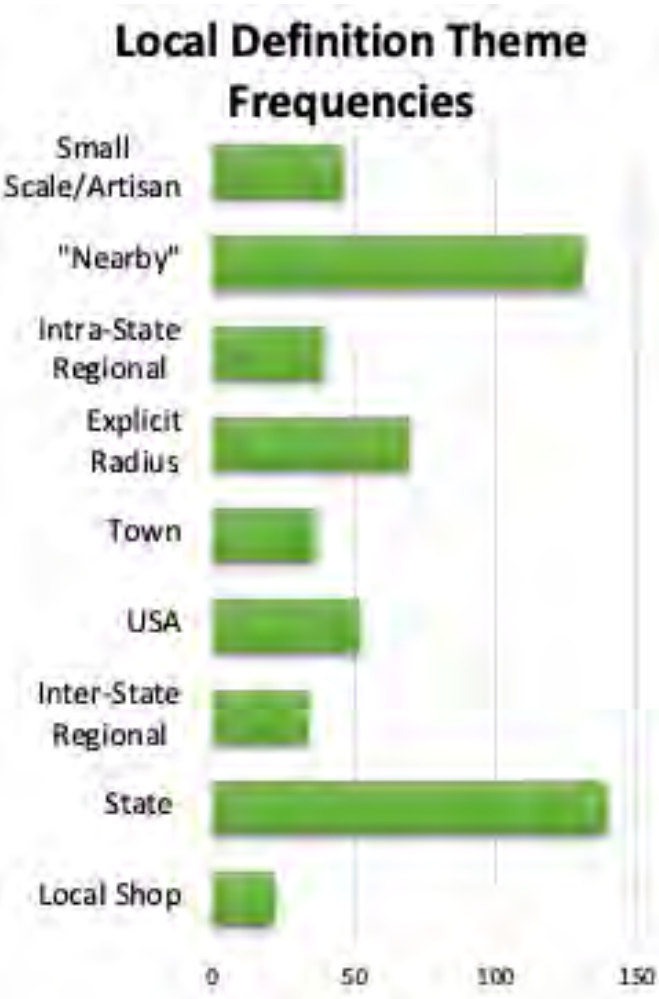


Figure 9



Data coded from consumer written responses, sample size N =438

There are concerns about whether or not the word 'local' can be too vague or too limiting. An analysis of consumer responses to the question "What does

the word 'local' mean to you, in regards to purchasing non-perishable items such as textiles?" revealed that the consumer definition of 'local' varies greatly.

Survey results also showed that for many consumers, the word 'local' can be an umbrella term for an array of properties or labels that consumers are searching for or would be willing to pay a premium for such as 'Made in USA' or 'artisanal' (Figure 9). Interview responses also suggest that consumers were using the word 'local' as an umbrella term for a variety of other attributes like the size of the business or the production techniques used.

Interviews and survey responses revealed that consumers often knew very little about textile production in the US. Outside of a handful of individual cities like NYC and LA in the United States, most localities, regions, and even states do not necessarily have a widely known reputation for fiber or textile production. Due to the lack of consumer knowledge on the issue, many consumer do not have a set understanding of what 'local' textiles mean to them.

## BEYOND THE TARGET CONSUMER - MILLENNIALS & GEN Z-

Younger consumers provide another possible way to expand the consumer base.

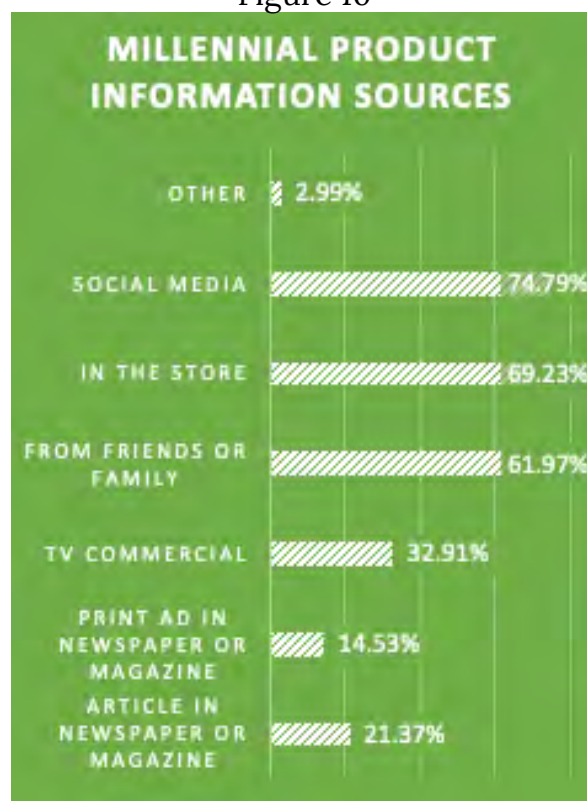
Though our research suggests that the target consumer for NYS wool is an older individual, this does not mean that younger generations like the Millennials and Generation Z should be ignored. Millennials are set to surpass the Boomer generation in numbers with Gen Z on a similar trajectory, meaning that the bulk of the consumers of the future will be from these younger generations. As it currently stands these age groups have significant purchasing power, which is only expected to grow as members of these generations reach prime earning age. Establishing a connection with consumers early on can help to secure their business for years to come.

Survey data shows that millennials are the age group most willing to try new products and they are easily accessible through technology and the online platforms that they frequent, especially social media sites (Figure 10).

Millennial and Gen Z consumers are also likely to alter their purchasing decisions based on environmental issues by either preferentially supporting sustainable companies or

paying up for sustainable products (Nielson, 2015)(FirstInsight, 2019). Survey data shows that millennials are more likely to search for clothing or textiles that are labeled as 'environmentally friendly' or 'natural' than items with labels like 'fair labor practices' or 'local', suggesting that the environmental attributes of NYS wool could appeal to younger consumers as well.

Figure 10



N = 133. Sample of female millennials with a college degree of higher.

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