Driven by Design: The Ecosystem of Portuguese Creative-Fashion Brands

Maria Margarida Barreiros

Dissertation written under the supervision of Pascal Morand

Dissertation submitted in partial fulfillment of requirements for the MSc in International Management, at Universidade Católica Portuguesa and for the MSc in Management at ESCP Business School, September of 2022.

Acknowledgements

Thank you

Professor Pascal Morand, for your crucial guidance and support beyond means.

Aunt Teresa, for your tireless dedication and words of encouragement.

Mom, for your constant motivation and unconditional love.

Dad, for showing me the true meaning of design.

Katia, Omar, Theresa, and Sofia, for helping me turn ideas into a dissertation.

Beatriz, Carolina, Miguel, and Tomás, for being there at every stage.

Para o meu avô Sertório.

Abstract (EN)

Title: Driven by design: The Ecosystem of Portuguese Creative-Fashion Brands

Author: Maria Margarida Barreiros

The "*Made in Portugal*" label is in vogue. The recent entrepreneurial wave of local small independent brands, as well as the international prestige of the Portuguese textile industry have both contributed to its thriving. Notwithstanding, "*Designed in Portugal*" seems to be lagging in terms of its reach, notoriety, and value-added. Despite growing proof of the quality of Portuguese fashion-design, with brands such as Marques'Almeida recently receiving the prestigious LVMH prize, its national and international recognition still poses a challenge towards the growth and competitiveness of the Creative-Fashion sector, for which emerging talent could represent a solution.

The aim of this exploratory study is to develop a comprehensive analysis of the actors and activities surrounding Portuguese Creative-Fashion Brands (CFBs), determining which challenges and opportunities they face to achieve success. To establish a clear framework of analysis, it proposes that an ecosystem perspective be applied over the Creative-Fashion industry. Moreover, through interviews with industry experts and young fashion brands, gathers relevant insights and draws conclusions.

The findings revealed a profound polarization of the sector, propelled by insufficient cooperation between ecosystem actors. Furthermore, the challenges identified can be overcome if CFBs are able to seize the existing opportunities, on the condition of being backed by structural change at ecosystem-level.

This dissertation provides newcomer brands and designers, or any other stakeholder in the industry, with an in-depth understanding of the Portuguese Creative-Fashion landscape, as well as delivering strategically valuable insights to help them navigate this otherwise unknown arena.

Keywords: Fashion Industry, Creative-Fashion, Fashion-Design, Emerging Brands, Ecosystem, Innovation

Sumário Executivo (PT)

Título: *Driven by design:* O Ecossistema das Marcas de Moda-Criativa Portuguesas

Autora: Maria Margarida Barreiros

A etiqueta "*Made in Portugal*" está na moda. A recente onda empreendedora de pequenas marcas locais, bem como o prestígio internacional da indústria têxtil, têm contribuído para a sua crescente valorização. Não obstante, a etiqueta "*Designed in Portugal*" não parece acompanhar este crescimento, ficando aquém em termos de alcance, notoriedade e valor acrescentado. Apesar de provas-dadas da qualidade do design de moda português, como a marca Marques'Almeida ter recebido recentemente o prestigiado prémio LVMH, o seu reconhecimento nacional e internacional continua a constituir um desafio para o crescimento e competitividade do setor de Moda-Creativa, para o qual talento emergente pode representar uma solução.

O objetivo deste estudo exploratório é desenvolver uma análise abrangente dos atores e atividades que envolvem as Marcas de Moda-Criativa portuguesas, determinando os desafios e oportunidades que estas enfrentam para alcançar sucesso. Para estabelecer uma estrutura de análise clara, propõe que uma perspetiva de ecossistema seja aplicada sobre a indústria da Moda-Criativa. Por meio de entrevistas a especialistas e jovens marcas de moda, reúne ainda *insights* relevantes e tira as devidas conclusões.

Os resultados revelaram uma profunda polarização do setor, impulsionada pela insuficiente cooperação entre atores do ecossistema. Adicionalmente, os desafios identificados poderão ser superados se as marcas aproveitarem as oportunidades existentes, na condição de serem apoiadas por mudanças estruturais ao nível do ecossistema.

Esta dissertação faculta às marcas e jovens designers, ou a qualquer parte interessada, uma visão aprofundada do cenário da Moda-Criativa portuguesa, fornecendo também esclarecimentos estratégicos que os ajudarão a navegar nesta arena desconhecida.

Palavras-chave: Indústria da Moda, Moda-Criativa, Design de Moda, Marcas Emergentes, Ecossistema, Inovação

Table of Contents

List of Figures

List of Tables

Design is not for philosophy - it's for life.

Issey Miyake, 1992

List of Abbreviations

CCI: Cultural and Creative Industry
CFB: Creative-Fashion Brand
CSF: Critical Success Factor
DNVB: Digitally Native Vertical Brands
DTC: Direct-to-Consumer
FCE: Field-Configuring Event
FW: Fashion Week
GDP: Gross Domestic Product
ML: ModaLisboa
PF: Portugal Fashion
PFW: Paris Fashion Week
SME: Micro, Small and Medium-sized Enterprise
TI: Textile and clothing Industry

Definitions

FCE: Environments in which individuals from diverse organizations and with different purposes gather periodically, or even once, with the intention of announcing new products, to develop standards in an industry, to build social networks, to highlight achievements, to share and interpret information, and to do business.

GDP: Aggregate measure of production equal to the sum of the gross value added of all resident institutional units engaged in production, plus any taxes on products and minus any subsidies on products. Gross value added is the difference between output and intermediate consumption .

SME: The category SMEs is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euros, and/or an annual balance sheet total not exceeding 43 million euros.

TI: The textile sector refers to the production of yarn and fabrics, the clothing industry (also known as the garment/apparel/fashion industry) refers to the production of garments, with the fashion industry also including shoes, bags, jewelry and other accessories.

1.Introduction

When one walks down the Avenida da Liberdade in Lisbon, one of the city's most iconic addresses, there is little to no sign of Portuguese fashion brands. What was once the epicenter of culture and local commerce, is now filled with stores from foreign luxury-fashion houses such as Prada, Dolce & Gabbana or Gucci. These foreign brands, besides choosing Portugal as a selling outlet, also choose it as a sourcing destination, asking Portuguese producers to place the label "Made in Portugal" on their products, as it adds value to the end-customer (ATP, 2021). Today, the Portuguese textile industry is recognized worldwide by its quality and expertise, but while international brands and designers can leverage on their brand and name to raise mark-ups, Portuguese designers struggle to do the same, as they do not carry a reputation large enough to push price-tags upward.

This was the starting point for an investigation which lasted from March of 2022 to September 2022, whose goal was to comprehend the reality of fashion in Portugal below the surface-level, recognizing who are its actor and activities – existing brands, associations, events, among others – and how are they relate to each other from an ecosystem perspective.

During the initial research stages, it was found that there existed a gap in the literature in what regards fashion-design brands, since most research published focuses either on the entire fashion sector (which includes textile and garment production) or in mass market, fast-fashion, or luxury-fashion brands. It was therefore necessary to make the distinction between the traditional fashion business, and the Creative-Fashion Brands (CFBs), whose core activity is to design and produce seasonal collections to be presented at Fashion Weeks, and whose creative capabilities (strongly interrelated with their design skills) constitute true enablers for innovation within the sector[1].
The usefulness of the Portuguese case to study this phenomenon became evident, as in the recent years, likely influenced by a cultural and entrepreneurial movement brought by the tourism boom and a wave of expatriates, new brands with innovative designs and aesthetics have taken over the Creative-Fashion scene. However, the lack of research on the Portuguese case was even larger, motivating the primary data collection in the form of interviews with national fashion brands and

[1] In this dissertation, the words "sector" and "industry" are used interchangeably.

industry specialists to understand their experience and obtain their perceptions. It was then possible to define a research statement and research questions, which, despite having constantly been optimized across the research process, constituted a guiding line for the data collection and analysis, culminating in the writing of this thesis.

The dissertation is structured around seven sections, beginning with this introductory note, followed by the literature review section in which a theoretical background and research setting are provided. Additionally, section three describes the methodology chosen to reach the research's aims and objectives, providing a detailed description of the data collection and analysis process, whose results are presented in section four and later discussed in a subsequent section. Finally, section six presents the conclusion drawn from the findings and a last section providing suggestions for future exploration of the topic.

2. Literature Review

2.1. Theoretical background

Ecosystem theory

As a concept, ecosystem theory derives from ecology science, modeling the flow of material and energy. Moore (1996) was the first to extend it to the field of business strategy, suggesting that a company be viewed as part of a *business ecosystem* that crosses a variety of industries, where companies cooperate and compete to foster innovation. The concept has been further developed by several scholars (Iansiti & Levien, 2004; Dhanaraj & Parkhe, 2006; Adner, 2006) and sprung into different streams based on the unit of analysis: the "business ecosystem" stream centers around the firm and its environment; the "innovation ecosystem" stream focuses on a particular innovation or new value proposition and the actors that support it; while the "platform ecosystem" stream considers how actors organize around a single platform (Jacobides *et al.* 2018).

More concretely, a *business ecosystem* can be defined as a set of actors – producers, suppliers, service providers, end users, regulators, civil society organizations – that contribute to a collective outcome (complementary products, services and capabilities) and drive its evolution through adaptation and redefinition in relation to others (Konietzko *et al.*, 2020, based on Jacobides *et al*., 2018, Talmar *et al.*, 2018). Furthermore, these entities should be independent and not belong to a single umbrella organization, exchanging data, goods and monetary commodities amongst each other (Konietzko *et al.*, 2020).

*Innovation ecosystem*s aim to improve actor relations and cooperation to generate a complementary value increase. Adner (2006) defines them as "*the collaborative arrangements through which firms combine their individual offerings into a coherent, customer-facing solution*". Furthermore, for Adner and Kapoor (2010), the success of an individual innovation is often dependent on the success of other innovations in the firm's external environment, being both affected by external challenges with downstream complement products (impacting its consumption) and external challenges associated with its upstream components (affecting its production). Larsson and Larsson (2020) emphasize the importance of collaboration between the different parties, encouraging "collaborative business arrangements" to improve the final output. In the same year, Granstrand and Holgersson revised many proposed definitions adding *substitute relations* that are important for the innovative performance of an actor or a population of actors.

As for *platform ecosystems*, these comprise the platform's sponsor together with all the providers of complements that make the platform more valuable to end-users (Jacobides *et al.* 2018). By connecting to the platform via shared or open-source technologies and/or technical standards, firms can generate complementary innovation through the interaction between complementors and the platform owner, as well as gaining access to a shared pool of customers (Gawer & Cusumano, 2002; Ceccagnoli *et al*., 2012).

According to Adner (2016), most of these conceptualizations are "actor-centric", focusing on communities of associated actors defined by their networks and platform affiliations. The author defends a complementary "activity-centric" approach, which starts with a value proposition and seeks to identify the set of actors that need to interact such that the said proposition comes about. By defining ecosystems as the "*alignment structure of the multilateral set of partners that need to interact in order for a focal value proposition to materialize*", Adner highlights the centrality of the structure of alignment, which determines the endogenous boundary of the relevant ecosystem.

In the context of circular innovation, Konietzko *et al.* (2020) propose that an *ecosystem lens* be applied over the circular economy, claiming it advances product and business model innovation theory by paying equal attention to the business models of the focal firm and other relevant actors (Figure 1). In this perspective, because ecosystem innovation aims at changing how actors relate to each other, and how they interact to achieve the desired outcome, actors do not have fixed positions, constantly changing and adapting in the search for optimization, and are not set upstream or downstream as in value chains (Konietzko *et al.,* 2020)).

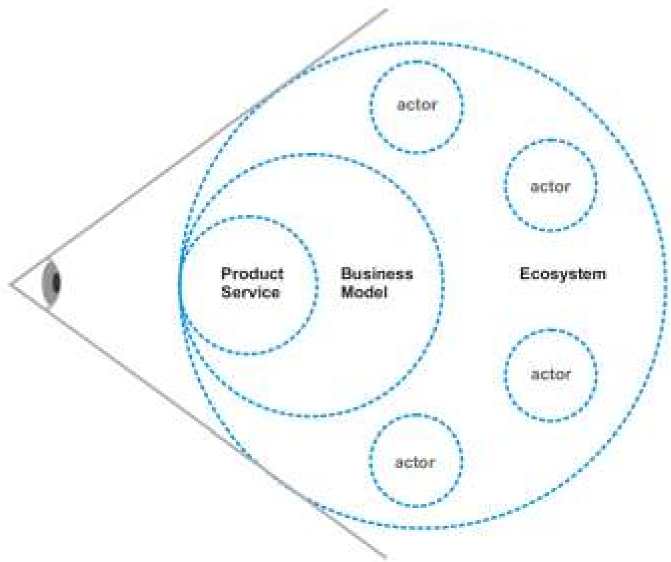

Figure 1 - An ecosystem perspective: product/service, business model, and ecosystem. Source: Konietzko *et al.,* 2020

Cultural and Creative Industries (CCI)

The creative economy is at the core of business innovation and it is essential to preserve social identities and values, as well as being a key driver of growth (European Commission, 2022). Cultural and Creative Industries (CCI) include a large number of knowledge-intensive and creativity-based activities such as architecture, archives and libraries, artistic crafts, cultural heritage, design, film, music, performing and virtual arts, publishing, radio, television, videogames, high-end and fashion. What all of these have in common is the centrality of cultural values and artistic expressions within their core activity, possessing both an economic and a cultural nature: they convey identities, values and meanings, while also holding commercial value.

The Fashion Industry

The fashion industry is a fast-moving, trend-driven business involving the three economic sectors and four main stages (Christopher *et al*., 2004):

1. The production of raw materials (fibers, textiles, leather and fur).
2. The production of fashion goods (executed by designers, manufacturers, contractors, and others).
3. Retail sales.
4. Advertising and promotion.

Some authors argue that the industry does not overlap with core CCIs (European Commission, 2019), however, the activity of fashion-design draws upon culture, behaviors, processes and knowledge sharing to drive innovation. Its crucial role within fashion's value chain (Figure 2) makes the industry indissociable from the creative economy, being driven by cultural and creative inputs that will result in a spill-over effect (Enichlmair, Fischl, Dörflinger, 2016) over the entire fashion ecosystem. As such, and according to the European Commission, fashion and creative industries operate at the crossroads between arts, business, and technology, playing a strategic role in linking creativity to innovation**.**

Figure 2 - The Fashion Value Chain, Adapted from Chevalier & Mazzalovo (2012)

The role of fashion-design

Creativity and innovation across all functions are the main sources of competitive advantage for any business (Chevalier & Mazzarolo, 2012). Despite being interrelated, they differ in their function: one *enables* the creation of ideas - creativity, while the other *implements* and spreads them - innovation (Auger, 2008). The link between the two lies in the activity of design, which may be described as "*creativity deployed to a specific end*." (Cox, 2005).

For fashion brands, the creative function - fashion-design - represents the confluence point between the commercial, financial, image-related, technical and logistical aspects of the business model, and the creative process (Chevalier & Mazzarolo, 2012). This process is often initiated by a business idea identified by the "prescriber" (Chevalier & Mazzarolo, 2012), which could play different roles depending on the organizational model and company size[2]. In medium to large fashion companies, the design is usually preceded by the merchandising function, which analyzes market trends to identify and prescribe the best course of action. However, for micro-sized firms[3], the role of the prescriber is normally up to the founder, and the outcome will heavily rely on their orientation - artistic or entrepreneurial (Chaston, 2008). Furthermore, design can be made internally by an in-house designer, promoting time and cost-efficiency, made externally, which increases the chances for more innovation, or a mix of both, a strategy called *design ingredient branding* (Abecassis-Moedas, 2020). Commonly having less than 10 employees (European Commission, 2022), in small fashion firms, the functions of founder and designer are merged, leaving the direction of the company, as well as its creative process, to be internal and artistic-led. In such a setting, the efficiency gained by in-house design may lose relevance, as the designer's will to express himself or herself through their art could prolong the creative process and overrun the pursuit of commercial gains (Marquis & Tilcsik, 2013). This being the case, the activity of fashion-design should be grounded by a business plan (Chevalier & Mazzarolo, 2012), with set sales targets and a roadmap to achieve them. Scholars, however, question this theory: Amabile (1989) shows that fixed objectives must concentrate on aims and not means; the creative individuals – and creative tasks – demand a high level of autonomy and freedom. Carson &

---

[2] According to the European Commission, tmploy more than 250 persons and have an annual turnover exceeding 50 million euros.

[3] Within the SME category, a microenterprise is defined by the European Commission as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed 2 million euros.

Carson (1993) consider that quantifiable objectives inhibit creative production. The authors argue in favor of non-measurable fixed objectives that would, according to them, be more suitable for encouraging creative production.

The creative process can also influence the design-based innovation approach. If following a *pull-model*, whereby design is demand-centric and focused on the functional value of products, fashion brands design collections based on identified market gaps. On the contrary, for fashion brands who adopt a *push-model*, design relies on the creative and emotional value attached to the collection, innovating through the creation of new markets. If this is the case, then the brand will be undertaking *design-driven innovation* (Abecassis-Moedas, 2020).

2.2 Research Setting

The state of Fashion

The post Covid-19 era has been exceptionally challenging for the fashion industry. From large demand drops during lockdowns, to supply chain disruptions, and, more recently, the geopolitical instabilities arising in key markets like Eastern Europe, fashion companies are being forced to adapt to these circumstances and acquire a new set of skills and sense of resilience. Still, not all companies have been able to perform well. A small group of leading brands managed to weather out the storm, but many companies continue to struggle to create value (McKinsey, 2021). Furthermore, the pandemic has accelerated existing trends in the industry: digitalization of the value chain, more sustainable practices and putting an end to its longstanding poor labor practices. To succeed in this sector, brands have to show agility and an innovative mindset, adopting their processes, and addressing these new market needs. Similarly, they have to be true ecosystem players, acting in the interests of all actors — including customers, employees, contractors, investors and the wider society (McKinsey, 2021).

Regarding digitalization, we have reached a point where the physical complements the digital and no longer the contrary (Morand, 2022). From the metaverse, to hyper-personalization, omnichannel and hybrid customer experiences, to product passports and traceability solutions, fashion executives are now forced to embrace technology, risking existential challenges and loss of investment if they fail to do so (McKinsey, 2022). As for sustainability, there is no longer a question of *whether* to adopt more sustainable practices but *how* to do it in a way that is aligned with the brand's strategy and maintains profitability. Many brands are following the "more sustainable materials" approach, while others try to reduce operational impact through the adoption of new business models such as *pre-order* or *on-demand.*

One of the fundamental problems in fashion industries is the "lead- time gap" whereby the time it takes to bring the product into the market (time-to-market) is invariably longer than the time the customer is prepared to wait (Christopher, 2000). Higher supply-chain responsiveness can mitigate this issue, from early trend spotting to embedded agility and adaptability of manufacturing, which is leading to a growing interest in the design and implementation of agile supply chain strategies (Christopher, 2000). Additionally, current operational challenges arising from paradoxical consumer demands - increased concerns over sustainability but continuous desire for real-time fashion, supply chain disruptions, rising costs of commodities and increased difficulty in Asian sourcing, further enhance the need to adopt new approaches. One of these strategies could be the change from the traditional *push model* to a *pull model:* shorter creative and production processes, smaller batch sizes, seasonless design, increased transparency, removal of functional silos, all of these supported by tools and analytics, and making use of dual sourcing and nearshoring (Lectra, 2022).

New wave of challengers

Deeply aware of these challenges, a wave of new brands and creators is starting to take space in the industry, reinventing completely the traditional fashion codes. The so-called *challengers*[4] are leading fashion into a "true systems-change approach" (Cernansky, 2022), embodying values of *community*, *sustainability* and *innovation*.

The concept of challenger brands was firstly introduced by Morgan (1999), who described them as primarily *driven by mindset*. Through big ambitions and bold actions, their purpose is to progress the category they are inserted in in favor of the customer (The Challenger Project, 2022).

[4] These differ from disruptor brands in the sense that they do not wish to overtake or become market leaders through a new or unique product offering (source:), but want to challenge industry codes and conventions, ultimately driving societal change.

In this new fashion landscape, several types of challenger brands have appeared, varying in the nature of what they challenge. Particularly, two types of challengers will be analyzed: DTC brands, challenging fashion's traditional business models; and emerging designer brands, challenging the fashion week system. Whether they are born digital (such as DNVB[5]), or opt for a physical retail strategy, the consumer is at the center for most DTC brands. Opting to take out the middlemen may have cost benefits, but essentially brings the brand and the consumer closer, enhancing the sense of community and allowing brands to have clearer information about their customers. For this, digital platforms are essential. They are both a sales channel (through the brand's own e-commerce), as well as the means to communicate the brand storytelling and to engage with the consumer. DTC brands challenge conventional codes by not depending on the traditional multi-brand wholesale stores, as well as having high digital maturity and adopting innovative business models (Vogue Business, 2022). Concerning emerging designer brands, they have historically depended on brick-and-mortar wholesalers to distribute their collection items (Williams, 2020). While still relying on these stockists to gain visibility and achieve sales targets, these brands challenge the fashion week system by producing seasonless and/or genderless collections, or by choosing digital presentations over physical shows for their lower environmental impact (as well as reducing costs).

The emergence of digital platforms and support from industry prizes, incubation programs and major retailers has helped give rise to these innovators (Chen, 2022). But growth is not always their main goal, sometimes even conflicting with the brand's positioning (the case of sustainable brands, for example) - "I *don't want to grow that much more. The important thing for us is to evolve.*" said Marine Serre in an interview. This controversial stance has allowed them to avoid big outside investors, which often encourage designers to overextend their business to obtain a higher return on their investment (Williams, 2020). However, the path to changing the industry is not without challenges, one of them being to maintain a solid financial foundation. Thus, besides a successful communication strategy, they also need to have an effective distribution network that can drive sales and financially sustain their businesses.

[5] Digitally Native Vertical Brands (DNVB), which means that they are online brands, controlling the entire distribution chain from manufacturing to the end-consumer (Fashion Tech Group, 2022)

The case of Fashion in Portugal

The origins of textile in Portugal date back to the Middle Ages, when linen production in the coastal North of the country was the epicenter of textile activity. Going from the simple yarning of the fiber to fabric and cloth production, linen grew to become one of Portugal's most important exports, particularly to Brazil in the 18th century (Alves, 1999). A century later, with the British Industrial Revolution, the artisanal production process of linen was substituted by the industrial production of wool and cotton, the latter arriving from Portuguese colonies, revealing the gradual insertion of Portugal in the new world economic order (Alves, 1999). Around the same time, with the help of the media[6], the word "*moda*" ("fashion" in Portuguese), started to spread across the realm, up until then was mainly restricted to the courts and noble houses. Coming from the influences of Spain, France, England, Germany, and Austria (Cardim, 2011)societal interest in fashion was renovated after the Liberal Revolution in 1820 and the king D. João VI's reorganization of the court. Suffering from the constant political ups-and-downs, fashion in Portugal has always been deeply associated with national and international movements - French invasions, internal disputes between liberals and absolutists, financial crisis, or the proclamation of the Republic (Coutinho & Cardim, 2011) - and cultural influences. Still reserved to the high social classes, international fashion influences could be observed in Lisbon's theaters and the cosmopolitan streets of Rossio, Chiado and Avenida da Liberdade, popularized by Eça de Queiroz in his famous satire "*Os Maias*". It was not until the 20th century that democratization of fashion truly took place, with the first fashion show occurring in 1920 as well as sewing competitions (Cardim, 2014). Nevertheless, the low income power of the general population never allowed for a true "fashion culture" to emerge, staying as such during the period of dictatorship, which lasted until 1975. In the decades of 1980's and 1990's, Portuguese fashion-design is born, with Portugal's entry in the EEC[7], the inflow of foreign capital, the surge of the first fashion design schools, the increased influence of photography and music, and the institution of official fashion weeks, ModaLisboa in 1991 and, four years later, Portugal Fashion (Coutinho, 2022).

[6] Time when the periodic "*O Correio da Moda*" started to write about women's and menswear trends twice a month.
[7] European Economic Community

Today, the textile and clothing industry accounts for 12 thousand companies and 136 thousand active workers, almost 20% of employment[8]. It is also considered one of its strategic sectors within global markets, exporting 4 979 million euros in value until November 2021, 16,0% more than in 2020 and 2,8% above 2019, with 2021 expected to be "one of the best years ever", according to ATP. From 2020 to the first months of 2021, the country was strongly affected by the health measures adopted by the government to contain the COVID-19 pandemic causing a strong deterioration in the sector's profitability in that year (ATP, 2021). The association adds that "not all activities were able to recover so well from the effects of the pandemic", fabric clothing items, for example, recorded a drop of 21% in export value, equivalent to a decrease of 192 million euros, compared to the same period in 2019. This scenario also led to a reduction in the number of retail establishments selling clothing and home textiles (Informa D&B, 2021), which greatly affected Portuguese designers, some having to resort to *lay-off* measures in order to sustain their businesses[9].

Even before the health crisis, the TI had already shifted its strategy, moving from a low-cost positioning to competing by differentiation. This was made possible by investing in building technology, heightened creativity, qualification of the workforce and more effective and diversified internationalization actions (ATP, 2021). Consequently, Portugal has reached notability and reputation for its high-quality textile and clothing production, increasing the value-added of the "Made in Portugal" tag. As such, several foreign brands choose to allocate part (if not the totality) of their production to Portuguese companies.

In this post-pandemic era, for which the macro trends of digitalization and sustainability are central, CFBs are challenging industry codes, bringing to the table new ideas, new values and new business models. Portuguese brands are no exception. In recent years, likely influenced by a cultural and entrepreneurial movement brought by the tourism boom and a wave of expatriates (Kantor *et al*., 2022), new brands with innovative designs and aesthetics have taken over the Creative-Fashion scene. After a long hiatus, Portuguese brands are starting to obtain international recognition: Marques'Almeida winning the 2015 edition of the LVMH prize, Ernest W. Baker

[8] Values concern the years of 2020 for employment rate and 2021 for the remaining data.
[9] As mentioned by several designers in an interview for Vogue PT

being shortlisted for the same award and present in over 20 international stockists, or, more recently, the growing reputation and media attention obtained by the designer Constança Entrudo.

2.3 Theoretical Framework

Creative-Fashion Industry

According to the European Commission, CCIs include sectors that rely on a strong cultural and creative input, such as fashion and high-end industries. Nevertheless, fashion-design is differentiated and included in Core CCIs (as shown in Figure 3). While fashion never overlaps with core CCIs, high-end industries may overlap when it comes to publishing.

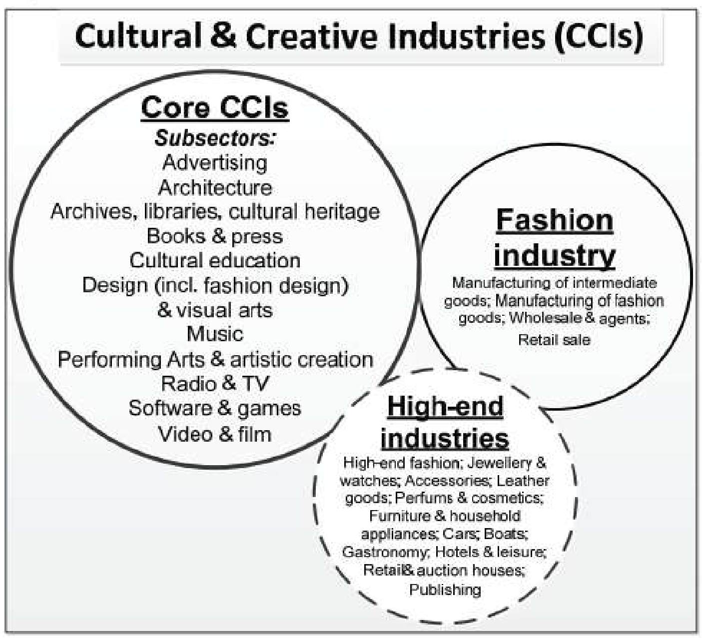

Figure 3 - Sub-sectors of CCIs according to the European Commission

Because fashion-design is the core activity of designer brands, the distinction can be made between *traditional fashion industry* (whose main activity focuses on manufacturing fashion goods) and the *Creative-Fashion industry*, comprising fashion firms whose main activity is fashion-design, as well as agents who work to produce, distribute and promote the products designed and further commercialized by these firms.

Creative-Fashion Brands (CFB)

Creative firms are centered around cultural values and/or artistic and other creative expressions. For fashion brands, this creative expression is associated with the activity of fashion-design or the person of the designer. In the context of this study, CFBs can be defined as fashion-design brands for whom the design function is internal and central to their activity, with a clear unique creative concept, who have presented collections in fashion weeks, not necessarily belonging to the official regular calendar of these events.

Fashion Weeks (FW)

Fashion Weeks can be defined as moments when a set of selected fashion brands present their women's ready-to-wear and/or men's ready-to-wear collections, in a defined place, capital or other metropolis, according to a tempo determined by the rhythms of the collections. (Morand, 2022). It is impossible to dissociate a fashion capital from its Fashion Week, as they are greatly embedded in their home city culture and fashion legacy[10]. According to Morand (2022), they can be characterized according to the degree to which they accomplish their six structural functions: commercial, communicative, creative, configurative, communitarian, and cultural (Figure 4).

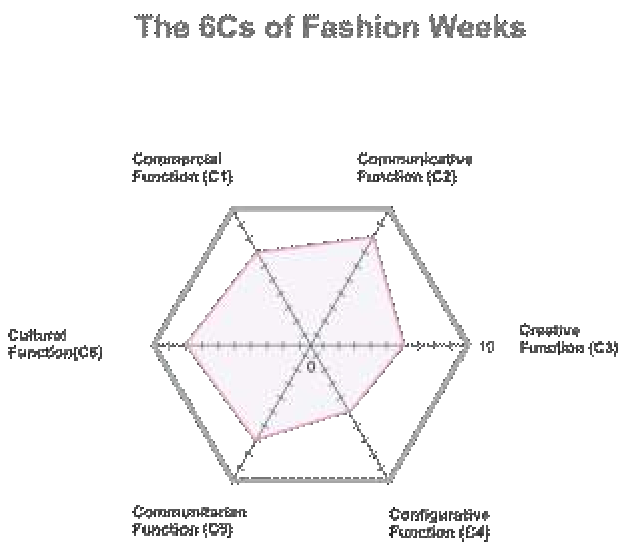

Figure 4 – The 6Cs of FWs model; Adapted from Morand (2022)

[10] As Barthier, D. (2014) reflects upon in her dissertation *Paris capitale de la mode: Construction de savoir-faire et remise en question du mythe de la Ville-Lumière.*

The commercial function relates to the presentation of collections and resulting B2B sales, which grant FWs the role of market regulator. The communicative function implies that FWs work as amplifiers for the communication of brands within the media and the public in general, being a function of the reputation of the FW in question, as well as determining the degree of prestige of participating brands. This reputation is itself correlated with the creative function of FW, determined by the degree of creativity applied by designers in their fashion shows or other types of collection presentations. The configurative and communitarian functions work in a dual fashion: while the first is a demonstration of the structural power of FWs through the reunion of the professional fashion community around a specific calendar and concrete location, the second relates to the symbolic dimension of this encounter, and its effectiveness depends on the FWs capacity to build and strengthen relationships through official events and other gatherings. Lastly, the cultural function results from the confluence of several aspects: the cultural expression of fashion-design during the FWs, synergies between the designers and other artistic and creative activities and the holding of other cultural events outside the FW calendar.

The Ecosystem of Creative-Fashion Brands

The concept of the *fashion ecosystem* is often used as a substitute for the fashion industry in its entirety when it comes to performing analysis (Teece, 2014). There is sense in the association between an ecosystem perspective and the fashion sector, as the interaction between its actors forms complex and interlinked value chains (European Commission, 2022), with one of its key characteristics being cooperation and networks[11]. However, the definition and modulization of the said ecosystem has been overlooked by scholars, being open to several interpretations (Colliander, 2015; Lin, 2018; Brydges & Pugh, 2021). Establishing a clear framework provides grammar for debate (Adner, 2006), however, given the high complexity and fragmentation of the fashion industry's value chains, the conceptualization of its ecosystem in bilateral upstream or downstream relations between actors would not meet Weick's (1969) criteria of generality, simplicity, and accuracy.

[11] As highlighted in the European Commission's 2016 study: *Boosting the competitiveness of cultural and creative industries for Growth and Jobs: Final Report*

It is possible to apply a similar model over the Creative-Fashion industry, as it comprises the five ecosystem characteristics named by Konietzko *et al*. (2020): (1) its actors perform different roles across different economic sectors and, therefore, do not belong to a single organization, (2) these roles are dynamic, complementary and (3) competitive , (4) contributing towards the development of fashion-design through the exchange of goods, services and money amongst them, and (5) the ecosystem evolves as its actors constantly redefine their capabilities and relations to others to maximize the innovation potential of Creative-Fashion brands.

The research focuses on young *Creative-Fashion Brands (CFB)* as central to determining ecosystem competitiveness and innovation. Their capacity to innovate and to establish themselves in the market is deeply related with the environment that surrounds them, and how well they are able to execute their ecosystem strategy (Adner, 2006). Following this perspective, they can be considered as the Creative-Fashion industry's *value proposition*, the center of the ecosystem structure (Adner, 2016).

The second critical element within the ecosystem are *Fashion Weeks (FW)*. By gathering all relevant industry actors in a recurrent schedule, often bi-annually, FWs give a rhythm to the industry and even modularize it, which establishes these encounters as Field Configuring Events (FCE). While other industry happenings such as trade shows, fairs or conferences could play the same role, to comply with Weick's simplicity criteria, this research will focus on FW as main FCE for the fashion industry. At the micro level, they directly impact CFBs that are a part of the calendar or participating in competitions, particularly through their C1, C2 and C3 functions, and, at the macro level, work as a platform of exchange between the actors of the ecosystem. As such, the researcher argues that the FCE status provides Fashion Weeks with a stand out place within the ecosystem, working as the structure of alignment, or the "*business model*" of the industry. They have incentives to maximize ecosystem cooperation as their reputation and longevity depends on the degree of fulfillment of their six functions and on how brands perceive their attractiveness (Morand, 2022). In other words, how well they are able to activate the entire ecosystem around them. This provides extra relevance to the role of the associations that organize FWs, who are themselves actors within the ecosystem.

The *actors* can range from designers, associations, suppliers and retailers to fashion schools, press and the end-customer. Their output is complementary towards developing the activity of fashion design, materialized in collections of fashion goods, and the way they engage in cooperation should maximize value creation for the entire ecosystem. Furthermore, it is relevant to mention that the same set of actors can belong to more than one ecosystem if they perform activities to achieve different value propositions, as it is the proposed value proposition that creates the (endogenous) boundary of the relevant ecosystem (Adner, 2016).

Given this configuration, by combining Konietzko *et al.* (2020) perspective with Adner's "ecosystem-as-structure" approach, which views ecosystems as *configurations of activity defined by a value proposition* (Adner, 2016), there is ground to define a generic lens to be applied over the Creative-Fashion industry, providing a framework for determining its challenges and opportunities for innovation, i.e. the growth and development of CFBs (As conceptualized in Figure 5).

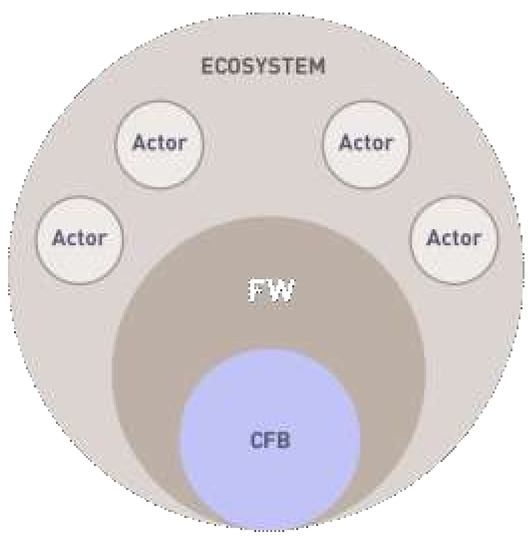

Figure 5 - Ecosystems perspective of the Creative-Fashion industry (adapted from Konietzko et. al., 2020; Adner, 2016)

3. Methodology

3.1 Research aims and objectives

The literature has been paying low attention to fashion-design brands and the Creative-Fashion industry as an innovation ecosystem. This gap is even more significant when considering the industry in Portugal, with most case studies found focusing either on the Portuguese textile or luxury sector, with the latter majorly relating to consumer perceptions and preferences (Santos, 2015; Rego, 2020; Pinheiro, 2020). As such, the main purpose of this study was to bring the country into the fashion conversation and raise awareness towards the Portuguese Creative-Fashion industry. Furthermore, the lack of studies and generalized information on the sector leaves emerging brands and designers with little to no resources to understand the environment they are entering into. So the second aim of this research was to help Portuguese CFBs gain a better understanding of the ecosystem that surrounds them. Lastly, by developing a set of recommendations both at firm-level and ecosystem-level, it aimed to provide guidance towards advancing the sector.

Based on the research aims aforementioned, the following research statement and research questions were formulated:

Research Statement:

Driven by Design: The Ecosystem of Portuguese Creative-Fashion Brands

Research Questions:

RQ1: Who are the actors and activities shaping the ecosystem of Portuguese CFBs?

RQ2: What are the challenges encountered by Portuguese CFBs?

RQ3: Which opportunities can Portuguese CFBs seize?

To answer the defined research questions, two methods were adopted:

1. Desk research, making a descriptive analysis of the Portuguese Creative-Fashion Industry
2. Semi-structured interviews, determining the challenges and opportunities from the perspective of CFBs and gathering relevant insights from industry specialists.

3.2 Scope

The scope of this study comprises the Portuguese Creative-Fashion industry. This implies that all actors in the analysis are *portugal-based,* representing a legal entity under Portuguese commercial law and their headquarters are situated in a Portuguese city. For CFBs, this feature is independent of the nationality of their creator or head-designer, the origin of their materials or place of production and distribution markets.

In addition, the researcher chose to center the analysis in the two main FWs, ModaLisboa and Portugal Fashion, as well as the cities of Lisbon and Porto, for their structural role in the Portuguese Creative-Fashion industry, acknowledging the existence of other smaller similar events, namely in the Islands of Madeira and the Azores.

3.2.1 Case study method

As one of the objectives of the study was to develop an in-depth description and analysis of the Portuguese Creative-Fashion industry, the case-study approach to qualitative research was adopted (Creswell and Poth, 2018).

The choice of Portugal as case-study was based on two grounds: the great interest of the researcher in acquiring a deep understanding of this industry within her home country - greatly ignored in the literature up until the publication of this research; and the fact that the country gathers several characteristics that would seem sufficient for a thriving fashion industry: long mercantile and cultural history, worldwide recognized textile cluster, central geography and a blooming pool of creative talent.

3.3 Semi-Structured Interviews

As the main methodology for the present study, the qualitative research method was adopted as it allows for the exploration or investigation of the quality of relationships, activities, situations, or materials (Fraenkel, Wallen & Hyun 2015). In this case, to answer the second set of research questions (R2 and R3), primary data was collected through interviews with Portuguese fashion brands**.** The sample accounted for 6 designers, 1 chief executive officer, 1 creative director and 1 executive director, in total representing 8 fashion brands. Additionally, to gain further insights into the characteristics of the ecosystem (R1) and determine CSFs for CFBs, interviews with industry specialists were also conducted. Through convenience sampling, three specialists were contacted and agreed to be interviewed - 1 representative of ModaLisboa, 1 fashion market specialist, 1 emerging brands specialist.

3.3.1 Research method

The semi-structured interview method was chosen for its flexibility, making it possible to ask follow-up questions or deviate from the questions prepared in advance (Patten & Newhart, 2018). This choice ensured a natural rhythm for the conversation and increased the richness of insights obtained from each interview, by giving interviewees the freedom to develop their argument and express their own point of view. Due to the semi-structure of the interviews, some questions and topics were discussed in more detail in some interviews than in others, depending on the subjects touched upon by the interviewee and on the flow of the conversation. But, in general, they were divided in four blocks: background, brand, fashion weeks and associations, and the Portuguese market, ending with two wrap-up questions:

a. "In your opinion, what are the two main challenges for emerging fashion brands in Portugal?"
b. "In your opinion, what are the two main opportunities for emerging fashion brands in Portugal?"

During the time of the interview process (lasting from March 2022 to August 2022) the researcher was not residing in Portugal, which led to the majority of interviews being conducted at a distance. Two interviews were conducted in person, while the remaining participants were asked in advance which method they would prefer for the interview. Four opted for the online video call option (using Zoom, Google Meets and Whatsapp Video software), four chose to do it via phone call (through regular phone calls and Whatsapp calls), and one interviewee opted for an interview in written form, via email. Due to the individual availability of the participants the interviews varied in length and lasted between 45 minutes and 1 hour and 30 minutes.

3.3.2 Sample Selection and Characteristics

Sampling is the process of selecting the objects, participants, or respondents for a study (Islam & Aldaihani, 2022). Due to the need to collect specific data from qualified respondents, non-random purposive sampling was chosen as the sampling method (Fraenkel *et al.*, 2015). The process started as snowball sampling, obtaining the contacts of three fashion brands from the first interviewee. Theoretical sampling was then applied in the choice of the remaining respondents, so as to obtain an heterogeneous sample. Since CFBs are associated by definition with FWs, the contacts of the remaining participants were retrieved from the websites of ModaLisboa and Portugal Fashion. The sample was highly subject to the availability of brands to be interviewed, so attempts from the researcher to have a balanced sample between participants from the two FWs were not fully satisfied. Anyway, it was possible to reach a saturation point[12] after the sixth interview, time when brands stopped being contacted. Two other brands which had already been contacted and agreed to be interviewed were later added to the sample, totaling eight Portuguese fashion brands from different segments and FWs (see table 1 for details of the interviews and sample).

In addition, to gain further insights into the Creative-Fashion landscape, industry specialists were also interviewed. Because generalization was not the goal of these interviews, convenience sampling was used to select interviewees (Dawson, C., 2019), choosing individuals that, due to their positions, would bring an insightful perspective to the study. Still, the researcher attempted that the interviewees were specialists in different aspects of the Creative-Fashion industry, which ultimately determined the size of the sample - one specialist in CFBs, one specialist in FWs and one fashion market specialist.

[12] Point at which the latest interview shows similar findings to the previous ones, meaning that the (n+1)th interview does not bring anything new than the (n)th interview.

BRAND / ORGANIZATION	ROLE	TYPE OF ACTOR	DURATION	METHOD
Majatu.Studio	Creative & Executive Directors	Slow Fashion Brand	1h30	Video Call
Micaela Sapinho	Designer	Sangue Novo Contestant	1h15	Video Call
Carolina Coelho	Designer	Sangue Novo Contestant	1h15	Phone Call
Ines Fonseca Apparel	Designer	CFB	45min	Video Call
Fairretail	Designer	CFB	1h	Video Call
Cravo Studios	Designer	CFB	1h	Video Call
Oh Monday!	Creative & Executive Director	Slow Fashion Brand	1h30	Phone Call
Huarte	Designer	CFB	1h	In-person Interview
ModaLisboa	Head of Sangue Novo	FW	-	Written Questions
FHCM	Head of Emerging Brands	FW/Support initiative	1h	Phone Call
Lectra	Head of Market Intelligence	TI Supplier	1h30	In-person Interview

Table 1 - Sample Characteristics and interview details (Names were purposefully omitted for keeping the anonymity of interviewees).

3.3.3 Grounded theory

The grounded theory approach was utilized with the intention to make the qualitative research more systematic (Patten and Newhart, 2018), due the exploratory nature of deriving challenges and opportunities for Portuguese CFBs from the perceptions of a sample of brands and industry specialists (Mayring, 2014). Through induction, grounded theory allowed general theory to be formulated from the specific data collected using a coding process for that ending, which will be highlighted in section 3.3.4.

3.3.4 Qualitative Data Analysis

Using inductive grounded theory, the researcher intended to go from specific data into broader themes and formulate theory on challenges and opportunities for CFBs. Thematic analysis is suitable to understand a set of thoughts, experiences, or behaviors across a data set (Braun &

Clarke, 2012). Due to the explorative nature of the research, it was important to identify codes that can be grouped under broader core-categories.

Prior to beginning the systematic analysis of the data collected, interviews were transcribed with the recording and transcription software Otter.Ai and uploaded to the coding software Atlas.Ti, which has proven adequate for qualitative data analysis (Islam & Aldaihani, 2022).

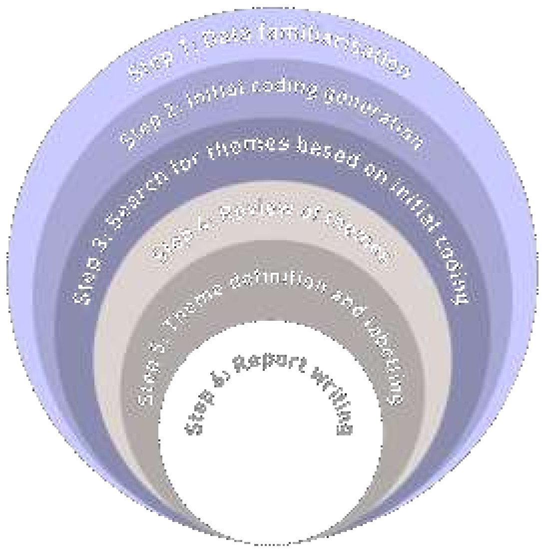

Figure 6 – Model of Thematic Analysis; Retrieved from Islam & Aldaihani (2022)

In an attempt to follow the model of thematic analysis identified by Islam & Aldaihani (2022) (Figure 6), the core category formulation process went as follows: on a first stage, transcripts and interview notes were read in order to obtain familiarity with the data; secondly, line-by-line coding was performed in an exploratory manner, identifying ideas concerning the data ; following this stage, codes generated were analyzed to find common patterns in order to be grouped into core categories; in a fourth stage, the groups formed were re-analyzed and the nature of the codes and context were identified to determine whether they could represent a challenge or an opportunity; lastly, codes were regrouped in three different iterations until all codes within each core category represented a challenge or an opportunity, and core categories identified were mutually exclusive (which sometimes involved re-labelling of core categories and individual codes).

PROXIMITY	Frequency
proximity with raw materials	1
proximity with suppliers	4
ateliers_on demand	1
ateliers_proximity	2
easier to make contacts	1
Total frequency	**9**

Table 2 - Example of final core category codes

3.4 Desk-based research

Desk-based research is as a type of qualitative research where the information about the topic is gathered by the researcher through available sources in printed form or published on the internet, in newspapers, magazines, and government reports. For the purpose of this study, desk-based research was conducted by collecting information from trusted sources about the Portuguese Creative-Fashion Industry, resulting in a descriptive analysis of its principal actors and activities. Given the model designed in the Theoretical Framework section, a special focus was placed on the associations which organize FWs, the main types of fashion brands in Portugal and the industry initiatives which promote and develop CFBs.

3.5 Limitations

The qualitative nature of the study as well as the subject and choice of case-study have inherent limitations.

Firstly, the lack of previous literature on the subject and up-to-date information on the Creative-Fashion industry prevented the descriptive analysis to be as rich as the researcher would have liked. Particularly, it would have been interesting to have had access to concrete financial data from CFBs and FWs to be able to perform a more detailed characterization of the two and draw conclusions based on it. Furthermore, it was not possible to be exhaustive when describing the actors and activities within the ecosystem of CFBs due to the great fragmentation present in the industry. In this analysis, the consumer was purposefully left out of the focus, as, to the extent of the researcher's knowledge, there was no available data about its perceptions or behaviors over Creative-Fashion, and it was not possible to conduct an additional study due to time constraints.

The purposive character of the sample also presented limitations towards the generalizability of results (Islam & Aldaihani, 2022), and, in addition, the dependency on the responses and availability of contacted brands did not allow for a fully heterogeneous sample. Nevertheless, the goal of the study was not to derive generalizable conclusions, and it was possible to identify common themes which were evident across the sample (Lærd dissertation, 2022).

Lastly, with Portugal being the birth nation of the researcher, her personal knowledge of the social context may have led to personal bias (Dawson, 2019). However, the researcher stayed mindful and honest about this situation throughout the research process, trying to diversify information sources to minimize bias in the data collection and analysis (Quilan, 2011; Islam, 2019).

4. Results

4.1. Desk-based research and interview insights

4.1.1. Portuguese Fashion Brands

The creativity-driven branding scene is deeply associated with *designer brands* ("*Moda de Autor"* in Portuguese). The established designers, with more than 10 years of activity[13] and belonging to one of the official fashion week calendars, typically follow a low-accessibility luxury model, selling mostly by appointment in their own boutiques or ateliers. It is sometimes also possible to find their pieces in multi brand luxury stockists like Fashion Clinic or Loja das Meias. Having been considered as truly disruptive in the 1990's, these brands have reached maturity and are now completely consolidated in the system, with big names like Miguel Vieira or Luis Buchinho often headlining ModaLisboa or Portugal Fashion's schedule. Usually following the classic fashion week calendar, presenting two collections per year (Spring/Summer and Fall/Winter), most of these designer brands revolve around their fashion shows and collections presentation, not their commercialization. Nevertheless, designers like Maria Gambina and Hugo Costa have recently developed their own e-commerce stores, shortening the gap between fashion-design and the end-consumer.

The need for innovation in this somewhat mature and saturated system, and following global fashion's recent tendencies, has led to a surge of new emerging talent (CFBs) with a distinct

[13] The FHCM - *Fédération de la Haute Couture et de la Mode* (FHCM) distinguishes established from emerging brands by a double criteria : having less then 10 years of activity and less then 5 million € in sales revenue. Due to unavailability of brand's financial data, the research will apply the years of activity criteria alone.

value proposition and a unique creative identity that challenges current industry practices. This distinctive identity and uniqueness can be translated in many ways. In the Portuguese context, brands like Behén and Cravo Studios embody tradition and national symbols, incorporating them into their collections in innovative ways. Whereas Constança Entrudo or Maria Clara, winner of the October 2021 edition of Sangue Novo, innovate in their shapes and unusual materials (see appendix for visual back up). Portuguese CFBs are usually more communicative than established designer-brands, publicly demonstrating their values and building a stronger relationship with their target community. Nevertheless, they still value mostly design and the creative aspect of branding, communicating essentially through image and symbols, with some choosing to maintain a feeling of mystery and "distance" - the case of Ernest W. Baker, who communicates mostly through visuals and aesthetics. This allows them to keep a price point above "pure premium", sometimes even over established designers[14]. Another clear strategic vector for these brands is sustainability. Either through using new types of materials or upcycling, communicating with more transparency about their production processes and sourcing, but mostly advocating for more conscious purchases, standing for quality and longevity of pieces over quantity.

The consumer-driven segment is mainly composed by industrial fashion groups like Zeitreel (former Sonae Fashion), which congregates widely recognized national brands like Salsa or MO, having achieved 174 million euros in sales in 2021, the Lanidor Group (Lanidor, Globe, among others), with over 200 stores in the country, or famous *bridge brands*[15] such as Lion of Porches and Mike Davis. Most of them are headquartered in the North, working in close ties with Portuguese textile factories. Working with design teams and releasing several collections per year, *Industry Brands* practice a traditional mass market model, owning a broad distribution channel of physical retail stores located in shopping malls and districts across the country, complemented by having their own e-commerce.

Challenging the established mass-market names are *Slow-Fashion Brands*. Slow-Fashion is a business model focusing on quality and sustainability (Schrewentigges, 2018). It encourages a more conscious approach to purchasing clothes (Gockeln, 2014), in which designers, suppliers,

[14] For example, a polo dress from Maria Gambina costs 250 euros, while a similar model at Constança Entrudo can cost 590 euros.

[15] Born within US department stores, this segment connects high-end to mass-market, being more creative than mass-market but less expensive than high-end and suitable for daily use (Corbellini, 2022)

retailers, and consumers are aware of their impact of products on workers, communities and ecosystems. (Fletcher, 2007). They are the true advocates for the “buy local” movement and use the “Made in Portugal” tag as their visit card. Arising mostly during the Covid-19 pandemic, these micro-sized businesses are gaining momentum within the Portuguese consumer, due to their highly effective digital communication strategy. They rely on craftsmanship and on their closer proximity to the consumer to maintain premium pricing. In regard to distribution, most of them are DNVBs. However, it is possible for them to occasionally sell small quantities in local markets or pop-up concept stores - which work both as showrooms as well as incubators to raise awareness and visibility to the Portuguese consumer. This segment ranges between a large spectrum of brands and categories, with swimwear and casualwear being particularly strong in terms of diffusion. Furthermore, the search for high quality garments and designs by the new wave of consumers opens up doors for interviewed brands such as Oh Monday! or Majatu.Studio to position themselves as *timeless affordable luxury*.

Based on these findings, a brand diagram was drawn (Figure 7), characterizing Portuguese fashion brands around two axes: degree of establishment[16] and type of orientation[17].

Figure 7 - The fashion brands diagram in Portugal, derived from desk-based research and interview feedback.

[16] Established brands will have more than 10 years of activity, or, in the case of designer brands, belonging to the official calendar of one of the national FWs for more than two consecutive editions.
[17] Creativity-driven brands privilege the creative and fantasy aspects of the collection (Morand, 2022), whereas consumer-driven focus on function and marketability of their pieces.

4.1.2. National Fashion Weeks

The first stand-out characteristic of the Portuguese Fashion Week System is that there exist two fashion weeks: ModaLisboa, taking place in Lisbon, and Portugal Fashion, happening in the country's "second capital" city, Porto. Common to both is that there is no distinction between Women's and Men's Ready-to-Wear weeks, or Haute Couture Week, like in their Parisian counterpart, for example. However, while ModaLisboa belongs to the International Fashion Calendar, following Paris's Women's *prêt-a-porter* Fashion Week, Portugal Fashion does not, usually taking place a few days after. Both projects comprise several initiatives besides the official Fashion Week Schedule, such as a dedicated show or showroom to emerging designers - *Sangue Novo* in ModaLisboa and *Bloom* in Portugal Fashion.

ModaLisboa (ML)

ModaLisboa was the very first independent fashion week in Portugal. It brought into the spotlight some of the biggest Portuguese designers, such as Luis Buchinho or Nuno Baltazar, which have been showing their collections at the event from the very first edition. In 1996, after five years of organizing Lisboa Fashion Week, Eduarda Abbondanza and Mário Matos Ribeiro founded Associação ModaLisboa with the mission of promoting and developing the fashion industry in Portugal, as well as projecting and stimulate economic activity within its creative capital, Lisbon.
One of the main events taking place during Lisboa Fashion Week is Sangue Novo, a competition for young fashion-design students from which five are chosen to showcase their collection in the Sangue Novo fashion show. Simultaneously, the Workstation platform also serves the purpose of showcasing young talent in a performative way, through fashion happenings and exhibitions, the work of designers, photographers and other artists comes together to highlight the Portuguese artistic potential. Sangue Novo prizes usually comprise an educational prize, a collection development prize and a PR prize[18]. For the first and second places, these prizes are accompanied by a monetary reward and mentorship program from ModaLisboa.
On an international level, Associação ModaLisboa works as institutional representative of the Portuguese Creative-Fashion industry. Until its ending in 2021, it represented Portugal at United

---

[18] For the 2022 edition, monetary rewards from 1500 to 5000 euros, a Master's in Fashion Design at IED Milan, three week residency at Tintex Textiles and capsule collection development, and access to the press office and showroom at the communication agency Showpress.

Fashion, a collaboration between seven European Fashion Associations with the aim of strengthening the sector by giving independent designers the tools and skills to develop their label. More recently, in 2022, the association signed the Frankfurt Agreement together with other 25 European Fashion Institutions with the goal of building a new international fashion network and uniting the European fashion landscape.

Portugal Fashion (PF)

Portugal Fashion, usually taking place in the north of Portugal, the heart of the Portuguese Textile Industry, is a joint project between Associação Nacional de Jovens Empresários (ANJE) and Associação Têxtil e Vestuário de Portugal (ATP).

Founded in 1986, ANJE is the institutional representative of young Portuguese entrepreneurs. With around 5500 associates, it aims to create conditions for these entrepreneurs to turn their knowledge into business value, providing them with knowledge, incubators, and training in different fields. In 2012, for the relevance of the activity it develops in favor of Portuguese young businessmen, ANJE was awarded the Order of Merit by the President of the Republic. Moreover, it is also a member of the Economic Social Council, which represents the different Portuguese economic sectors in conversations with the government. ATP is the largest representative of the Portuguese Textile and Clothing Sector, grouping around 500 companies, which provide 35 thousand jobs and around 3000 million euros in turnover (ATP, 2019). The association is run by Mário Jorge Machado, President and representative of the textile company Estamparia Têxtil Adalberto Pinto da Silva, SA, alongside 4 vice-presidents, all representatives of different Portuguese textile companies.

As a project, Portugal Fashion promotes several initiatives to showcase the work of Portuguese designers, one of them being the young fashion-design graduates' competition, Bloom**.** With the first edition taking place in 2010, Bloom rewards the work of young designers finishing their studies in a Portuguese fashion school, as well as new brands who have a clear intention of entering the fashion market. All participants must have Portuguese residency, be aged between 18 and 35 years old and with an academic background in the area of fashion-design. Applicants can apply individually or in a duo. Prizes [19]often include a monetary prize, a professional internship opportunity, an educational prize, a mentorship program and a PR. Besides the competition, Bloom also works as a platform to showcase young talent in a more informal, urban and multi-artistic environment. The objective is to promote designers to the press, buyers, and investors, as well as facilitate their integration into the labor market. Furthermore, belonging to the pool of Bloom designers might represent an opportunity to show their work abroad, with international initiatives such as showrooms and collection presentations having already taken place in cities like Madrid, Vienna, London, and Paris.

Besides fashion shows, PF develops additional international initiatives such as Local Goes Global, a pop-up concept store showcasing and selling products from Portuguese artisans, designers, and brands, in collaboration with international FWs. Its latest endeavor was the exclusive partnership with Tranoï, the Parisian tradeshow event, for the duration of six editions in Paris and three editions in Porto. The agreement consists in the participation of Portuguese designers in the show in France, and of buyers being invited by Tranoï to Portugal Fashion, until October 2023.

Characterization of Portuguese FWs

Due to the lack of quantitative data to obtain absolute measures, both FWs were characterized according to the degree of fulfillment of each of their 6 core functions in relative terms, starting with the baseline scores of Paris Fashion Week[20] and then relatively to each other [21] (Results depicted in Table 3).

---

[19] In 2022, some of the announced prizes will include a monetary reward of 3000 euros, a nine month internship within Zeitreel, Post-Graduate course in Fashion Management in Católica Porto Business School and access to the press office and showroom at the communication agency Showpress.

[20]Scores attributed to PFW were retrieved from Morand's *The Future of Fashion Weeks.* The author measured the degree of accomplishment of each function using absolute metrics such as the total turnover achieved by the brands of the official calendar for C1 or the MIV (Media Impact Value) i.e. the sum of the value generated by in advertising equivalent and on social networks to determine C2.

[21]The score attribution process went as follows: In the first stage, priority functions were attributed one point above PFW, and remaining functions were given one point above or less depending on the degree of priority and/or accomplishment in comparison to the baseline. In a second stage, scores between ML and PF were compared and adjusted by one point more/less according to the relative priority attributed to that function by each FW. Lastly, overall scores of the three FW were compared and re-adjusted by comparison, keeping PFW's scores unchanged.

	COMMERCIAL (C1)	COMMUNICATIVE (C2)	CREATIVE (C3)	CONFIGURATIVE (C4)	COMMUNITARIAN (C5)	CULTURAL (C6)
ML	6	8	8	6	8	7
PFW	6	7	8	8	7	5
PF	8	6	6	8	6	5

Table 3 – Scores attributed to each FW by function

PF prioritizes the commercial function (C1) over the remaining. The event is organized in close connection with the companies in the textile, clothing and footwear sectors, which facilitates the introduction of young designers to potential buyers and employers. Moreover, by gathering a wide variety of industry players, it also heightens its configurative role (C4). Despite displaying highly creative collections, there is less of a "show" around the presentations and catwalks, which penalizes both C3 and C7 when compared to ModaLisboa, who often picks emblematic locations in the country's capital such as *Parque Eduardo VII* or *Capitólio*, an iconic concert venue, for their events. While PF gathers the industry, ModaLisboa builds on the communitarian function (C5), gathering artists and national celebrities from different fields, during and after the official schedule. This, of course, draws media attention and increases the event's reputation, which contributes to a higher score in C2.

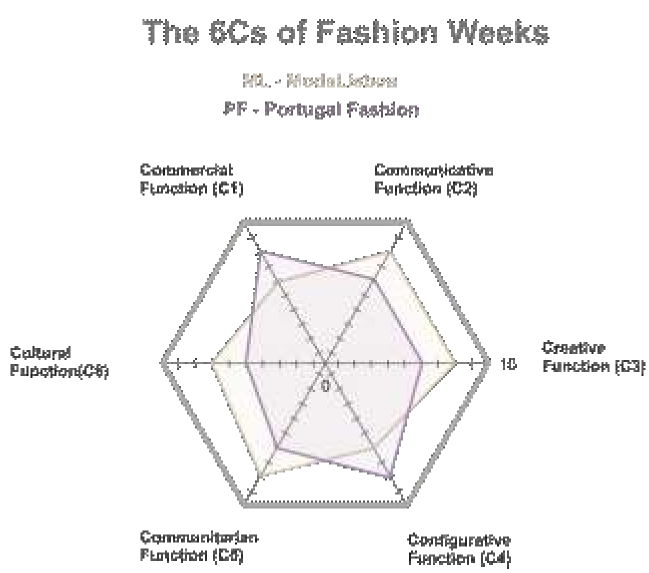

Figure 8 – ModaLisboa and Portugal Fashion's 6Cs polygons

Since the same set of actors, structured in two different configurations, constitutes two different ecosystems (Adner, 2016), the different resulting polygons (Figure 8) illustrate the duality of ecosystems within the Portuguese fashion week model, each with their own value proposition: one advancing the sector through innovation, international exposure and stronger commercial ties (PF), the other strengthening the cultural environment, fostering creativity and the sense of community (ML).

4.1.3. Other actors and activities shaping the ecosystem

The Schools and R&D

Founded in 1981, Modatex (previously known as Citex), was the country's first school providing higher education in fashion and textiles subjects. Headquartered in Porto with delegations in Lisbon, Covilhã, Vila das Aves and Barcelos, Modatex today represents a partnership between several industry associations[22]. Besides superior studies, the formative offer includes technical and executive education, in disciplines ranging from fashion-design, to merchandising and styling; or technical subjects such as confection and modulation. Other universities and schools offer fashion-related courses, such as Fashion-Design in ESAD Matosinhos, Faculdade de Arquitetura in Universidade de Lisboa, Faculdade de Belas Artes, among others.

As for technology and R&D centers, CITEVE provides technological support and services to companies acting in the textile & clothing business. It also hosts an incubator program for new fashion-tech businesses and a technical academy. Additionally, CENIT - "Center for market and strategic intelligence" for the textile, clothing and fashion sector - promotes and brings together private projects and public initiatives, also promoting information sharing, training, events and other specialized services to sector companies. ModaPortugal is a joint project between CENIT and ANIVEC (*Associação Nacional das Indústrias de Vestuário e Confecção*) which aims to promote the Portuguese fashion ecosystem. It does so by conducting promotional events that highlight its key assets, from design to manufacturing, such as ZonaIndustrial, a pop-up concept store in Paris Fashion Week Spring/Summer 2020 or the Fashion Design Competition for young European designers.

[22] The Portuguese Employment Institute (IEFP), ATP, ANIVEC/APIV and ANIL

The Textile Industry (TI)

The Portuguese textile industry (TI) is predominantly located in the North region, which represents 87% of the sector's turnover and 85% of its employment[23]. The principal cities being Porto, Braga, Guimarães and Famalicão, as well as Covilhã (Eastern Portugal) more dedicated to wool products due to the proximity with sheep from Serra da Estrela. In total, 6000 companies currently operate in all sub-sectors of the textile and clothing industry, some of which are vertical units, although most of them are SMEs. Amongst them, several types of producers operate - from small ateliers to larger factories mass producing for big international fashion brands. Furthermore, it is also possible to hire freelance confection services from private seamstresses and tailors.

In the publication "*Visão Prospetiva e Estratégias ITV 2030*", ATP identifies TI's current weaknesses, namely the small size of TI companies, their lack of revenues, liquidity and solvability issues, low productivity, lack of commercial action and digitalization, as well as challenges: capitalization, innovation, sustainability, digitalization, attract and sustain talent, internationalization. To tackle some of these issues, the industry is already going through a transformation and repositioning from low-cost to high quality production, for which the investment in the incorporation of more technology and highly skilled workforce is essential. The result of this shift is reflected in the costs of production, having increased by 30% in the last two years, aggravated by the rise in commodity prices and transportation costs.

Besides the already mentioned ATP, there exist several other TI associations and unions organizing and supporting the sector: Associação Nacional das Indústrias de Vestuário e Confecção (**ANIVEC / APIV**) represents Portuguese apparel manufacturers and distributors within various institutions at national and international levels, such as the State, the CIP, unions and the press. **Cluster Têxtil**, a sectoral support structure whose main objective is to stimulate processes of interaction, articulation, collaboration and information sharing within the economic aggregate itself, or **Associação Selectiva Moda,** which dedicates to TI's internationalization and organizing collective actions to support more than 827 Portuguese companies in thousands of

[23] Latest data available is from 2019.

fairs all over the world. One of the main events organized by Selectiva Moda is Modtissimo, the biggest national trade fair for textiles.

The State

In partnership with the EU, the Portuguese Government provides financial assistance to the national enterprise tissue through nationwide initiatives like COMPETE 2020 or PORTUGAL 2020, or, at a regional level, LISBOA 2020. These programs provide funds directly to SMEs, as well as co-finance projects which prove to be beneficial for the economic activity in question. For the fashion industry, brands can apply to get these aids (according to some interviewees, the process can be quite slow), while industry associations can receive funding to cover part of the costs of their activity. As an example, ModaLisboa was funded with 40% of eligible investment in 2018, while Portugal Fashion costs were covered by 85% in the same year. The next assistance program will be Portugal 2030, with a total budget of 24 182 million euros. Apart from these aids, there is no public entity or program specifically targeted for the sector.

In July of 2022, in an open letter to the government, representatives of ATP and Selectiva Moda complained about substantial cuts in state aids to their associations, adding that projects dating back to 2015 had still not received the full financial help they were due[24].

The Market

One of the oldest and most renowned multi brand stores in Portugal is Loja das Meias. With four physical locations, including Avenida da Liberdade, Lisbon's most famous and expensive avenue, and its own e-commerce, Loja das Meias accounts for a high-level portfolio of international brands such as Dior and Celine. However, besides their private label, Comporta Perfumes is the only Portuguese brand to be sold in its stores at the current moment, and a similar situation occurs at Fashion Clinic and Stivali, two other luxury stockists.

With the aim of providing a sales platform for small independent fashion brands, concept stores such as The Feeting Room, The House of Curated or *Les Filles* gather a portfolio of national and international emerging brands, both in their e-commerce websites and physical stores. Particularly *Les Filles* works to collaborate with designers to create exclusive collections,

[24] Press Release: INCERTEZA NOS APOIOS À INTERNACIONALIZAÇÃO: ATP à procura de respostas para o setor têxtil e vestuário. (2022, July 15). Retrieved from https://atp.pt/wpcontent/uploads/2022/07/PressRelease-Apoios-Internacionalizacao_15.7.22.pdf.

providing them with extra exposure. Nevertheless, most brands in their portfolio is foreign as well. Another type of sales channel are pop-up stores and markets. The latter format has picked up in the last few years, with the wave of small brands arising. Markets like Stylista – pop-up market for local entrepreneurs in the Fashion (Woman, Man, Kids), Decoration, Food and Lifestyle categories - are considered by participating brands as key moments to establish contact with the consumer and gain visibility[25]

In regard to department stores, the most relevant is El Corte Inglés. The Spanish retailer has stores in Lisboa and Porto, selling fashion items from discount brands (for example, the Spanish brand Sfera) to luxury-fashion such as MaxMara and Carolina Herrera, or the Portuguese luxury footwear designer Luís Onofre. As for wholesale, the showroom Showpress is the main platform for designers to attract national and international buyers, working in collaboration with both ModaLisboa and Portugal Fashion.

The Fashion Media

The first international fashion magazine published in Portugal was Elle Magazine in 1988. After 32 years on stands, in 2021, the magazine shut down both its online and print editions claiming "profound changes in the fashion magazine landscape, accelerated by the Covid-19 crisis.". Before that, in 2017, Condé Nast had moved the publication of Vogue PT to the publisher LightHouse (which already ran GQ magazine in Portugal). This profound change of direction, moving from a monthly lifestyle magazine format to a bi-monthly/quarterly publication focused on more editorial content, put the Portuguese edition of Vogue in the international spotlight. For example, its April 2020 edition, with a kissing couple on the cover wearing face masks (an allusion to the Covid-19 pandemic), was named by the Spanish newspaper Milenio as "historic"[26]. Whilst Vogue remains the most relevant publication in the realm of fashion and lifestyle, fashion industry associations also entered the media space, developing niche magazines exclusively dedicated to the Portuguese industry: Prinçipal, a quarterly magazine published by MODAPORTUGAL in partnership with Cenit/Anivec with a full focus on fashion and industry stories, or Portuguese Soul, initially thought by APICCAPS (Portuguese Footwear Association)

[25] According to Stylista's website, each edition of the market hosts around 100 brands and 15 000 visitors.
[26] Full article at: https://www.milenio.com/estilo/vogue-portugal-retrata-crisis-coronavirus-portada-historica

as an ode to the footwear craft, now expanded into a bi-annual luxury magazine, highlighting the best of Portuguese arts and culture.

4.2. Semi-Structured Interviews

From the insights provided by the interviewees during the semi-structured interviews, challenges and opportunities from the perspective of young Portuguese CFBs were driven. The sample accounts for 6 designers, 1 chief executive officer, 1 creative director and 1 executive director, in total representing 8 CFBs. Additionally, through snowball sampling, representatives of the different actors and activities within the ecosystem were contacted and agreed to be interviewed - 1 representative of ModaLisboa, 1 fashion industry specialist, 1 emerging brands specialist. In total, the coding process revealed 251 codes, grouped iteratively until 17 core categories were reached. In the following sections, the categories identified will be split between challenges and opportunities and described using two types of tables. The first explains the definitions of the core categories, providing examples of incorporated codes and an associated quote retrieved from the interviews. The second table provides examples of codes grouped under the core category, the overall frequency of the codes assigned and the number of interviews where the codes were mentioned.

4.2.1. Challenges from the perspective of CFBs

Through the semi-structured interviews, six core categories of challenges could be established (see Tables 4 and 5). Firstly, the Portuguese consumer was named as challenging by every brand (8/8 interviews), in a total of 28 related codes. In particular, the lack of consumer awareness and its low propensity to consume designer pieces were considered structural challenges to the development of CFBs and of the Creative-Fashion industry as a whole, with one participant mentioning that a lot of designers have to find a second job because they don't make enough sales. Secondly, all brands brought up their need for more funds to be able to sustain the business. However, troubles in finding investors and the slow process of obtaining governmental aid were regarded as obstacles to access financing, with the majority of enquiries disclosing that they were never able to obtain external financing. The overall low investment in the sector adds to these concerns. Mentioned in three out of eight interviews, brands showed concern about the future development of the Creative-Fashion industry with the existing low levels of investment in sector initiatives and in improving the educational offer - which was regarded by six brands as not comprehensive enough and too focused on confection rather than concept and creative development. Another challenge identified were the high costs incurred, especially by small CFBs, when it comes to producing in Portuguese factories and ateliers, as well as setting-up costs and rising raw material prices, which results in very low margins. Furthermore, the Portuguese market is regarded as *too small* and not dynamic enough to foster growth and innovation in the sector. Quoting one of the six interviewees who mentioned the Market as a challenge, "(...) *there is a size-limit in Portugal, and, at some point, you have to get out.*". Lastly, finding stockists who are willing to take on lesser-known designer pieces, as well as the high commissions charged by most of them, create a challenge to emerging designers who need exposure to an audience that is generally "unaware" about their work, with codes relating to Wholesale being mentioned 14 times in 5 interviews. For code examples, frequency of codes and the number of interviews that mention the codes refer to Table 4.

CORE CATEGORY	CODE EXAMPLE	FREQUENCY	NUMBER OF INTERVIEWS
CONSUMER	consumer awareness	28	8
FUNDS	no financial support	28	8
MARKET	standard industry too small	26	6
EDUCATION	not creativity oriented	22	6
COSTS	expensive to produce in factories	12	7
INVESTMENT	lack of investment	4	3

Table 4 - Core categories perceived as challenges: Code examples, frequency of codes and number of interviews where codes appear

CORE CATEGORY	EXPLANATION	QUOTE
CONSUMER	Lack of understanding and interest in fashion from the national consumer.	*"The Portuguese consumer still needs to be educated on fashion."*
FUNDS	Difficulty in accessing financing.	*"(...)State funds helped a lot but the process was very slow."*
MARKET	Small country with low demand.	*"In Portugal there is a ceilling."*
EDUCATION	Schools with very technical offer and lack of business education.	*"Every degree should have a course on entrepreneurship."*
COSTS	High costs of manufacturing and stockists.	*"(...) a lot of designers quit because costs are too high."*
INVESTMENT	Low investment in the sector.	*"There is not much investment in fashion nor in education."*

Table 5 - Core categories perceived as challenges: Explanation and example quotes

4.2.2. Opportunities from the perspective of CFBs

In total, six core categories were formulated out of the interviewees' perspectives on ecosystem opportunities, which can be found in Table 7 with an explanation of the category and an example quotation. The core category with the highest frequency of codes was *New Mindset*. In spite of the still low awareness of the Portuguese consumer towards Creative-Fashion, the new concerns for sustainability and product origin can represent an opportunity for the industry to attract new demand. Furthermore, the new entrepreneurial wave - leading to the surge of numerous new fashion brands, as well as the new positioning of textile producers were all mentioned as opportunities and classified under the *New Mindset* core category. *Industry Initiatives*, namely young designer competitions and international showcases, were regarded by six of the interviewed brands as an opportunity to gain visibility and enter the sector. Regarding competitions, the prizes were considered motivating towards participation, but the impact of participation for non-winners was mostly evaluated as non-significant. The country's *Tradition* within textile manufacturing was brought about by seven brands, who considered the country's history and ancientry in textiles as source of inspiration and an opportunity to build an identity.

Thirdly, some interviewees pointed out that the proximity between industry actors, particularly with suppliers, allows for closer relationships amongst them and facilitates operations. One designer mentioned that being closer to suppliers and to the consumer allowed her to implement an *on-demand* business model. The growing artistic community is also regarded as an opportunity for cooperation and collaboration between brands and artists, with the core category

Community being mentioned by half of the interviewees. Finally, *Arts and Culture* are considered as sources for inspiration and exclusivity. Concretely, the incorporation of Portuguese history and symbols within the lines of collections is seen as a way to strengthen the national fashion identity.

CORE CATEGORY	CODE EXAMPLE	FREQUENCY	NUMBER OF INTERVIEWS
NEW MINDSET	entrepreneurial vibe	20	7
INDUSTRY INITIATIVES	visibility	17	6
TRADITION	artisanship	15	7
PROXIMITY	proximity with raw materials	9	4
COMMUNITY	peer collaboration	7	4
ART&CULTURE	associated with art	6	3

Table 6 - Core categories perceived as opportunities: Code examples, frequency of codes and number of interviews where codes appear

CORE CATEGORY	EXPLANATION	QUOTE
NEW MINDSET	New consumption habits and industry practices.	*"When I started, no one was buying sustainable pieces, but that is changing (...)".*
INDUSTRY INITIATIVES	Competitions and international initiatives.	*"ModaLisboa is a big window (...)"*
TRADITION	Recognized value of tradition and *savoir-faire* in confection.	*""Made in Portugal" is in vogue (...)"*
PROXIMITY	Stronger relationships with suppliers and more control over production.	*"Easy to produce on demand with close-by ateliers."*
COMMUNITY	Growing sense of community and collaboration.	*"The new generation of designers is more united and willing to cooperate."*
ART&CULTURE	Relevance of arts and culture for inspiration and to build an identity.	*"Art is a stand-out factor, it brings exclusivity."*

Table 7 - Core categories perceived as opportunities: Explanation and example quotes

4.2.3. Ambiguous Core Categories

CORE CATEGORY	CODE EXAMPLE	FREQUENCY	NUMBER OF INTERVIEWS
TEXTILE INDUSTRY	strong TI	46	8
SUSTAINABILITY	upcycling	27	6
INTERNATIONAL MARKET	more opportunities	23	7
LUXURY	no luxury tradition	12	5

Table 8 - Ambiguous core categories: Code examples, frequency of codes and number of interviews where codes appear

CORE CATEGORY	EXPLANATION	QUOTE
TEXTILE INDUSTRY	Quality and proximity of TI are valuable but it is difficult to access it.	*"The textile industry is very strong."; "Factories are not available."*
SUSTAINABILITY	Growing interest in sustainability but it is not considered a differentiating factor.	*"Sustainability is important (...)"; "(...) I don't communicate it [sustainable efforts]"*
INTERNATIONAL MARKET	International market has more opportunities but it is not an objective for all brands.	*"(...)I didn't know that the gap was so big!"; "For now it is not a priority to go abroad."*
LUXURY	Capacity to produce high quality luxury products but not the positioning of mosts brands.	*"We produce luxury but we don't consume it."; "I don't want to position as luxury."*

Table 9 - Ambiguous core categories: Explanation and example quotes

The semi-structured interview process revealed some ambiguity regarding specific topics. More concretely, four core categories were considered both a challenge and an opportunity by different brands, sometimes with conflicting views from the same interviewee.

The *Textile Industry* was the most ambiguous core category, registering the highest frequency of associated codes (46 in total). Examples of identified codes are “Strong TI” and “No production capacity”, which reflect the two main types of discourse around the TI: the high quality and proximity of suppliers, and the barriers to access them, particularly for small brands with low volume orders. The second ambiguous core category was S*ustainability*, mentioned in six out of the eight interviews. The majority of brands who mentioned sustainability during the interviews claims to have sustainability concerns and to implement sustainable practices within their operations (“*All pieces are made by hand from deadstock fabrics (...)*”, said one designer). However, not all of them choose to communicate it, stating that being sustainable is a “*personal preference*”, not a “*marketing tool*”. Furthermore, one brand who positions itself as “sustainable” claimed that sustainability was not the main driver for its national sales, and that the international consumer was still more aware towards environmental issues. The International Market was also approached with conflicting views. On the one hand, brands see the international fashion scene in good light, and want to be recognized and sell abroad. On the other hand, selling internationally is seen almost as inevitable to overcome the domestic market deficiencies *("(...) at some point you have to get out*!"). This not only concerns sales but also the overall fashion business, with a great number of designers choosing to study abroad as they felt it would bring them more job opportunities.

Even though less recurrent (only mentioned in 5 interviews and with almost half of the recurrency of International Markets), Luxury could also be considered an ambiguous core category. The duality within this topic lies in the nature of luxury in Portugal. A few designers argue that their product could be considered luxury for its quality and exclusivity, but the "price" factor is a challenge ("*I cannot raise prices because there is no audience for that*."), with the lack of tradition for luxury and purchasing power being appointed as some of the causes for the low willingness to buy these products from the Portuguese consumer.

4.2.4. Insights from industry specialists

CORE CATEGORY	EXPLANATION	QUOTE
IDENTITY	Having a strong message and clear identity is essential to build a name.	*"What is making these brands emerge is their quite bold and strong message (...)"*
BUSINESS	Go beyond just the creative process and act on a business level.	*"Some of the designers creating brands today have no notion about the fashion business."*
GLOBAL	Start locally with a global mindset based on common societal values.	*"When you convey a relevant message, it really goes beyond borders."*
CREATIVITY	Rethink creativity to reflect modern society.	*"Today being creative is not just designing a crazy thing(...)"*
TECHNOLOGY	Use technology and digital platforms to innovate and grow the target community.	*"[brands] need to find the mix of modernity and tradition, innovation, and technology."*

Table 10 - Core categories of CSFs: Explanation and example quotes

Through convenience sampling, three industry specialists were contacted and agreed to be interviewed. These specialists cover the three main dimensions of the Creative-Fashion ecosystem: CFBs (represented by an emerging brand specialist), FWs (in the person of ModaLisboa's representative), and the ecosystem (embodied by a fashion industry specialist). Additionally, to cover both ecosystem structures, Portugal Fashion was contacted and agreed to participate in the study, however, due to time constraints, it was not possible to conduct the interview. The aim of these interviews was to understand the critical success factors (CSF) for CFBs and how they can overcome challenges to achieve success. Throughout the interviews, five CSF were identified by the specialists, illustrated in Table 10.

Firstly, having a unique *Identity* and a strong message that is differentiating from the established brands is seen as a means to gain space in the market and attract interest from the consumer. Their message should therefore reflect societal changes and values, in such a way that the under-represented consumer develops an emotional bond and becomes an "ambassador" for the brand. This characteristic becomes especially important in a country like Portugal where the consumer shows a generalized disinterest for fashion (uncovered during the interview process) but may be willing to pay a higher price for the emotional value attached to the brand. One of the challenges of emerging brands is how to grow in volume and awareness without losing this identity that defines them. In order to do so, specialists consider it essential to have a *Business* mindset and to know *how* and *when* to activate all the different tools surrounding them, from sales to supply chain and distribution channels. Furthermore, Portuguese CFBs need to think beyond the country's borders, not necessarily by opening a large network of international stores, but aiming to build a *Global* community based on shared values. *Technology* can be an enabler for this growth, with the widespread adoption of social media facilitating the sharing of ideas and information. According to one specialist, brands with the highest digital agility will be the ones "*ahead of the curve*".

Lastly, *Creativity* is considered a CSF for these brands, whose activity is centered around cultural and artistic values, but specialists advise CFBs to use it in a strategic way. "*Creativity today is a reflection of modern society, not anymore about creating a crazy thing!*" – brands should be sensitive towards the social and political context and use creativity to make a stance through their collections.

Still, remaining grounded in the country's roots is important when there are internal opportunities to leverage on. The first one mentioned by all specialists is the availability of a highly skilled textile industry, which not only delivers quality and high-value products, but also allows for a higher degree of creativity and experimentation in production. The second is to take advantage of the growing international visibility and notoriety of the country. Before, using country references and symbols could be considered "outdated" or "folkloric", but now "*Portugal has turned into* *something quite cool.*", and CFBs should try to build on that narrative in a way that is relevant today.

5. Discussion

5.1 Analysis of the Portuguese Creative-Fashion industry

1. One model, two ecosystems

The existence of two fashion weeks and two fashion capitals reflects the polarization within the fashion industry of *business vs creation.* In the north of Portugal, from its geographical proximity with the textile industry, a greater emphasis is placed on the *business of fashion*, with a large number of fashion groups having their headquarters located in the region (such as Zeitreel or the Lanidor Group). This is also reflected in the schools, with Modatex and ESAD in Matosinhos being recognized as the best fashion-design schools in the country, but often criticized for their overly technical approach, which leaves little room for young designers to explore their creative side and build a true identity and narrative. Lastly, Portugal Fashion's mission to drive the industry forward and develop its competitiveness, both on a national and on an international level, is considered a key opportunity for the industry, with initiatives like the partnership with the Parisian tradeshow Tranoï being regarded by interviewees as a "*turning point"* to achieve international notoriety.

On the other hand, the increased cultural dimension and activities in the country's capital city, enhanced by the wave of tourists and expatriates arriving to the city in the last years, turned Lisbon into a true pole for arts and culture, inspiring artists from different areas to cooperate with each other and build a cohesive artistic community. ModaLisboa becomes, therefore, a show of creative talent, both from established designers and from emerging ones, but with very few initiatives to support and project young CFBs on an international level. Nevertheless, it relies on its larger reputation and visibility to push designers into the spotlight, with participants naming it as a "*big window*" to attract national buyers, media attention and to forge networking contacts.

As mentioned in the Results section (Section 4), the different priorities attributed by both FWs to their six functions creates a double-ecosystem model (Figure 9) with direct implications for CFBs and for the Creative-Fashion industry.

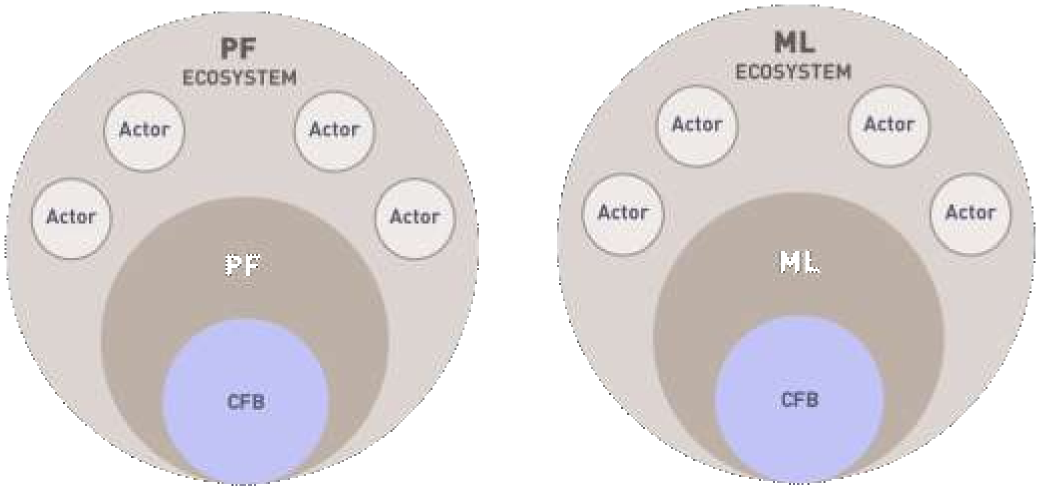

Figure 9 – The Portuguese Double-Ecosystem model

For CFBs, young designers' competitions like Sangue Novo and Bloom are the entry door to the Creative-Fashion industry. This not only makes them heavily dependent on FWs, but also creates a discrepancy between brands in the two ecosystems, who will be stimulated in different ways and be subject to the closed set of actors surrounding the FW they participate in. In this setting, brands that are more consumer-driven and are looking for help commercializing their collections will benefit from the prioritization given to the commercial function of PF and its close ties with the TI. On the contrary, creativity-driven brands looking for a platform to gain visibility and share their creative vision will benefit more from the exposure provided by ML.

As for the remaining ecosystem actors, the misalignment of value propositions, as well as schedules, creates two cadencies in the industry (due to their FCE status), enhancing the already existing fragmentation in the system. This constitutes a barrier towards the cooperation between actors, one of the foundations and key competitiveness factors of ecosystems.

2. The small market ceiling

A recurrent topic arising during the interviews was the "small Portuguese market", often being referred to as a "ceiling" to growth. This is a common discourse for the Portuguese citizen, whose feelings towards national accomplishments in specific areas and national pride are often low (Smith, 2006).

The term by itself is ambiguous, and, depending on the context in which it is used, can have several meanings: in economic terms, the size of the market has direct implications on demand for these brands - to effectively grow, they would have to rely on international consumers; furthermore, small economies can be associated with low domestic savings (Lederman & Lesniak, 2017), which, in the long-run, hinders foreign investment and economic growth (Aghion *et al.*, 2006). On the other hand, making the parallelism between "small country" and "small-minded", the small country narrative can be interpreted as a low degree of open-mindedness of Portuguese society. More concretely, the lack of design and fashion culture translates into an "alienation" of the average consumer to CFBs, and, in the extreme, to a refusal of their work for not corresponding to their often more conservative aesthetic codes. This alienation also extends to the production side, causing issues of communication between the designer and the supplier who is not familiar with creative discourse (Grilo, 2022).

Nevertheless, the geographical size of the country can also play to its advantage. When it comes to innovation, small countries possess *behavioral advantages* facing larger economies: more entrepreneurial dynamism, greater internal flexibility, and responsiveness to changing circumstances (Davenport & Bibby, 1999). Furthermore, the closer proximity between ecosystem actors promotes communication and information sharing, as well as greater control over productions, lower transportation costs and lower lead-times. Ultimately, it represents an opportunity to strengthen the ties between ecosystem actors and build a stronger, more cooperative and cohesive fashion community.

3. Saturated Textile Industry

The strengths of the textile industry lie in its dimension, quality of confection and materials, as well as its responsiveness and agility (ATP, 2021). The growth of the sportswear apparel category due to the post-pandemic reorganization of work practices and increased health (Mckinsey, 2021), together with the long-standing dominance of the fast-fashion industry, are increasing foreign interest in Portuguese manufacturing. Even after the strategy re-shifting of the TI towards a higher-quality positioning (and, consequently, costlier), the longtime partnership agreements with global fast-fashion players such as Inditex still prevailed over new customers[27].

[27] Claim made by one of the specialists during the interview.

The low capacity of the industry, saturated by the orders of big market players and struggling to meet demand, poses a challenge for CFBs to negotiate with suppliers. With a production system adapted to the larger order size and working at full capacity, manufacturers impose minimum order quantities and higher prices for additional clients. In this negotiation, they have the bargaining power, as often small brands do not gather enough demand or financial means to reach the minimum order requirements. This forces CFBs to either produce their pieces in smaller ateliers for a higher unit cost, or not produce at all.

Nevertheless, it was also mentioned by brands that it is still less costly to produce their pieces in Portugal when compared to overseas. Particularly at a time where commodity prices are skyrocketing (Kent, 2022), together with transportation costs, producing locally creates a comparative advantage for Portuguese brands facing international competitors.

4. "Designed in Portugal" remains unbranded

In a recent interview, Rui Miguel Nabeiro, CEO of Delta Cafés, claimed that "We [Portugal] are an industrial country, but we do not have brands", adding that the country exports high quality goods whose value increases by 10 times after being branded by foreign brands (Nabeiro, 2022).

While there are no statistics to confirm these values for the fashion industry, it was consensual during the interviews performed that Portuguese fashion-design is undervalued and lacks recognition.

The fact that Portuguese brands like Marques'Almeida or Ernest W. Baker are being internationally recognized for their designs: the first winning the LVMH prize in 2015, and the latter being short-listed for the same award in 2018, as well as being worn by the likes of Harry Styles, Justin Bieber and ASAP Rocky in their music videos, prove that Portuguese designers have a place in the fashion scene and are able to deliver relevant and high quality collections. However, products have both tangible and intangible value (Madden, 2006) and finding the intangible meaning attached to their identity is key to the success and future growth of brands (Ross, 2021). Here is where the great advantage of challenger brands lies: they are able to grasp the commonalities between them and the customer and build a strong brand storytelling based on these shared values. Portuguese tradition and symbols could represent an opportunity to develop the "Designed in Portugal" label. Outside of the fashion realm, brands like Bordallo Pinheiro, famous for their fruit-shaped service platters, or Claus Porto, a soap brand whose packaging resembles typical Portuguese tiles, are examples of how brands can build an identity around national symbols to become international cult items and have commercial success[28]. In addition, collaborations with artists from other fields can also be a way to highlight the different aspects of Portuguese culture and engage in cross-innovation[29]. In 2020, in an interview with Vogue PT, the designer Nuno Baltazar announced a new project called NUNO BALTAZAR Co.LAB*, which aimed to leverage various collaborations between fashion-designers, illustrators or other artists in multi-disciplinary projects. Nevertheless, there is no evidence that the project remains active to the day of this dissertation writing. This type of short-lived initiative is another symptom of the malfunction of the Portuguese ecosystem for which the lack of business skills might be the root cause. As uncovered during the interviews, a great deal of designers is forced to quit just after a couple of years in activity because they either can bear the costs of production or just do not make enough sales. In a way, designers are incentivized to start their brands just after finishing education (being a fresh graduate from a fashion-design degree is a requirement to participate in the existing young designers competitions), and, at the same time, the education system does not provide them with the tools to succeed in the reality of business ("(...) *they tell us that, because we are talented, we can achieve success, but they don't prepare us for the real world*").[30]

5. Need for capitalization

Based on the research findings, there are two moments where capital is key: the initial investment into building the brand and the later investment in building capacity. Regarding the first moment, even if their first collection is done in the context of an end-of-studies presentation or for a competition, designers normally bear the costs of production (having just finished school and most of them receiving no income). In fact, it was also found that the majority of brands fully financed their businesses, without external investors or institutional help. With this large initial investment, brands are left with very few capital reserves, subsisting on a seasonal basis. As a result, their capital structures are usually very volatile and unstable. In Portugal, this situation is

[28] While Bordallo Pinheiro accounts with two physical stores in Paris and is sold at MatchesFashion and Arket Store, Claus Porto is present in over 60 countries, in department stores such as Liberty London, Le Bon Marché in Paris, and 10 Corso Como Xangai and Seul (Gonçalves, 2018).
[29] Process by which creative industries share information, collaborate and work with other growth sectors to promote new thinking, innovative products and services (Cross Innovation, 2022).
[30] In international schools such as Central Saint Martins in London, besides business courses, it is mandatory to do an internship or a practical project in order to graduate, which is not the case for all fashion-design degrees in Portugal (according to interviewed ex-students).

aggravated by the low-income[31] economy and the low level of sales for fashion-design items, which scares away investors who could offer designers a financial safety net.

For a young designer, competitions can represent a turning point in their career, not only for the visibility and exposure gained, but also for the prizes they receive. Making a comparison with France, the winner of the LVMH prize receives 300 thousand euros to start their business, while the monetary prize for Sangue Novo and Bloom is 100 times less (3 thousand euros to develop two collections). Furthermore, the fact that there are no industry-specific institutional bodies or support programs poses an extra challenge. Continuing the parallelism with France, the Défi is an entity whose goal is to provide financial aid for the fashion sector. To do so, they created a specific tax that only industry companies have to pay, whose revenue is then redirected within the sector itself. This redistribution of income, when done by an inside entity, allows for capital to be injected in a strategic way, where the sector as a whole will benefit the most from. Besides, it also provides a strategic vision for the industry and a concrete action plan to achieve it.

6. *The distribution trap*

For the success of CFBs, two vectors are necessary: brand awareness and a good distribution strategy. In fact the two are indissociable from each other, as you cannot build awareness without distribution, and vice-versa. In Portugal the lack of specialized retail willing to have emerging brands in their catalog definitely poses a challenge on the distribution side. The high commissions charged by these stockists lead CFBs to forego this distribution channel and focus on a DTC strategy. However, for these young and still unknown brands, they need the exposure provided by stockists to be able to sell. A similar situation happens with the existing fashion media, which is essential to build awareness. Online platforms play their part on sharing news, but they are mostly generalist platforms focused on several different subjects. When it comes to print issues, specialized publications are hard to find in common magazine stores and other lifestyle magazines such as Vogue are becoming too expensive for the average Portuguese consumer (10 euros per magazine). Nonetheless, its rebranding efforts are attracting international attention, but not because they highlight Portuguese culture. On the contrary, the magazine hardly shows national personalities on their portrait covers, and the title word is usually in english.

[31] According to the OECD, Portugal is amongst the ten European countries with lowest gross average salary, with a yearly value of 28 410 dollars in 2020, compared to 45 581dollars in France.

5.2 Challenges and Opportunities for CFBs

The second set of research questions was related to deriving the Challenges and Opportunities for the growth of CFBs. Based on the desktop research conducted and results obtained from the semi-structured interviews, the following were concluded to be the six main challenges and six main opportunities for CFBs in the Portuguese ecosystem:

Challenges:

1. High dependency on FW model
2. Low demand and consumer awareness
3. Uncapitalized firms unable to access financing
4. Unexperienced designers lacking business skills
5. No specific governmental support
6. Lack of specialized retailers and media

Opportunities:

1. Proximity of suppliers and materials
2. Reputation of "Made in Portugal"
3. Growing number of international initiatives
4. Consumer mindset shift
5. Strong artistic community
6. Cooperation between new generation of designers

5.3 Reflections on the research findings

In an article published by Forbes in 2018, Declan Eytan asked: "*Is Portugal the next fashion capital of the world?*". At the time, the columnist affirmed that the country gathered all that was necessary to join the fashion conversation: a newly relaunched Vogue magazine, world renowned models, a textile industry filled with luxury orders, and being the home of the founder of a global luxury e-tail platform that could take Portuguese designs into the four corners of the world. A few years later, the question still remains largely answered, but hopefully this research was able to provide some clarifications regarding the Portuguese Creative-Fashion industry's current state of affairs, together with the challenges it faces, and which opportunities brands can seize to put Portugal on the fashion world map.

Like Portugal, the Belgian region of Flanders was once known mostly as a textile potency. This position has since changed, and the region - particularly its capital city, Antwerp - is now recognized as one of the world's fashion capitals. The case of Flanders makes for an interesting comparison with the Portuguese situation, due to their similarities in size, commercial history and cultural influences. Having been one of the most important seaports in the Middle Ages, just like Portugal, Flanders is today a center for textile production and garment manufacturing, generating a turnover in 2019 of 4,3 billion euros and employing around 19 thousand people across more than 600 entities[32] - values that greatly approximate the statistics for Portugal. Nonetheless, beyond a great textile cluster, Antwerp is also the home of a very diversified pool of fashion designers, from the established "Antwerp 6" [33], to young emerging talent. According to Newell-Hanson, the small size of the region enhanced collaboration, as well as competition between young designers, enabling the "Diamond city"[34] to become a capital for intellectual and unconventional fashion. In addition, the Royal Academy of Fine Arts, school of Martin Margiela, also played an important role in talent development and building the industry's identity, rooted in tradition and craftsmanship (Flamée, 2022). But the ultimate advantage of Flanders lies in the conversion of its mercantile and artistic communities into the region's social life, which Newell-Hanson (2020) calls "historic" and hard to recreate somewhere else. This venture between business and culture seems to be the missing element for Portugal to follow the footsteps of Flanders, which constitutes further evidence of the need for unity and cooperation between the two ecosystems. The great creative potential of Portuguese fashion-designers is almost consensual (Coutinho, 2022; Eytan, 2018; Neto, 2022) but the proven fragmentation of the industry, together with the lack of financial resources, difficulties in distribution and communication and generalized absence of strong brands, possibly arising from the inexperience and insufficient business education of designers, are stopping Portuguese brands to thrive both nationally and internationally.

5.4 Recommendations for CFBs

At firm-level there is a need to move away from a "one-man show" type of organization - instead of having the designer assuming the managerial, the operational and the creative direction of the

[32] Data retrieved from: https://www.flandersinvestmentandtrade.com/invest/en/sectors/textile/textile-ecosystem

[33] Antwerp Six – Dries Van Noten, Ann Demeulemeester, Dirk van Saene, Walter Van Beirendonck, Dirk Bikkembergs and Marina Yee.

[34] Antwerp is often called "Diamond city" as it is the home to many major diamond mining companies, sourcing diamonds to all over the globe.

brand, these roles should be taken by qualified and skilled individuals, *building multidisciplinary teams* in order to run a sustainable business. Secondly, CFBs should *define clear objectives* and make a concrete plan to achieve them - despite controversy in the literature regarding this subject, having an action plan helps brands to not steer away from their goals, whether these are becoming a world-renowned designer-brand or simply building a small circle of like-minded followers. *Shorten the "experimentation phase"* - it can take some time for designers to find a "winning formula", but, once they do, they should maintain it to build consistency and develop an aesthetic that they can be identified for. *Change mindset* and move from "we are stuck" to "the world is our oyster" type of argument, taking local traditions and cultural values to a global audience. Furthermore, *improving communication* is essential to raise awareness for their work - leveraging on digital platforms proves thus crucial, as well as knowing their customer and adjusting the type of communication accordingly. *Become community-driven* - this does not mean that CFBs lose their identity in order to meet consumers' demand, but rather that they understand the consumer and find the shared values that, when effectively communicated, will drive them to become brand ambassadors and build a community.

It should be acknowledged that most of the above-mentioned recommendations are subject to capital availability and to external stakeholders collaboration. With the latter being particularly difficult to achieve in a structurally bipartite ecosystem model such as the Portuguese one, and even more so when CFBs rely on FWs as a platform to exchange with the remaining ecosystem actors.

5.5 A new model

There is an urgency for aggregation and collaboration in the Portuguese Creative-Fashion industry, but will associations take this initiative? Are there common topics or connections between them to move forward together? Once again, the research findings cannot provide answers to these questions, nonetheless, two things are known from the literature: the main principles of ecosystems are cooperation and adaptation, and an ecosystem is centered around a value proposition and bounded by the corresponding structure (Adner, 2016).

The solution could therefore be to *change the structure* in which CFBs are inserted, by creating an independent entity that would work both as an aggregator and an accelerator for these brands and remove their dependency from the current FW model. In this new framework, conceptualized in Figure 10, the *aggregator* becomes the new interlocutor for CFBs, and both ML and PF (represented by the respective organizing associations), simply become actors within the CFB's ecosystem.

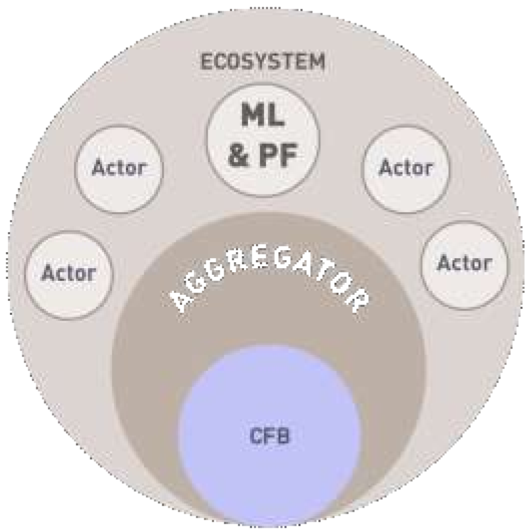

Figure 10 – New Creative-Fashion model with a single aggregator entity as structure

A similar exercise was undertaken in Flenders, when three design institutions merged under a single umbrella association whose objective was to stimulate and support entrepreneurship in the creative industries[35].

Other success cases around the world like the brand accelerator Tomorrow or Dover Street Market, which helped brands such as Coperni and A-Cold-Wall to rise to the spotlight, and are now themselves widely recognized names in the fashion industry, further sustain the argument that this type of model can work. The question then lies on who could initiate this change and which type of entity could be more suited for the Portuguese ecosystem[36].

Regardless of the final outcome, the objectives of such organization would be to promote information sharing and cooperation within industry players, act as interlocutor with governmental institutions and external stakeholders, facilitate access to financing, and provide mentorship as well as business advice. Furthermore, gathering several small CFBs together

[35] In 2017, Design Flanders, Flanders Fashion Institute and Flanders DC joined forces and merged into one organization: Flanders DC.

[36] Formats could range from brand incubator, accelerator, or conglomerate, if the entity is privately held, to building a consortium or new association of fashion-designers.

would allow them to access services and suppliers that could not be reached when separate, benefiting from scale to reduce unit costs.

6. Conclusion

Focusing on Creative-Fashion Brands as main drivers for innovation and growth of the sector, and, consequently, notoriety, it was possible to uncover the challenges CFBs go through in order to sustain their businesses. Firstly, there is a high dependency on industry initiatives, particularly on fashion weeks, as platforms for visibility and networking. Secondly, and the most common challenge arising in the interviews, there is low demand and awareness from the Portuguese consumer. Thirdly, the low-income economy and lack of investors or other means of financing create capital and solvability issues, stopping these uncapitalized micro-sized firms from being able to invest in capacity and grow their businesses (sometimes not even allowing them to cover for their daily operations). In addition, most designers' first attempt at starting their label occurs just after graduating from university, without experience in the fashion business world. Furthermore, the lack of industry-specific support initiatives from governmental institutions creates extra complications in two axes: the process of obtaining governmental aid is longer and more complicated, and the absence of a clear strategic vision and action plan for the sector. Lastly, their capacity to build brand awareness and obtain local reach is greatly affected by the lack of specialized media and unavailability from retailers to host emerging designer labels in their portfolio.

According to the research findings, in the backdrop of these challenges, are several structural deficiencies of the Portuguese ecosystem. To start with, when speaking of the Creative-Fashion industry, it was found that it should be referred to as a double-ecosystem model, instead of a single ecosystem. This polarization between the north of the country and its capital creates a great discrepancy between the brands and designers within each of the ecosystems. Furthermore, the clear separation between the two fashion weeks and respective organizing entities poses a barrier towards cooperation and unity of the sector, which are critical towards building competitiveness and strong branding of fashion-design in Portugal.

The small size of the country and of the fashion market forces designers to look for opportunities abroad, both in terms of education and professional experience, as well as expanding their brand's operations overseas. In order to do this, brands need both a good communication strategy, leveraging the right means, but also to invest in capacity to meet the demand of international consumers. None of these is possible without a business plan and a solid capital structure, two of the most pressing challenges that CFBs face.

The textile industry could be a lever towards quality capacity building, nevertheless, designers feel there is a barrier from textile companies when it comes to accepting orders from small producers, as they are already flooded with the demand from large multinational fashion brands. Producing in-house or in small ateliers becomes thus the solution, but high unit costs and lower capacity don't allow for growth.

Unable to effectively grow and individually project themselves to an international audience, the strategy should therefore start from within, in a joint effort to strengthen and showcase Portuguese talent and legacy.

The elevated reputation of the country as a clothing manufacturer and value attributed to the "Made in Portugal" tag already constitutes a first step towards achieving this goal. Additionally, the proximity between ecosystem actors - suppliers, brands, artists, consumers, etc. - is an opportunity to foster cooperation between them and shorten the distance between the industry and the end-consumer. This cooperation is already visible between the brands themselves and with the growing artistic community, particularly in the younger generations of designers[37].

Moreover, the possibility of overseeing production from up close and forge closer ties with producers allows for greater agility and creativity in operational models and materials used - which provides Portuguese brands with a comparative advantage versus foreign ones who have to perform larger investments in nearshoring initiatives to achieve the same kind of flexibility in production (Lectra, 2022). From the consumer's point of view, whose mindset is shifting to become increasingly more emotional and look for stronger connections, having brands who feel closer and share the same values is an important purchase and loyalty driver (Jones, 2021).

Notwithstanding, international recognition is still one of the most important factors for the competitiveness of the sector, and the increasing number of international initiatives, either at the

[37] Gonçalo Peixoto, for example, often collaborates with celebrities or with other Portuguese brands such as Nyos Swimwear or Decenio.

institutional level, such as Portugal's representation at the European Fashion Alliance, or at industry level, of which the partnership between Tranoï and Portugal Fashion is a relevant example, represent key opportunities for Portuguese fashion-design to leave its peripheral status and mark its place in the international Creative-Fashion scene.

According to the specialists, CFBs possess the necessary characteristics to be enablers for this change, as long as they are able to activate all ecosystem mechanisms in a timely fashion. Having a strong and clear identity, based on societal values, and creatively communicating this message through their collections and branding are two CSFs for these brands. Furthermore, achieving the right balance between brand awareness and an effective distribution strategy is considered essential for reaching a successful level of notoriety and sales. In this sense, having both a strong business mindset and digital maturity are also considered CSFs. Lastly, due to their proximity with the local communities, CFBs' identity is usually embedded in local culture and values. Communicating to their niche is a priority, but their goal should be to enlarge this community to a global scale by finding the commonalities between their message and the modern society.

As one interviewee pointed out - "*The reason why we talk about a "fashion ecosystem" is because you cannot do this business alone*.". Emerging brands, in particular, need to be supported during the initial stages, guided by an entity that is aggregating and that promotes connections within the ecosystem. This will allow them to focus on their core strengths: fashion-design and community building.

Despite a history marked by constant influences, and even imitation, of foreign practices and symbols, the return to roots is evident in the Portuguese Creative-Fashion scene. It's not just the tag "Made in Portugal" that is in vogue, words like "portugalidade" and "saudade" echo in the collections presented by CFBs, but fixing the structural separations, uniting culture with business, is imperative to build a cohesive and differentiating identity for Portuguese design, from within to the world. Only then can a true innovation ecosystem prevail, based on cooperation, creativity, and *driven by design*.

7. Future research

As mentioned in the Methodology section, the time constraints and limited availability of concrete data for the Creative-Fashion industry restricted the extent of detail this research could provide. In this sense, using the Creative-Fashion ecosystem framework, future research could be conducted with a more in-depth focus on FWs, measuring their impact on CFBs and on the Portuguese ecosystem in general.

Furthermore, the ambiguous categories found could also be object of further studies. Particularly luxury, to characterize the luxury-fashion market in Portugal and understand whether it represents an opportunity for the fashion industry or not.

Appendix: Imagery of Portuguese fashion brands

Images were retrieved from each brand's own website.

The researcher does not own the right to any of the images below.

Behén

Constança Entrudo

Cravo Studios

Ernest W. Baker

- 119 -

Gonçalo Peixoto

Huarte

Majatu.Studio

Luís Buchinho

Luís Carvalho

Maria Clara

Maria Gambina

Miguel Vieira

Marques'Almeida

Oh Monday!

Reference list

Abecassis-Moedas, C. (2020). *O papel do design na inovação*. Universidade Católica Editora.

Abecassis- Moedas, C., BenMahmoud- Jouini, S., Manceau, D., & Pereira, J. (2021). Imprinting of founders' entrepreneurial motivations on enterprises' practices and processes: The context of creative industries. *Creativity and Innovation Management*, *30*(1), 182-197. https://doi.org/10.1111/caim.12421

Adner, R. (2006). Match your innovation strategy to your innovation ecosystem. *Harvard Business Review, 84*(4), 98-107.

Adner, R. (2016). Ecosystem as structure. *Journal of Management*, *43*(1), 39–58. https://doi.org/10.1177/0149206316678451

Adner, R., & Kapoor, R. (2010). Value creation in innovation ecosystems: How the structure of technological interdependence affects firm performance in New Technology Generations. *Strategic Management Journal*, *31*(3), 306–333. https://doi.org/10.1002/smj.821

Aghion, P., Comin, D., Howitt, P. (2006). When does domestic saving matter for economic growth? https://doi.org/10.3386/w12275

Andrade, S. (2020). *O Futuro Da Moda Nacional | 560 é o Novo 1... 2... 3...* Retrieved from : https://www.vogue.pt/futuro-da-moda-nacional.

ATP. (2019). Who we are. ATP. Retrieved from https://atp.pt/en/who-we-are/

ATP. (2021). *Visão Prospetiva e Estratégias ITV 2030*. Retrieved from https://atp.pt/wp-content/uploads/2021/07/Estudo-2030-digital.pdf

ATP. (2022). *O MELHOR ANO DE SEMPRE DAS EXPORTAÇÕES TÊXTEIS E VESTUÁRIO*. Retrieved from https://atp.pt/wp-content/uploads/2022/02/PressRelease-Exportacoes-da-ITV-2021_9.2.22.pdf

Auger, P. (2008). Managing creativity: synthesis and issues at stake in scientific research. IFM. Retrieved from https://d2mulcrgfv1yq5.cloudfront.net/documents/Managing-Creativity-P.-Auger-June-2008.pdf.

Barthier, D. (2014). *Paris capitale de la mode Construction de savoir-faire et remise en question du mythe de la Ville-Lumière* (dissertation). Retrieved August 23, 2022, from https://www.academia.edu/40442627/Paris_capitale_de_la_mode_Construction_de_savoir_faire_et_remise_en_question_du_mythe_de_la_Ville_Lumi%C3%A8re

Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. Qualitative Research in Psychology, 3, 77–101. http://dx.doi.org/10.1191/1478088706qp063oa

Braun, V., & Clarke, V. (2012). Thematic analysis. In H. Cooper, P. M. Camic, D. L. Long, A. T. Panter, D. Rindskopf, & K. J. Sher (Eds.), APA handbook of research methods in psychology, Vol. 2. Research designs: Quantitative, qualitative, neuropsychological, and biological (pp. 57–71). American Psychological Association. https://www.researchgate.net/publication/269930410_Thematic_analysis

Brydges, T., & Pugh, R. (2021). Coming into fashion: Expanding the entrepreneurial ecosystem concept to the creative industries through a toronto case study. *The Canadian Geographer / Le Géographe Canadien*, *65*(3), 346–367. https://doi.org/10.1111/cag.12674

Cardim, V. C. (2011). A MODA EM PORTUGAL 1807 a 1914. A Moda Em Portugal 1807 a 1914. Retrieved from https://www.academia.edu/56518928/A_MODA_EM_PORTUGAL_1807_a_1914?source=swp_share

Cardim, V. C. (2014). Moda em portugal. Dois séculos passados a pente fino. Jornal I. Retrieved from https://ionline.sapo.pt/artigo/374953/moda-em-portugal-dois-seculos-passados-a-pente-fino-?seccao=B.I._i.

Carson P. P., Carson K. D. (1993). "Managing creativity enhancement through goal-setting and feedback", Journal of Creative Behavior, vol. 27, p. 36-45

Ceccagnoli, M., Forman, C., Huang, P., & Wu, D. J. (2012). Cocreation of value in a platform ecosystem! The case of enterprise software. *MIS Quarterly*, *36*(1), 263. https://doi.org/10.2307/41410417

Cernansky, R. (2022). Small brands are setting goalposts for sustainable fashion. Vogue Business. Retrieved from https://www.voguebusiness.com/sustainability/small-brands-are-setting-goalposts-for-sustainable-fashion.

Chaston, I. (2008), "Small creative industry firms: a development dilemma?", Management Decision, Vol. 46 No. 6, pp. 819-831. https://doi.org/10.1108/00251740810882617

Chen, C. (2022). Building a DTC Challenger Brand. *The Business Of Fashion*. https://www.businessoffashion.com/case-studies/retail/direct-to-consumer-challenger-brands-gymshark-hodinkee-mejuri/.

Chevalier, M., & Gutsatz, M. (2012). *Luxury retail management: How the world's top brands provide quality product and service support*. John Wiley & Sons.

Christopher, M. (2000). The agile supply chain. Industrial Marketing Management, 29(1), 37–44. https://doi.org/10.1016/s0019-8501(99)00110-8

Christopher, M., Lowson, R. and Peck, H. (2004), "Creating agile supply chains in the fashion industry", International Journal of Retail & Distribution Management, Vol. 32 No. 8, pp. 367-376. https://doi.org/10.1108/09590550410546188

Colliander, O. (2015). *The Finish Fashion Entrepreneurship Ecosystem* (thesis). Retrieved August 23, 2022, from http://urn.fi/URN:NBN:fi:aalto-201511205139

Corbellini, E. (2022). *Fashion Market Segmentation*. *Management of Fashion and Luxury Companies*. Retrieved 2022, from https://www.coursera.org/lecture/mafash/fashion-market-segmentation-PPEm1.

Coutinho, B. (2022). Os 50 anos de Moda em Portugal na mais recente exposição do MUDE. *Vogue Portugal.* https://www.vogue.pt/50-anos-de-moda-em-portugal-entrevista-mude.

Coutinho, B., & Cardim, V. C. (2011). In A Moda em Portugal 1807 a 1914 (pp. 5–8). preface, Edições IADE. Retrieved from https://www.academia.edu/56518928/A_MODA_EM_PORTUGAL_1807_a_1914?source=swp_share

Cox, G. (2005) Cox Review of Creativity in Business: Building on the UK’s Strengths. London: Design Council

Cross Innovation. (2022). *Toolkit, How to make cross innovation happen in your city*. Retrieved from http://docplayer.net/21330755-Toolkit-how-to-make-cross-innovation-happen-in-your-city.html

Davenport, S., Bibby, D. (1999). Rethinking a national innovation system: The Small Country as 'SME'. Technology Analysis & Strategic Management, 11(3), 431–462. https://doi.org/10.1080/095373299107447

Dawson, C. (2019). Introduction to research methods 5th edition: A practical guide for anyone undertaking a research project. Robinson https://www.researchgate.net/publication/273947143_Introduction_to_research_methods_a_practical_guide_for_anyone_undertaking_a_research_project

Desk research: Complete guide & best practices. Similarweb. (n.d.). Retrieved 2022, from https://www.similarweb.com/corp/blog/research/market-research/desk-research/

Dhanaraj, C., & Parkhe, A. (2006). Orchestrating Innovation Networks. *Academy of Management Review*, *31*(3), 659–669. https://doi.org/10.5465/amr.2006.21318923

European Commission (2022). *Textiles, fashion and creative industries*. Internal Market, Industry, Entrepreneurship and SMEs. Retrieved from https://ec.europa.eu/growth/sectors/fashion_en.

European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, (2019). Impulse paper on the role of cultural and creative sectors in innovating European industry, Publications Office. https://data.europa.eu/doi/10.2873/509380

European Commission, Executive Agency for Small and Medium-sized Enterprises, Enichlmair, C., Fischl, I., Dörflinger, A. (2016). *Boosting the competitiveness of cultural and creative industries for growth and jobs : final report*, Publications Office. https://data.europa.eu/doi/10.2826/526239

European Commission. (2022). *Fashion and high-end industries in the EU*. Internal Market, Industry, Entrepreneurship and SMEs. Retrieved August 5, 2022, from https://single-market-economy.ec.europa.eu/sectors/fashion/fashion-and-high-end-industries/fashion-and-high-end-industries-eu_en

European Commission. (2022). Fashion and high-end industries in the EU. Internal Market, Industry, Entrepreneurship and SMEs. Retrieved from https://single-market-economy.ec.europa.eu/sectors/fashion/fashion-and-high-end-industries/fashion-and-high-end-industries-eu_en

Evtan, D. (2018). Is Portugal the Next Fashion Capital of the World?. *Forbes*. https://www.forbes.com/sites/declaneytan/2018/07/17/portugal-has-never-been-more-in-fashion-but-is-it-enough-to-receive-fashion-capital-credits/?sh=55204d6ba05a.

Fashion Tech Group. (2019 What is a digitally native vertical brand, or a DNVB? FASHION TECH GROUP. Retrieved from https://www.fashiontechgroup.com/blog/2019/2/27/what-is-a-dnvb

Flamée, D. (2022). Flanders Fashion Institute's 2008 Crop of Designers. *Dazed*. https://www.dazeddigital.com/fashion/article/1344/1/flanders-fashion-institutes-2008-crop-of-designers.

Flanders' textile industry weaves past and future. Invest In Flanders. (2022). Retrieved from https://www.flandersinvestmentandtrade.com/invest/en/sectors/textile/textile-ecosystem.
Fraenkel, J. R., Wallen, N. E., & Hyun, H. H. (2015). How to design and evaluate research in education. 9th ed, Singapore, Mc Graw Hill

Gawer, A., & Cusumano, M. A. (2002). In *Platform leadership: How intel, Microsoft, and Cisco Drive Industry Innovation*. Boston, MA; Harvard Business School Press.

Gonçalves, M. (2018). Claus Porto em Nova Iorque, uma loja feita de cortiça e sabonetes. *Observador*. https://observador.pt/2018/10/26/claus-porto-em-nova-iorque-uma-loja-feita-de-marmore-e-sabonetes/.

Granstrand, O., & Holgersson, M. (2020). Innovation ecosystems: A conceptual review and a new definition. *Technovation*, *90-91*, 102098. https://doi.org/10.1016/j.technovation.2019.102098

Grilo, T. (2022). Le Portugal, la «nouvelle Californie» des artistes [web log]. Retrieved August 24, 2022, from https://www-slate-fr.cdn.ampproject.org/c/s/www.slate.fr/story/231778/portugal-terre-promise-artistes-nouvelle-californie-lisbonne-porto-ceramique-design-loyers?amp. https://run.unl.pt/bitstream/10362/39060/1/Schrewentigges_2018.pdf

Iansiti, M. and Levien, R. (2004). *The Keystone Advantage: What the New Dynamics of Business Ecosystems Mean for Strategy, Innovation and Sustainability.* Harvard Business School Press, 255p.

Informa D&B. (2021). *Setor do vestuário em Portugal e Espanha vai terminar o ano com vendas 23% abaixo de 2019 | Blog InformaD&B*. Blog.informadb.pt. Retrieved from https://blog.informadb.pt/2021/12/setor-do-vestuario-em-portugal-e-espanha-vai-terminar-o-ano-com-vendas-23-abaixo-de-2019/.

Islam, M. A. (2019). Challenges, Barriers and Coping Strategies Experienced by Women Leaders in Public Universities of Malaysia. [Doctoral Thesis, Universiti Putra Malaysia (UPM)] UPM Repository. http://psasir.upm.edu.my/

Islam, M. A., & Aldaihani, F. M. F. (2022). Justification for Adopting Qualitative Research Method, Research Approaches, Sampling Strategy, Sample Size, Interview Method, Saturation, and Data Analysis. Journal of International Business and Management, 5(1), 01-11. https://doi.org/10.37227/JIBM-2021-09-1494

Jacobides, M. G., Cennamo, C., & Gawer, A. (2018). Towards a theory of ecosystems. *Strategic Management Journal*, *39*(8), 2255–2276. https://doi.org/10.1002/smj.2904

Jones, K. (2021). The Importance Of Branding In Business. *Forbes Magazine*. Retrieved from https://www.forbes.com/sites/forbesagencycouncil/2021/03/24/the-importance-of-branding-in-business/?sh=1cec94ad67f7.

Kantor, A., Narayanan, A., Rai, S., & Rosati, A. (2022). These Six Cities Are Emerging as New Expat Hot Spots. *Bloomberg*. https://www.bloomberg.com/news/features/2022-08-15/best-cities-for-expats-lisbon-dubai-emerge-to-rival-hong-kong?cmpid=BBD081622_BIZ&utm_medium=email&utm_source=newsletter&utm_term=220816&utm_campaign=bloombergdaily.

Kent, S. (2022). *What Europe's Energy Crisis Means for Fashion*. The Business of Fashion. Retrieved from https://www.businessoffashion.com/briefings/retail/europe-energy-crisis-retail-fashion-inflation-russia-gas/.
Klagenfurt. https://nbn-resolving.org/urn:nbn:de:0168-ssoar-395173

Lampel, J., & Meyer, A. (2008). Field-configuring events as structuring mechanisms: How conferences, ceremonies, and trade shows constitute new technologies, industries, and Markets. *Journal of Management Studies*, *42*(5), 1099–1100. https://doi.org/10.1111/j.1467-6486.2005.00534.x

Larsson, J., & Larsson, L. (2020). Integration, application and importance of collaboration in sustainable project management. Sustainability, 12(2), 585.

Lectra. (2022) *Rethink the fundamentals of the fashion industry*. Unpublished internal company document.
Lederman, D., Lesniak, J. T. (2017). Open and nimble: Finding stable growth in small economies. https://doi.org/10.1596/978-1-4648-1042-8

Lin, S. (2018), "The structural characteristics of innovation ecosystem: a fashion case", European Journal of Innovation Management, Vol. 21 No. 4, pp. 620-635. https://doi.org/10.1108/EJIM-09-2017-0115

Madden, T. (2006). Brands Matter: An Empirical Demonstration of the Creation of Shareholder Value Through Branding. *Journal Of The Academy Of Marketing Science*, *34*(2), 224-235. https://doi.org/10.1177/0092070305283356

Marquis, C., & Tilcsik, A. (2013). Imprinting: Toward a Multilevel Theory. *Academy Of Management Annals*, *7*(1), 195-245. https://doi.org/10.5465/19416520.2013.766076
Mayring, P. (2014). Qualitative content analysis: theoretical foundation, basic procedures and software solution.

McKinsey. (2021). *The State of Fashion 2022*. The Business of Fashion. Retrieved from https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/state%20of%20fashion/2022/the-state-of-fashion-2022.pdf

McKinsey. (2022). *The State of Fashion: Technology*. The Business of Fashion. Retrieved from https://www.businessoffashion.com/reports/news-analysis/the-state-of-fashion-technology-industry-report-bof-mckinsey/

MIS Quarterly, 36(1), 263–290.

Moore, J. F. (1996). In *The death of competition: Leadership and strategy in the age of business ecosystems*. essay, John Wiley & Sons.

Morand, P. (2022). The Future of Fashion Weeks. In *19 Takes on Fashion*. essay, IFM. Working Paper

Morgan, A. (1999). *Eating the big fish: How challenger brands can compete against brand leaders*. John wiley & sons.

Nabeiro, R. (2022). Rui Miguel Nabeiro: “Em Portugal somos industriais, mas não temos marcas” [Online]. https://expresso.pt/economia/2022-08-07-Rui-Miguel-Nabeiro-Em-Portugal-somos-industriais-mas-nao-temos-marcas-d94b3560&sa=D&source=docs&ust=1662976303411276&usg=AOvVaw2OMXnNlAck5VgikJgWZxWL.

Neto, M. (2022). *Mónica Neto (Portugal Fashion): "Podemos ter um lugar diferenciado e ter os nossos casos de sucesso"*. FashionNetwork.com. Retrieved from https://pt.fashionnetwork.com/news/Monica-neto-podemos-ter-um-lugar-diferenciado-e-ter-os-nossos-casos-de-sucesso-,1396757.html

Newell-Hanson, A. (2020). *How Antwerp's Royal Academy of Fine Arts Birthed the Contemporary Avant-Garde (Published 2020)*. Nytimes.com. Retrieved from https://www.nytimes.com/interactive/2020/04/13/t-magazine/royal-academy-antwerp.html.

O'Connor, T. (2020). Matchesfashion Doubles Down on Emerging Labels. *The Business Of Fashion*. https://www.businessoffashion.com/articles/retail/matchesfashion-innovators-programme/.

Patten, M.L., & Newhart, M. (2017). Understanding Research Methods: An Overview of the Essentials (10th ed.). Routledge. https://doi.org/10.4324/9781315213033

Pinheiro, F. (2020). *O Mercado Das Marcas De Moda De Luxo Na Contemporaneidade. As Motivações De Compra Dos Consumidores Portugueses.* (dissertation).

Publications Office of the European Union, Dörflinger Aliette, Bachinger, K., Enichlmair, C., Fischl, I., Gavac, K., Hausemer, P., Oberholzner, T., & Spaghetti, V., Boosting the competitiveness of cultural and creative industries for Growth and Jobs: Final Report (2016). Luxembourg; Publications Office.

Purposive sampling: Lærd dissertation. Lærd Dissertation. (n.d.). Retrieved 2022, from https://dissertation.laerd.com/purposive-sampling.php#homogenous
Quilan, C., (2011) Business Research Methods. 1st ed, Hampshire, Cengage Learning.

Rego, R. (2020). *O Mercado De Luxo Em Portugal: O Caso Da Empresa Josefinas* (dissertation).

Ross, E. (2021). Intangible Values: The Secret To A Brand's Success. *Forbes*. Retrieved from https://www.forbes.com/sites/forbesagencycouncil/2021/10/29/intangible-values-the-secret-to-a-brands-success/?sh=45734af32df5.

Santos, J. (2015). *A Avaliação Da Extensão De Marca De Luxo: O Caso Das Fragrâncias Em Portugal* (dissertation).

Saunders, M., Lewis, P., & Thornhill, A. (2009). Research methods for business students. Pearson education

Schrewentigges, L. (2018). What Is The Next Chapter Of The Fashion Retail Industry? — Strategic Options Model (dissertation). Nova School of Business and Economics.

Smith, T. W. (2006). National Pride in Comparative Perspective: 1995/96 and 2003/04. International Journal of Public Opinion Research, 18(1), 127–136. https://doi.org/10.1093/ijpor/edk007

Talmar, M., Walrave, B., Podoynitsyna, K. S., Holmström, J., & Romme, A. G. (2018). Mapping, analyzing and designing innovation ecosystems: The ecosystem pie model. *Long Range Planning*, *53*(4), 101850. https://doi.org/10.1016/j.lrp.2018.09.002

Teece, D. J. (2014). Business ecosystems. In M. Augier & D. J. Teece (Eds.), Entry in Palgrave Encyclopedia of Management. https://doi.org/10.1057/9781137294678.0190

Teresa M. Amabile & Nur D. Gryskiewicz (1989) The creative environment scales: Work environment inventory, Creativity Research Journal, 2:4, 231-253, https://doi.org/10.1080/10400418909534321

Vitanova, D. (2016). *Push and Pull - Luxury Fashion on the Move*. Luxuryfacts.com. Retrieved from https://www.luxuryfacts.com/index.php/sections/article/Push-and-Pull---Luxury-Fashion-on-the-Move.

Vogue Business Data & Insights Team. (2022). The Vogue Business Watchlist: Charting the rise of the Hottest Emerging Brands. Vogue Business. Retrieved from https://www.voguebusiness.com/companies/vogue-business-watchlist

Weick, K. E. (1969). Social Psychology in an era of social change. *American Psychologist*, *24*(11), 990–998. https://doi.org/10.1037/h0028881

What is a challenger brand? — The Challenger Project | The Home of Challenger Brands. The Challenger Project | The Home of Challenger Brands. (2022). Retrieved from https://thechallengerproject.com/blog/what-is-a-challenger-brand/.

Williams, R. (2020). *How Young Designers in Paris Are Beating the Pandemic So Far*. The Business of Fashion. Retrieved from https://www.businessoffashion.com/articles/luxury/how-young-designers-in-paris-are-beating-the-pandemic-so-far/.

Williams, R. (2020). *How Young Designers in Paris Are Beating the Pandemic So Far*. The Business of Fashion. Retrieved from https://www.businessoffashion.com/articles/luxury/how-young-designers-in-paris-are-beating-the-pandemic-so-far/.