

Strategies and Competitive Advantages through the use of the Organization's Internal Resources: A Case Study using the VRIO Tool

Franciele Cristine Grimm^{a*}, Marta Elisete Ventura da Motta^b, Maria Emilia Camargo^c, Mariane Camargo Priesnitz^d, Aprígio Teles Mascarenhas Neto^e

^a*Graduated in Accounting - University of Caxias do Sul - UCS, Caxias do Sul/RS, Brazil*

^b*Graduate Program in Administration - University of Caxias do Sul - UCS, Caxias do Sul/RS, Brazil*

^c*Graduate Program in Administration - Federal University of Santa Maria - UFSM, Santa Maria / RS - Brazil*

^d*Graduate Program in Intellectual Property Science - Federal University of Sergipe- UFS – São Cristóvão/SE - Brazil*

^e*Graduate Program in Administration - University of Caxias do Sul - UCS, Caxias do Sul/RS, Brazil*

^a*Email: fcgrimm@ucs.br*, ^b*Email: mevmotta@ucs.br*, ^c*Email: mariaemiliappga@gmail.com*

^d*Email: maricpriesnitz@gmail.com*, ^e*Email: adv.aprigioteles@gmail.com*

Abstract

In an already unfavorable scenario for Brazilian companies, a virus emerges that is capable of destabilizing the economy worldwide. Covid-19 brought with it fear and insecurity for companies and citizens alike. Even facing so many obstacles, there are companies that stand out and reinvent themselves to remain firm in the market. This is the case of the "Alfa" company, which has been in the fitness clothing business for thirty years. This was the reason that generated interest for the present study, which aimed to identify the organization's strategies and competitive advantages using the VRIO as a tool for decision making. The methods used were applied, qualitative, exploratory and descriptive research, in a single case study, with semi-structured interviews with four employees of the company. As a result, it was possible to identify in the company four resources that generate sustainable competitive advantage: the brand, quality, the relationship with resellers, and after-sales assistance. It was also found that the company is concerned about its customers, since they are fundamental and boost the brand's success.

Keywords: Resource-based view; VRIO; competitive advantages.

* Corresponding author.

1. Introduction

The Brazilian textile and apparel sector occupies fifth place on the world stage due to the size of its textile park. Self-sufficient in cotton production, it has become a world reference in beachwear, jeanswear, and homewear, and is also gaining space in fitness fashion [1]. States that the apparel industry had a 0.6% reduction in production volume in the period from January to November 2019 compared to the same period in 2018 [2:15]. The author also points out that according to IBGE survey, retail clothing prices accumulated an increase of only 1.89% in the last twelve months. Studies conducted in 2017 by the Institute for Industrial Studies and Marketing – IEMI [3] regarding the buying behavior of apparel consumers pointed out that good service was the main requirement for decision making when making purchases; this same study applied in 2019 showed that consumers began to worry more about the issue of low prices and the variety of products available in stores, causing good service to drop to fourth position. To [2:14] this information shows the importance of the strategic vision for companies, which according to the author has evolved consistently in Brazil over the last ten years, causing organizations to stop looking only at the product, the process, and the supplies, and to look more to the market, that is, "outside the box. In his publication, he emphasizes three points: the importance of looking at the competitor, segmenting the market, and seeking innovation. Even in unfavorable environments, there are companies that manage to seek solutions for the development and growth of their business, through the understanding of new market needs and exploration of new segments [4]. The Resource-Based View (RBV) is a theoretical current that seeks to justify the success of a company by the way it manages its resources and competencies to generate competitive advantage in a constantly changing market. About these circumstances, this paper presents the following guiding question: how can the VBR performance model, using the VRIO tool, facilitate the understanding of competitive advantages for the organization? To enable a better understanding of the subject, this paper presents a brief conceptualization of competitive advantage, bringing in a deeper way the VBR performance model, with its focus on the VRIO tool presented by [5,4], with the goal of identifying the organization's strategies and competitive advantages using the VRIO as a tool for decision making.

2. Theoretical framework

2.1. *Competitive advantage*

When addressing competitive advantage, it should be noted that it is due to above-average performance levels achieved by organizations through the strategies they adopt [6,7:11]. Explain that competitive advantage started to have a more formal approach from the moment strategy evolved as an academic discipline, becoming a key concept for this discipline [8:52]. Studies in strategy began in the 1970s and since then researchers in the management field have developed more studies in this area [9:126]. Identifying strategies that guarantee and ensure a superior performance for organizations through a competitive advantage has been the quest of many thinkers [10:2]. It is important to emphasize that the work will not be focused on strategies, but rather, on the resources that generate competitive advantage, and that in turn relate to the strategic positioning of firms [11].

According to the article written by [8] one of the first references about competitive advantage can be found in where it is defined as "the advantage of proactively perceiving market trends ahead of competitors and adjusting

the offer in function of this anticipation." A successful example about this definition is cited by the same authors: in 1920, when General Motors realized that the US market had a potential demand for luxury cars, it gained a great competitive advantage over its competitor Ford which was a leader in the production of low-cost vehicles. This situation reversed the competitive advantage of the two companies. For [12] a firm gains competitive advantage when its skills are superior to those of its strongest competitor, and it is considered achieved when its target customers perceive its offerings as having superior value. "Competitive advantage happens when a firm implements a strategy that cannot be copied or is too costly to imitate by current or potential competitors" [13:37]. It is possible to state that there is competitive advantage and sustainable competitive advantage.

Go further by stating that an especially strong source of competitive advantage is the people who work in a given company, and that the best way to protect this advantage is by making the best use of the knowledge and skills of these employees [14]. They say that for this it is necessary that such human resources share skills, capabilities and motivations that differentiate them from other companies [6], cite in their study that there are four theoretical currents that address competitive advantage, which are the resource-based view, the dynamic capabilities, the theories of strategic positioning and theories based on market processes, totaling a total of four. Finally, Reference [7] explain that the resource-based view reflects the ability of the organization to achieve innovative forms of competitive advantage, given the dependence on trajectories and market positions. This paper will engage in the resource-based view approach using the VRIO tool to explain the competitive advantage of the company addressed.

2.2. Resource-based view and the vrio method

The Resource Based View (RBV) emerged in 1984, presented by Wernerfeld, and after his publication other authors such as made the term RBV popular [15:10]. According to [5] the Resource-Based View is a performance model adopted by companies, aiming to generate competitive advantages from the resources and capabilities they control. The VBR seeks to understand how the selection, obtaining and disposition of these resources added to the development of unique and inimitable skills generate competitive advantages for the company and makes it stand out among the others [11]. According [15:10] "[...] the Resource-Based View (RBV) theory has stood out as one of the most important theoretical currents of strategy", being one of the most accepted in the managerial and strategic sphere [15]. When considering this approach, VBR becomes relevant for the strategic management of companies, considering that the management and combination of certain resources can result in the generation of economic value [16: 821]. In [5:67] viewpoint, resources are tangible and intangible assets controlled by the firm, and which can be used for strategy creation and implementation. Capabilities, on the other hand, are defined as a subset of these resources and in turn allow the firm to fully leverage the resources it controls. These resources and capabilities can be classified as financial, physical, organizational, and human. Briefly, financial resources are attributed to the expression and measurement of the organization's monetary values; physical resources refer to the technologies, equipment, and structures built to perform its activities; organizational resources deal with the formal and cultural structure and image of the company. While human or individual resources include training, experience and skills of managers and employees [5,4].

Although it is not possible to generalize for all firms, one notices a kind of agreement in the literature that intangible resources (human and organizational) generate superior competitive advantage when compared to tangible resources (physical and financial) affirm authors [17]. VBR starts from two fundamental points: (1) different companies may have different resources and capabilities even belonging to the same industry, i.e., some organizations can manage their activities more competently compared to others; (2) some of these differences can last for years because they are costly to be acquired by other companies [5:68]. Thus, this heterogeneity of resources explains the difference in economic performance, where some companies present low profitability and others, exceptionally high profitability in the market [6:27]. Accordingly [17] further state that "VBR provides an explanation of competitive heterogeneity based on the premise that the closest competitors differ in their resources and capabilities in important and durable ways" and that it is these differences that generate competitive advantages or disadvantages. According to [5,17] competitive advantage occurs when the company can generate greater economic value in relation to its competitors, and this advantage can be temporary or sustainable. A resource has the potential to develop a sustainable competitive advantage if it is valuable, rare, difficult to imitate, and difficult to replace [18:40]. This model known as VRIS has undergone some changes over time. Unified the indicators (I) inimitability and (S) substitutability for having similar meaning and added the (O) of organization [5]. This tool came to be called the VRIO model, and it "concerns four issues that must be considered about a resource or capability to determine its competitive potential," these are Value, Rarity, Imitability, and Organization [5:68]. Table 01 presents in simplified form the VRIO model with the key questions for each indicator.

Table 1: VRIO Model

Simplified VRIO Model	
VALUE	Do the resources and capabilities allow a company to exploit an external opportunity or neutralize an external threat?
RARITY	How many competing firms already possess certain valuable capabilities and resources?
IMITABILITY	Do firms that do not possess these resources or capabilities face a cost disadvantage in obtaining or developing them relative to firms that already possess them?
ORGANIZATION	Is the firm organized to exploit to the maximum the competitive potential of its resources and capabilities?


Source: elaborated by the author from [5].

Resources are considered valuable when they lead companies to create strategies that improve their efficiency and effectiveness [18:47]. State that valuable resources can be both physical and intangible, or even a capability embedded in the organization's culture, processes, and routines [17]. For this question, one should ask whether these resources and capabilities allow the company to exploit an external opportunity or neutralize an external threat; if the answer is yes, this can be considered a strength of the company, if the answer is no, it will be considered a weakness [5:68]. Also, for [5,11], a resource not considered valuable should not be exploited, because it can increase costs or even decrease the company's revenue. For resources to be considered rare, they must be acquired by few or only one firm [5,19]. If such a resource or capability is controlled by many firms it

becomes common (not rare), turning into a competitive parity [5]. Give the example of a telephone system as a resource or capability of the firm, which is not rare and is not a source of competitive advantage [5]. Companies without a phone system are at a competitive disadvantage, bringing it to their competitors that do have one. Companies with rare and valuable resources often manage to implement differentiated strategies that others cannot because they do not have the same resources and capabilities [5:74]. There are several factors that can generate inimitability, such as the fact that the resource is the source of the firm's historical development, the difficult understanding of the interrelationship between the resource and competencies, high cost for its development, and protection through patent and property rights [6,5,4]. By exploiting rare and valuable resources that other firms can imitate, this competitive advantage becomes temporary, allowing it to be imitated or replaced easily [5,11]. Present as an example, the dispute of sports channels on television [5]. One of the best-known broadcasters in this business, ESPN, when it started broadcasting in the alternative sports category turned its ability into rare and valuable, gaining a competitive advantage, because until then no other network has made this commitment, despite this it is of easy imitability, making it temporary

The fourth indicator of the theory deals with how value, rarity and imitability are managed by the company in formal, informal, tangible, and intangible issues [16: 830]. The organizational issue is relevant to the company as it needs to be well organized to get their resources and capabilities are exploited to the maximum and thus have sustainable competitive advantage [5:80,20]. For this it is necessary "to exist a political and procedural structure in the organization that supports the exploitation of valuable resources, rare and difficult to imitate and replace" [11]. Table 02 adapted from [5] is shown below, explaining through a single model, the relationship between the issue of value, rarity, imitability, and organization for the understanding of the potential return associated with the exploitation of the resources and capabilities of a company:

Table 2: Relationship between the VRIO model and its implications

Valuable?	Rare?	Difficult to imitate?	Exploited by the organization?	Competitive Implications
No	-	-	No	Competitive disadvantage
Yes	No	-		Competitive parity
Yes	Yes	No		Temporary competitive advantage
Yes	Yes	Yes		Yes

Source: Prepared by the author from [5]

In summary, it is possible to state that a resource not being valuable, makes the following assessments unnecessary, because it will bring competitive disadvantage and organizational weakness; in the same way that a resource that is valuable but not rare, does not need to be assessed as to inevitability [11].

3. Methodology

The methodology explains the paths taken by the researcher to achieve the research objective and thus, discover answers to the proposed problem [21,18]. This item is divided into the (3.1) research design, the (3.2) object of

study, the (3.3) study participants, the (3.4) data collection process, and the (3.5) data analysis process.

3.1. Research design

Tell that the methodology can be divided into four major blocks according to its approach, they are: the nature, the form of approach, the objectives, and the technical procedures. [22] Regarding the nature, this research is classified as being applied. As explained by [22] this research format uses the knowledge developed in basic research to solve specific problems, to apply such knowledge. As for the way of approaching the problem, this is qualitative research. According to [23] qualitative research consists of five defining characteristics: it studies the real lives of people, represents the opinions of those people, encompasses the context in which those people live, contributes emerging existing concepts to the explanation of human behavior, and uses multiple sources of evidence. Also say that this type of approach becomes necessary when the purpose is to understand in depth the motivations and understandings of people in relation to their experiences in certain situations [21]. As for the objectives, this is a descriptive and exploratory research. Explains that descriptive research is used to explain and describe real-life problems with "the greatest possible accuracy also with respect to the influences of the environment, along with the description of characteristics" and is directly related to qualitative research [18]. Exploratory research, on the other hand, is used when the chosen topic does not yet present sufficient sources of reference and does not have consistent hypotheses that serve as a starting point for the research [24]. To apply the research was conducted a case study in a company in the clothing industry located in Rio Grande do Sul, seeking to highlight its competitive advantages through the VRIO method. State that the case study has the main objective of getting to know problems in a deeper way, seeking to understand them and from then on, raise hypotheses and questions for the research [22]. The authors also tell that this depth is due to the richness and triangulation of various sources on the same object [22]. References should be listed at the end of the paper and numbered in the order of their appearance in the text. Authors should ensure that every reference in the text appears in the list of references and vice versa. Indicate references by numbers in the text. In the text the number of the reference should be given in square brackets [3]. The actual authors can be referred to, but the reference number(s) must always be given. Some examples of how your references should be listed are given at the end of this template in the 'References' section which will allow you to assemble your reference list according to the correct format and font size. There is a shortened form for last page number. e.g., 51–9, and that for more than 6 authors the first 6 should be listed followed by "F. C. Vasconcelos and his colleagues"

3.2. Object of study

The object of study was named with the fantasy name "Alfa" company. With its own headquarters in Farroupilha/RS and a branch in São Leopoldo/RS, it is a family company founded in 1990, formed by three partners and a capital stock of R\$ 500,000.00 (Federal Revenue). The company "operates in the making of fitness fashion, standing out for its innovation, creativity and constant updating of its products, aimed at people who desire comfort and well-being, without forgetting beauty" (Company website). The administrative, creation and sales departments are located in the headquarters in Farroupilha do Sul. The plant in São Leopoldo is composed of two pavilions where stock, production and shipping are allocated, and a third pavilion is under construction. Currently, the organization has 69 employees in Farroupilha do Sul and 261 employees in São

Leopoldo, in addition to 8 factions that provide services to the company. It operates with 9,168 thousand retailers in all Brazilian states.

3.3. Study participants

The qualitative data collection occurred in the second half of 2020, with four employees from different areas and with different lengths of time in the company:

Table 3: List of respondents

Interviewee	Position held	Company time	Interview date
Interviewee A	Sewing production supervisor	13 years	20/09/2020
Interviewee B	Sewing production assistant	6 years and 6 months	01/10/2020
Interviewee C	Pattern maker	5 years and 4 months	03/10/2020
Interviewee D	PCP Supervisor	25 years	04/10/2020

Source: elaborated by the Authors

Since this is a qualitative study, it is emphasized that the most important is the quality of the interviews. According to [25] what prevails in this study format is the saturation of the sample collected, which is the determining factor for the inclusion or suspension of new participants.

3.4. Data collection process

To meet the general objective of this research, which is to identify the organization's strategies and competitive advantages using the VRIO as a tool for decision making, support was sought first in bibliographic research and existing articles for the formation of the theoretical foundation. The methods used for data collection were through document research and interviews with company employees. The document research is done through sources such as websites and newspapers. These research sources are an important source of data as they allow examining materials of various natures that have not yet received analytical treatment or that can be reexamined, generating new interpretations, or complementing existing ones [18]. We opted for a composite interview with semi-structured questions with open answers. According to [21] this format usually begins with some more specific questions, and then continues according to what is said by the interviewee, generating a pause between the question and the answer (which is not stimulated) that allows the interviewee to choose the words of their answers [21]. Further conceptualize that during the interview one can perceive expressions, behaviors, and make clarifications as well as perceive the physical environment [21:146]. Because it was an atypical year, with the spread of the Covid-19 virus, the interviews took place remotely, and their audios were recorded with the interviewees' permission to be transcribed and analyzed later. Section headings should be left justified, with the first letter capitalized and numbered consecutively, starting with the Introduction. Sub-section headings should be in capital and lower-case italic letters, numbered 1.1, 1.2, etc, and left justified, with second and subsequent

lines indented.

3.5. Data analysis process

The interview was divided into two parts: a general understanding of the company's context was sought, with semi-structured questions asked to the participants. And then the resources and competencies for evaluation by the VRIO method were addressed. According to [26] the most common form of qualitative data is text analysis. Most of this data is in audio or video format and is transformed into written text to facilitate its analysis. Thus, the process for data analysis began with the transcription of the interviews. Then, a table was structured with the respondents' "YES" or "NO" answers to the VRIO questions. Finally, the answers were compared, highlighting the most relevant aspects mentioned by the respondents.

4. Research results

4.1. Qualitative research

4.1.1. History of the company

The interviews started by questioning the history of the company, with the objective of understanding the scenario in which it is located and the way it expanded.

It was in 1990, it's making thirty years this year right, it was a company in a basement [...], like Mary and John always tell...

(Interviewee C)

Maria decided to start manufacturing some things, Maria is a physical education graduate, so she started, she started a confection, she designed the pieces herself, she knew how to cut, she cut, we cut everything by hand, we had to draw the molds on paper, and then you crossed them out. Imagine the hard work...

(Interviewee D)

[...] in September it will be thirteen years in São Leopoldo. First it had a rented headquarters, it started with very few seamstresses, I do not know exactly how many, but very few, and currently it has its own headquarters.

(Interviewee A)

There were twelve contracted women down here. It all started with twelve people, including the manager, Lúcia was already there then, and another ten people, and Clara was then in charge of expanding the business down here, she moved to São Leopoldo for a few months, so it started slowly.

(Interviewee B)

The company started its activities in a small space and with a handmade production mode, at the time with activity developed manually, including by the owners themselves. With the growth of the business, it was necessary to expand the production sector, gradually transferring it to the city of São Leopoldo. It was the quality present in all production processes that led the company to an expressive growth, and, according to the interviewees, it is this same quality that keeps the company constantly growing.

4.1.2. Strategies in the Pandemic - COVID-19

The year 2020 brought with it an unpleasant and worrisome situation, that is, a new virus called Covid-19. According to [27], this virus appeared in December 2019 in the Chinese city of Wuhan, and by May 2020 this pandemic already presented a devastating scenario in the world economy [28]. The company's strategies in this pandemic scenario were questioned.

I think all companies had to adapt because it was something new[...] so for the "Alfa" company, it was no different, it took all the necessary precautions, it still does[...]. The issue of masks, alcohol gel, carpet, you know, with product you know at the entrances... (Interviewee A)

The company grew twice as much as they really imagined[...]The only thing that hurt the company was the delay of the fabric that delayed, the delivery of products for production. (Interviewee B)

And when we came back from there, from that recess [...] we had to rush to make the collection in practically a month, two months, the whole spring collection, right, which is to be able to launch on time... (Interviewee C)

The luck of "Alfa" is that we work a lot with the online sales system, so we were already kind of prepared for this, it was a bit of a shock at the beginning for everyone, but those 15 days that we were stopped, that took everyone by surprise. So the resources they used was to work with the staff more in home-office, sales sector, captation, the time that production stopped, we stopped... they did not stop. (Interviewee D)

The company was already working with digital technology and made online sales. However, due to the pandemic, the company has been having difficulties with the raw material for making clothes.

4.1.3. Relationship with factions

Factions are companies that provide some type of service to the clothing industry, and it is possible to outsource virtually all clothing processes such as the creation of the garment and modeling, the cutting process, sewing and printing [29]. The company "Alfa" has seven factions that perform the sewing service for part of the production and one that makes silkscreen prints on t-shirts. Thus, the trust relationship with these factions was questioned due to the possibility of copies of the brand's models.

I believe that the factions we hire are trustworthy, and that they won't do that, but how are we going to know? There's no way. There's no way to get inside their factions and take care of them all the time. You can copy an outfit today if you go there in the catalog to take a photo, but the secret of "Alfa" is not in it. It's in the modeling,

in the shape of the piece, in the way we produce it, in our quality. (Interviewee D)

[...] the pilot piece goes to the faction, the fact sheet goes to the faction, the measurement table of all the pieces, even if that piece is not produced in that faction. So it's totally trust. (Interviewee B)

[...] in relation to the company, it does provide professionals who provide support for these factions, if you have any doubts. It has known sewing patterns that must be followed and a very strict quality as well[...]. Today, it needs these outsourced companies to make all the necessary production they have for sale... because there is a lot, a lot of product to sell, they have all this structure. (Interviewee A)

[...] today, anyone can copy anything, right, I think today is much more linked to our identity, to the fabric we use, our quality of precision in the molds and, of creation, of everything they do. imitate or copy, it will be a copy, right, it won't be ours and it won't have our logo, it won't have our brand, which I think is the most decisive, right[...] (Interviewee C)

The respondents' perception was that the sectors responsible for cutting and preparing the pieces meet the demand of sales, but the same does not happen with the sewing sector that the company has, requiring the outsourcing of part of this service. For this to happen it is necessary that the faction companies follow the requirements and standards of sewing standardization, to maintain the same quality of the pieces sewn by the company "Alfa".

4.1.4. Brand

When asked about the reason why customers prefer the "Alfa" brand, the answers were unanimous when emphasizing the issue of product quality.

I think the first thing is quality, I believe that most customers, and I also as a reseller, focus a lot on the quality of the garment, in addition to the fabric, the raw material, to be of good quality, the sewing is also of good quality. (Interviewee A)

They buy, I believe so, the quality of the "Alfa", and not so much the model, you know, because the fabric is good, the model itself is a very beautiful model, but the "Alfa" quality is what predominates in the company. (Interviewee B)

[...] I think that people look for "Alfa" more because of the cost-benefit ratio, I think that this is also one of the things, because our cost, our price, is within a very fair price, you know, I think that it is not an exorbitant price, like many brands that we know, they use practically the same fabric, the same technology. [...] Because people buy from "Alfa", because they end up buying, they see that the quality is good, it's a good cost-benefit, right, so they see that it's worth it. (Interviewee C)

[...] I think it is more for the quality of the piece, because you can go to the market and see, there are several pieces that are similar to "Alfa", only that you will look at a seam, the thread, the yarn, you will see that it is not

the same. A piece from "Alfa" will last you for years.

(Interviewee D)

It was found by the respondents' speech that the company is concerned with the issue of quality, the most important factor for the brand to be recognized and remain strong in the market. A quality piece is the one with the best finish, fabric, and fit, explains Fernanda Marochi, personal stylist, in an interview given to the [30]. By direct observation it is possible to note that quality is present since the elaboration and creation of the pilot piece until its final stage, in the review and packaging.

4.1.5. Competitive advantages

When asked about the competitive advantages of the brand since the products are marketed exclusively by catalog, several points were considered fundamental by the interviewees:

I believe that the issue of selling through catalogs is something that contributes a lot because it is a question, it is a very broad geographic space, because it sells to practically the whole country... (Interviewee A)

They seek to innovate each model, right? With various types of alive, biases, and they try to increase the piece [...]. There are pieces that predominate in all collections, there are the plain pants that are an "Alfa" pattern [?]. One thing that does not make the customer sick, you know, that he makes a point of having each piece in the closet of each collection. (Interviewee B)

The retailer is going straight to the customer, I think this is a very important thing. It is different from... we go to a store to buy, you know, and then this differentiated exchange of the retailer going to the customer, there you already demonstrate that you want to show something good, something new to the customer, that you are sure, that you will guarantee, you do not need the customer to come to you... (Interviewee C)

You buy your piece... it does create an expectation that you will receive the piece, everything that you buy over the internet, you buy, you create an expectation that you will receive it soon, because it is something that you really liked. I think this helps, you know? and this online sale, especially at the moment that we are in today. You receive your product at home. Even if it is through a reseller, it creates an affinity with the person, with the reseller that sells by catalog... (Interviewee D)

The commercialization by catalog makes it possible to act all over the country, which can be considered an innovation. The importance of direct contact between the dealer and the client and online sales, which is currently on the rise, must also be emphasized. Such points are listed as advantageous for the "Alfa" company.

4.1.6. Challenges of selling through a catalog

When asked about the challenges of catalog sales, the respondents cited a few points:

I believe that many customers that after they liked the first piece that they bought, they keep it, so they start to know the brand, trust the brand, and with this, we can see that they keep it... (Interviewee A)

They will have to buy, if they do not like it, they will have the option to return or exchange it, but they will not have the option to buy and take it home, you know. So I think this is a challenge. Another also, a very big challenge is the fabric, you will have a sample, but you will have a small sample of what the fabric is, you will not be able to see the whole piece as it is, you know... (Interviewee B)

For me, I think the biggest challenge would be to buy without tasting, without seeing, without touching, without having clear there the color of the piece [...], but given the situation that we are today, right, that shopping is more on the internet, I think it is a challenge that is already being achieved... how should I say, it's not that big of a challenge. (Interviewee C)

João has a great suffering to increase the delivery time to 21 days, we know that no customer can take so long to receive a piece. This is a great suffering, we are always trying to make a quick delivery, to have things ready for delivery, to have all of this, but there are things that do not depend on us, depend on a supplier that does not deliver the orders when we imagine... you know. (Interviewee D)

It can be noticed that the fact of not being able to look at, touch and try the piece before making the purchase still causes some concern on the part of the interviewees. To this end, the company sends a sample card with samples of the various fabrics used in each new collection to the retailers. As for online sales, these are becoming increasingly common. According to [28], e-commerce, which had already been growing in recent years, was projected to increase by 18% by 2020. But with social isolation, there was a 70% increase in the period from April to June (compared to the same time last year), when most Brazilian cities were taking measures to contain the movement of people on the streets.

4.1.7. Creativity

The area of creation can be considered one of the most important in the company, after all it is the sector responsible for the success of sales. Research is needed, and even international trips in the search for new models, creativity, and satisfying the clientele.

You have to look at several things to try to make something, a beautiful piece that is not the same as another but is a trend, so it ends up that she has to seek information from several places, from magazines, internet, trips. It is a very important job of creation itself. (Interviewee D)

Ana and Maria in normal time, without the pandemic, they travel abroad, they do field research, we have all the issue of suppliers, we start receiving them two, three months before starting to design a collection and test the fabrics, I think a lot of inspiration also comes from this, because as you receive that raw material you see, and together with your fashion research, you join and create... (Interviewee C)

The interviewees reported that they have a stylist responsible for the area, and that there are several sources of inspiration to create the pieces. They emphasized that creativity and commitment are required from all employees in the sector. Thus, an idea is transformed into the creation of the pilot piece (piece that serves as a sample for all the other sectors of the company). They also claim that they must reverberate the best way to make the cutouts, the thread colors, and machines that are needed so that the piece can be produced. Interviewees A and B chose not to answer because they felt insecure for having little knowledge.

4.1.8. Technology

The use of technology is seen as an important factor for the competitiveness of organizations. Explains that one of the reasons that influence a company's positive results is the investment in technology and innovation [31], a fact that can also be noticed at "Alfa" company.

We are always trying to find, even for the production part, the machinery part, everything that the girls think is good in the production issue, so we always try to buy new machines, there are always, the people give us a lot of suggestions. So the company is always open, you know, to listen [...] we have to think about the customer, so that he can receive faster, receive a part with more quality, so that the information arrives faster in terms of internet technology. (Interviewee D)

We were looking for a buttonhole machine, an embroidery machine. Also looking for our time, looking for what we made ourselves, you know, made here, without having to go outside, doing it our way. So I think that in addition to industrial technology for our product development there is certainly the technology of the raw material that I think is one of our flagships, we test all fabrics [...] Certainly the technology is also in other sectors such as telemarketing, everything... (Interviewee C)

Question...of use of tablet for the operators to keep informed if they are producing or not producing, pointing the production [...] they use a lot of technology to sell, you know, so it... Technology is used in the whole company. So much from production to sales... (Interviewee B)

Look, I think that the company is well assisted in relation to technology, because, in my point of view, it has good and complex systems that contribute to the better functioning of the sectors, not even the simple fact of the sewing sector, I believe that we have a very good machinery, they are practically state of the art machines, they are all very good machines, also in relation to IT. Also, in the matter of computers and tablets. I believe that we are well assisted in this technology issue. (Interviewee A)

By observing the production part of the company and also the interviewees' reports, one can see the use of high-tech machinery that ensures agility in the process and the quality of the final product, very important factors to enhance productivity. Currently, "Alfa" has three employees in the IT area of the company, which shows the concern of the managers with this area.

4.2. Resources and competencies according to VRIO's perspective

Based on the interviews conducted, information was gathered about how resources and competencies are treated and viewed within the organization. Table 4 presents the resources listed during the interview for the interviewees to judge, according to their point of view, if these were considered valuable, rare, difficult to imitate and exploited by the organization.

Table 4: Organization resources according to VRIO

Resource	Valuable?	Rare?	Hard to imitate?	Exploited by the organization?	Result
Release/ creativity	4 Yes	2 Yes	1 Yes	4 Yes	2 Parity
Technology/production process	4 Yes	2 No 1 Yes	3 No 1 Yes	4 Yes	1 Temporary competitive advantage
Digital localization	4 Yes	3 No 1 Yes	4 No	4 Yes	1 Sustainable competitive advantage
Physical localization	4 Yes	2 Yes 2 No	1 Yes 3 No	4 Yes	3 Parities
Employee training	4 Yes	2 Yes 2 No	1 Yes 3 No	4 Yes	1 Sustainable competitive advantage
Brand	4 Yes	3 Yes 1 No	2 Yes 2 No	4 Yes	3 Parity
Employee Benefits	4 Yes	3 Yes 1 No	1 Yes 3 No	4 Yes	1 Temporary competitive advantage
Product mix	4 Yes	3 Yes 1 No	1 Yes 3 No	4 Yes	2 Parity
Quality	4 Yes	3 Yes 1 No	2 Yes 2 No	4 Yes	2 Temporary competitive advantage
Catalog sales	4 Yes	4 No	2 Yes 2 No	4 Yes	2 Parity

Design	3 Yes	2 Yes 1 No	1 Yes 2 No	3 Yes	1 Temporary advantage	competitive
Imported parts**	2 Yes 1 Não	1 Yes 2 No	1 Yes 2 No	3 Yes	1 Sustainable advantage	competitive
Fashions*	3 Yes	1 Yes 2 No	1 Yes 2 No	3 Yes	1 Parity	
Dealer Relations**	3 Yes	2 Yes 1 Não	2 Yes 1 No	3 Yes	1 Temporary advantage	competitive
Supplier Relations**	3 Yes	2 Yes 1 No	1 Yes 2 No	3 Yes	2 Sustainable advantage	competitive
Marketing/Advertising	4 Yes	1 Yes 3 No	2 Yes 2 No	4 Yes	1 Parity	
After sales assistance	4 Yes	3 Yes 1 No	2 Yes 2 No	4 Yes	2 Temporary advantage	competitive

* This question was not asked for one of the interviewees.

**One of the interviewees chose not to answer.

Source: Prepared by the authors

Considering that the "Alfa" company makes four launches during the year, the first question was about creativity in the development of the pieces. Two interviewees led to the perception that this resource is a competitive parity, since according to respondent A "other companies could also do it, have this creativity and make similar or equal parts," showing that such a resource is not rare. The second question was about the technology that the company has in its production process, making use of modern machinery, computers, tablets, among others. For three of the interviewees such technology is considered valuable, but not rare, as one of them states: "[...] it is the same technology that other companies use, right. We are just adapting to the market, so it is necessary" (Interviewee C). It was also questioned about the digital localization of the brand, in the sense that the catalog can be accessed through the brand's website and/or sent by a dealer through applications. Three interviewees judged such a feature not to be something unusual, although they considered it valuable. Interviewee C states that "[...] it's not rare, but it's our differential, but we know that there are other brands that also do it," thus it can be said that this feature generates a competitive parity. When asked about the

physical location, two respondents stated that such a resource was both valuable and rare, and two others only valuable. One of those who judged it as only valuable justifies his point of view by explaining:

Because it is a small place and because we, "Alfa", are in the south of the country, we are not there in the center, which I think would be an ideal place to make the distribution of everything, you know. So, I think that some things get stuck because of that, you know... some resources don't arrive as they should because we are kind of outside the center... (Interviewee D). Interviewee C believes that the physical location is valuable and rare (temporary competitive advantage), considering that it is not very common for companies to have a separate administrative and productive part, as is the case of "Alfa": "[...] normally companies work together, the productive part is always together and, normally, with the administrative part, I think that we do this merger in a good way...". As for the training of employees, two of the interviewees evaluated this resource as being only valuable, but not rare, generating a competitive parity. However, interviewee C, who judged it to be a sustainable competitive advantage, says that there are many companies that do not offer training, and that in the case of "Alfa" each new employee that enters the company receives specific training, besides which, according to the interviewee "each person that enters they apply improvements".

When approaching the brand, two interviewees evaluated it as being valuable, rare, difficult to imitate and exploited by the organization, bringing a sustainable competitive advantage to it: "It's unique, right. You can imitate it, but it won't be "Alfa", right [...] it's just to keep it, right. Everything is going well, so there's nothing to change" (Interviewee C). Asked about the benefits given to employees, two answers were that these are valuable and rare, which leads to temporary competitive advantage. Since competing companies may also offer benefits to their employees. The "Alfa" company has a wide variety of product mix. They produce jackets, tops, shorts, pants, blouses, tank tops, bathing suits, among others. In view of this information, two of the respondents listed that this feature is a temporary competitive advantage since it could easily be imitated by the competition.

It was possible to notice in the interview that the quality resource was mentioned as something of extreme importance for the firm, and that it has been considered a priority since the creation of the pilot part. Thus, when evaluating it by the VRIO method, two of the respondents judged it as a sustainable competitive advantage by stating that it is a valuable resource, rare, difficult to imitate, and exploited by the organization. Respondent D states that quality is the key point of the brand. The sale by catalog was considered by all as a competitive parity, since many companies work with this sales format: "I believe that there are already many companies that sell by catalog, and they have the same... similar way of selling" (Interviewee A). Despite this, two of the interviewees stated that the brand's differential is in the way the catalog is made, and this is understood by them as being difficult to imitate. Interviewee C explains that there is a special care with the photographic production so that the customer falls in love with the clothes and wants to buy them. As for the design of the pieces, one can evaluate in a general context that this is a temporary competitive advantage. Once each interviewee has a different point of view of the resource, because there is disagreement among them, some believe it is valuable and others believe it is rare.

The imported pieces are included in all of "Alfa's" collections, despite this, they generate controversial answers as to their benefits. While one of the respondents chose not to answer, another said that it was not something

valuable, because in his point of view the most valuable thing is the domestic production. Another answered that it is only valuable, and one said that it is a sustainable competitive advantage. In the general context one can reach the conclusion that it is a competitive parity when taking into account that two respondents evaluated the imported parts as valuable to the organization. The factories are companies that provide services for clothing manufacturers. Alfa" has a partnership with seven factions that help in the sewing of garments. Such service can be considered a competitive advantage because it is valuable but not rare, according to two of the interviewees. However, respondent D explains that it is difficult to imitate: "it is difficult because there is all the training, right, sometimes when you start working with a faction it seems easy, they think the product is easy... and it is not".

The relationship with resellers is a sustainable competitive advantage according to two of the interviewees. This resource can be analyzed in this way because the dealers are responsible for the contact between the organization and the customers. Similar to the situation that occurred with the design and the imported parts, in the relationship with suppliers one respondent chose not to answer about this resource, another stated that it is only valuable, another mentioned that it is something valuable and rare but not difficult to imitate, and one of them stated that it is a sustainable competitive advantage. When assessing the overall picture the relationship with suppliers can be seen as a temporary competitive advantage, since three respondents stated that it is valuable and two that it is rare. The company invests in social media to market the pieces, and even has a partnership with a digital influencer to promote the brand. Despite this, three of the interviewees evaluate this resource as competitive parity. This is explained by the reason that nowadays it is not uncommon to publicize famous brands in the media. On the other hand, interviewee C believes that this issue becomes difficult to imitate when taking into account that each company has its own way of doing it, and this may be the differential for the brand's success. After sales assistance is considered a sustainable competitive advantage by two of the interviewees. When a problem is identified, or questions are asked, they are reviewed and analyzed, and process improvements are sought.

Finally, in all answers, the four interviewees ratified that the company exploits all the resources listed, even if some of them are considered only valuable (resulting in competitive parity). This leads to the understanding of the importance of using all existing resources in an organization so that it can remain in constant development.

5. Final considerations

This research aimed to identify the strategies and competitive advantages of the clothing company "Alfa" using the VRIO as a tool, in order to understand which resources and capabilities bring a differential for the company. The objective was achieved through a case study, which first used bibliographic research on the theme and then, direct observations of the site and semi-structured interviews with the company's employees. After transcribing the interviews, the results were analyzed according to the approach of [5], and the behavior of each addressed resource could be perceived. By adopting a general perspective, where the result of each resource was evaluated according to the common sense formed among the interviewees, the company has four resources that bring sustainable competitive advantage, among them the brand, quality, the relationship with dealers and after-sales assistance. It is noteworthy that these resources, built up over the company's thirty-year history, justify such a

result and make it impossible for the company to imitate. The resources listed as temporary competitive advantage are the benefits given to employees, the product mix, the design of the pieces, and the relationship with suppliers. These resources are easy for competitors to imitate, although they need financial support to maintain them.

The resources with competitive parity for the company under study are creativity in the launch of parts, technology used in the production process, digital location, training of employees, catalog sales, imported parts, factories, and marketing. The physical location in the perception of the interviewees resulted in 50% of temporary competitive advantage, and 50% competitive parity. It is worth mentioning that all the resources evaluated by the VRIO method, regardless of their results, are explored by the organization with the purpose of extracting benefits. Even though the company does not currently possess any resources that could bring competitive disadvantages to the business.

5.1. Study limitation

It is possible to state that the theoretical basis used in this study assists in the identification of resources and competencies capable of generating sustainable competitive advantages for the company [4]. However, what made this study limited was the fact that it is a single case study, making it impossible to analyze the data collected in this research with other companies operating in the fitness fashion apparel industry.

5.2. Recommendation for future work

It is suggested for future research the application of the VRIO method in other companies in the apparel industry, with the purpose of finding results, to promote the analysis among other companies in the industry, enabling a data comparison.

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