



# THE EFFECTIVE STRATEGIES FOR PRODUCT-MARKET FIT IN APPAREL SECTOR

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Article DOI: <https://doi.org/10.36713/epra15740>

DOI No: 10.36713/epra15740

## ABSTRACT

*In this highly competitive market, ensuring that apparel products fit customers well is crucial for success. This abstract examines various strategies employed by companies to achieve optimal product market fit, taking into account factors such as garment design, size charts, and consumer feedback. Additionally, it investigates the importance of inclusive sizing and customization options in catering to diverse body types and individual preferences. The findings suggest that there is a significant relationship between value proposition for both product fit and market fit. Additionally, user experience demonstrates a substantial correlation with both product fit and market fit. Nevertheless, the feature set exhibits no statistically significant correlation with product fit and only a marginally insignificant correlation with market fit. This abstract aims to provide insights into how apparel brands can enhance their product market fit strategies to differentiate themselves, drive customer satisfaction, improve conversions, and ultimately boost revenue in today's increasingly discerning consumer market.*

**KEYWORDS:** User Experience, Feature Set, Value Proposition, Product Fit, Market Fit.

## INTRODUCTION

American entrepreneur and investor Marc Andreessen, who coined the term 'product-market fit' in 2007, explained "Product-market fit, as a good market with a product that can satisfy that market." In simple words when an entrepreneur identifies a need in the market and builds a solution that customers want to buy, that's product-market fit.

Product-market fit happens when a company builds the *right product* to solve customer needs. Determining the perfect product-market fit by the companies often distinguishes them from others and keeps them as market leaders and top brands from the rest.

It's a really simple concept, but it's difficult to achieve in practice. The difficulty comes in consumers being unable to articulate and companies understanding the current and potential needs so as to can accurately address their needs.

The process that can help in product market fit includes the few steps such as

### 1. Defining the target customer

The key to build a product that the customers love to use is doing some market and competitor research to get an idea about the customer's needs and what solutions they currently use—and how the new product can fill the gaps. Defining the buyers' persona based on psychographics, demographics, buying capacities, interests, and purchase history enhances the understanding about the customer.

### 2. Understand your customer's needs

Defining the ideal customer persona isn't enough but going beyond to know who the customers are who they are and identify their most significant needs makes the customers to feel about their importance. For this begin customer interviews, perform product research, place on-site surveys on the website, and study behavior analytics to learn about the customers.

### 3. Identify your value proposition

The value proposition, or unique selling point, separates the company from their competition and gives customers a significant reason to buy from the company.



To define the value proposition, asking the following questions will be of a use

- What are the customers' biggest pain points?
- What features and benefits does the product offer?
- What makes you stand out from the other products offering the same solution in the market?
- Which of your features or solutions address the customers' pain points effectively?
- Why should customers buy from you specifically, and not your competitors? For example, does your company match charity donations, or use sustainable materials?

#### **4. Outline and build the Minimum Viable Product (MVP)**

By using the product research, buyer persona knowledge, and value proposition, company can build a version of the product with only the basic functionality—minimum viable product (MVP). It can help you:

This MVP will help to get validation for the ideas and features so one can improve them in to the final product and get closer to achieving product-market fit.

#### **5. Test the MVP with potential customers**

With the available product prototype, it's time to test with real customers. Launch the MVP with a small target audience to get their feedback on the product. The feedback can be collected through interviews, surveys, and feedback widgets—or product experience (PX) insights tools like heat maps and recordings.

The idea is to understand if the basic product is helping the customers—and if it's not, which improvements can be introduced in the final product to help bridge the gap.

#### **6. Iterate and improve**

Testing the MVP will helps in gathering authentic customer insights and opinions about the product to understand which features need to prioritize and the changes need to introduce to achieve product-market fit.

Finally checking with other teams and stakeholders (not just the product team) throughout this six-step framework to ensure everyone understands what they're working towards and why, and can bridge the gap between where the product is and where the customer wants it to be.

### **IMPORTANCE OF THE STUDY**

- Designing a product with an understanding of customer specific needs & helping to solve them strengthens the customer's relationship with the final product.
- Achieving product-market fit means the product is in a unique position to fulfill a need and delighted customers that naturally contribute to a growth in sales.
- Recognition in the market as satisfied customers do speak about the product & referring it to friends, family, and colleagues which helps to establish as a leader in the industry.

### **SCOPE OF THE STUDY**

The vital significance that product Market fit strategies play in the garment industry will be thoroughly examined in this research study, taking into account the dynamics of changing consumer preferences and market rivalry. We'll stress the importance of inclusive sizing and customization choices in accommodating a range of body types and personal preferences. Additionally, the significance of agile design methods and market research in determining target markets, improving product fits, and cultivating enduring customer loyalty will be discussed in the paper.

### **LITERATURE REVIEW**

The present investigation made a substantial contribution to our understanding of shop and brand perception. Repurchase intentions and shop image did not, however, positively correlate; rather, there was an indirect relationship since repurchase intentions were influenced by brand image and store image by brand image. If more variables impacting repurchase intention had been added, the study might have been more successful. The study was conducted in India, a developing economy that is still in the development stage. Pooja Bhakuni, Sneha Rajput, Bhuvanesh Kumar Sharma, and S.S. Bhakar (2021)

We think that our research offers a number of significant advances. First, we prove that a company's business model has a dependent role in determining its market value. We investigate the alignment between the design themes of a focal firm's business model and its business-level product market strategy. Our study's empirical model testing emphasizes how the relationship between the business model and product market strategy is complementary. Our theoretical and empirical research shows that a company's market value is influenced by both its business model and its product market strategy, which are separate structures. Christoph Zott and Rapheal Amit (2007)

The way users and consumers use the PSS has a significant impact on the findings of the environmental evaluations in research two. They advocate conducting additional study on how customers manage the trade-off that arises when using the examined PSS, and they propose integrating user behavior and marketing data into the design of PSS. They claim that other purportedly "green products" are likewise covered by this. Research on customer acceptability of PSS is still under progress, and it's critical to comprehend the effects of actual value proposition decreases. Felix M. Piontek, Martin Müllera (2018)

Here, we reframe the parsing of fashion apparel—which has hitherto been approached as a semantic segmentation problem—as an object detection task and offer a probabilistic model that combines cutting-edge object detectors with different geometric priors of the object classes. We present a posture-dependent prior model that can automatically choose the most informative joints for each fashion item and learn the distributions from the data, since the positions of fashion items are strongly correlated with a person's pose. We investigate the efficacy of the proposed priors for fashion garment detection through experimental evaluations. Kota Hara, Vignesh Jagadeesh, Robinson Piramuthu (2016)

The success of fast fashion businesses is impacted by RFID enabled customer value chain drivers, as this study demonstrates. In addition to setting the stage for future research on how customer values generated by RFID deployment may affect a fast fashion retailer's performance in terms of increased customer value proposition, increased sales revenue, decreased cost, higher marketing ROI, and improved profitability, the business value added framework developed in this paper can be used by researchers to assess the marketing strategies and opportunities available to fast fashion retailers. The report also offers a financial framework for calculating the return on investment (ROI) of RFID deployment. To measure the total advantages and evaluate the obstacles fast fashion companies face while pursuing RFID technology, further empirical study should be done. Pankaj M. Madhani (2013)

### OBJECTIVE OF THE STUDY

1. To study the relation between the user experience & Product Fit
2. To Elucidate the relation between the feature set & Product Fit
3. To analyse the relation between the value proposition & Product Fit.
4. To elucidate the relation between the user experience & Market Fit
5. To analyse the relation between the feature set & Market Fit
6. To study the relation between the value proposition & Market Fit.

### HYPOTHESES OF THE STUDY

**H1:** There is a significant relationship between the user experience & Product Fit

**H2:** There is a significant relationship between the feature set & Product Fit

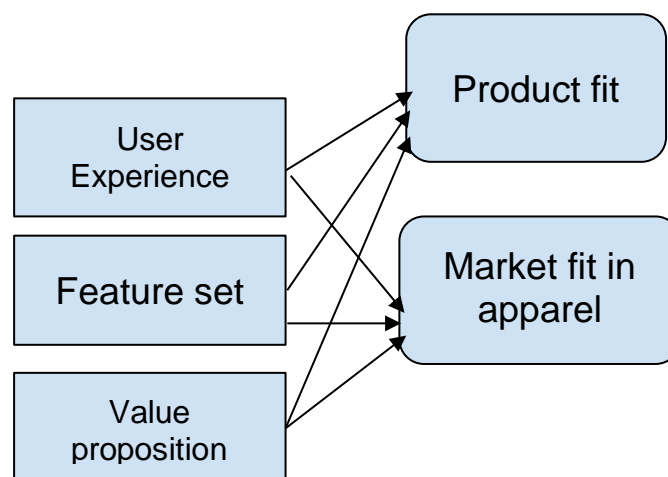
**H3:** There is a significant relationship between the value proposition & Product Fit.

**H4:** There is a significant relationship between the user experience & Market Fit

**H5:** There is a significant relationship between the feature set & Market Fit

**H6:** There is a significant relationship between the value proposition & Market Fit.

### CONCEPTUAL MODEL





## RESEARCH METHODOLOGY

### Data Collection & Statistical Tools Used

The major purpose of the study is to identify the impact of strategies like User Experience, Feature set & Value proposition on Product Market fit in the apparel sector. A simple non-random sampling technique is used to collect the data with a sample size of 204. A questionnaire is developed on the demographic factors, user experience, feature set, and value proposition as independent variables and product fit and Market fit as dependent variables. A five-point Likert scale (1- Strongly Disagree, 2- Disagree, 3-Neutral, 4- Agree, 5- Strongly Agree) is used to record the opinions of the consumers.

Structural Equation Modelling is used where a set of statistical methods that allows researchers to test hypotheses based on multiple constructs that may be indirectly or directly related for both linear and nonlinear models.

## ANALYSIS AND INTERPRETATION

### Cronbach Alpha

<i>Reliability Statistics</i>	
<i>Cronbach's Alpha</i>	<i>N of Items</i>
.773	21

(Table -1: Reliability Analysis of Variables)

In social science research, a Cronbach's Alpha value is deemed acceptable if it exceeds 0.7, good if it surpasses 0.8, and exceptional if it goes beyond 0.9. A number of 0.773 indicates that the internal consistency of your 21 items is adequate, but it is not considered to be high. This suggests that the items demonstrate a satisfactory degree of consistency in evaluating the identical underlying concept, while there may be potential for enhancement.

### Confirmatory Factor Analysis

Fit Indices	Recommended	Observed
CMIN	Greater than 5 Terrible, Greater than 3 Acceptable, Greater than 1 Excellent	1.594
CFI	Less than 0.90 Terrible, Less than 0.95 Acceptable, Greater than 0.95 Excellent	.947
TLI	Greater than 0.9	.975
PNFI	Greater than 0.5	.535
RMSEA	Greater than 0.08 Terrible, Greater than 0.06 Acceptable, Greater than 0.05 Excellent	.054

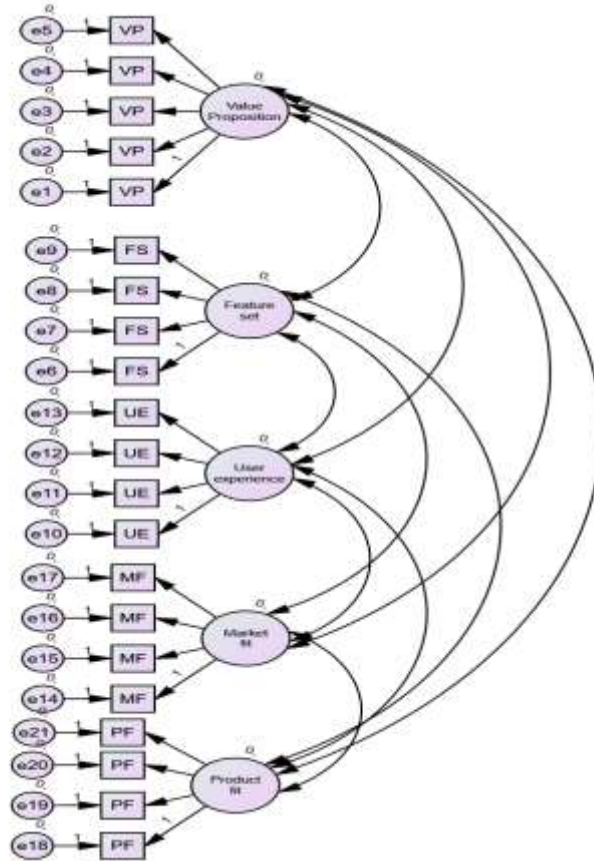
**CMIN (Chi-Square/df):** The measured (CMIN) value of 1.594 falls within the 'excellent' category, as it is between 1 and 3. This implies a strong correlation between your model and the data that has been seen.

**CFI (Comparative Fit Index):** The Comparative Fit Index (CFI) value of 0.947 falls just below the threshold for a 'Excellent' rating (> 0.95), but it is significantly higher than the 'Terrible' range (< 0.90). This suggests that the model's fit is satisfactory, however there is room for small enhancement.

**TLI (Tucker-Lewis Index):** The Tucker-Lewis Index (TLI) score of 0.975 above the suggested threshold of 0.9, suggesting an outstanding alignment between the model and the data.

**PNFI (Parsimonious Normed Fit Index):** The Parsimonious Normed Fit Index (PNFI) score of 0.535 above the recommended threshold of 0.5, indicating that the model is parsimonious.

**RMSEA (Root Mean Square Error of Approximation):** The Root Mean Square Error of Approximation (RMSEA) value of 0.054 is considered 'good' because it falls within the range of being less than 0.06 but more than 0.05. This suggests that the model is well-suited to the data.



The model consistently demonstrates a high level of accuracy and agreement with the observed data, as indicated by the majority of indices. The CFI falls just below the threshold for excellence, suggesting an opportunity for improvement. Nevertheless, the remaining indices, including TLI and RMSEA, exhibit robust outcomes, hence bolstering the model's credibility. It is crucial to take into account theoretical reasoning and other model diagnostics while considering these indices, as is the case with all statistical models.

**Structure Equation Model**

Fit Indices	Recommended	Observed
CMIN	Greater than 5 Terrible, Greater than 3 Acceptable, Greater than 1 Excellent	2.063
CFI	Less than 0.90 Terrible, Less than 0.95 Acceptable, Greater than 0.95 Excellent	.937
TLI	Greater than 0.9	.916
PNFI	Greater than 0.5	.533
RMSEA	Greater than 0.08 Terrible, Greater than 0.06 Acceptable, Greater than 0.05 Excellent	.072

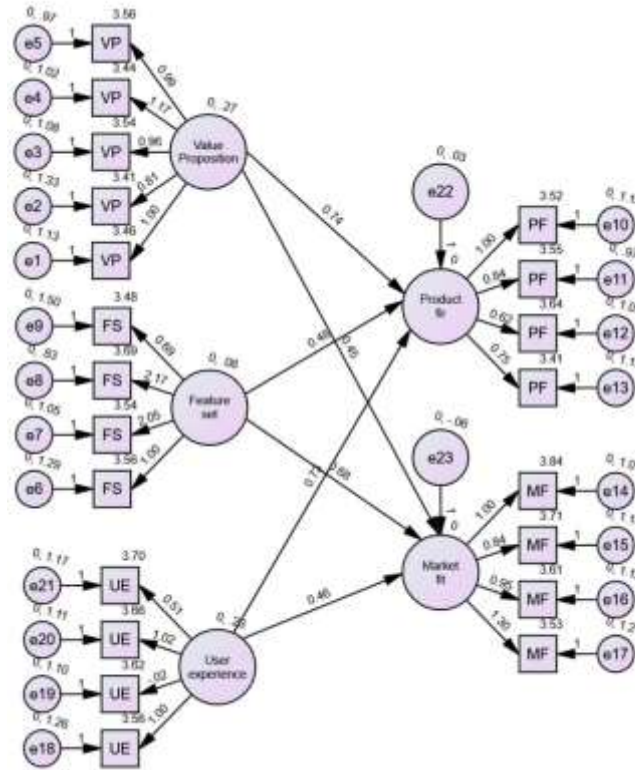
**CMIN (Chi-Square/df):** CMIN (Chi-square/df) values that exceed 1 are regarded as excellent. The measured value is 1.594, which falls within the excellent range. This indicates a strong alignment between the model and the data.

**CFI (Comparative Fit Index):** Comparative Fit Index (CFI) values exceeding 0.95 are regarded as excellent, values falling between 0.95 and 0.90 are deemed acceptable, and values falling below 0.90 are regarded as abhorrent. The model's value of 0.947 places it marginally below the exceptional threshold and qualifies as acceptable.

**TLI (Tucker-Lewis Index):** Tucker-Lewis Index (TLI) values exceeding 0.9 are preferred. This threshold is exceeded by the observed value of 0.975, which indicates an exceptional fit.

**PNFI (Parsimonious Normed Fit Index):** Parsimonious Normed Fit Index (PNFI) values greater than 0.5 are suggested. With a score of 0.535, your model passes this criterion, indicating a fair combination of model complexity and fit.

**RMSEA (Root Mean Square Error of Approximation):** Root Mean Square Error of Approximation (RMSEA) values larger than 0.08 are regarded horrible; greater than 0.06 but less than 0.08 are good; and less than 0.05 are outstanding. The RMSEA value of 0.054 is within the acceptable range, leaning towards excellent. This implies a reasonable error of approximation in the model.



The model demonstrates a satisfactory to excellent match across multiple indices. The CMIN and RMSEA values fall within the acceptable range, indicating a satisfactory fit. Conversely, the TLI and PNFI values suggest a strong fit. The CFI falls just below the threshold for excellence, indicating the potential for enhancement. The overall trend indicates that although your model is well stated, there might be certain parts that could be improved in order to achieve a more accurate representation of the data. It is important to take into account the model fit, together with theoretical rationale and the specific context of your research.

**Hypothesis Testing**

Hypothesis	P-Value	Result
<b>H1: Value Proposition and Product fit</b>	0.00	Significant
<b>H2: Feature set and Product fit</b>	0.17	Not Significant
<b>H3: User experience and Product fit</b>	0.018	Significant
<b>H4: Value Proposition and Market fit</b>	0.005	Significant
<b>H5: Feature set and Market fit</b>	0.06	Not Significant
<b>H6: User experience and Market fit</b>	0.03	Significant

**Interpretation**

**H1: Value Proposition and Product fit (P-Value: 0.00):** This indicates a highly significant statistical correlation between the Value Proposition and Product fit. This suggests that the null hypothesis can be refuted, and the alternative hypothesis (that there is a relationship) is substantiated.

**H2: Feature set and Product fit (P-Value: 0.17):** The statistical analysis indicates that there is not a significant relationship between the Feature set and Product fit, since the p-value exceeds 0.05.



**H3: User experience and Product fit (P-Value: 0.018):** With a p-value below 0.05, this indicates a statistically significant relationship between product fit and user experience.

**H4: Value Proposition and Market fit (P-Value: 0.005):** The relationship between Value Proposition and Market fit is statistically significant, as indicated by a p-value that is significantly lower than the threshold of 0.05.

**H5: Feature set and Market fit (P-Value: 0.06):** The statistical analysis indicates that there is no significant relationship between the Feature set and Market fit, as the p-value slightly exceeds the threshold of 0.05.

**H6: User experience and Market fit (P-Value: 0.03):** A statistically significant relationship exists between User experience and Market fit, as indicated by a p-value of less than 0.05.

## DISCUSSIONS & CONCLUSIONS

The findings suggest that there is a significant relationship between value proposition and both product fit and market fit. Additionally, user experience demonstrates a substantial correlation with both product fit and market fit. Nevertheless, the feature set exhibits no statistically significant correlation with product fit and only a marginally insignificant correlation with market fit. This implies that although elements such as Value Proposition and User Experience are vital for achieving product and market fit, the particular attributes of the product might not be equally significant or their influence might require re-evaluation.

In conclusion, Product-Market Fit is a complex and dynamic concept that requires ongoing attention and strategic efforts. Businesses that prioritize customer needs, embrace adaptability, and maintain a holistic perspective are better positioned to achieve and sustain a strong fit in their target markets.

## LIMITATIONS AND FUTURE SCOPE OF THE RESEARCH

- Determining Product-Market Fit often involves subjective judgments
- The concept of Product-Market Fit might not be universally applicable across all industries
- Different sectors and markets may have unique characteristics, and achieving fit may require industry-specific considerations
- External market conditions, such as economic trends, geopolitical events, or industry shifts, can significantly impact a product's success. Achieving Product-Market Fit may be more challenging in certain market environments

The future scope of the research can be investigating how Product-Market Fit evolves over time, especially in dynamic markets and industries. Even we can explore how cultural and regional differences influence the concept of Product-Market Fit. Examining how disruptive innovations impact the traditional notion of Product-Market Fit & Investigate the ethical implications of pursuing and achieving Product-Market Fit

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