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Strategic responses of small-sized luxury fashion brands and retailers to covid 19 crisis to maintain their existence in the market.

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Abstract

Covid 19 crisis caused catastrophic impacts on many sectors and social life in the world. Most of the states implemented strict policies to reduce the repercussion of the crisis in social and business life. During this uncertain and dynamically changing environment, most of the companies tried to survive by using their resources and capabilities. This narrative was not different for the fashion companies. The aim of this study is to understand the strategic responses of fashion retailers and brands to the major covid 19 crises. In this study, a total of 8 interviews were conducted among 4 different fashion brands and retailers. These 4 cases were analyzed two by two according to the impact of their historical path dependencies on the formulation of their strategic responses to covid 19 crisis. In addition to this, Resource- based view and dynamic capabilities approach were used to analyze the overall tactical responses of the 4 firms during a crisis environment. The findings of the research indicated that the impact of history and the geographical location of the companies pushed companies to develop a different type of strategy. It was found that accessing foreign cash capital, following cost minimization strategies, and developing customer networks by the usage of online Omni channels were the main strategies of 4 cases to survive during the covid 19 crisis.

Resumo

A crise do Covid 19 causou impactos catastróficos em diversos setores e na vida social no mundo. A maioria dos estados implementou políticas rígidas para reduzir a repercussão da crise na vida social e empresarial. Durante esse ambiente incerto e dinâmico, a maioria das empresas tentou sobreviver usando seus recursos e capacidades. Essa narrativa não foi diferente para as empresas de moda. O objetivo deste estudo é compreender as respostas estratégicas dos retalhistas e marcas de moda às grandes crises da covid 19. Neste estudo, um total de 8 entrevistas foram realizadas entre 4 marcas e varejistas de moda diferentes. Estes 4 casos foram analisados dois a dois de acordo com o impacto das suas dependências do percurso histórico na formulação das suas respostas estratégicas à crise da covid 19. As informações sobre as respostas estratégicas dos 4 casos foram obtidas ao final das entrevistas em profundidade. Terminada a fase de acumulação de dados, as respostas da entrevista foram analisadas por meio do método de análise temática. Essa etapa permitiu atingir a saturação dos dados e obter dados primários relevantes para a pesquisa. Os resultados da pesquisa indicaram que o impacto da

história e a localização geográfica das empresas levaram as empresas a desenvolver um tipo diferente de estratégia. Constatou-se que acessar capital estrangeiro, seguindo estratégias de minimização de custos e desenvolver redes de clientes por meio do uso de canais Omni online foram as principais estratégias de 4 casos para sobreviver durante a crise da covid-19.

Title : Strategic responses of small-sized luxury fashion brands and retailers to covid 19 crisis to maintain their existence in the market.

Author : Can Karahan

Keywords : Impact of covid 19 crisis ; Crisis management ; Strategic response ; Survival strategies ; Dynamic capabilities ; Resource-based view

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INTRODUCTION 1.0

Throughout world history, humanity has experienced many major crises. Some of the crises were classified as major economic disasters such as the 2008 global economic crisis and the 1932 great depression. Many people lost their jobs, the biggest oligopolies struggled to pay their debts and many companies went into bankruptcy (McKibbin & Stoeckel, 2010; Shachmurove, 2011). On the other hand, some crises shaped world history by causing a negative impact on human health such as the black death, the Asian flu, and HIV. These catastrophic diseases caused millions of people to suffer and die (Piret & Boivin, 2021). However, the world recently has experienced a novel crisis that affected the world's both economic and health activities. Covid 19 crisis suddenly appeared in China's Wuhan region in 2020 and within 2 months it spread worldwide. Approximately 6.5 million people died due to the covid 19 virus (*The True Death Toll of COVID-19*, n.d.). In the early period of covid 19 pandemic, most people and experts didn't understand the level of seriousness and ignored the early warning of the disease. Later on it was understood that Covid 19 (SARS-CoV-2) has been classified as a serious and risky disease. It can easily spread among patients and binds its spike proteins to ACE2 receptors. This can cause lung failure, serious cardiovascular disease, and fatal organ damage. Some patients can get over the disease by experiencing mild symptoms, on the other hand, some patients can recover over a long time with serious symptoms (Ponti et al., 2020). Once the severity of the virus was accepted, all the states took high precautions to protect their citizens and prevent the disease from spreading among people. During the peak time of the pandemic, states decided to close their borders and prohibit travel and entertainment activities. To reduce the spread rate of covid 19, self-isolation, quarantine, wearing masks, and social distancing policies were implemented (Salvietti et al., 2022). Many retailers, wholesalers, and vendors had to close their physical stores, and most economic activities have been affected disastrously. The production cost increased due to restrictions in shipping channels and an increase in oil price. These issues triggered the inflation rate to increase (Debata et al., 2020).

Since the covid 19 is was a novel crisis, there were fewer studies done on this topic. Academicians and scholars analyzed the strategic responses of the companies to covid 19, and they found that communication and coordination with stakeholders, employees, and financial authorities were essential factors for companies to survive during the crisis. Scholars demonstrated the overall impact of covid 19 on the survival situation of companies (Bastas &

Garza-Reyes, 2022; Bhattacharyya & Thakre, 2021; Mrutzek-Hartmann et al., 2022). However, these studies didn't explain the specific tactical responses of small-sized fashion brands and retailers against covid 19. Furthermore, these studies didn't explain the way that fashion retailers and brands accumulate their valuable resources and use their capabilities with the combination of these resources to cope with covid 19 crisis. In addition to this, there weren't any studies that explained the impact of the economic and political situation of countries on the creation process of strategies for small-sized luxury fashion brands and retailers to respond to covid 19 crisis. In order to close this gap, I proposed my research question to contribute to the academic literature.

Research question: How did small-sized luxury fashion brands and retailers respond back to covid 19 crisis by using their historically path dependent resources and capabilities?

To answer my research question, I have conducted multiple firm studies and used a qualitative approach with the combination of a resource-based view and dynamic capabilities framework to explain the way that fashion retailers and brands accumulated their resources to form their dynamic capabilities for coping with covid 19 crisis. I did this study on Şimşek Giyim , Pedros Santos , NAZ and Goodgrief. My choice was appropriate because I found a chance to compare the strategic responses of fashion brands and retailers under the impact of different external factors during covid 19 crisis.

The study consists of 8 chapters. In the second chapter I reviewed the existing literature about the tactical responses of companies during both covid 19 crisis and in general deadlock situations. In the third chapter, I presented the studies of scholars who created and applied the resource-based view and dynamic capabilities approach to analyze the survival stages of the companies. In the fourth chapter, I introduced the methodology chapter to explain how I collected the primary data and how I analyzed it. This is followed by the empirical setting which provides the background history of the companies. In the sixth chapter, I demonstrated the tactical responses of each fashion retailer, and I compared their strategic responses to each other. In the seventh chapter, I investigated and compared the tactical responses of fashion brands. In the eighth chapter, I presented discussion and explained the differences and similarities of my research with previously done studies. In the conclusion chapter, I presented the main takeaways of this research and provided the limitations and the importance of my thesis for future studies.

Chapter 1: Literature Review

This section demonstrates the previously done studies related to strategic responses of firms to cope with crises and which methods they have used to protect their existence in the environment. We learned that throughout the literature review 6 main strategies were presented that were used by companies to cope with the covid crisis.

1- Considering the relationships with the stakeholder, 2- Empowering the connection with employees, 3- Recovering the relationship with suppliers, 4- Reinforcing the connection with financial authorities, 5 – Strengthening the rapport with customers, and 6- Adjusting the price strategy (Kozachenko et al., 2021).

2.0 Strategic Responses of Firms For Crisis Management:

When it comes to crisis management, firms need to develop strategic responses for the extraordinary events that they are facing to keep their organization alive. Strategic responses are defined as firms' possible combination of pareto efficient decisions to deal with uncertainties to maximize their profits and survival situations (Pearce & Jr, 2004). In other words, firms are taking strategic responses for specific situations to distill the benefits of the crises to maintain their existence and reputation in the market (Lengnick-Hall et al., 2011).

2.1 Considering The Relationship With The Stakeholders During Covid 19:

In every major crisis, communication and relationship with stakeholders become essential. Before taking every strategic decision managers have to explain the reasons and possible tradeoffs of the outcomes of the decision to stakeholders (van der Meer et al., 2017). This reinforces the trust and credibility of managers. If the actions of the managers create some questions for stakeholders, this creates uncertainties and it even becomes harder to cope with the crisis (Harrison & Wicks, 2013). Besides the relationship management between the managers and stakeholders, the motivation and participation of employees become an important factor to cope with crises.

2.1.1 Empowering The Connection With Employees For Coping Covid 19 Crisis:

In order to fight against a crisis, all the participants in the company need to be involved in the decision-making process collectively. The actions of the employees are essential during a crisis. The personal efforts and self-responsibility of every agent create new perspectives and reinforce the vision of the company (Kozachenko et al., 2021). This creates positive support for the managers to cope with the crisis. On the other hand, if employees start to leave the

company and pull their support from the managers, this can lead the firm to be unsuccessful during the crisis (Xiao et al., 2020). During the covid 19 crisis, most companies have experienced conflicts related to the health and transportation of their employees. Some employees couldn't return from their visit to other foreign countries due to the travel restrictions. This caused manufacturers to lose their key employees. Some workers couldn't contribute their work in the manufacturing process due to self-isolation and quarantine. Bastas & Garza-Reyes (2022) conducted 10 depth interviews with the companies and found that, manufacturers showed extra care to follow health and safety guidelines to protect the health status of their employees. Manufactures provided face masks and hygiene equipment to their employees. They tried to maintain the physical touch between employees limited by splitting them into different team members. Only the employees in the relevant department were allowed to meet. In addition to this, authors found that companies integrated cloud systems and Enterprise Resource Planning (ERP) to allow digital communication between some specific managers and employees to limit physical contact. The authors mentioned that manufacturers did regular medical checks of their employees. They implemented weekly PCR tests and monitored the temperature of the employee frequently (Bastas & Garza-Reyes, 2022). These crucial efforts of the companies increased the motivation and morale of the employees and helped them to improve their relationships with their employees.

2.1.2 Recovering Relationships With Suppliers To Maintain Existence During Covid 19 Crisis:

When it comes to producing a product, most companies are working with suppliers for the production of raw materials, delivery and logistics of goods, and acquisition of technical equipment and capital. It means that suppliers of the companies are showing vital importance to the enterprises. When a crisis occurs in the market, suppliers are also affected negatively by the companies. Their business operations can take damage and this issue can be escalated further by affecting the profits and revenues of the companies. If suppliers cannot operate at an optimum level to meet customer demand, this can even cause companies to terminate their business. The crisis also causes uncertainty in customer demand. It becomes even harder to estimate expected customer demand. In the paper of Bastas & Garza-Reyes (2022), the authors found that many manufacturers had to cancel their capital investments such as buying new machinery and technical equipment Because covid 19 created a high degree of uncertainty to make financial investments, and this disallowed producers to think for a long-term strategy. Most of them suffered from the bullwhip effect and disruption in global supply chains. In order to reduce the financial vulnerability of suppliers and prevent the bullwhip

effect, coordination, communication, and knowledge sharing with suppliers become more important than normal time.(Frazier et al., 2009).

2.1.3 Reinforcing The Connection With Financial Authorities For Making Debt Adjustments For Covid 19:

When it comes to dealing with financial conflicts, it should be divided into short-term and long-term. For the short-term strategy, companies need to find funds to pay their urgent debt and survive. On the other hand, from the long-term perspective, firms need to consider the post-effect of covid 19 on their profitability index, reputation level, and the rate of customer loyalty (Bhattacharyya & Thakre, 2021). Government, central bank, and other financial authorities can use their resources to provide credits and subsidies to firms to help them to fight against the crisis. It becomes more rational to take debts from these authorities since most of them offer lower interest rates with a long-term payment condition. Having a good credit note can provide a company to take debt and use this capital resource to recover its business operations during a crisis. It is essential to have a good relationship with banking institutions to obtain sufficient credit to cope with the crisis (Flammer & Ioannou, 2021). In addition to this, companies need to develop an optimum debt management strategy. Firms need to use their resources effectively and allocate them to the most important activities to survive. This means that firms can give less importance to innovative research and development activities until they recover their financial vulnerability (Giebel & Kraft, 2020).

2.1.4 Strengthening The Rapport With Customers By Using Omnichannel Strategies To Respond Back To Covid 19 Crisis:

Customers are the main revenue sources of the companies. During covid 19 it was observed that there was a shift in the consumer behavior pattern. Consumers preferred to change their eating and wearing behaviors. Since people started to work remotely, they spent more time watching tv and ordering fast food products (Hall et al., 2020). People who have been working remotely preferred to wear more comfortable and flexible clothes. This extraordinary situation forced customers to use e-commerce and online platforms to buy their needs (Verhoef, 2021). Companies that have built their online sales platforms, gained advantages and competitiveness during the crisis. The most successful companies introduced new types of omnichannel activities to reach out to their customers and maximize their digital experience throughout the touchpoints of their transactions (Mrutzek-Hartmann et al., 2022). However, the implementation and availability of omnichannel networks are quite complex and not all companies became successful in doing that. In the paper of Cocco & De-Juan-Vigaray (2022) the authors analyzed 253 micro-foundations and customer responses and

found that physical closure of the store, changing to stores to the warehouse, delayed delivery and logistic, poor communication with customers and paying higher prices for the same goods in the online platforms and replenish stocks were the main problems for the companies who have tried to transform their omnichannel networks. It shows that the transformation and implementation process of online channel activities can be too complex and problematic (Cocco & De-Juan-Vigaray, 2022).

The literature review presented the main tactical responses of manufacturers and suppliers for coping with covid 19 crisis. However, we still don't know the specific strategical responses of small-sized fashion retailers and brands to survive during covid 19 crisis. Furthermore, there aren't any studies that conducted multiple case studies and compared the similarities and differences between the strategies of fashion retailers and brands. In addition, there weren't any studies that explained the impact of the political and economic situations of the countries on the creation process of strategies for small-sized fashion retailers. It is important to gather information to solve this unknown issue because it will provide the main takeaways for the managers of fashion retailers and brands to survive in a similar crisis like covid 19 in the future. In order to solve these unknown issues, I presented my research question.

Research questions: How did small-sized luxury fashion brands and retailers respond back to covid 19 crisis by using their historically path depended resources and capabilities?

Besides consideration of the strategic responses of the firms to a crisis, it is essential to understand the sources of these strategic responses. To understand it better, now it is time to look at the overall picture by considering the Resource Based View and Dynamic Capabilities theoretical framework.

2.2 The Theoretical Framework:

These 2 theoretical frameworks are important to answer the research question because it needs to be understood how the companies develop their resources and used their capabilities with the combination of these resources to survive during covid 19 crisis. Furthermore, every small-sized fashion retailer and brand have their different resources and capabilities. These powerful tools need to be understood and analyzed to form deep analyses of tactical responses of these companies.

2.2.1 Classical View Of Resource-Based View:

Throughout strategic management literature, Penrose (1959) was one of the first academicians who contributed to the classical resource-based view. She mentioned that firms are the collection of constructive resources. She argued that a firm's growth depends on its resources and the way that its managers are using these resources to create value. She also contributed to the academic literature by providing support for the formulation of terms such as competitive advantage, sustaining competitive advantage, and economic rents (Kor & Mahoney, 2004). Later on, as time went on, the firm's structures became more complex, and technological developments enabled firms to reinforce their operations. In order to understand why some firms have been performing better, some improvements are needed to add the Resource Based View model.

2.2.2 Modern Resource View Model:

Barney (1986, 1991) developed a modern version of the resource-based view approach. He argued that some firms have a competitive and sustained competitive advantage over other firms and this makes these firms implement their strategies better and eliminate external threats. The author presented that firms that have unique, rare, imperfectly imitable, and heterogenous resources can outperform their rivals and create dominance in the marketplace. (J. Barney, 1991; J. B. Barney, 1986). This theoretical model became a core structure in the strategic management literature. Many academicians have used this approach to understand why some firms have been outperforming their rivals. Wang (2016) used a resource-based view to analyze the top luxury fashion firm's performance. He conducted 5 interviews with the top managers of these companies and concluded that having highly skilled designers creates valuable and hard-to-imitate internal resources for luxury fashion brands. Luxury fashion brands are obtaining a competitive advantage by using their capabilities with the combination of this valuable resource. Furthermore, the author analyzed that these top fashion companies have independently operating profit centers. This enables them to separate their profit center's functionality from other departments. Profit centers are working as independent units but also monitor and communicate with every independent sub-brand big unit. This flexible resource composition enables these firms to calculate their profits and costs easily by giving their full attention to accounting and reducing internal communication problems (Wang, 2016). Later it was understood that the explanatory nature of this framework is not enough to understand the crisis management of companies due to its static nature (Priem & Butler, 2001). Since companies have been surrounded by a dynamically changing environment, the impact of external factors on the strategies of companies has increased. This

forced academicians to develop another framework to understand how the firms have been reconfiguring their resources with the combination of their dynamic capabilities to obtain a competitive advantage and survive during the major crisis.

2.2.3 Dynamic Capabilities Approach:

This framework explains how firms can sustain competitive advantage using their capabilities to fight against internal and external threats in a dynamic environment. It is not enough to have good resources unless you know how to use them (Teece et al., 1997). When it comes to understanding the strategic responses of firms to a major crisis, their dynamic capabilities become an important issue. These capabilities demonstrate that firms can neutralize external threats and survive during a crisis. Later on, academicians included different ideas in the dynamic capabilities approach. Eisenhardt & Martin (2000) demonstrated that since every company has different and heterogeneous resources, their dynamic capabilities need to be specific and identifiable (Eisenhardt & Martin, 2000). On the other hand, Zollo and Winter (2002) concluded that every organization has been facing similar problems and successful companies have developed regular routines to solve these conflicts (Zollo & Winter, 2002). These issues created regular patterns in the dynamic capabilities of the firms (Barreto, 2010). After the addition of new ideas to the dynamic capabilities, other academicians presented how firms ‘ can use the advantage of their external environment and eliminate threats by using their dynamic capabilities.

2.2.4 Exploring And Using The Opportunities Of External Environment:

Teece (2007) added 3 new dimensions to the dynamic capabilities theoretical framework. These 3 dimensions are, exploring the opportunities by scanning and filtering them, using these opportunities by transferring them internally and externally, and keeping the competitiveness level in the market (Teece, 2007). This new notion became useful for academicians to develop research related to the dynamically changing environment in the marketplace. Liu et al. (2009) investigated the impact of a dynamically changing environment on the textile firm in China. They looked at how this company changed its resource configuration and strategy by using its dynamic capabilities to obtain a competitive advantage in the dynamic environment. They found that the company hired 6000 new employees and renew their human knowledge power. This also helped the firm to reconfigure its resources and form capabilities since the merit level of employees increased, it created an advantage for a firm to take better strategic decisions. In addition, the authors presented that having a strong organizational culture has a positive impact on the contribution level of the employees. A

company with a strong organizational structure can train and teach new skills to its employees and this helps companies to create new routines (Liu et al., 2009). Another research was done by Mrutzek-Hartmann et al. (2022), they used the dynamic capabilities approach and formulated 6 essential dimensions which are essential to developing omnichannel transformation. The authors found that human resources, availability, customer/market understanding, supply chain management, Omni channel environment, integration, and coordination are the main core skills to obtain a competitive advantage by using dynamic capabilities. They found that SMEs in Germany and Turkey used their dynamic capabilities during the covid pandemic to create digital omnichannel. They enabled their customers to use VR and augmented technology to observe and analyze the products in a digital platform.

Chapter 2: Methodology

3.1 Research Design

While I was creating the research design, I decided to choose a qualitative method. I preferred to choose this approach because Covid 19 was a novel crisis, and I needed to understand the strategic responses of small-sized fashion retailers and brands to survive during covid 19 crisis. I have decided to conduct multiple case studies with fashion brands and retailers. This approach helped me to analyze and compare the distinctive strategies that small-sized fashion retailers and brands used during covid 19 crisis. I wanted to conduct in-depth interviews with CEOs, employees, and tailors in the companies Since these agents felt the crisis closely and survived after the crisis, their insight and opinions were crucial for me to obtain the primary data for this study. When it comes to the selection process, I tried to find small-sized fashion retailers which were in the low-end spectrum of the luxury fashion sector. The reason for this was small-sized fashion companies had more opportunities for growing and implementing innovations rather than mature companies. This allowed me to examine their specific and new tactics to keep their existence in a dynamically changing crisis environment. When it comes to finding cases for my research, I sent 200 emails to companies in different countries. When I was sending emails to different 200 companies, I checked the size of the companies and looked up the stock exchanges to see whether they were in the top 300 company list. In addition to this, some companies shared their annual return and the number of customers that they have accumulated on their websites. This information also helped me to understand the size of the companies. From these 200 emails, NAZ company accepted my offer and wanted to make contributions to my research. Then I decided to visit every store in Benfica, and I

communicated with 40 retail store owners. From these 40 stores, Pedros Santos and Goodgrief accepted my request and took part in my investigation. I was able to find Şimşek Giyim due to my network in Isparta. I finally selected 4 cases. I contacted Şimşek Giyim (Case 1) by using a phone and I reached out to Pedros Santos company (Case 2) by visiting his stores physically. For the other cases, I contacted Goodgrief (Case 3) by going to the store, and I contacted NAZ company (Case 4) by sending an email. I compared the tactical responses of Şimşek Giyim (Case 1) and Pedros Santos (Case 2) between each other. These two fashion retailers have been operating in different countries. Şimşek Giyim accumulated its valuable resources and formed its dynamic capabilities in Turkey and Pedros Santos did the same thing in Portugal. The economic and political situations of Portugal and Turkey were different than each other and this difference affected these two companies to develop different strategies. On the other hand, both Case 3 (Goodgrief) and Case 4 (NAZ) have been operating in Portugal and I wanted to investigate how they were able to form different dynamic capabilities, and strategic responses to covid 19 when they were operating in the same country. All in all, these 4 cases became suitable companies for me to answer my research question.

3.2 Data Collection Process:

After I found my cases, I prepared my interview guide based on 17 open-ended questions to conduct interviews. The reason that I developed an open-ended questionnaire was to capture the thoughts and insights of fashion retailers in a better way. These questions were related to the significant impact of covid 19 and the strategic responses of fashion retailers by the usage of their resources. (Please check Table 1: Interview guide). I did a total of 4 phone interviews with Şimşek Giyim (Case 1) which lasted between 30-80 minutes. I talked with the CEO of the store whose name was Meral Şimşek. In order to reduce the biasedness and get more insights and data, I spoke with 2 sales agents and 1 tailor in Şimşek Giyim company. For the second case, I did an 80-minute interview with Pedros Santos who was the CEO of Pedros Santos company. Since Pedros Santos only knew Portuguese, I asked for help from my friend who knew both Portuguese and English. My friend translated my questions to Pedros Santos, and I also recorded the interview. After the end of the interview, my friend helped me to translate the video recordings into English. For the Goodgrief company (Case 3), I interviewed Ana Lomba who was the founder of Goodgrief company, and later I interviewed her tailor whose name was Antonio. These interviews lasted 60 minutes for each participant.

Furthermore, I had an online meeting that lasted 45 minutes with Marta Ferreira who was a marketing specialist at NAZ company.(Please check Table 2 : Primary Data). These 8 interviews allowed me to reach data saturation and obtain the primary data. I also used some secondary data when I was writing the findings section. For the comparison with Şimşek Giyim and Pedros Santos, I used information from top journals and academic textbooks to reach information on the historical transformation of Turkey and Portugal. Then I used the OECD database to obtain some information related to the economic situations of both countries during covid 19 crisis. (Please check Table 3 : Secondary Data) Then I used freedom of house reports and news articles to reach out for more information related to the conditions of the countries. For the Goodgrief case, I used Hofstede Insights data to understand cultural differences and behaviors among customers from different nations. I used the United States census bureau online survey data for NAZ company, I used united states census bureau online survey data to indicate the increase in e-commerce usage among customers during covid 19 crisis.

3.3 Data Analysis:

I used coding method by analyzing the primary data. I also examined secondary data and collected relevant information to investigate tactical responses of the fashion retailers and brands. After I finished analyzing my data , I generated common codes and themes which were related to strategical responses to covid 19. (Please check Schema 1 : Sample Of Data Coding Process) (Corley & Gioia, 2004; Rosenberg et al., 2015). Then for the second step, I used these themes to generate some meaning which was linked to the strategic response of fashion retailers to covid 19 crisis. For the last step, I obtained some codes and tags from the whole data analysis process. (Please Check Figure 1 : Coding Tree)

Chapter 3 : Empirical Settings

4.0 Case 1 : Şimşek Giyim

4.1.1 Historical Foundation And Presentation Of The Company:

Meral and her husband decided to open this small-sized fashion retail store 33 years ago in Turkey. The store is in Isparta. They specialized in selling wedding clothes. They are selling bridal gown wedding suits for males and fancy dresses for women. Since Meral lost her husband due to covid 19 disease she was left alone to operate this business with her 2 daughters, 6 employees, and 2 tailors.

4.1.2 Business Model Of The Company:

She is personally meeting with her suppliers to select the designs for the customers. She has been working with 2 tailors who have been supporting her. She mentioned that sometimes clothes do not fit the body size of their customers. For this type of case, her tailors adjust and sew some parts of clothes to make them fit the customers.

4.1.3 Major Impact Of Economic Crisis In Turkey:

Store owner reported that the economic situation and welfare in Turkey was high between 2002 -2008. This enabled them to offer different kinds of clothes to target different kinds of customer segments. They used to sell coats, jackets, and sweaters. The owner mentioned that in the last 5 years, this situation has changed. Turkey experienced a serious recession and purchasing power of the customers decreased dramatically. The company decided to narrow down its customer segment by targeting the niche market. She reported that the company chose to sell Wedding clothes since people had to buy these types of clothes to wear at their weddings.

4.1.4 Major Impacts Of Covid 19:

Since the pandemic started, the store owner has started to observe some problems with the suppliers in terms of payment conditions. It became harder for fashion retailers to take on long-term debts. She reported that the suppliers had conflicts in terms of receiving payments and that's why most of them decided to operate their transactions by using short-term debts and cash.

4.2.0 Case 2 : Pedros Santos

4.2.1 Background History Of The Company:

Both the store's name and the owner's name are the same, and it is Pedros Santos. The store is located in Benfica. Pedros Santos started to work in a tailor store when he was 13 years old. He obtained some experience and knowledge by working with some rags. Then he went into the military and stayed in the army for 23 months. During his military service, he sewed clothes for the soldiers. When he was 23 years old, he opened his first fashion store in Guinea. He decided to do this business in that country because the rent price was relatively lower than in Portugal. However, Guinea had an independence war and he had to close his shop due to the war. Then he returned to Portugal and opened this store. This fashion store is 47 years old and one of the few old stores that survived after many years. He said that in 1975 there weren't many fashion stores in Portugal and competition was too low. He saw this as an

opportunity and decided to enter the market. He was one of the youngest entrepreneurs during that time in Portugal.

4.2.2 Overview Of The Business:

He reported that there are some first-class luxury fashion brands like Gucci and Fred Perry Armani. These brands are targeting the top class of customers by providing too luxurious clothes. On the other than, he defines himself in the middle-end spectrum of the fashion world. He is trying to target the middle class. His clothes are not too luxurious but also not too cheap. There is a limited market for 1 st class stores in Portugal. Many customers in Benfica belong to the middle class. He reported that “ If I would bring too luxurious clothes, I wouldn’t be able to find someone to sell them”(Pedros Santos, The store owner in Benfica). He is working with external suppliers to buy middle-end luxury fashion clothes for men at a cheaper price than the market price. Then he is reaching these clothes to his customers in Benfica.

4.2.3 Impacts Of Covid 19 And Other External Forces On His Business:

He reported that before covid 19, other things had started to affect his business. Opening of big shopping malls like Colombo, Fonte Nova and El Corte Ingles. These big shopping malls created network effects and let other big companies open their stores inside them. These big fashion stores were able to bring low and middle-end luxury fashion clothes at a reasonable price since they have big suppliers behind them. Pedros reported that they created a cost advantage, and this caused his customer demand to decrease. During the covid 19 time, Pedros Santos reported that due to self-isolation and quarantine, the revenues of the company decreased by 60 % but he covered this loss in the post covid 19 time. He reported that his sales showed a recovery process. Once the limitations and quarantine period were over, old people started to go out. This helped Pedros to sell his clothes.

4.3.0 Case 3: Goodgrief

4.3.1 Background History Of The Company

This is a fashion retail store in Lisbon and inside the shopping mall of NEVADA. The name of the owner of the store is Ana Lomba. The owner of the store decided to open a fashion store and establish her brand in 2008. However, she couldn’t find enough subsidies to open a store and she continued her career as a manager in the UK. In 2018, she was able to save enough money to establish this business. Ana has started to produce middle-end luxury

fashion clothes for her customers. She has been producing blouses, blazers, skirts, and night gowns for customers who like to wear their clothes to special events and parties. Goodgrief means a product of high quality. Ana is working with a tailor, a jewelry designer, and 3 suppliers.

4.3.2 Business Model:

She is the main designer, and she designs prototypes for the customers. Once a customer agrees to order the design, Ana moves to the next stage to prepare the clothes for the customer. If a customer asks for extra special clothes to wear to an outstanding event, Ana gives that job to her tailor. Because working with a tailor provides extra care and attention when sewing clothes. This increases the price of clothing since it becomes more labor-intensive and handmade. These types of customers have good welfare and enough willingness to pay for that exclusive design.

4.3.3 Company's Situation During Covid 19:

On 18 March 2021, the state made an announcement and asked people to stay in their homes during the pandemic. The state closed the shopping malls. Since her store was in the shopping mall, she couldn't work in her store during covid 19 time. She realized that old people couldn't use the website and she tried to pull more younger customers. Despite the negative impacts of covid 19 crisis, Ana reported that the company made 25 % profits and covered its losses during the crisis.

4.4.0 Case 4 : NAZ Company

4.4.1 Background History Of The Company:

The company was founded in Lisbon in 2016. Currently, the company owns 1 showroom and 5 retail stores in Portugal. The company also distributes its products and brands to 22 different retail stores in other countries inside Europe. Besides having diversified retail store locations, the company has 7 suppliers and a few partners to collaborate with. For the products and customer segment of the company, the company has been selling trousers, blouses, shirts, sweaters, and coats for both men and women.

4.4.2 Values Of The Company:

This company follows 3 distinct values to form its core business strategy. The company thinks that transparency with the customers is important. They focus on sharing information related to the production process and the raw materials that they are using to sew clothes with the customers. The second distinct value of the company is sustainability and the last one is

respect. The company gives attention to producing sustainable clothes by using natural fabric, eliminating waste, and recycling used clothes and input. This also provides the company to respect the environment and the customers.

4.4.3 Business Model Of The Company:

The company is designing its prototypes and working with 7 suppliers to transform these prototypes into sustainable fashion clothes. The company reported that some of the suppliers are also working for other companies. This creates an excess amount of surplus inputs. NAZ reported that they are encouraging their suppliers to use this surplus to reduce waste and produce more sustainable clothes by following recycling practices.

4.4.4 Company's Performance During Covid 19:

Marta Ferreira, who is a marketing specialist at NAZ company reported that the company experienced the highest sale period during covid 19 due to the usage of the online website. Their sales increased by 50% and profits increased by 40 %.

Chapter 4: Findings

5.0 Strategic Responses Of Şimşek Giyim To Covid 19 Crisis

5.1 Capturing The Inelastic Demand By Specialization In Niche Market:

Şimşek Giyim company tried to use its resources efficiently to open a strategic path for its existence in this dynamic environment. Meral Şimşek started to target a niche market by choosing a sniper customer targeting strategy. She specialized in selling wedding gown for women and wedding suits for males. The reason for her choosing this strategy was to capture the inelastic demand in the wedding sector. It was known that even though Turkey has been experiencing an economic and covid 19 crisis, there were still some people whose income level was higher than others. These customers had to buy wedding suits to wear at their weddings. This created a certain amount of customer demand for Şimşek Giyim company.

5.1.2 Targeting Turkish Customers In Abroad To Access Foreign Currency:

Şimşek Giyim was able to develop this strategy by having loyal customers and a good reputation in this city. This allowed Şimşek Giyim to form a strong customer network. This strong customer network within the city allowed Şimşek Giyim to develop a word-to-mouth

strategy. The local customers also started to recommend this brand to their friends who have been living abroad. This became an advantage for Şimşek Giyim because once the purchasing power of local customers decreased due to both the economic and covid 19 crisis, Meral Şimşek was able to communicate and make marketing campaigns to the Turkish customers who have been living in abroad. This allowed Meral Şimşek to gain foreign cash capital because those Turkish customers have been earning euros and dollars and the depreciation of the Turkish lira improved their purchasing power. “ My local customers recommended my store to their friends who have been living in foreign countries for a long time. Once our money lost its value, those people became richer. I put too much effort to pick the best wedding clothes for the summer season. The state of Turkey removed the strict policies related to traveling to the country during the summertime and these people were able to visit Turkey during that season.(Meral Şimşek , CEO and stakeholder of Şimşek Giyim fashion retailer). This second strategy allowed Meral Şimşek to receive these cash flows to pay the store’s debts.

5.1.3 Forming Strong Relationships With The Suppliers:

This strategy was related to obtaining trust with the suppliers. Since the covid 19 escalated the economic recession in Turkey, this created uncertainties in terms of making business. Meral Şimşek was able to influence her suppliers due to the company’s high trustiness level, and she was able to make longer arrangements in terms of paying the company’s debt. This allowed the company to gain some time and advantage to arrange its debt payments.

5.1.4 Opening Instagram Store And Usage Of Online Omnichannel Network:

I found that Meral Şimşek created an Instagram Store. She started to share videos and footage of newly married couples who bought their clothes from Şimşek Giyim company. After a short period, she was able to increase her followers and expand the company’s customer network. This allowed the company to reach out to its customers and communicate with them by using omnichannel strategies.

5.1.5 Overall Analysis Of Şimşek Giyim:

When I consider the 4 strategic moves of this company, I can say that from the dynamic capabilities approach Şimşek Giyim was able to observe the opportunities and use them as its advantages during a dynamically changing environment. In other words, this strategy allowed

Şimşek Giyim to obtain both technical and external fitness by successfully using its capabilities to survive during the crisis (Teece, 2007).

5.2.0 Strategic Responses Of Pedros Santos To Covid 19 Crisis

5.2.1 Following Cost Minimization Strategy To Reduce The Burden Of Covid 19 Crisis:

I found that Pedros Santos was able to arrange a long-term contract with his landowners. One of the major impacts of the variable costs of companies to increase is related to renting fees in Portugal. According to Trading Economics, Portugal's rent ratio increased from 134.5 to 162.5 between 2020 to 2022 (*Portugal Price to Rent Ratio - 2022 Data - 2023 Forecast - 1988-2021 Historical*, n.d.). Despite this sharp increase and high renting fees in Portugal, Pedros Santos mentioned that “ Since I have been doing this business for 47 years, I learned how to arrange long term contracts with landowner and I am only paying 400 euros for my rent in Benfica”. (Pedros Santos , CEO and stakeholder in Pedros Santos fashion retailer). This allowed Pedros Santos to pay relatively cheaper fees in terms of average renting fees in Portugal. He increased his cost-minimization strategy by having no labors. Since he is the only worker and the owner of the store, he didn't pay any wages or the fee for social health care for the workers. This allowed him to decrease his cost function further. He was also able to form strong relationships with his suppliers. He explained this situation by saying “ Since I have been in this business for 47 years, I was able to find the best suppliers which have been providing high-quality goods with a reasonable price “ (Pedros Santos, CEO and stakeholder in Pedros Santos fashion retailer). He was able to use his capabilities to arrange a long-term contract with his suppliers. This allowed him to maintain his business during covid 19 time.

5.2.2 Using The Advantage Of Being Monopoly In The Neighborhood:

I found out that another strategic advantage of Pedros Santos is coming from its monopolistic structure. In the neighborhood of Benfica, Pedros Santos is the only shop who became to sell fancy suits for men. Throughout the time, other stores moved away from Benfica due to many factors. Now only this store is left in that area. This created a strategic advantage for Pedros Santos because throughout the time he was able to form strong customer relationships and obtained customer loyalty. Since his customer segment only consists of old people and these customers have known Pedros Santos for a long time, they always visit his store to buy suits for themselves and their friends. This became a valuable resource for Pedros Santos after the covid 19 period time. Since these old customers like to visit stores in a traditional way and

don't know how to use online omnichannel, they started to buy goods from Pedros Santos during the post covid time. (*Older Adults Shopping Online*, n.d.)

5.2.3 Overall Analysis Of Pedros Santos:

All in all, I analyzed that Pedros Santos was able to form an optimum strategy and gain an advantage of the circumstances during covid 19 crisis (Teece et al., 1997).

5.3.0 Comparison Of Şimşek Giyim And Pedros Santos

5.3.1 Understanding The Effectiveness Of Following Different Strategies With The Impact Of External Environmental Factors:

Once I look at both of the cases, I can say that the historical path dependency of the companies created different complexity and level of convenience in using the dynamic capabilities in a crisis environment. Since Portugal's democratic and economic welfare situation is better than Turkey, this created a convenient situation for Pedros Santos in terms of following less complicated strategies to respond to covid 19 crisis. Portugal's yearly inflation was 10.14 % in 2021 which is lower than the average OECD countries' inflation which was 10.67%. When we look at Turkey's yearly inflation in 2021, it is seen that it was 85.51% . (Please check Figure 4 : Comparing inflation rate with Turkey , Portugal and OECD average in 2021). This means that the impact of covid 19 was felt less seriously in Portugal compared to Turkey. Furthermore having relatively lower inflation caused the price of goods and services to increase less than in Turkey. In addition to this, PPP in Turkey was measured as 2.7 and Portugal's PPP was 0.5 in 2021. It means that citizens in Turkey had to pay 4 times higher amount of money to buy the same amount of basket of goods than Portugal's citizens. This demonstrates that Portugal's citizens have 4 times higher purchasing power than the Turkish citizens. (Please check Figure 3 : Comparing purchasing power parity with Turkey and Portugal). In addition to this, the Gini coefficient in Portugal was measured as 0.3, on the other hand, Turkey's Gini coefficient was 0.4 in 2021. This indicates that the income inequality in Portugal is lower than in Turkey and the distribution of welfare and salaries is more equal in Portugal than in Turkey. (Please check Figure 2 : Income inequality of Turkey in 2021. The range of Gini coefficient is maximum at 1 , minimum at 0). All of these economic welfare indicators demonstrate that total welfare conditions in terms of the economic structure were higher in Portugal than in Turkey. This created an advantageous situation for Pedros Santos because the country in which it has been operating was less vulnerable to crises related to Turkey. It demonstrates that the strategies of Pedros Santos were sufficient to survive during the covid 19 crisis. On the other hand, Şimşek Giyim has

been operating in an authorization state. This created many disadvantages for this company, however, Şimşek Giyim was able to transform these disadvantages into advantages during covid 19 crisis. Even though Turkey's economic recession was further escalated with covid 19 crisis, Şimşek Giyim successfully understood that it had to target customers whose income level was still higher than the other citizens. Since the income inequality was high in Turkey and the welfare was accumulated by only some group of people, Şimşek Giyim decided to target the customers who could still spend money on fancy wedding dresses and organize weddings. In addition to this, Şimşek Giyim had to use its dynamic capabilities to reach out the foreign cash by communicating with Turkish customers who have been living in abroad. In order to understand why the strategies of both companies were formulated differently, it is important to look at the root causes of external factors during history.

5.3.2 Impact Of Historical Path Dependency On The Formulation Of Şimşek Giyim's Strategies:

Şimşek Giyim has been operating in Turkey for 33 years. The strategic responses of this company to covid 19 and the economic crisis were formed around the historical path of dependency on the democratic and economic transformation in Turkey. It was also known that the husband of Meral Şimşek was in the opposition party (*24 Haziran 2018 Genel Seçim İYİ Parti Isparta Mustafa Şimşek*, n.d.). This situation put them at a disadvantageous position under Erdogan's regime because they were not able to benefit from the distributed welfare and government subsidies. Şimşek Giyim tried to survive in these harder situations due to the economic and democratic breakdown of Turkey. The answer to these events lies in the history of Turkey.

AKP defined its political vision as the neoliberal, moderate Islamic party. Between 2002 – 2008, it followed the IMF's and European Council's economic and political programs and make some reforms to improve the democratic situation and economic welfare in the country (Akçay, 2021). This short-term welfare allowed AKP to maintain its power. Later on, its real agenda was seen and it started to eliminate the power of Ataturk supporters and seculars from the bureaucracy, military, executives, and judiciary system (David, 2016). AKP assigned its loyal governors and created its pro-businesspeople to distribute the welfare of the state to this group of elites. These things created a huge corruption level and caused a democratic and economic breakdown in Turkey (Esen & Gumuscu, 2021). In addition to this usage of cheap foreign credits between 2002 -2008, transformed the economic structure of Turkey into dependent financialization. In other words, imposing high import policies, and encouraging

local businesspeople and citizens to use these cheap credits, made Turkey dependent on international cash flows and investors. After 2011, Fed and other international monetary agencies followed a strict monetary policy and decrease the international money supply. The lack of international capital caused an economic recession in Turkey (Apaydin & Çoban, 2022). The economic regression in Turkey was further escalated once Erdogan won the referendum in 2017. Turkey's parliamentary system became a presidential system. All of the governing power of a country was given to one man. This reduced the functionality of the check and balance system in the judiciary system, civil rights, freedom of expression, and political rights within the country. After switching to the presidential system Freedom House (2018) decreased Turkey's democracy score from 38 to 32 in 2018. According to their report, Turkey is not a democratic country anymore (*Turkey*, n.d.). All of these catastrophic democratic and economic turndowns caused Turkey to become a despotic leviathan where the autonomy and power of the state are higher than its citizens. Since there is no efficient check and balance and independent judiciary system in the country, there is no reason for a ruler to be accountable to rule of law and his citizens (Acemoglu & Robinson, 2019). This provided Erdogan to abuse its power to suppress the opposition, involve in corrupted activities and impose every political decision according to the advantage of his loyal pro-business elites. As a final result of having a despotic and authoritarian regime caused destruction in the Turkish economy. National Turkish currency depreciated against the dollar by 44 % after switching to the presidential system. Because Erdogan started to control the central bank of Turkey and didn't allow the central bank to increase the interest rate (Turak, 2022). This was further followed by an increase in income inequality in Turkey due to the unfair distribution of welfare and income. According to OECD (2022), Turkey's Gini coefficient became 0.41 among 41 OECD countries. The inflation rate increased up to 83.45 % in September 2022 (OECD, 2022) . Finally, customer purchasing power parity in Turkey became 2.782 in 2021. (OECD,2022).

5.3.3 Impact Of Historical Path Dependency On The Formulation of Pedros Santos Strategies:

In order to understand why using less complex capabilities was enough for Pedros Santos to survive, it is important to understand the democratic transition in Portugal, it is important to consider the root causes of the transition. In 1926 a military coup occurred, and they decided to assign António de Oliveira Salazar to establish a dictatorship. This regime was called the NEW state and lasted until 1974. Between 1932 to 1974 Salazar ruled Portugal with the regime's sing party which was called National Union (UN). Salazar decided to keep the

party's power weak and used it as a tool for assigning members to the chamber and gaining legitimacy within the state. The characteristics of the regime were authoritarian and dictatorship. Only a few groups of elites and conservative military forces took benefit from the welfare of the state and gained power during Salazar's regime. Salazar controlled the power until 1968 and then started to experience some health problems. After a time Marcelo Caetano was assigned to Salazar's place and tried to implement some liberalization ideologies into the regime. However, this also didn't last too long because Portugal started to lose its power in the colonial war and the internal conflicts between some traditionalist commanders and the Armed Forces Movement (MFA) increased more (Pinto, 2010). All of these changes created suppression on the regime and triggered Arm Forces Movement (MFA). This situation triggered MFA to take an action and make a military coup against the regime. Their agenda was to promote decolonization and reinforce the democratization process in Portugal. Once they took control, the elites in the society who formed strong bonds with the civil and social life helped MFA to form a presidential democratic regime. Then in 1976, a new constitution was established, and the first presidential elections took part in the state (Costa Pinto, 2006). MFA and the elites in the society started to diminish the power of dictatorial political groups and conservative military officers in the state. During the dynamic democratic transition process, 2 political parties formed which were Social Democratic Centre (CDS) and the Popular Democratic Party (PPD). These 2 parties were in the right spectrum of politics (Bruneau, 1997). After the revolution and democratic transition in Portugal, the state decided to follow neo-Keynesian approaches by making interventions in the economy. These actions of the state created positive outcomes by reducing the unemployment rate. The state included public initiatives to allow medium and small-sized businesses to grow and these policies were financed by the largest state-owned bank. Also, the state clearly gave a message to the public by mentioning that citizens of Portugal have the right to express their anger, opinion, and critiques against the state by making protests. The state encouraged poor and powerless people to allow their voices to be heard by the authorities and encouraged women to take more roles in society (Fishman, 2011). In addition to this democratic transition process in Portugal was reinforced with the application for Eu membership. In 1976 the new Soares government discarded the conservative privileged relationship with the colonies and increased the priority of being a European country and started to follow IMF's regulations and monetary policies of Europe. After 10 years of negotiations with the European Council, Portugal became a member of the union in 1986. This allowed Portugal to recover its economy and implement a high level of European standards and democratic policies into social life (Royo,

2004, 2007). From that point, Portugal accelerated the formation of Inclusive economic institutions where the citizens are encouraged to involve in economic activities and create innovative ideas within the state to reinforce the growth of welfare. Since the private property was secured and the rule of law mechanism started to work efficiently, this created truthiness for investors and created hope for citizens to make contributions to the development of the country (Acemoglu & Robinson, 2013). All in all, the democratic transition of Portugal transformed the state into a shackled Leviathan. It means that the state's power and the power of citizens were balanced. The policymakers and executives have to give accounts to the public and their actions are monitored and limited by the check and balance system in the country. Having an independent executive and judiciary system, allowed democracy to be formed and provided citizens to express their opinions, involve in the decision-making process, and obtain strong civil and social rights within the state (Acemoglu & Robinson, 2019). This structural form of Portugal was also confirmed by a report from an independent institution. According to the Freedom House report (2021), Portugal received 95/100 in terms of providing essential civil and social rights for its citizens. Freedom of house declared that Portugal is a democratic country (*Portugal*, n.d.).

5.4.0 Analysis And Comparison Of Tactical Responses Of Fashion Brands To Survive During Covid 19 Crisis:

In this part, Goodgrief and NAZ company were analyzed and evaluated for the way that they obtained their valuable resources throughout history and how they responded back to covid 19 crisis by using their capabilities.

5.4.1 Goodgrief's Historical Path Dependency Related With Having Valuable Resources:

Once the covid started this company tried to follow some optimum strategic responses to decrease the cost burden of covid 19 crisis. The company was able to use its dynamic capabilities because of having rare and valuable resources (J. Barney, 1991) . Ana is working with her customers by creating one – one connection. “ I always meet with my customers before I start to design my prototype. I created a catalog and from that catalog, customers can see my drafts and drawings for my every design and can choose a color with a different type of fabric from that catalog. “ (Ana Lomba , Ceo and fashion designer in Goodgrief fashion brand). Ana is also providing a special fashion service by measuring the body size of every customer and recommending which type of clothes the customer should wear in a party or a special event. Another valuable resource of this company is every design that Ana creates

becomes unique. It means that if Ana creates a design for a customer, she will never use the same prototype again. This makes customers feel valued and unique . The reason for that is this fancy dress becomes not duplicable and not possible to find in other places.” I was able to pull more customers because many of my customers were wearing their specially designed fancy dresses at the parties and showing off their friends. Then their friends were obtaining information about my store and ordering a specially designed fancy dress for themselves” (Ana Lomba , Ceo and fashion designer in Goodgrief fashion brand). Another valuable resource that this company obtained by having partners. Ana formed a partnership with another special designer whose name is Nuno Albelho. Both partners joined miss Portugal, Miss Galaxy, and other special big events. They were able to demonstrate their exceptional and elegant design on the models. These models wore their designs and did the catwalk. This allowed this company to increase brand awareness and made other customers aware of its designs. Furthermore I analyzed that they were also able to improve their learning curve by communicating with other designers and meeting with new suppliers. This allowed this company to create positive synergies and form a knowledge spillover effect by observing new designs and obtaining important knowledge for producing a fancy dress. I can say that from the resource-based view approach, the accumulation of these beneficial resources provided this company to have a strong customer network, good brand image, high customer resonance, and word to mouth strategy. In other words, the company was able to eliminate the external threats in a dynamically changing environment during covid 19 crisis through the usage and configuration of these scarce resources (Teece et al., 1997).

5.4.2 Strategic Responses Of Goodgrief Against Covid 19 Crisis

5.4.3 Targeting Young Generation And Using Online Omnichannel Networks:

When Ana had to close her store due to covid 19 crisis, she tried to form some strategic responses by communicating and reaching out to her customer network. I found out that she opened an Instagram store to target the young generation. Due to having high brand popularity, Ana started to share footages which were taken in Miss Galaxy and Miss Portugal. Since she was able to accumulate a high number of customers before covid 19, she started to display her designs on Instagram. This allowed this company to increase its followers and communicate with the previously and newly obtained customers. Furthermore, customers used the comments option on Instagram. This company received many positive feedback and comments from the customers, and this provided the company to create a strong

image in a digital omnichannel platform. Once the number of positive comments increased, this created a positive synergy for this company to improve its word-to-mouth strategy in a digital platform.

5.4.4 Using Click And Collect And Just In Time Management To Reinforce The Delivery Operations:

When it comes to delivering the products to the customers, I found out that the company formed a click-to-collect strategy to make these deliveries. “ After the high peak period of covid 19, the state allowed the stores in the shopping mall to provide deliveries to their customers without opening their stores and I also received many orders from remote workers who were looking for the top part of the dress. Because they wanted to look good in front of the camera during business meetings. (Ana Lomba, Ceo and fashion designer in Goodgrief fashion brand). I found out that Ana used these new regulations to her advantage and extract the benefits of the opportunities in a dynamically changing environment during covid 19 crisis (Teece, 2007). Customers were giving orders and once Ana finished her products, she prepared sterile packages for delivering the products. Then she sent these sterile packaged orders to the delivery department of the shopping mall. Customers were able to visit that delivery department and receive their orders. This also provided a limited amount of physical contact since customers had to take their orders from the delivery part of the shopping mall which disallowed customers to visit stores and interact with others inside the shopping mall. I also analyzed that, Ana developed an appropriate inventory management strategy to reduce the burden and the cost of inventory. She followed the Just in time inventory management strategy. I found out that since she was working with customers one to one, once she received an order, she directly communicated with her suppliers to process the order. She has been working with her suppliers closely and this allowed her to coordinate and reach out to her suppliers whenever she received an order during covid 19. Suppliers were using the required inputs and the prototype to deliver the dress in an optimum time. I found out that following a Just in Time inventory management strategy provided this company to eliminate the bullwhip effect and reduce inventory cost and waste.

5.4.5 Obtaining Customers From Different Countries:

Good Grief company followed a customer diversification strategy. “ During and after the covid 19, I realized that some Portuguese customers showed hesitation and started not giving orders to buy new designs. They were scared of the negative impacts of covid 19 on their

health situation. I was lucky that I had some other customers from Angola and Brazil. Once the state started to remove the self-isolation and strict rules, these customers started to give more orders than the usual time. These people wanted to go out to parties and involve the special events more than used to and this provided my company neutralize the adverse impact of having lower sales from the Portuguese customers. .” (Ana Lomba, Ceo and fashion designer in Goodgrief fashion brand). Based on the information from Hofstede insights about the 6 dimensions of national culture, the observation of Ana is also proved that people from Angola and Brazil have less amount of uncertainty avoidance than people from Portugal (“Country Comparison,” n.d.). Angola’s uncertainty avoidance score is 60, Brazil’s score is 76 and Portugal’s score is 99. (Please check Figure 5 : Comparing countries with 6 dimensions of national culture). I can say that since covid 19 crisis created a high amount of uncertainty related to health concerns in the environment, some customers from Portugal showed some concerns related to their health and didn’t want to go out and wanted to stay safe in their homes. On the other hand, customers from Angola and Brazil weren’t affected as the customers from Portugal. Goodgrief strategically responded to Covid 19 crisis by targeting and obtaining customers from different countries. These customers from Angola and Brazil went out to parties more than used to and asked for fancy dresses to wear at special events. Goodgrief was able to capture this value.

5.4.6 Overall Analysis Of Goodgrief:

All in all, Goodgrief was able strategically to respond back to covid 19 crisis by eliminating external threats and using its historical path depended resources to apply its dynamic capabilities (Teece et al., 1997).

5.5.0 Historical Path Dependency Related With Having Valuable Resources NAZ Company:

This company has been targeting customers who have been buying sustainable clothes. Since NAZ was able to improve its learning curve and experience related to sustainability and was following sustainable practices to produce clothes with its suppliers, this allowed this company to obtain the loyalty of the customers. Another reason for this company to gain customer loyalty depends on its transparency. This company has been sharing information related to its inputs, production process, and level of sustainability of its operations with customers. This provided this company to form a trustiness image in the customer's perception. Working with 7 suppliers who have specialized in different input production

processes allowed NAZ to be capable of choosing every different type of raw material to be used in the production process. Accessing different types of inputs and coordinating with many suppliers created this company to obtain an advantageous position in this market and allowed this company to increase its size by forming routines and organizational capabilities over time (Teece et al., 1997).

5.6.0 Strategic Responses Of NAZ Company Against Covid 19 Crisis

5.6.1 Developing An Online Website And Tracking Customer Preferences:

NAZ company was able to see the advantage of using online omnichannel to access the customers and form a platform to obtain network effects. I found out that they gained an advantage in creating online websites before. Because they improved their learning curve and understood the working mechanisms of an online website to make deliveries by cooperating with suppliers. They developed and reinforced their website and started to make transactions with the customers. Another important part of this is related to customer data. NAZ company was able to track the customers' orders and collect customer data. This allowed this company to understand the preferences levels of their customers and adjusted the clothes according to the desires of the customers. Once Covid 19 occurred, this strategy put NAZ company into an advantageous situation because they realized the early warning of the crisis and they were prepared in advance. It was also understood that the consumption pattern of consumers has started to change due to the dynamically changing environment. According to Annual Retail Survey, e-commerce sales increased by 42 % in developed countries during covid 19 (Bureau, n.d.). The high demand for e-commerce services became an advantage for NAZ company. “ We realized that since our customers started to work remotely, they started to ask for more comfortable and flexible clothes because they had to stay in their homes all day. We analyzed our customer data and communicated with our customers. We produced a special collection of clothes for these workers. Our best-selling products were Lorisa Wool Sweater and Sires trousers. Which were designed specifically for customers who wanted to wear soft and elastic clothes. Many companies were affected negatively in terms of financial profits. However, our sales reached the peak point during the covid 19 time” (Marta Ferreira, Marketing specialist in NAZ fashion brand).

5.6.2 Using Fashion Influencers And Bloggers To Create New Trends During Covid 19 Crisis:

I found out that the NAZ company was able to establish a good network with fashion influencers and bloggers. This connection provided a benefit to the NAZ company because those fashion influencers created new trends and reinforced the marketing campaigns of the NAZ company by creating videos that were related to the new seasonal fashion clothes of the NAZ company. This allowed NAZ company to guide the customers to follow their newly designed clothes and strategically respond back to covid 19 crisis.

5.6.3 Overall Analysis Of NAZ Company:

Finally, I analyzed that NAZ company was able to use its previously created resources affectively to apply its dynamic capabilities by extracting the opportunities during the covid 19 crisis. (Teece, 2007)

5.7.0 Comparison Of NAZ And Goodgrief:

NAZ company was able to establish an online website and obtain the preferences level of its customers before Goodgrief. This allowed NAZ company to be prepared for covid 19 crisis beforehand. Another important factor that explains the reason for NAZ company to prepare itself to covid 19 before Goodgrief was related to first mover advantage. NAZ company entered the market 2 years before Goodgrief, and this enabled this company to form an organizational structure. NAZ company was able to improve its learning curve and reinforce its experiences before Goodgrief. Since NAZ company has already started to develop its website, it understood the working mechanism and importance of using online omnichannel. This created a competitive advantage for NAZ company because throughout the time period, it started to gather all of its customer's data and their preferences. NAZ company had a chance to use its customer data and adjust its new seasonal clothes according to changing consumer preferences during covid 19. On the other hand, Goodgrief wasn't able to use an online website and it only gathered its customer preferences with traditional methods. Goodgrief communicated with its customers by using Instagram and also obtained customer insights during one-to-one customer service. Even though this strategy was enough for Goodgrief to survive, it wasn't as effective as the NAZ company's strategy. However, in terms of inventory management, Goodgrief's strategy was more effective. Since it was only receiving orders after getting a confirmation from a customer for a particular design, this allowed Goodgrief to eliminate the bullwhip effect and reduce inventory waste. NAZ company couldn't form an effective inventory management strategy as Goodgrief, but NAZ company was able to improve its competitiveness in the market due to working with many

suppliers. Every supplier of NAZ company specialized in different production areas. NAZ was able to increase the growth size of these suppliers throughout time. This allowed this company to access different amounts and types of inputs in the market. I found out that NAZ became capable of choosing every different type of raw materials to be used in the production process. This provided more flexibility in terms of the dependency on suppliers.

Chapter 5: Discussion

In the strategic management literature, many scholars have been trying to analyze the actions, strategies, and complex structures of companies. Some scholars developed a resource-based view approach and found out that if the firms have valuable, rare, hard-to-imitable, and duplicable resources, then they obtain a competitive advantage in the market and apply their strategies better than the other firms (J. Barney, 1991; J. B. Barney, 1986; Kor & Mahoney, 2004). Later on, other academicians contributed to the literature by finding that having these important resources is not sufficient to obtain a competitive advantage in a dynamically changing environment. They found out that it is more important to gain the ability to use these resources to eliminate external and internal threats by taking strategic decisions (Eisenhardt & Martin, 2000; Teece et al., 1997; Zollo & Winter, 2002). Later on, Teece (2007) also added another dimension by saying that firms should also use their dynamic capabilities to analyze and take benefit from the opportunities by using their dynamic capabilities. When it comes to the application of these theories into practice Wang (2016) applied the resource-based view theory to the highest-ranked Luxury fashion companies and analyzed their valuable resources. When it comes to applying both a resource-based view and dynamic capabilities approach, some academicians analyzed some retailers from different sectors. They found out that during the covid 19 crisis, using online omnichannel, coordination and communication with the suppliers, effective training of human resources for the remote working conditions, following the health and safety guidelines, keeping the morale of employees high, having good connections with stakeholders, financial authorities and government were the essential strategies for firms to cope with the covid 19 crisis (Bastas & Garza-Reyes, 2022; Bhattacharyya & Thakre, 2021; Cocco & De-Juan-Vigaray, 2022; Kozachenko et al., 2021; Mrutzek-Hartmann et al., 2022; Verhoef, 2021; Xiao et al., 2020). In my research I followed the same academic analysis with these previous studies by combining both resource-based view and dynamic capabilities approach to analyze how small-sized low-end Luxury fashion retailers responded back to covid 19 by using their historically path depended resources and

capabilities. In terms of similarity with this previously done research, I also found out that using online omnichannel which are Instagram store and online website, and also working with fashion influencers is crucial to coping with the covid 19 crisis. From that perspective, my academic research showed positive correlations with the previously done studies. However, I also analyzed this issue by diving multiple case studies into two different parts. In the first part, I analyzed 2 different companies that have been operating in 2 different countries. I found out that their strategic responses were formulated according to their historical path dependency on their countries. Şimşek Giyim which has been operating in an authoritarian regime with an economic and democratic break down had to capture the inelastic customer demand and communicate with foreign customers to receive international cash flow for keeping its existence in the market. On the other hand, Pedros Santos which has been operating in a state with a better economic and democratic structure followed a cost-minimizing strategy to reduce the negative impact of covid 19 and this strategy was sufficient for this company to survive during the crisis since the state's welfare was higher than the state of Şimşek Giyim. In the second part of the multiple case study, I found out that companies in the same country followed similar strategies but the way that they created their resources was different, and obtained different customer segments. Having a different experience in the industry and the learning curve of the companies created a different response time for the crisis in terms of creating online platforms, gathering customer networks, and understanding the early warnings of the crisis. Another additional contribution of the research is related to the inventory management strategy. Goodgrief was able to form a Just in time management strategy, and this provided minimizing waste and inventory costs. Furthermore, my study also explained the strategic importance of coordination with suppliers, forming customer loyalty and network, and obtaining customer data to observe the changing consumption patterns during the covid 19. From these aspects, my research filled in the gap in the academic literature by using the combination of the historical path dependency of resources with both resource-based and dynamic capabilities approaches to analyze the fashion retailers' strategies during covid 19 crisis.

Chapter 6 : Conclusion

All in all, the Covid 19 crisis caused negative economic and social impacts on the companies. Since the states had to apply high restrictions to reduce the spread of the virus, it became harder to respond back to crisis. Many small-sized fashion retailers and brands were affected

and used their tactical responses to survive during covid 19 crisis. There weren't any studies done related to fashion brands and retailers and the way that they gathered their resources and used their capabilities to maintain their existence after covid 19 crisis. In order to fill this gap and make an academic contribution to the literature review, I proposed my research. How did small-sized luxury fashion brands and retailers respond back to covid 19 crisis by using their historically path dependent resources and capabilities?

I found that the historical conditions of countries and different social, economic, the political structures of the environment caused small sized low end luxury fashion retailers to form different types of strategic responses against covid 19 crisis. From my research I concluded that companies followed these different strategies in the dynamical changing environment during covid 19 crisis. 1 -) Under the authoritarian regime, Şimşek Giyim targeted a niche market to capture inelastic customer demand, communicated with foreign customers to receive international cash flow and opened Instagram store reach out its customers, 2-) Pedros Santos followed cost minimization strategy by having no labor and paying a lower rental fee than the others in the market. The monopolistic structure of Pedros Santos and the ability to find cheaper suppliers was sufficient to survive during covid 19 crisis. Because Portugal had better living conditions and higher economic power with the customers whose purchasing power was relatively higher than Turkey. 3-) Goodgrief's strategy regarding the usage of omnichannel was similar to Şimşek Giyim and it also used Instagram as a store to communicate with its customers during the covid 19 crisis. In addition to this Goodgrief reached out to its customers by using the click-and-collect strategy, which was reinforced with the Just in time management approach. Goodgrief also had customers who were from different countries, and this allowed case 3 to capture these customers during post covid 19 and sell its goods. 4-) NAZ was able to seize the early warning signal of covid 19 and understood the importance of using online omnichannel before the start of the crisis due to having a strong learning curve and obtaining the first mover advantage in the market. NAZ used an online website to track customer data and observed the changing customer pattern in a dynamically changing environment. NAZ reinforced its online omnichannel strategy by cooperating with fashion influencers and creating new fashion trends during the covid 19 crisis. These different strategies indicate important strategic implications for managers to consider applying in a crisis. Finally, these different strategies of 4 different companies granted them to show a strategic response to covid 19 by using their historically path depended resources.

6.1 Limitations Of The Research:

The main limitation of my research was that I was able to make an interview with only 1 agent from the 2 cases. Since Pedros Santos didn't have any employees, I only made an interview with him. I was also able to do one interview with NAZ company. Since the company was too busy with its production process, it only allowed me to do an interview with Marta Ferreira who was working as a marketing specialist at NAZ company. It could have been better for me to reach out to more agents for the different cases to reduce the overall biasness level.

6.1.2 Recommendations For Future Studies:

It can be better to do an investigation on different cases and make interviews with more agents with the same case groups. Scholars can expand the surveys and analyze the medium and large-sized fashion brands and retailers to understand their tactical responses to covid 19 crisis. When making a comparison between the cases, scholars can examine the cases from different parts of the world. This can also provide them with variety for looking at the impact of external factors on strategic responses of the companies.

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Table 1: Interview guide

- 1-) Can you please explain your position and role in this company? (What are your responsibilities and liabilities? , How do you participate in the strategic decision-making process in the company ?)
- 2-) Beside from the brief description of this company on the website, can you please explain the historical foundation process of this company (Who did establish this company ?, What was the motivational reason behind it ?)
- 3-) Every company has its own valuable, rare, and hard-to-imitate resources Can you please your company's valuable resources (Why are they valuable ?, Are they hardly to imitate and duplicate ?) (Do you have any award winner special designers ?) (What kind of special inputs are using to produce your goods ?)(Do you have high skilled managers ?)
- 4-) Covid 19 caused huge destruction to the textile industry, before explaining the negative consequences of covid 19, Can you please explain the first response of this company before covid 19 was escalated? (Did the company realize the early warning signals of covid 19 and understood that it could be a serious problem for the company? Did managers develop any strategic plan before the time that the world understood it as a serious pandemic)
- 5 -) Can you please describe to me the impact of covid 19 crisis on your company?
- 6-) How did your company respond to covid 19 ?
- 7 -) Can you please describe your company's relationship with its suppliers? (Which sourcing method is your company following? Ex: Outsourcing, Insourcing, Near-Sourcing, Low-Cost Country Sourcing, and Global Sourcing, etc.)
- 8-) How was your relationship with your suppliers affected by covid 19?
- 9-) How did you adjust your sourcing and supply chain management to respond covid 19?
- 10-) What kind of problems have you experienced regarding to your inventory management process during covid 19? (Did you have a surplus or shortage of inventory? , How did your inventory cost change ?)
- 11-) During the covid 19, many companies allowed their workers to work remotely, how was your strategy regarding to this issue? (Did the resources of the company provide any easiness to adopt this strategy ?)
- 12-) During the covid 19 due to lockdowns and remote work, consumer clothing preferences have changed, and they started to prefer wearing more comfortable clothes, such as (T-shirts, Jeans, and Slippers). Has your company realized this new consumer pattern and developed special clothes to meet consumer preferences?

13-) During the covid 19, all of the states took strict precautions and forced companies to close their physical retail stores, what was your company's strategy to reach out to its customers? (What was your company's strategy regarding creating online e-commerce platforms ?, If you created your online platform before covid 19, How was this strategy effective for your company to survive during covid 19?

14-) Have you ever accumulated your customer data before by tracking their shopping behavior and collecting customer insight by conducting research? (How was this customer data collection strategy effective for your company in to fight against covid 19 crisis ?)

15-) Once the lockdown was over, firms reopened their physical stores and factories started to produce at full capacity, how did this returning to normal process affect you? (Did you arrange new agreements with your suppliers ?, Did you have to adjust your supply chain management again? , Can you please explain your current supply chain conditions ?)

16-) Is it possible for you to provide some financial information about your company before and after the covid 19 crisis? (How were your profits, net sales, EBIT, and customer demand affected by covid 19 crisis ?)

17-) What kind of lessons did you learn from the crisis? (Did all of the strategies that you created to survive during covid 19 develop any new routines for your company?

Table 2: Primary Data

Case	Type of data	Name of the interviewer	Organization	Position in the organization	Date of the interview	Length of the interview
Şimşek Giyim	Phone Interview	Meral Şimşek	Şimşek Giyim	CEO of Şimşek Giyim	21-Oct-22	80 minutes
Şimşek Giyim	Phone Interview	Günel	Şimşek Giyim	Tailor of Şimşek Giyim	24-Nov-22	40minutes
Şimşek Giyim	Phone Interview	Kezban İnan	Şimşek Giyim	Sales Agent of Şimşek Giyim	25-Nov-22	30 minutes
Şimşek Giyim	Phone Interview	Duygu	Şimşek Giyim	Sales Agent of Şimşek Giyim	25-Nov-22	30minutes
Goodgrief	Physical Interview	Ana Lomba	Goodgrief	CEO and Fashion Designer of Goodgrief	25-Oct-22	60 minutes
Goodgrief	Physical Interview	Antonio	Goodgrief	Tailor of Goodgrief	19-Nov-22	60 minutes
NAZ	Online Interview	Marta Ferreira	NAZ	Marketing Specialist of NAZ company	24-Oct-22	45 minutes
Pedros Santos	Physical Interview	Pedros Santos	Pedros Santos	CEO of Pedros Santos	25-Oct-22	80 minutes

Table 3: Secondary Data

Case	Type of Data	Title of the document	Name of the author	Name of his or her organization	Date of publication
Şimşek Giyim	News Report	24 Haziran 2018 Genel Seçim İYİ Parti Isparta Mustafa Şimşek	N/A	Habertürk	N/A
Şimşek Giyim	Academic Book	The narrow corridor: States, societies, and the fate of liberty	Daron Acemoglu and James Robinson	N/A	2019
Şimşek Giyim	Top Journal	Authoritarian consolidation dynamics in Turkey. Contemporary Politics	Ümit Akçay	N/A	2021
Şimşek Giyim	Top Journal	The political consequences of dependent financialization: Capital flows, crisis and the authoritarian turn in Turkey	Fulya Apaydın and Mehmet Kerem Çoban	N/A	2022
Şimşek Giyim	Top Journal	Strategic democratisation? A guide to understanding AKP in power. Journal of Contemporary European Studies	Isabel David	N/A	2016
Şimşek Giyim	Top Journal	Why did Turkish democracy collapse? A political economy account of AKP's authoritarianism	Berk Esen and Şebnem Gümüşçü	N/A	2021
Şimşek Giyim	Academic Report	Turkey: Freedom in the World 2018 Country Report	N/A	Freedom of house	2018
Şimşek Giyim	News Report	Erdogan blames Turkey's currency problems on "foreign financial tools" as central bank reserves fall	Natasha Turak	CNBC	2022

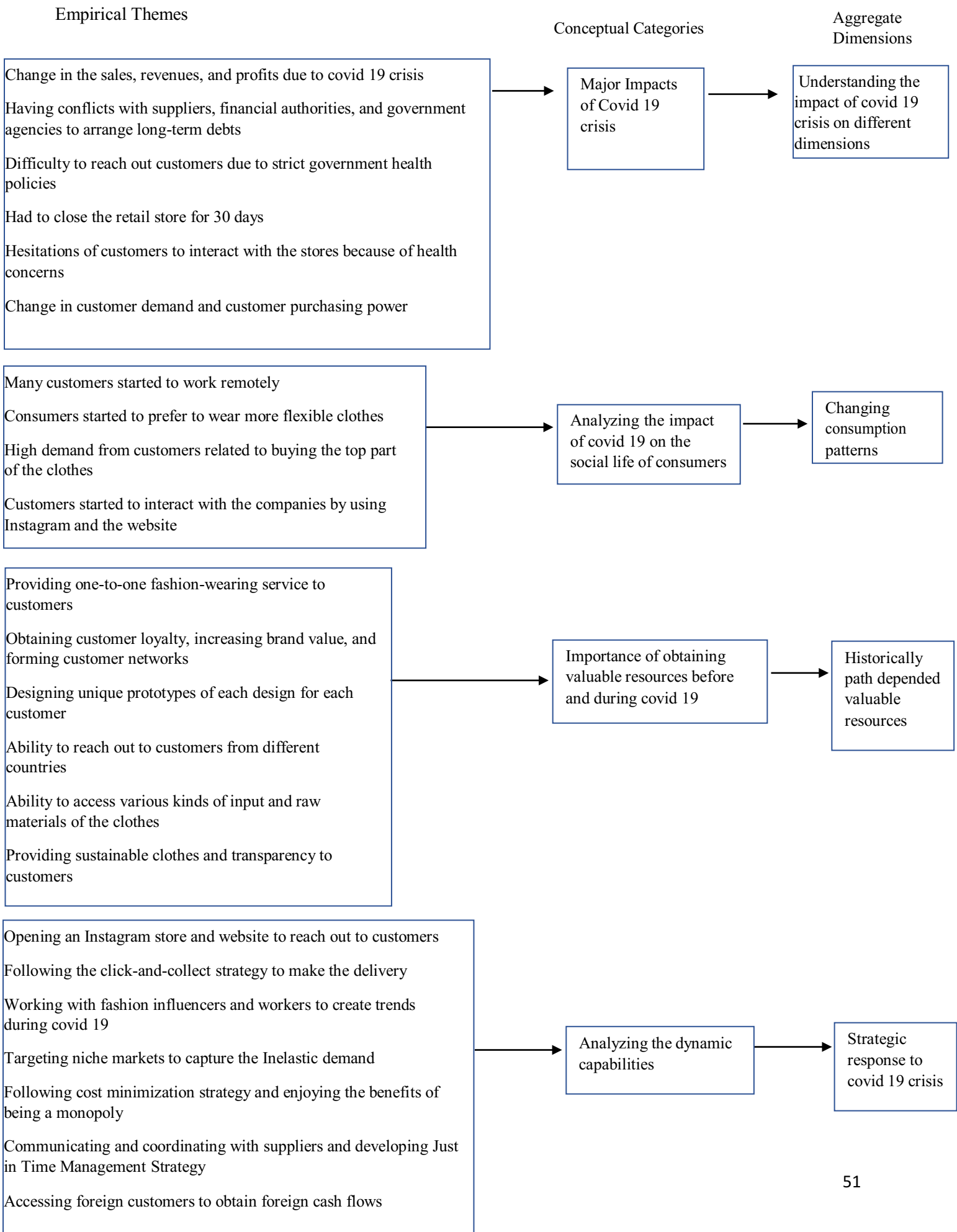
Şimşek Giyim	OECD Data	Income inequality (indicator)	N/A	OECD	2022
Şimşek Giyim	OECD Data	Purchasing power parities (PPP) (indicator)	N/A	OECD	2022
Şimşek Giyim	OECD Data	Inflation (CPI) (indicator)	N/A	OECD	2022
Pedros Santos	OECD Data	Income inequality (indicator)	N/A	OECD	2022
Pedros Santos	OECD Data	Purchasing power parities (PPP) (indicator)	N/A	OECD	2022
Pedros Santos	OECD Data	Inflation (CPI) (indicator)	N/A	OECD	2022
Pedros Santos	Blog Post	Older Adults Shopping Online:A Fad or a Trend?	Andriy Kovalenko	Toi Ohomai Institute of Technology, New Zealand	N/A
Pedros Santos	Trading Economics Data	Portugal Price to Rent Ratio 2022 Data	N/A	Trading Economics	2022
Pedros Santos	Academic Book	Ruling Elites and Decision-Making in Fascist - Era Dictatorships	Antonio Costa Pinto	N/A	2010
Pedros Santos	Top Journal	Authoritarian legacies, transitional justice and state crisis in Portugal's democratization	Antonio Costa Pinto	N/A	2006
Pedros Santos	Academic Journal	Democratic Practice after the Revolution: The Case of Portugal and Beyond	Robert M. Fishman	N/A	2011
Pedros Santos	Academic Journal	From Authoritarianism to the European Union: The Europeanization of Portugal	Sebastian Royo	N/A	2004
Pedros Santos	Academic Journal	Lessons from the Integration of Spain and Portugal to the EU	Sebastian Royo	N/A	2007
Pedros Santos	Academic Book	Why Nations Fail: The Origins of Power, Prosperity, and Poverty	Daron Acemoglu and James Robinson	N/A	2013
Pedros Santos	Academic Book	The narrow corridor: States, societies, and the fate of liberty	Daron Acemoglu and James Robinson	N/A	2019
Pedros Santos	Academic Report	Portugal: Freedom in the World 2022 Country Report	N/A	Freedom of house	2022
Goodgrief	Online data	Country Comparison. (n.d.). Hofstede Insights	N/A	Hofstede Insights	2022
NAZ	Survey Data	Annual Retail Trade Survey Shows Impact of Online Shopping on Retail Sales During COVID-19 Pandemic	Mayumi Brewster	united states census bureau	2022

Case	Question	Interviewer Response	Important Codes
Şimşek Giyim	Question 6 : How did your company respond to covid 19 ?	“ Since Covid 19 escalated in Turkey, I started to worry about customer demand. As a company, we have started to target a niche market. We offered different kinds of high-quality wedding clothes for couples. Since I was able to form a strong customer network, it became easier for me to pull more customers. Customers had to buy wedding clothes to wear at their weddings. I also communicated with Turkish customers who have been living abroad. They were richer than local people because they have been earning foreign currency. They visited Turkey in the summer season and bought my seasonal offerings.”	Capturing the inelastic demand and pulling foreign cash capital
Pedros Santos	Question 5 : Can you please describe to me the impact of covid 19 crisis on your company?	“My store's revenues have started to decrease, and I observed that less amount of customers started to visit my store. However, my rent fee was only 400 euros and I didn't have any active labors in my store. Even though my profits decreased, my company didn't suffer too much due to having less amount of cost. In addition to this, since my store wasn't in a shopping center, I was allowed to open my retail store by following strict health guidelines. I formed a strong relationship with my customers, and they have known me for a long time. This store is also the only store that sells fancy clothes for men. That's why most of my customers continued to visit my store.”	Paying a lower fee for the rent, following a cost minimization strategy, and enjoying customer loyalty with a monopolistic structure
Good grief	Question 15 : Once the lockdown was over, firms reopened their physical stores and factories started to produce at full capacity, how did this returning to normal process affect you? (Did you arrange new agreements with your suppliers ? Did you have to adjust your supply chain management again ?	“Once the impact of covid 19 started to become less severe, I was able to open my physical store fully. I realized that customers started to order more than used to. The reason for this was, people were too bored to stay in their homes, and once the state removed many strict policies, people started to go out to parties more than used to. I was lucky that I accumulated many customers from Angola and Brazil. These customers started to attend many parties and didn't care too much about the post covid situation. This provided me to produce fancy clothes for my customers. I also pulled many customers with the help of my Online Instagram store. They also started to visit my store.”	Capturing the inelastic demand and pulling foreign cash capital

NAZ	<p>Question 12 : During the covid 19 due to lockdowns and remote work, consumer clothing preferences have changed, and they started to prefer wearing more comfortable clothes, such as (T-shirts, Jeans, and Slippers). Has your company realized this new consumer pattern and developed special clothes to meet consumer preferences?</p>	<p>“Since we have already built our website before Covid 19 crisis, we were able to reinforce our customer data-collecting system. During the covid 19 period, we realized that customers who started to work remotely asked us to produce more comfortable and flexible clothes. We listened to our customers and understood their insights. We started to produce more comfortable clothes to make our customers happy and provide more value for them.”</p>	<p>Developing an online website to track customer data</p>
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Schema 1: Sample Of Data Coding Process

Figure 1: Coding Tree



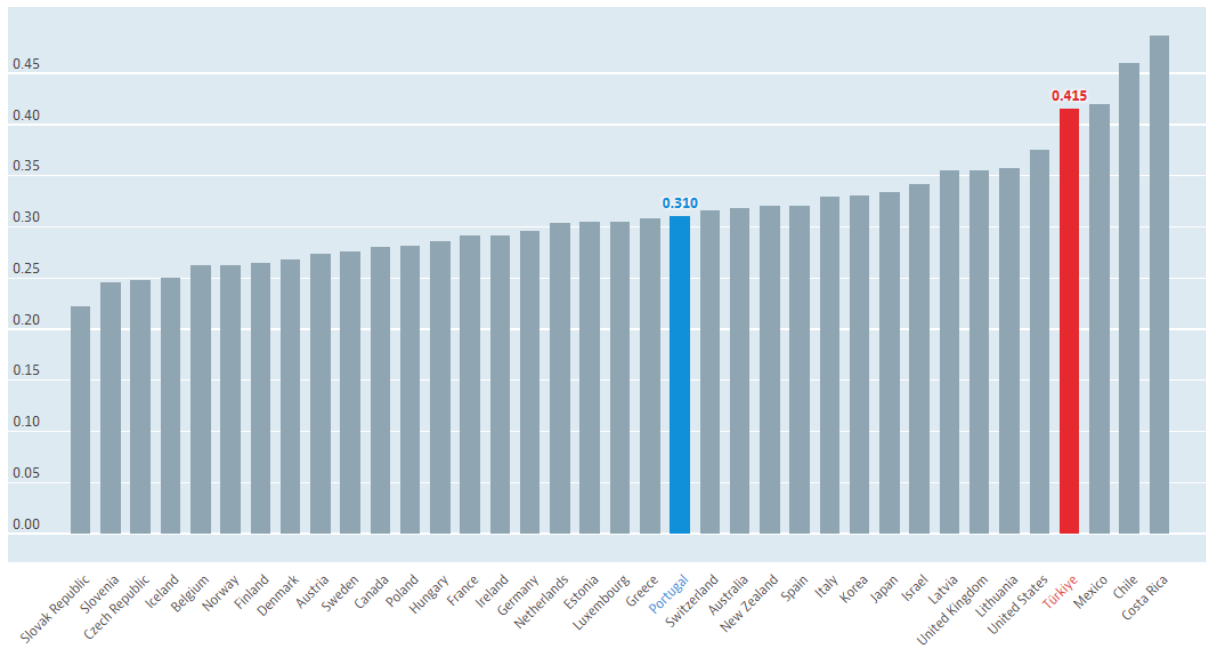


Figure 2: Income inequality of Turkey in 2011 . The range of Gini coefficient is maximum at 1 , minimum at 0.

Reference : OECD (2022), Income inequality (indicator). doi: 10.1787/459aa7f1-en
 (Accessed on 26 November 2022)

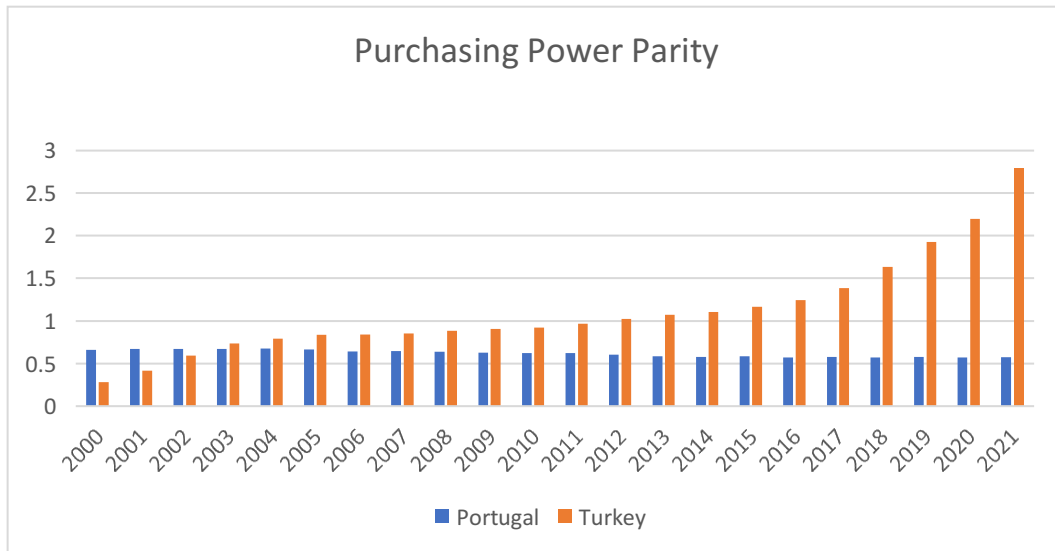


Figure 3: Comparing purchasing power parity with Turkey and Portugal

Reference : OECD (2022), Purchasing power parities (PPP) (indicator). Doi: 10.1787/1290ee5a-en (Accessed on 26 November 2022)

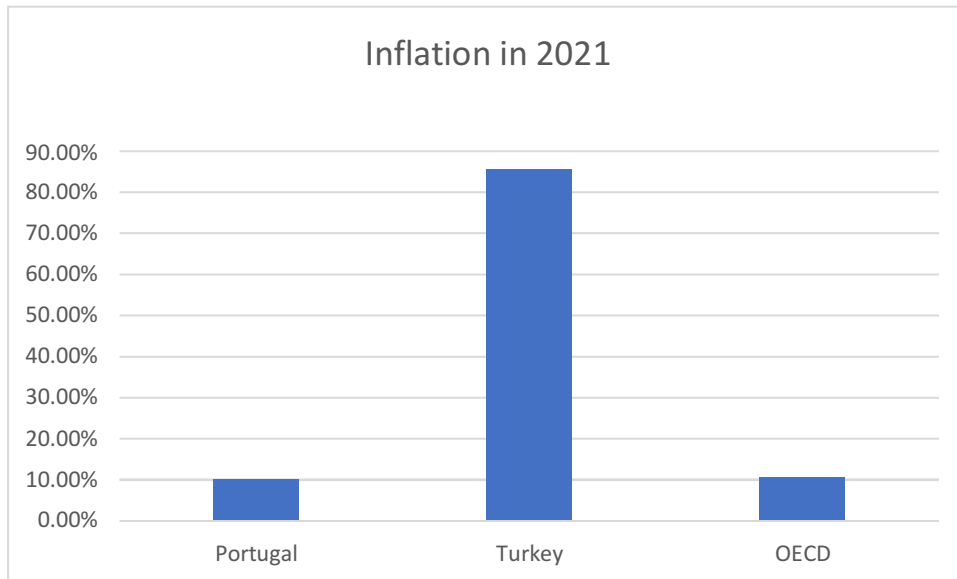


Figure 4: Comparing inflation rate with Turkey ,Portugal and OECD average in 2021.

Reference : OECD (2022), Inflation (CPI) (indicator). doi: 10.1787/eee82e6e-en (Accessed on 26 November 2022)

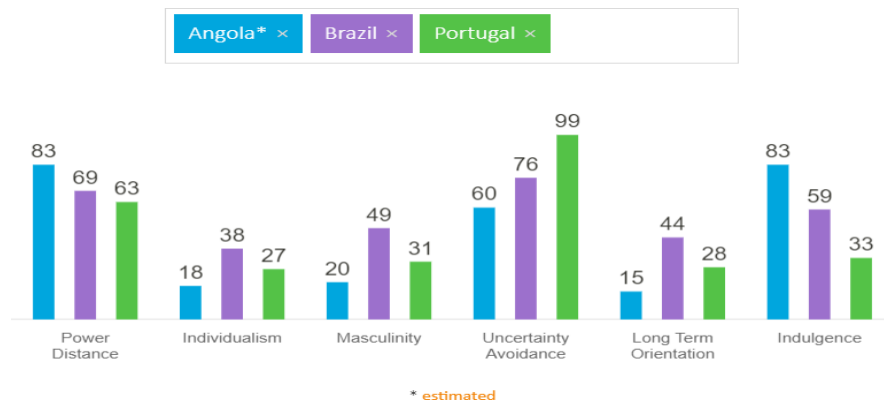


Figure 5: Comparing countries with 6 dimensions of national culture

Reference : Country Comparison. (n.d.). *Hofstede Insights*. Retrieved November 29, 2022, from <https://www.hofstede-insights.com/country-comparison/>