ISCTE Business School
Instituto Universitário de Lisboa

Portuguese Fashion Designers: Behaviours for an International Business

Maria Francisca Veiga de Almeida Baptista

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Supervisor:
Prof. Álvaro Augusto da Rosa, Assistant Professor, ISCTE Business School,
Department of Marketing, Operation and Management

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Abstract

The Dissertation here presented pretends to analyse and characterize the most creative sector of Portuguese Textile and Apparel Industry: Portuguese Fashion Design. Today, Textile and Apparel Industry is one of the most important cluster of Portugal economy. However, this industry, did not always give the right importance to factors such as Creativeness, Innovation and Design as a way of reach competitive advantages in international markets. In a nutshell, Portuguese Fashion Design, despite difficult periods and constrains, has been able to reveal a continuously growth and respect on international markets.

Obviously, we hear today about the successful investments by Textile and Apparel Industry on improvement, development and innovation as a strategic response to market demands or requirements.

Fashion World is particularly known by its quick change and where the new ideas, new ways of doing things, new products and services of today will be obsoleted tomorrow. Under fast-changing environments, players need to adopt measures and strategies to fight back market demands and heavy competition in order to survive.

With this, it is up to Portuguese Fashion Designers along with Textile and Apparel Industry to seek constant alternatives and opportunities to reach a high level of competitiveness and to keep up with market demands.

Back to this dissertation, the comparison between three Portuguese fashion players based on news and interviews make it possible the analysis of Portuguese Fashion Design's evolution and to draw guidelines about its future journey.

Keywords: Competitive Advantage, Fashion, Design, Internationalization, Strategy

JEL Classification: Y4, L1

Executive Summary

This Dissertation has as its main purpose the analysis of one of the most creative activities on Portuguese Textile and Apparel Industry: Portuguese Fashion Design.

It is known that Textile and Apparel industry represents an important cluster in Portugal economy.

This study was elaborate in order to answer the question: ''What practices and strategic behaviours were Portuguese Fashion Designers implementing, in the last decades, in order to maintain and sustain their business competitive on International Market in the future?''

Between the analysis of different sources (primary and secondary) such as data collection, online news, interviews with a direct player it was possible to gather on this dissertation a statistic background of Textile and Apparel Industry on the last decades, but also information about Portuguese Fashion Design behaviour and competition on today's international market.

Then, using two specific management tools – PEST Analysis and SWOT Analysis- it was presented on this dissertation, an internal and external view of Portuguese Fashion Design sector.

With this global view, the author suggested on the last chapter several measures that can be considered by fashion designers and other important agents or entities that integrates Portuguese Fashion sector with the purpose to consolidate and improve their competitiveness among international markets.

It is globally known that Fashion World is characterized by its fast-changing environment: what is new today, becomes obsolete tomorrow. Portuguese Fashion Designers seem to be very capable in gathering good strategic competencies that help them to adapt, to reinvent and to innovate their businesses under these market conditions. Their success is based on their proximity to Textile and Apparel industry's agents and their focus on high quality and differentiated products through design or innovation.

An entrepreneurial mindset has been crucial to Portuguese Fashion Designers success. The constant participations on new fashion projects, events and partnerships with other entities or organizations turned out to be essential in pursuing new business opportunities.

Regarding Portuguese Fashion Design' internationalization, fashion designers confirm that their collections, from the beginning, are created to satisfy international clients due to the limitations and constrains on domestic market. Although their businesses are ''born Global'', their significance on international markets still needs to be consolidated and improved.

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Acronyms

ANIVEC - Associação Nacional das Indústrias de Vestuário e Confeção

ANJE – Associação Nacional de Jovens Empresários

ATP - Associação Têxtil e Vestuário de Portugal

BOT – Build-Operate-Transfer

CENIT – Centro de Inteligência Têxtil

CITEX - Centro de Formação Profissional da Indústria Têxtil

EML – Escola de Moda de Lisboa

EMP – Escola de Moda do Porto

EA – Euro Area

ESAD – Escola Superior de Artes e Design

EU – European Union

FDI – Foreign Direct Investment

GDP – Gross Domestic Product

IEFP - Instituto do Emprego e Formação Profissional

INE – Instituto Nacional de Estatística

IRC - Imposto Sobre o Rendimento das Pessoas Colectivas

ISEP – Instituto Superior de Engenharia do Porto

ITV - Indústria Têxtil e do Vestuário

OECD - Organization for Economic Cooperation and Development

RB – Resource Base

RBV - Resource Base View

R&D – Research and Development

SME – Small and medium-sized enterprises

USA – United States of America

UK – United Kingdom

VAT - Value-added Tax

WEF – World Economic Forum

WTO – World Trade Organization

1. Introduction

1.1.Identification of type of thesis

I may say that my personal curiosity and fondness for fashion are, indeed, the reasons for the choice of subject and type of my Master Thesis, as Final Project for MSc in Management. During lecture period, as a master student, I had the great opportunity to study and investigate specific international cases on Apparel Industry and more specific Fast Fashion Concept and models, such as Inditex, H&M, Benetton, in several specifically areas or perspectives such as Logistics, Marketing and Strategy.

Therefore, with all information gathered I was able to acquire new knowledge and consolidate some ideas which awoken my curiosity regarding our national fashion talents.
However, when it comes to our Portuguese fashion history it looks like that it has been poorly studied or analysed. Researches are difficult to find or are just not updated.
My proposal consists of a Pedagogical Dissertation, giving future students the opportunity to explore new ideas or to find possible responses and explanations of the business problem presented in Portuguese Fashion.

1.2.Research Theme

The theme of the dissertation to be written has as goal a better contribution and understanding of the Portuguese Fashion Business in International markets in the two last decade. I believe that this paper will be able to analyse the Portuguese fashion industry's evolution and success in international markets but also to discuss what has been the strategic behaviour in last decades of the most popular and competitive players or, in this case, fashion designers that we have in the present market.
The choice of this theme appeared from the personal interest that I have always had on this specific area that can illustrate a Portuguese success during the actual economic scenario that our country has been facing for several years.

1.3. Research Problem

With this modernized and globalized world, where borders and cultures tend to merge, fashion has been facing, during these last years, an inevitable standardization all over the world. In fact, whenever fashion is originated it can be quickly spread over time and space making fashion market more complex and competitive than ever. Due to challenging market conditions fashion designers constantly try to fight low fashion brands, lack of loyalty from consumers or counterfeit products and consciously try to focus their creations to international consumers.

After presenting the theme of this study and the respective clarification of my choice, it seems essential to discuss the investigation's question related to it.

In this way, the research problem will lay down on:

What strategic behaviours were Portuguese Fashion Designers implementing, in the last decades, in order to maintain or sustain their business competitive in International Market in the future?

Fashion has never been more present in our daily basis than it is today and it is constantly being updated with new short and fast trends. Indeed, what we feel that is trendy or fashionable today can be easily obsoleted tomorrow. Having this in mind, it should be easy to imagine the importance of studying the strategic approaches and behaviours which national fashion designers adopt to survive and succeed in a constant changing market.

1.4.Objectives

The objective of this dissertation happens to give future Portuguese fashion designers the opportunity to analyse and learn through others fashion designers who already entered in international markets and which are cases of success in sustaining their businesses alive over boards, when this particular market is known by its very high level of change. That means, learning from their successes during the long row.

The author believes that future and current young Portuguese fashion designers will benefit from this work since the presence of Portugal in the world of Fashion is becoming more visible and strongly praised by international critics. Although Portugal's recognition as a brand of style has been quite shy, it always had the support of an important and prestigious national cluster when it comes to textile and apparel industry.

Portugal has still a long way ahead before becoming a solid international reference and be considered a strong and constant player under Fashion Markets. However, Portuguese Fashion designers seek to enter in the international 'playground' and advocate national luxury creations to guarantee that Portugal can be seen as a great competitor.

It is hard to miss today that Portuguese Fashion Designers are increasing their attendance to famous passarelles during the most important weeks of Fashion around the globe.

To sum up, we believe that this work can be a way of helping those designers who wish to take the next step in their careers of becoming successfull, or sustain success, and be considered an international reference among others great names in fashion industry because fashion does not face physical barriers and no person is isolated or indifferent to fashion.

1.5.Methodology and Dissertation Structure

To achieve the goals previously mentioned, the methodology of this investigation will lean on the interpretative paradigm since my focus is analysing the sustainability of Portuguese Fashion designers' success in international markets in the last decades, taking into account statistic data, personal interviews with players and press news.

To this type of thesis, the hybrid method should be the most indicated, so, both qualitative method and quantitative method will be equally needed.

In this work, the author will start to gather and collect all data and information available concerning Portuguese Fashion history and concerning important Portuguese Fashion designers, also interviews with these players will be done in order to consolidate the information used.

Hereupon, the idea of this work passes by choosing three international Portuguese fashion designers which have a presence on international markets and study their origins, backgrounds, influences, doctrines, preferences, patterns and concepts.

Then, the author will start to analyse all strategic ways and actions adopted by each fashion designer during the last decades that helped them to succeed or sustain success in their international adventure.

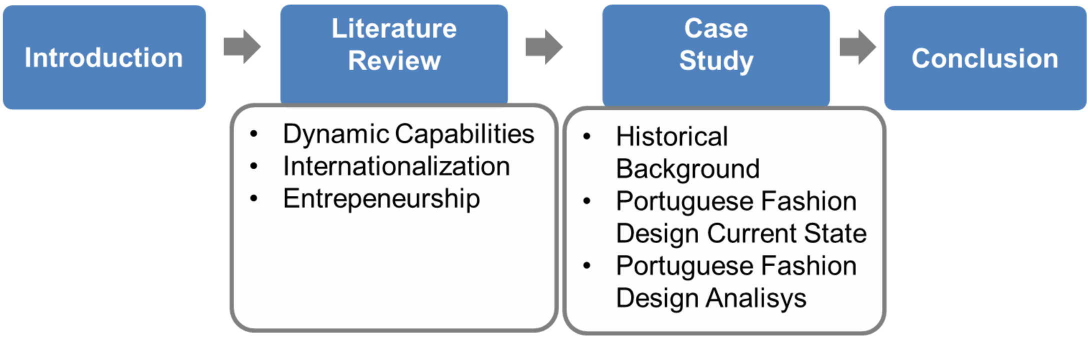
Here it should be the time when every single detail and information must be analysed in order to lead us to a potential end.

Further, the dissertation itself will then be initiated and all previous researches and studies should be the reason for a consistent dissertation.

The next, and final, step will consist of a pedagogical note and its deserved conclusion or resolution proposals by using content created and described in the dissertation. At this last stage the research problem should be fully understood.

To sum up this work journey please see Figure 1:

Figure 1- Work Methodology



Source: Author's creation

Regarding Dissertation Structure and taking into account the Dissertation theme selected by the author the below organization seems to be the best way to contribute for a better understanding of Portuguese Fashion situation and condition. Therefore, this work will exhibit the following points:

1. Acknowledgement
2. Abstract
3. Executive Summary
4. Index
5. Introduction
6. Literature review
    a. Dynamic Capabilities
    b. Internationalization
    c. Entrepreneurship
7. Case Study
    a. Historical Background
    b. Portuguese Fashion Design Current State
    c. Strategic Models Analysis
8. Conclusion and Implications
9. Appendices
10. Bibliographic references

Part I

2. Literature Review

In order to provide a better understanding or interpretation of the present Dissertation, several core concepts which consists in a theoretical framework, should be here submitted.

As any other work, literature background relates to the path which its dissertation pretends to follow. Meaning, indispensable topics and matters which author seems to believe to be important and useful must be well presented and studied to persist the final course of the project.

Having this thought, after a brief analysis of Fashion world, it was clear that this market is characterized by a deep degree of constantly change and volatility. Thus, it feels necessary to start this project with concepts related to Dynamic Capabilities in order to possess a solid base knowledge before getting into the this dissertation.

2.1.Dynamic Capabilities

2.1.1. Concept

In a continuous and never-ending changing world where new technologies are every day's subject, researchers recently started to questioned how firms, in this new era, can keep up with this new economic trend and still be profitable or competitive.

Meaning, in a much modernized world, where things that are new today will be obsoleted tomorrow, companies see themselves in a massive volatile environment. In this sense, it feels legit to understand, in the field of strategic management, 'how and why certain firms build competitive advantage in regimes of rapid change' (Teece et al, 1997) and how they sustain that advantage.

Teece et al. in 1997 provided a new concept to Management School which characterize how firms can generate wealth under changing technology environment – through their Dynamic capabilities.

In different words, dynamic capabilities consist in acquiring strategic competences by firms in order to obtain or sustain competitive advantage under market conditions of change and uncertainty (Wadhwani & Jones, 2016).

In fact, Teece et al. (1997) in their first work, discussing this new concept, started to affirm that 'winners in the global marketplace have been firms that can demonstrate timely responsiveness and rapid and flexible product innovation, coupled with the management capability to effectively coordinate and redeploy internal and external competences'.

Through the years, Dynamic Capabilities has been discussed by many researchers. Different definitions can be found on literature as it is shown on next table.

Table 1 – Dynamic Capabilities Definition

Authors	Definition
Teece et al (1997)	''firm's ability to integrate, built, and reconfigure internal and external competences to address rapidly changing environments''
Zollo and Winter (2002)	''dynamic capability is a learned and stable pattern of collective activity which organization systematically generates and modifies its operating routines in pursuit of improvement effectiveness''
Helfat et al (2007)	''the capacity of an organization to purposefully create, extend or modify its resources base''

Source: Author's creation

However, some researchers see Dynamic Capabilities not as a new concept but as an upgraded concept of the Resource Base View (RBV).

In fact, RBV defends that companies can reach competitive advantage through the use and combination of their resources which can result in production processes that will be difficult imitated or copied.

RBV concept seems to work well under stable environments. On the other hand, when firms operate under fast-changing environments, resource base advantages turn out to become easily outdated (Ambrosini, Bowman & Collier, 2009). Thus, in order to evolve over time, firms need a dynamic resource base and dynamic competences which will allow firms to create, adapt and reconfigure themselves quickly – they need Dynamic Capabilities (Ambrosini, Bowman & Collier, 2009).

Having this said, companies need more abilities and competences than just applying a RBV.

Thus, RBV can be seen as one of several others competences that firm needs to adapt in order to succeed. Collis (1994) identify different levels of dynamic capabilities that are linked to RBV:

Table 2 – Dynamic Capabilities Categories

Categories:
1- Resource Base itself
2- Modification of RB
3- Creation/Extension of RB
4- 'Meta-capabilities': learning-to-learn capabilities

Source: Author's creation according to Collis (1994)

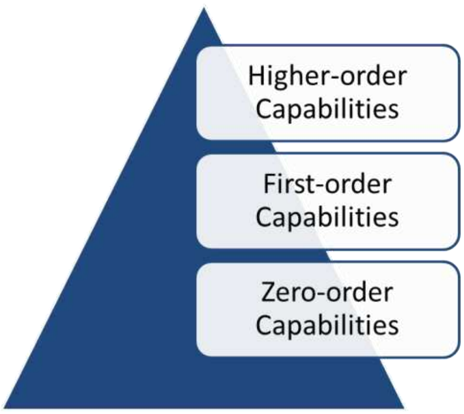
Winter (2003) puts things differently, and defends a hierarchy between the levels of firms' capabilities where only one level should integrate RBV.

As so, the *Zero-level* or *operational capabilities* of firms are related to RBV. Here, companies earn profits and competitive advantage according with theirs resource base structure and combination of resources.

The firm's *first-order capabilities* (dynamic) concern the ability to change zero-level capabilities whenever needed.

Last, *higher-order capabilities* (learning) or *second-order capabilities* can be seen as an organizational learning process which results in the creation of new dynamic capabilities or modification of current ones.

Figure 2 – Level of Firm's Capabilities

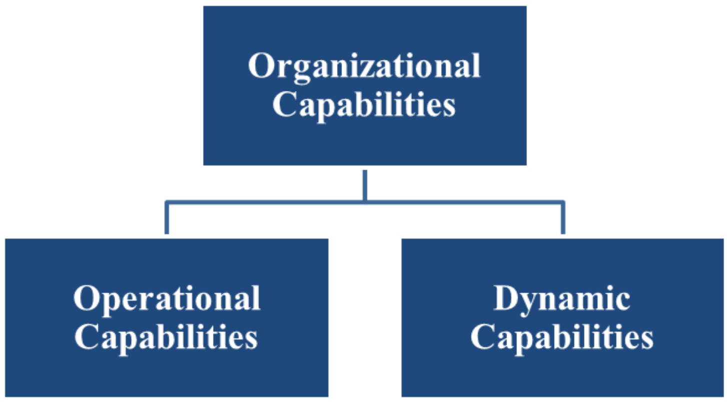


Source: Author's creation according to Ambrosini, Bowman & Collier (2009)

For Winter (2003) these three hierarchic capabilities are intrinsically related to one another since the *first-order capabilities* (dynamic) can modify *zero-order capabilities* (operational) and the *second-order* (learning) initiates the previous creation or modification in *first- order capabilities* (Frasquest et al, 2013).

Dixon et al (2013), on their turn, easily put and see dynamic capabilities as one type of organizational capability that firms must have to succeed:

Figure 3 – Organizational Capabilities



Source: Author's creation according to Dixon et al (2013)

By organizational capabilities Dixon et al (2013) understand to be the way how companies coordinate their activities and resources to achieve a final result. These organizational capabilities can be named as *operational* when are related to improvement and modification of the resource-base's efficiency. This type of capabilities is similar with Winter (2003) zero-level capabilities.

Dynamic Capabilities for Dixon et al (2013) regard to the firm's ability to renew competencies, skills and reconfigure resources.

According with their article both types complement each other to create a value-strategy and competitive advantage but emphasizes dynamic capabilities as the engine of response under fast and trouble environment.

Ambrosini, Bowman & Collier (2009), based on previous studies, come up with three types of Dynamic Capabilities:

Table 3 – Type of Dynamic Capabilities

Dynamic Capabilities	
Incremental Capabilities	Firms should continuously improve and adjust their resource base and processes in order to ensure and maintain value;
Renewing Capabilities	These capabilities do not adapt firm's resource base but renew and refresh it via new creations or new introductions of resources to alter firm's value and competitive advantage;
Regenerative Capabilities	When current ways of improving and creating resource base is not sufficiently appropriate to impact on firm's value, new set of dynamic capabilities should be implemented.

Source: Adapted from Ambrosini, Bowman & Collier (2009)

Although Ambrosini, Bowman & Collier (2009) defend that dynamic capabilities can be used in different environments for Teece (2007), firms only develop dynamic capabilities under turbulent ones.

Teece (2014) defines dynamic capabilities' concept as 'higher-level activities that can enable an enterprise to direct its ordinary activities towards high-demand uses and to manage or 'orchestrate' the firm's resources to address and shape rapidly changing business environments'.

For this author (Teece, 2007), sustaining competitive advantage in fast-changing environments goes beyond from difficult-to-imitate company's resources and assets but it also demands unique dynamic capabilities.

In this way, Teece finds RBV very poor when it comes to firms that operate under fast-moving environments. For him, RBV is necessary but not sufficient.

In fact, on his paper (Teece, 2007) Teece mentions that companies who work under certain market characteristics give to dynamic capabilities even more relevance to their survival.

Those specific market characteristics would be:

Table 4 – Dynamic Capabilities Market Characteristics

Business Environment
1. International Exposure and Rapid Technology Change
2. Innovation is associated with Products/Services creation
3. Market is well prepared for Products/Services Exchange
4. Technological exchange and know-how are poorly developed

Source: Adapted from Teece (2007)

For Dixon et al. (2013), a firm's innovation capacity can be seen as 'a form of dynamic capability'. To others researchers, like Kraatz and Zajac (2001), "the concept of dynamic capabilities is appealing, it is rather a vague and elusive one which has turn far proven largely resistant to observation and measurement".

Putting differently, dynamic capabilities regard to a company's ability to adapt, built and redesign internal and external competences as response of rapid technological change (Teece, et al. 1997). To conclude, as mentioned by Teece et al. (1997) 'reflect an organization's ability to achieve new and innovative forms of competitive advantage'.

2.1.2. Framework

As seen before, researchers stressed to find an universal concept of Dynamic Capabilities due to lack of clearness on which its microfoundation is built.

Teece et al, (1997) tried to come up with a dynamic capabilities conceptual framework which rests on the idea how firms should identify their distinctive or difficult-to-replicate advantages and then how they can be built, be maintained and be improved. Thus, difficult imitation or replication of competences and capabilities by competitors may highlight the durability of a firm's advantage.

In other words, dynamic capabilities framework seeks to explore why some companies can have better response and better ability to adapt themselves or to deal with innovative changes under competitive environments (Wadhwani & Jones, 2016).

In order to develop competitive advantages and distinctive competences through dynamic capabilities, author presented three components: Processes, positions and paths (Teece et al. 1997).

According with Teece et al. (1997) “organizational *processes*, shaped by the firm’s asset *positions* and molded by its evolutionary and co-evolutionary *paths*, explain the essence of the firm’s dynamic capabilities and its competitive advantage’’.

Firm’s organizational *processes* relate to the way things are done or to practical and learning routines currently in force. In this point, internal efficiency and external activities should be well integrated and coordinated by managers.

A constant learning of new processes must not be put aside since continuous experiences can lead to a better and quick performance and it can also be able to identify new production opportunities.

As so, whenever new opportunities are found it will be necessary to reconfigure current asset structure and handle with any internal or external transformations (Teece et al. 1997).

As author defends – ‘the capacity to reconfigure and transform is itself a learned organizations skill. The more frequently practiced, the easier accomplished’ (Teece et al. 1997).

Positions regard to firm’s internal and external assets which can consist in ‘technology, intellectual property, complementary assets, customer base, and its external relationship with suppliers and complementary’ (Teece et al. 1997).

Path can be referred as the alternative or the strategic way adopted by the firm.

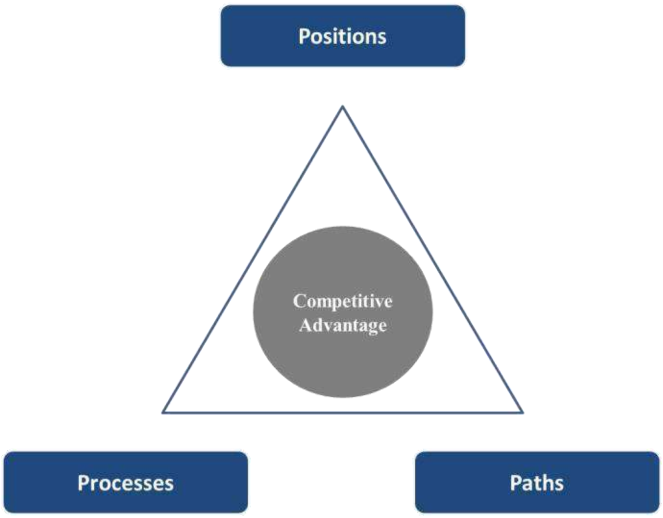
Teece et al. (1997) on his framework identify two parameters that determine a firm’s level of dynamic capabilities - whenever performance, behaviours and routines are difficult to *replicate* and to *imitate*.

In fact, competitive advantage can only generate wealth if firm’s organizational procedures and routines are not discovered by competitors.

Given this, it is easier to understand that hard replication and imitation can determinate a firm’s sustainability of competitive advantage since an easy imitation by others will quickly dissipate the wealth (Teece et al. 1997).

Figure 4 represents the best combination of the three components of dynamic capabilities framework which leads to competitive advantage and wealth creation.

Figure 4 – Dynamic Capabilities Framework



Source: Author's creation according to Teece et al. (1997)

2.1.3 Microfoundations

After presenting the new concept of dynamic capabilities and its framework, researchers found necessary to understand, on a micro-level how firms seek and identify new market opportunities, how they work with them and how these opportunities change Company's mindset.

How are these capabilities built? Here, microfoundations of dynamic capabilities give us the reasons for their origin and development.

Authors such Eisenhardt et al. (2000) describe microfoundations as 'the underlying individual-level and group actions that shape (…) dynamic capabilities'.

Teece on 2007 explains that it is through microfoundations ,which can consist in 'distinct skills, processes, procedures, organizational structures, decision rules and disciplines' that companies will be able to sense, seize and reconfigure their new competences.

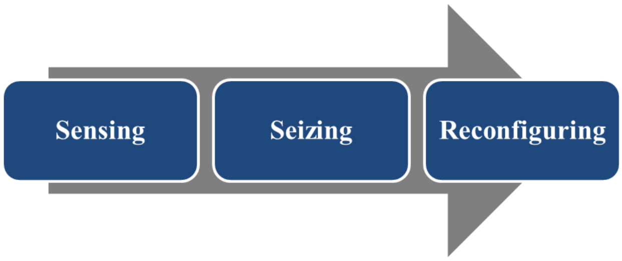
Indeed, before pursuing new opportunities, firms need primarily to identify possible changes and then readjust or reconfigure their assets in order to reach any innovation. (Wadhwani & Jones, 2016).

It is important for organizations to continuously keep an eye on their environment to detect, generate and capture new opportunities (Teece, 2007).

Having this in mind, it is important here to highlight how Managers, as individuals, have a relevant role to play in sensing, seizing and reconfiguring opportunities. However, it is up to enterprises to focus on how to develop those capabilities collectively that go beyond individuals abilities (Wadhwani & Jones, 2016).

Therefore, microfoundations relate to the way how a company is organized and if allows it to respond dynamically to – *sense, seize* and *reconfigure* opportunities (Wadhwani & Jones, 2016).

Figure 5 – Microfoundations Dynamics

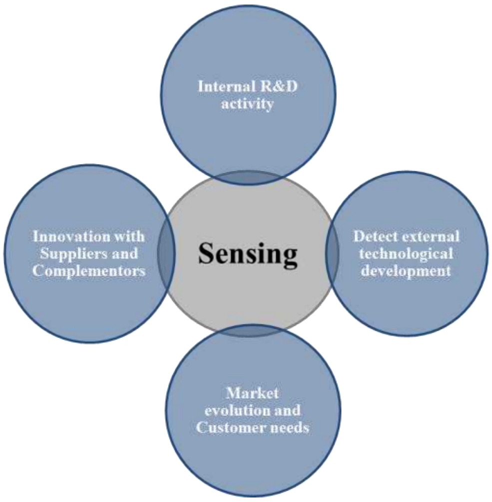


Source: Author's creation according to Wadhwani & Jones (2016)

a) '*Sensing*' consists in the ability to identify, shape, recognize and 'sense' a new opportunity through organization processes and individual capacities - i.e. changes on customer needs, new internal and external innovations and new type of relationships between suppliers (Wadhwani & Jones, 2016) - which allow firms to monetarize the business environment (Teece, 2007).

Thus, sensing opportunities does not only involves Research & Development (R&D) activities or any other internal/local activities but also the necessity to study and understand all market ecosystem from suppliers, customers, competitors, market evolution, possible responses and either constraints (Figure 6).

Figure 6 – Microfoundations Sensing

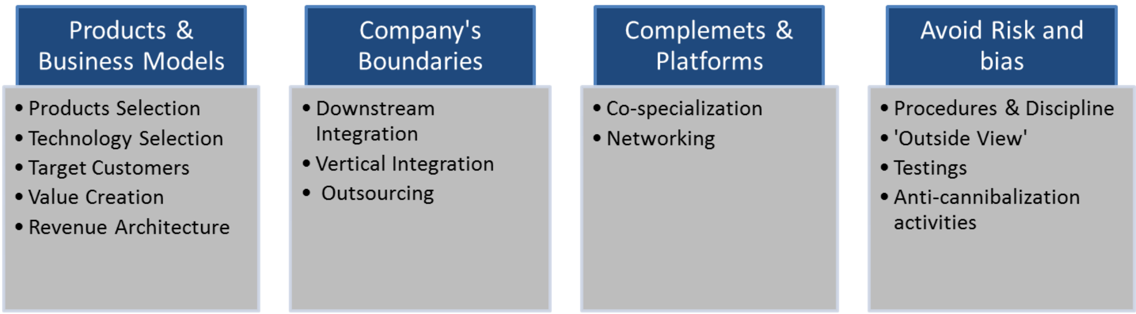


Source: Author's creation according to Wadhwani & Jones (2016)

b) ‘Seizing’ manages to design and elaborate procedures on an internal and external level. Whenever an opportunity is detected, capturing it depends on the organization ability. Meaning, where to invest? What Business models to build? What resources need to be changed or introduced? (Teece, 2007). What kind of investments should be a priority? It is important here to find a business model that designs the firm’s strategy and investment decisions. In this phase, entrepreneurs should take into consideration different aspects and several hypotheses as shown in Figure 7.

With a good opportunity sensed and shaped and a good organizational strategy with investment commitment, enterprises will generate wealth.

Figure 7 – Microfoundations Seizing

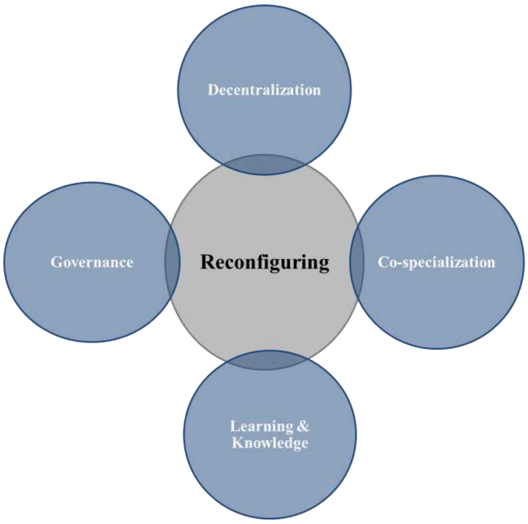


Source: Author’s creation according to Teece (2007)

c) ‘*Reconfiguring*’ relates to the transformation and ‘realignment of tangible and intangible assets in a way that allows for the pursuit of new business opportunities’ (Wadhwani & Jones, 2016).

Therefore, as mentioned on Jantunen et al. (2005) work ‘firms with advanced reconfiguring capabilities are expected to be able to seize opportunities through new resources combinations and well-organized processes and structures’. For Teece (2007) firms’ success will probably drive it to path-dependency. In order to overcome path dependencies and sustain growth, firms need to have ‘the ability to recombine and to reconfigure assets and organizational structures’ (Teece, 2007), Figure 8.

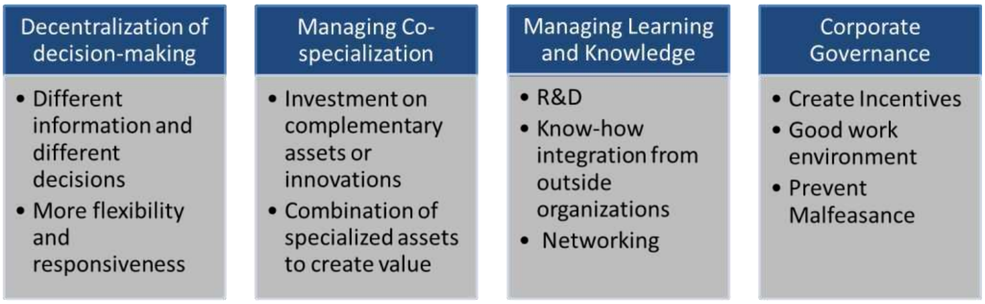
Figure 8 – Microfoundations Reconfiguring



Source: Author's creation according to Teece (2007)

To sum up, to sustain dynamic capabilities, managers should follow some criterias:

Figure 9 – Dynamic Capabilities Criterias



Source: Author's creation according to Teece (2007)

Figure 10 shows the Microfoundations of dynamic capabilities and how the three key-actions interact.

Figure 10 – Dynamic Capabilities 3 Key-actions interaction

Source: Author's creation according to Teece (2007)

2.2. Entrepreneurship

2.2.1. Concept and Players

Innovation is one of the forces that change how society lives and how business operates. Most of this innovation rise from an entrepreneurial opportunity or from a 'creative destruction' concept that belongs to an entrepreneurial process (Larson, 2000).

The term 'Entrepreneur' still seems today a young and fresh concept; however it has been discussed since 1700s among researchers about 'who' is an entrepreneur and 'what' actions can be considered as entrepreneurial (Soriano & Sanchez, 2011).

It is not new that entrepreneurship it is a broad and complex topic due to enormous areas and fields which it can be applied to. Having this in mind, it is not a surprise to find different definitions and concepts over the years (Soriano & Sanchez, 2011).

Table 5 – Entrepreneurship Definition

Authors	Definition
Stevenson & Jarillo (1990)	Corporates and individuals pursuing opportunities.
Kirzner (1997)	Opportunities recognition that results from lack of market information.
McDougall & Oviatt (1994)	Creating value and wealth through new activities to pursue business opportunities.
Lee & Peterson (2000)	Creation of new companies defines entrepreneurship.

Source: Author's creation

Different definitions have been brought up among the years and no unique definition can be accepted due to the influence and background of each researcher (Jantunen et al, 2005).

When discussing entrepreneurship, Joseh Shumpeter (1934) has been considered an important player when associating 'creative destruction' as entrepreneur's ability that will lead to a change in society.

'Creative destruction' can be seen as new or transformed corporate activity that will generate for example new products, services and new production processes (Larson,2000).

As so, entrepreneurship seems to be an important source and influence in economic evolution when countries struggle for their wealth and growth (Soriano, 2011).

For Joseph Shumpeter (1934), entrepreneurs constantly live under market uncertainty and risky conditions. Due to market volatility, entrepreneurs are stimulated to discover new ways or alternative ways of doing business, which can be new services, products, new production techniques, discovering new markets, new internal organization and so on. In other words, being ‘creative destructive’: destroy what it is old and creatively create new things (Larson, 2000).

Also, Shumpeter (1934) initially characterizes an entrepreneur as an industry outsider due to his ability in finding or detecting possible changes which is bigger when compared to those who are inside the market, that are characterized by lack of perception and seems to be blind to new waves of change (Larson, 2000). These outsider visionaries are then responsible for the evolution of economy and society.

2.2.2. Entrepeneurial Opportunities and Processes

As far as we understood, entrepreneurs seek entrepreneurial opportunities. But what are indeed entrepreneurial opportunities? It is possible to consider better efficiency in current activities an entrepreneurial opportunity?

For some authors, an entrepreneurial opportunity requires a discovery of something new or which generate a new outcome for the future.

Having this in mind, Shumpeter (1934) and others see innovation as the essence of entrepreneurship and strongly believe that any entrepreneurial activity should not be aligned with any typical managerial activity, since it constantly challenges the *status quo* (Larson, 2000).

Despite the concept has been clarified, scholars continue to give a certain importance to design processes or models in which entrepreneurs base-in, in order to detect new entrepreneurial opportunities.

Questions such as ‘*when do these opportunities arise*?’ or ‘*why do some entrepreneurs succeed when others not*?’ and ‘*Is there an entrepreneurial process?*’ are just an example of questions that authors tried to answer through their studies about this subject.

Literature found that a strong networking with internal and external providers seems to be the fundamental key for entrepreneurs to find any opportunity. In fact, it’s due to these relationships that an entrepreneur learns and investigates what is happening in the market.

Miller (2007) on his paper presents three possible ways or processes how entrepreneurs can find a market opportunity:

Table 6 – Entrepreneurship Ways

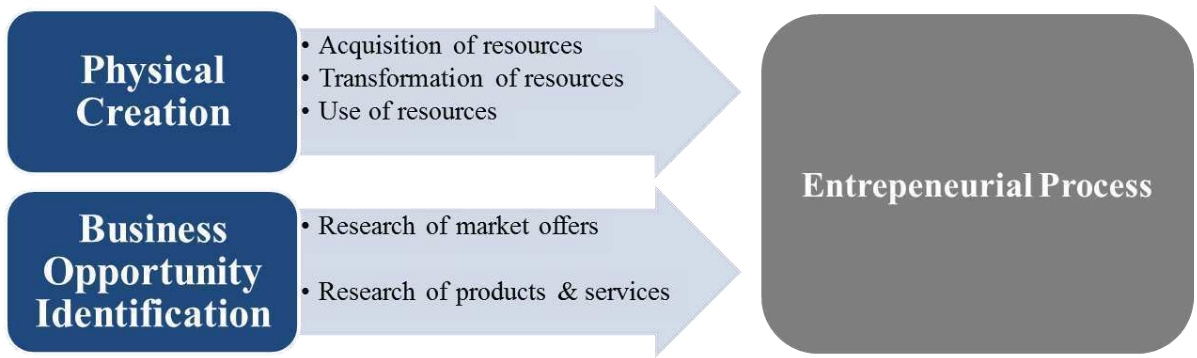
Opportunity Recognition	Opportunity discovery	Opportunity creation
Product and demand researches allow entrepreneur to recognize market opportunity;	Entrepreneur discovers a market opportunity through unknown supply or unknown demand;	Entrepreneur creates both supply and demand market opportunity that did not exist previously.

Source: Author's creation according to Miller (2007)

Sarasvathy et al. (2003) on the other hand, defend how these three categories are connected each other since when discovering opportunities, their recognition is necessary at some point in the process, as well as creating an opportunity demands its discovery and also its recognition.

Boccardelli & Magnusson (2006) highlights two activities about entrepreneurial process:

Figure 11 – Entrepreneurial Process Activities



Source: Author's creation according to Boccardelli & Magnusson (2006)

Mosakowski (2002) explained that when these opportunities are identified, firms' must develop the adequate business models and strategies with objective to create the best resource base to capitalize these opportunities.

Indeed, after detecting an opportunity, companies need to decide if they wish to exploit any opportunity that comes across, since it would require a lot of resources to come up with a new business project or just pass on this information to the others players willing to develop this innovation (Larson, 2000; Soriano, 2011).

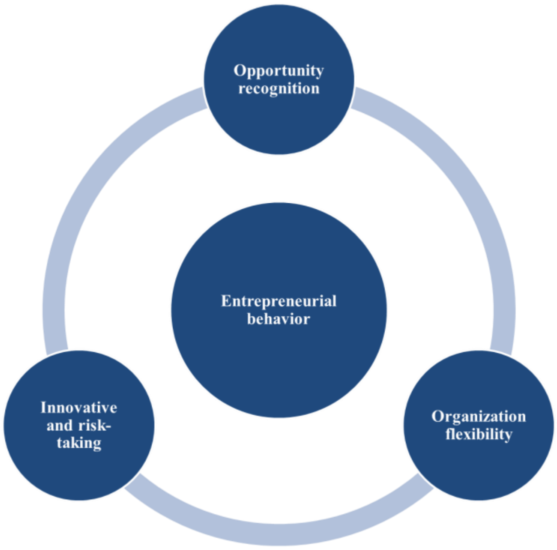
2.2.3. Measure of Corporate Entrepreneurship Intensity

Given the correct importance that entrepreneurship has today on business' performances, several scholars have defended that entrepreneurship should be present in any company that wishes to prosper in the market.

Having this said, literature focused on understanding how entrepreneurial behavior can be incorporated or introduced in organizational processes (Barringer et al. 1999).

According to first researchers, there are three variables which characterize a company with entrepreneurial behaviour (Barringer et al. 1999):

Figure 12 – Entrepreneurial Behaviour



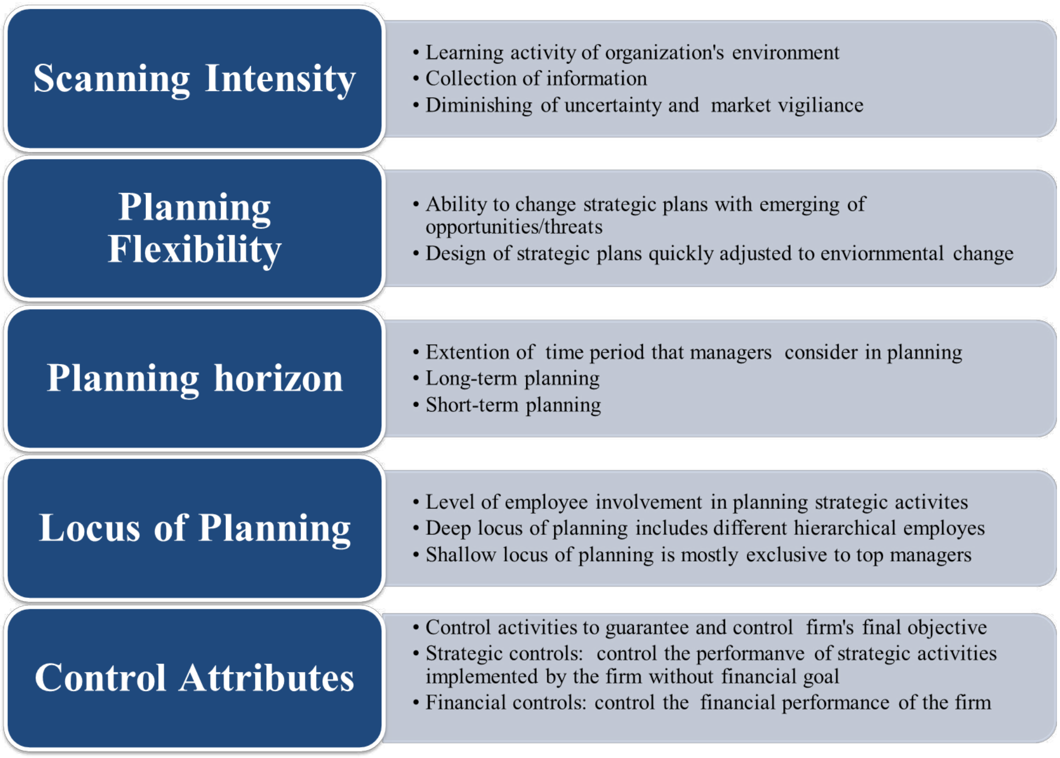
Source: Author's creation

In order to facilitate entrepreneurship behaviour into a company's organization, it is up to management to introduce and encourage entrepreneurial practices in a firm's strategic management. Indeed, no firm can adopt entrepreneurial attitude with management that seems not to be quite entrepreneurial itself (Barringer et al. 1999).

As entrepreneurship become a firm-level phenomenon, Barringer (1999) defends the idea that firms do not implement a corporate entrepreneurship behaviour with the same degree or intensity. In fact, having corporate intensity in mind, this author provided two different groups of firms – Conservative Corporations VS Entrepreneurial Corporations.

To be able to distinguish and identify attributes between both types of corporations based on their entrepreneurial intensity, five measures/indicators were studied to explain the exhibition of entrepreneurial level:

Figure 13 – Entrepreneurial Level Indicators



Source: Author's creation according to Barringer et al. (1999)

Table 7 – Conservative vs Entrepreneurial Firms

Relationship	Scanning Intensity	Planning Flexibility	Planning Horizon	Locus of Planning	Control Attributes
Conservative Firms	Low-level of scanning; Stable environments; Low levels of market uncertainty.	Low Flexibility; Undermines the business' activities effectiveness; Competitive advantage through repetitive transactions and routines.	Long-term horizon; Stable Markets; No need to develop new products/services.	Shallow Locus of planning; No gains in involving employees;	Focus on Financial Controls; Study firm's performance; Evaluation of financial results.

Entrepreneurial Firms	High-level of scanning; Risk-takers; Focus on market opportunities and innovation; Firms in a very turbulent environment.	High-level of flexibility; Easily change due to market volatility; Easy to overcome obstacles.	Short-term horizon; Turbulent Markets; Products/services with short life cycles;	Deep Locus of planning; Facilitates opportunity recognition; Diversity of opinions and point of views.	Focus on Strategic controls; Sustain the innovation process;

Source: Author's creation according to Barringer et al. (1999)

It is also important to highlight that any level of entrepreneurial intensity adopted will always be influenced by firm's internal and external environments (Barringer et al. 1999).

2.2.4. Entrepreneurial Orientation and Dynamic Capabilities

In a very fast changing world, competitive advantage is a concept that has to be present on companies' daily basis. It is known that companies which achieve competitive advantage tend to have a better performance than others.

Jantunen et al. (2005) on their paper believe that companies which embrace Entrepreneurship activities along with organizational renewal processes or Dynamic Capabilities tend to be more competitive on market.

As mentioned by the father of Dynamic Capabilities concept, Teece (2003), companies find their ability to sense and seize opportunities through dynamic capabilities which are important to reflect an entrepreneurial aspect or which are entrepreneurial oriented. In other words, they must be innovative, reactive and risk-taking.

In fact, when companies turn to be entrepreneurial oriented, they are able to recognize and create market opportunities. To take advantage from those opportunities firms need to reconfigure their processes and assets base easily, meaning, be dynamic enought to reconfigure themselves in order to sustain competitive advantage in changing markets.

As Jantunen et al. (2005) concluded in their study, there is a positive effect on companies' performance whenever an entrepreneurial orientation and reconfiguring capabilities are present. As so, it is important to pass on the entrepreneurial culture specifically to firms which operate changing environments.

Also Boccardelli & Magnusson (2006) in their article emphasize the importance of entrepreneurship as a source of dynamic capabilities. For these authors, a higher entrepreneurship orientation or entrepreneurial activities combined with a flexible resource-based, will make companies easily reinvent themselves and become more innovative than others.

Indeed, for Boccardelli & Magnusson (2006) there is an important role of the entrepreneur in changing and renewing firm's resource based and developing new competencies and routines when seizing opportunities.

Therefore, entrepreneurship turns firms to be more 'dynamic capable' to survive in very fast changing markets and high technological markets where uncertainty is a common feeling.

As mentioned by Michael et al. (2002), entrepreneurial management focuses on the discovery and recognition of new businesses as well on the creation of wealth. In order to succeed in today's business world, entrepreneurs must create new competencies, new resource bases and new routines as well as to achieve the capability of renewing once again.

2.3.Internationalization

To be able to answer to the research problem, concepts such Internationalization must be here displayed since Portuguese fashion designers present a deep export character on their business.

Factors like new technology evolution, new ways of communication, constant liberalization of international markets as well as improvement of international networks and channels consist of a few examples which contribute to a even more global commercial world (Loane, et al., 2007).

Even though this global phenomena results in a new wide range of opportunities which can be explored and discovered, it is also important to highlight that internationalization brings also markets threats that should be carefully taken into consideration.

Internationalization then resumes itself in the process of extending product and market strategies into others countries, having in mind that the level of internationalization should follow the evolution of market trends or other competitors in order to assure firm's success (Freire, 2008).

Putting it differently, a company's internationalization process can be seen as the group of actions taken in different countries leading to productions factors i.e. product sales, capital transfers or development projects (Abrantes, 1999.)

2.3.1. Reasons for Internationalization

Before getting into the reasons why a company decides to become international, it is necessary to advice that in any process of becoming international a previous research, study and analysis on target markets or on any different foreign opportunity should be strictly well done.

For Hansson & Hendin (2007), firms seek their international path due to internal market constrains and domestic saturation. What make them find external markets, external clients and external resources very appealing to be explored.

In fact, several different reasons can conduct a firm to start an international process. Simões (1997) defends that the will of becoming international come from five groups:

Table 8 – Reasons For Internationalization

Reasons	What is?	Example
Endogenous	Prosecution of firm strategic objectives	▪ Financial growth ▪ Economies of scale ▪ New technology competencies ▪ Risk Management
Market Characteristics	Market opportunities	▪ Saturation of domestic market ▪ External clients
Relational	Actions taken accordingly with strategies from other payers	▪ Responses to others players ▪ Approach from external players
External Resources	Acquisition of certain resources	▪ Low costs in external resources ▪ Access to different knowledge
Governmental	Internal and/or external governmental support or incentives for internationalization	▪ Community Funds

Source: Author's creation according to Simões (2007)

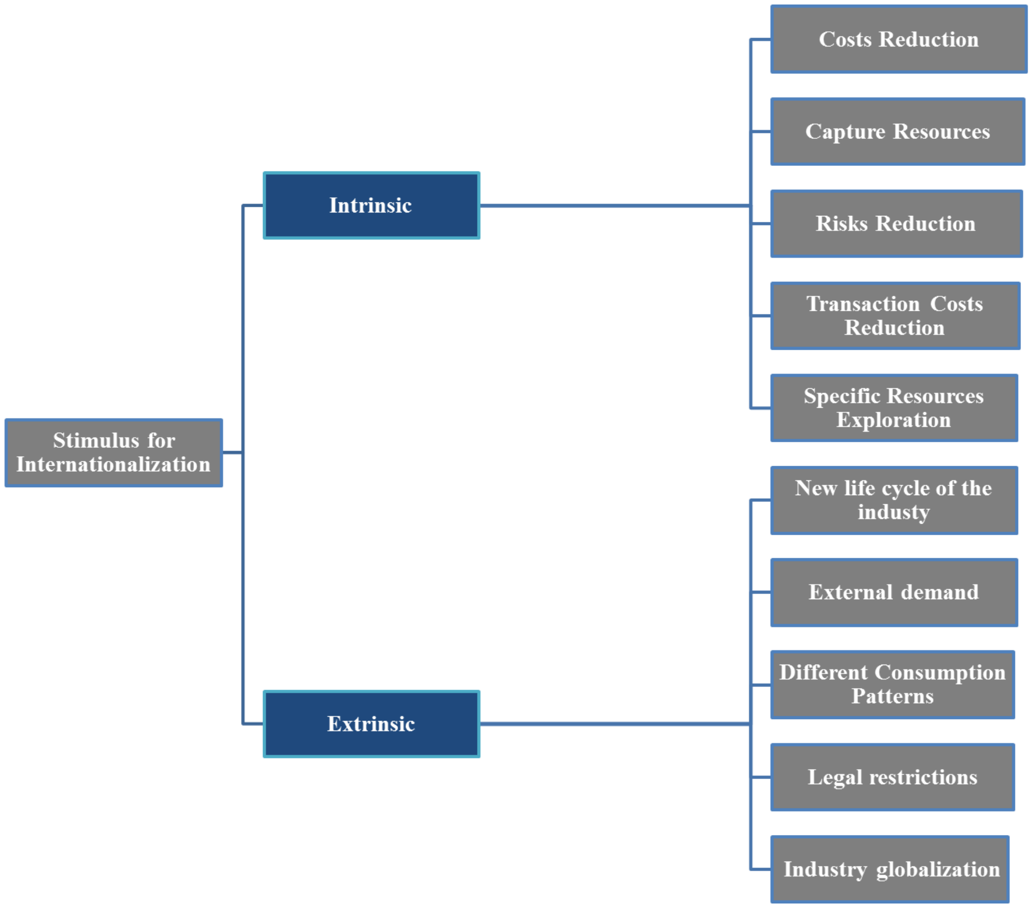
However, being this point a discussion on any company's daily work, researchers have given a great importance to it and so, different approaches of motives have been presented through the years.

Different from the previous Simões (1997) study, Freeman & Cavusgil (2007) affirm that a firms' decision of becoming international comes from intrinsic and extrinsic stimulus.

For these researchers, intrinsic stimulus consists of any firm decision or action in order to improve its competitiveness to produce high-value products.

External stimulus, on the other hand, can be seen as actions taken by external agents which are not influenced by any company's strategic decisions. On figure 14 is possible to see a brief sum up and examples for each type of stimulus.

Figure 14 – Stimulus for Internationalization

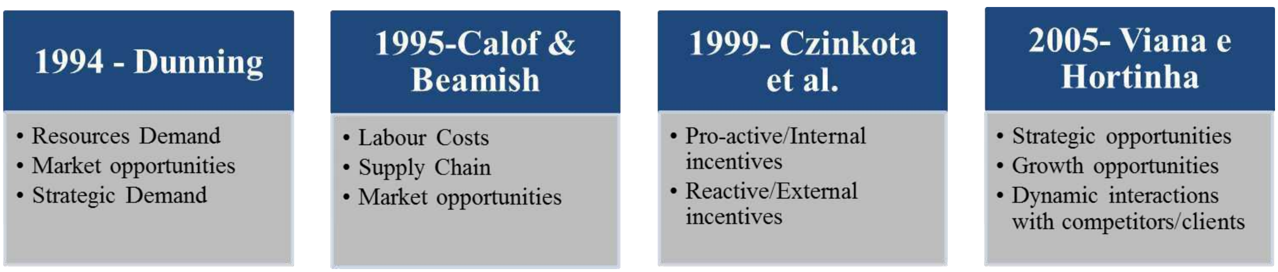


Source: Author's creation according to Freeman & Cavusgil (2007)

As previously mentioned, these views of internationalization should not be seen as unique models, yet as some examples like others which are inserted in a wide range of interpretations concerning the reasons that lead an enterprise to decide to pursuit foreign markets.

Thus, several approaches and different motives for internationalization were studied by distinct authors and presented through the years. Next figure tries to summarise and list ideas of the most principal researchers when analysing international motives.

Figure 15 – Motives for Internationalization



Source: Author's creation

To generalize different ideas, enterprises' main motivations for internationalization regard the capture of better strategic solutions relating natural resources, strategic assets and market efficiency. In fact, as mentioned by Loane et al. (2007), factors such as development of new production technologies, new ways of communications, international networks and continuous liberalization of foreign markets are just a few examples that have dispelled the number of companies that start their international process and turn this phenomenon even more 'global'.

2.3.2. Ways of Internationalization

The way of how a company must initiate its internationalization process should be adapted according to external market requirements but, at the same time, must have in mind the specific characteristics of the company.

Freire (2008) simply affirms that any international process must be aligned and adjusted with firm's reality. Indeed, company's competencies and competitive advantages developed on domestic market should be paralleled with any strategic implementation in other countries (Freire, 1997).

According to Freire (2008), internationalization modalities can be grouped into three distinct categories as shown below (Table 9).

Table 9 – Internationalization Modalities

Type	Definition	Examples
Transactions	Commercialization of products, services, patents, brands, etc. Exports or licenses.	▪ Exports ▪ Exports via other agents ▪ Technology and brand licenses ▪ Franchising
Direct Investment	Investment of all or partial operations activities in foreign market: Joint-Ventures (mixed capital) or Subsidiaries (own capital)	▪ Distribution and Marketing Joint-Venture (partial operations) ▪ Integrated Joint-Venture (all operations activities) ▪ Distribution and Marketing Subsidiary ▪ Integrated Subsidiary
Projects	Specific international projects (time limited): turn-key	▪ Turn-key project: construction of a factory and pass it to a local company

	projects; Build-Operate-Transfer (BOT); Management Contracts.	with payment return ▪ BOT: construction of a factory to operate initially before passing it to local company with payment return ▪ Management Contracts: Management Operations from others in external markets

Source: Author's creation according to Freire (2008)

Nevertheless, Namiki (1998) mentioned that even though each company has its personal model and way of becoming international, according to this author it is possible to demonstrate standard behaviours among firms whenever exploring external markets.

Figure 16 – International Firms Standard Behaviours

Source: Author's creation according to Namiki (1998)

2.3.3. Stages of Internationalization

Once a company decides to initiate its international process due to certain incentives or reasons it is important to understand that the international level is not similar to those which initiated it before. Indeed, there are different stages of internationalization.

In this way, it is necessary here to introduce concepts such as 'Born-global', 'International New Venture' and 'International-at-founding' (Oviat & McDougall, 1994; Prange & Verdier, 2011; Rasmussen & Madsen, 2002) which relates to firms that are international since their foundation.

As Oviatt & McDougall (1994) stated, these types of enterprises are 'business organizations that from the inception, seek to derive significant competitive advantage (…) in multiple countries'.

Also, concepts like 'international-by-stage' (Johanson & Vahlne, 1977) should be here mentioned. As the name suggests it, regards firms that turn to be international gradually among their path and normally choose countries with low psychic distance (Prange & Verdier, 2011).

Leonidou & Katsikeas (1996) started to believe that international degree and development of a company can be divided in three different phases:

Figure 17 – Internationalization Stages

Pre-engagement Phase	Initial Phase	Advanced Phase
• Companies that are focused on domestic markets and do not show any activity in foreign markets;	• Companies that perform activities or export to international markets only exporadically in order to study and evaluate future international processes;	• Companies which have constant international presence and exportations on their daily basis.

Source: Author’s creation according to Leonidou & Katsikeas (1996)

With more recent studies on companies’ internationalization process, others authors provided new concepts such as ‘International-at-founding’ or the ‘Born-global’ firms.

These are shown to be international since their early beginning through products and services commercialization with foreign players. These types of firms become international in a very short time – characterized by accelerated international process- and since their early days find world market to be their ultimate goal (Prange & Verdier, 2011; Weerawardena et al, 2007).

So, ‘Born-global’ and ‘International-at-fouding’ firms show to be very ‘advanced’ on its internationalization since their early days.

By contrast, an ‘International-by-step’ company focuses its business primarily on domestic boarders and the process of becoming international seems to be progressively and gradually oriented.

In order to succeed in foreign territories, these companies normally concentrate energies and ideas on their specific products, characteristics and competitive advantages as *preferential factors* for foreign clients and *differential factors* for others competitors in new countries.

Regardless what international opportunity companies are chasing or wishing to achieve, they may choose their best capabilities and process to do it during international expansion (Prange & Verdier, 2011):

Table 10 – Internationalization Activities

Exploitation Activities	Exploration Activities
Firms seek to reduce risk whenever entering foreign countries using existence knowledge, routines and experiences done previously on domestic market. It brings more certainty and power of control during international process.	Firms seek to explore, gain and develop new knowledge and learning during international expansion through experimentations and risks taken.

Source: Author's creation according to Prange & Verdier (2011)

In this point, it seems also relevant to mention the two most famous models of internationalization.

In fact, around the internationalization concept, two different doctrines have been defended: 'Upsalla Models- U-models' or 'International Incremental Process' (Prange & Verdier, 2011) and 'Innovation Related Internationalization Models – I-models'.

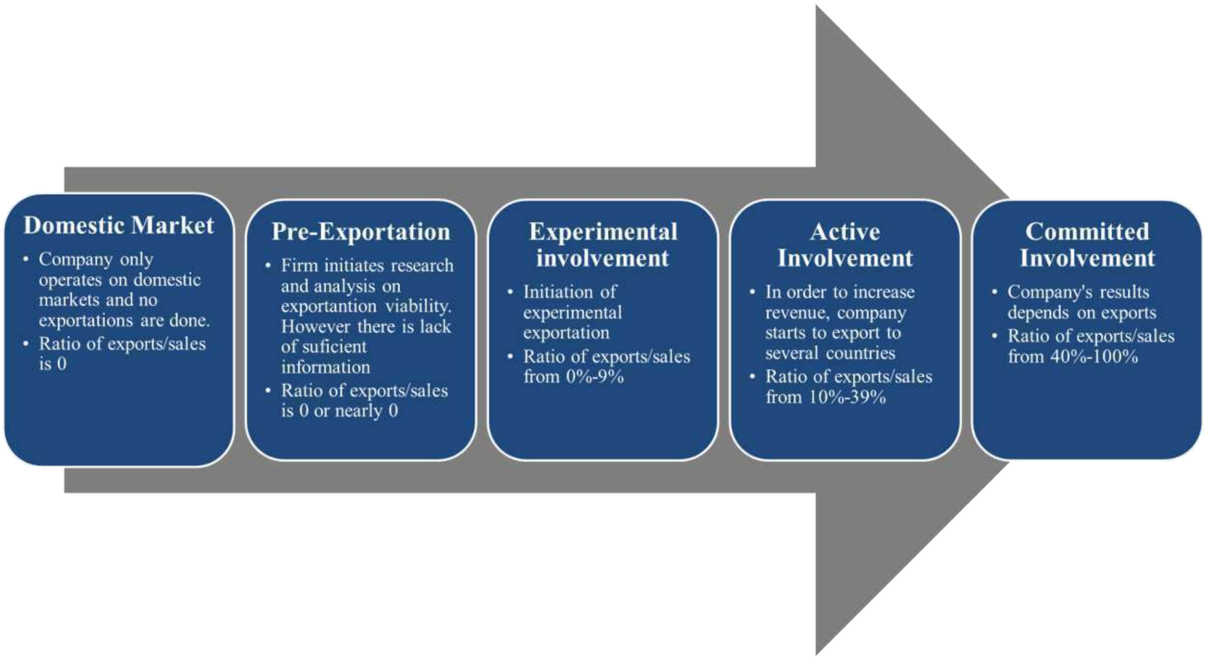
According to Johanson & Widersheim-Paul (1975) and Johanson & Vhalne (1997) U-models, also known by 'International Incremental Process' (Prange & Verdier, 2011) see internationalization as an gradual process of acquisition, integration and use of knowledge related to external market but also as the consequently compromise from firms to these markets. Meaning, previous business experiences provide knowledge absorvation as so as facilitates new capacities acquisition (Weerawardena et al, 2007).

Indeed, these models treat internationalization as just a simple answer to organization-leaning concept and experience-focus and are linked to Exploitation activities (Prange & Verdier, 2011).

However, recent studies do not find Uppsala model adequate when talking about the new born-global companies which are characterized by a very fast and accelerated international process and cannot lay under previous experiences and past knowledge acquisition – Accelerated International Process Model – Rely on exploration activities (Prange & Verdier, 2011; Weerawardena et al, 2007).

For I-models, Gankema et al. (2000) can divide internationalization process in five progressive phases seeing each phase as a new 'innovation' adopted or a new way of doing things.

Figure 18 – Internationalization Progressive Phases



Source: Author's creation according to Gankema et al. (2000)

In general, both models, U-models and I-models, may show a certain line of agreement in a way that both appeal to company's involvement focus on external markets. Also, through the years, researchers have given more importance to the role of firms' entrepreneurs on international orientation as one importan factor of international involvement (Weerawardena et al, 2007).

2.3.4. Risks and Barriers

The process of becoming international may start with two decisions: location (where) and method (how). As defended by Freire (2008), any market choice must have in mind strategic criteria in order to avoid any negative impacts or barriers and maximize company's performance, in both domestic and foreign market.

Thus, as we all know today, several incentives can guide a company to initiate its international process. However, there are some costs, risks and barriers which may rise during the process forcing enterprises to rethink its initial strategy (Li & Nkanseh, 2005). In fact, external countries can create some barriers in order to protect internal players. Yet, this protectionism has been suppressed over time, there are still other risks that companies should look into and give a certain importance.

Next table shows a summary of distinct authors and present their ideas on this point:

Table 11 – Internationalization Barriers

Author	Barriers
1995- Leonidou	▪ Domestic-Internal Barriers: company intrinsic barriers on domestic market ▪ Domestic-External Barriers: in domestic market but outside company's control. ▪ Foreign-Internal Barriers: internal strategic barriers in external countries ▪ Foreign-External Barriers: in external markets but outside company's control.
1999- Lemaire	▪ Economic Barriers ▪ Political Barriers ▪ Social-Cultural Barriers ▪ Technology Barriers ▪ Financial Barriers ▪ Market Competition Barriers
2004- Shaw & Darroch	▪ Management Barriers ▪ Market Barriers ▪ Financial Barriers ▪ Industry Barriers ▪ Company Barriers

Source: Author's creation

Still speaking about risks, others factors such volatility of exchange rate (Li & Nkanseh, 2005), lack of knowledge on foreign markets (Barkema, 1996), decision on product prices to be applied due to new markets demands and some legal requirements also assume an important relevance to companies when deciding to proceed with internationalization (Bilkey & Tesar, 1997).

In order to overcome any possible challenge through the process, companies must previously adapt the best measures and practises which can be the best answer to any barriers or negative scenario or decrease associated risks to maintain its best performance in an international competition (Li & Nkanseh, 2005).

2.3.5. Internationalization under Dynamic Capabilities View

As previously mentioned, not all firms turn to be international under the same process – ones follow Incremental International processes (Uppsala theory) and others seem to face an Accelerated International process. Also, not all firms are similar to each other using the same international process. In fact, little attention has been given to internal factor that might influence firm's international performance (Prange & Verdier, 2011).

Teece (2007), as we know from the first chapter, argues that dynamic capabilities emerged to explain how companies sustain competitive advantage in a globalized economy (Frasquet et al, 2013) and how they seem to be more relevant between companies which operate under and fast-moving environments.

Prange & Verdier, 2011, picking on Teece's dynamic capabilities thesis defend, on their work that a firm's international success and performance depend not only on current resources and capabilities but on their internal ability to collect new capabilities, through new cultural adaption, through a good receptivity for changes or a good knowledge acquisition and ability to reconfigure when facing international contingencies.

Putting this, dynamic capabilities view fits to interpret international processes (Frasquet et al, 2013).

For Frasquet et al (2013) there are two factors that support the use of dynamic capability view on international process analysis:

Table 12 –Internationalization under Dynamic Capabilities Factors

Factors:
1- High dynamism and complexity of international market require a great knowledge and learning management;
2- Importance of entrepreneurial orientation on enterprises.

Source: Author's creation according to Frasquet et al (2013)

Analysing international processes using Dynamic Capabilities View, Prange & Verdier (2011) provided four types of 'dynamic international capabilities' (Table 13):

Table 13 – Dynamic International Capabilities

Incremental International Process:	Accelerated International Process:
Threshold Capabilities - Capabilities that are developed primarily on domestic market before implementing them on foreign environments; Helps firms to organize themselves to become competitive in different contexts.	**Value-adding Capabilities** - When entering in foreign markets, companies need to develop non-existing processes and routines from scratch in order to create value.
Consolidate Capabilities - After several slow market entrances, companies develop process of knowledge accumulation which consolidate existing capabilities (structures and routines) to detect opportunities.	**Disruption Capabilities** - When choosing a very fast internationalization process, firms show to possess strategic change capabilities as a way of learning new strategies that can be pass to the all multinational enterprise.

Source: Author’s creation according to Prange & Verdier (2011)

It is important to mention that firms choose their internationalization process under a path-dependence patterns, meaning that decisions taken in will probably depend on past events and outcomes.

Nevertheless, mechanism chosen by an enterprise to gather market knowledge and learning is critical in creating dynamic capabilities through international process.

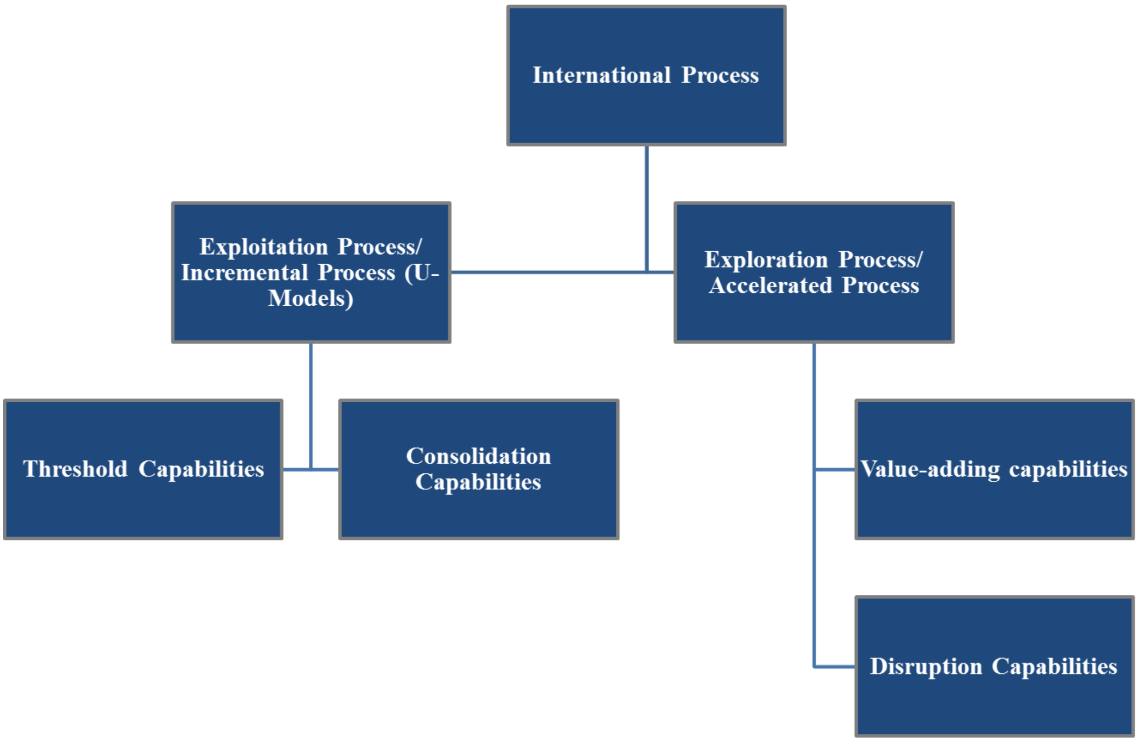
As so, the below model provided by Prange and Verdier (2011) show which type of dynamic international capabilities firms build whenever they decide to initiate Incremental International Process and Accelerated Internal Process. Final proposal according to Prange and Verdier (2011):

Table 14 – International Performance

International Performance:
▪ ‘Growth rates are higher for firms pursuing an explorative internationalization’;
▪ ‘Survival rates are higher for firms pursuing an exploitative internationalization’.

Source: Author’s creation according to Prange and Verdier (2011)

Figure 19 – International Process



Source: Author's creation according to Prange and Verdier (2011)

Part II

3. Case Study

There is no sense in talking about Portuguese Fashion Design history and evolution without mention the evolution of Textile and Apparel industry itself.

Textile and Apparel Industry exits in Portugal for decades. Being one of the most important and valued sectors of Portugal, this industry has shown even more importance on international markets during the years.

However, Textile and Apparel industry was not always associated to successes and great achievements. In fact, Fashion Design was not considered a fundamental and complementarily factor to the Portuguese industry from the beginning, due to lack of knowledge and preparation from the industry on this activity.

The best years of Textile and Apparel Industry emerged in the beginning of XXI. This industry, which has been characterized as one of the most important sectors of Portuguese's economy, is now known for its extreme hard work, innovation, creativity and exportation character.

3.1. Historical Background

Textile and apparel industry come up in 21st century as one of the most important economic clusters of Portuguese economy. Among other factors, a key contribution to achieve its positive current stage was the sector focus on internationalization. This section presents several tables and figures which describe industry's development and evolution over the last 20 years.

Analysing what has been Portuguese and European GDP Growth Rate (Table 15), it is visible that till 2000 Portugal has shown a faster positive evolution than EU average.

Table 15 – Portuguese and European GDP Growth Rate (1996-2017)

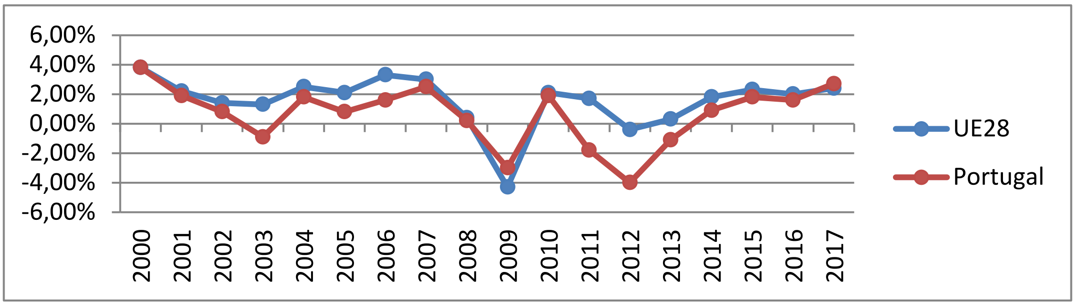
GDP Growth Rate		
Years	EU28	Portugal
1996	1,9	3,5
1997	2,9	4,4
1998	3	4,8
1999	3	3,9
2000	3,8	3,8
2001	2,2	1,9
2002	1,4	0,8
2003	1,3	-0,9
2004	2,5	1,8
2005	2,1	0,8
2006	3,3	1,6
2007	3	2,5
2008	0,4	0,2
2009	-4,3	-3
2010	2,1	1,9
2011	1,7	-1,8
2012	-0,4	-4
2013	0,3	-1,1
2014	1,8	0,9
2015	2,3	1,8
2016	2	Pro 1,6
2017	2,4	Pro 2,7

Pro – provisory (lack of official confirmation)

Source: Self Elaboration according to PORDATA (2018)

However it is clear that during 21st century, generally, Portugal has revealed a GDP evolution below EU average (Figure 20). Nevertheless, in both cases, there can be found a common pattern in what regards its general behaviour, having negative peak on 2009 which can be justified by the Worldwide Economic Crisis (ATP – Fórum da Indústria Têxtil (2018)), consequence of Subprime crisis. This turns out to be even more problematic on 2012, but since then, both Portugal and EU have been able to overcome the negative phase and have presented a constant and positive evolution.

Figure 20 – Portuguese and European GDP Growth Rate (2000-2017)



Source: Self Elaboration according to PORDATA (2018)

Concerning exports progress (Table 16), it can be noticed a constant positive evolution with the only exception given to year 2009 (the only decrease registered in period 1996-2017) also due to constraints of global market caused by negative impacts of Worldwide Economic Crisis of 2008.

Table 16 – Portuguese Exports Evolution (1996-2017)

Exportação/Recebimentos (M€)	
Anos	Portugal
1996	25.062,00
1997	27.757,00
1998	30.462,00
1999	31.749,00
2000	36.440,00
2001	37.502,00
2002	38.575,00
2003	39.264,00
2004	41.814,00
2005	42.734,00
2006	49.854,00
2007	54.896,00
2008	56.223,00
2009	47.587,00
2010	54.140,00
2011	61.595,00
2012	64.380,00
2013	68.610,00
2014	70.717,00
2015	74.073,00
2016	75.829,00
2017	84.316,00

Source: Self Elaboration according to PORDATA (2018)

After 2001, there cannot be denied the effects of China's entry into the WTO affecting and decreasing rhythm of Portuguese Exports' evolution (Table 17).

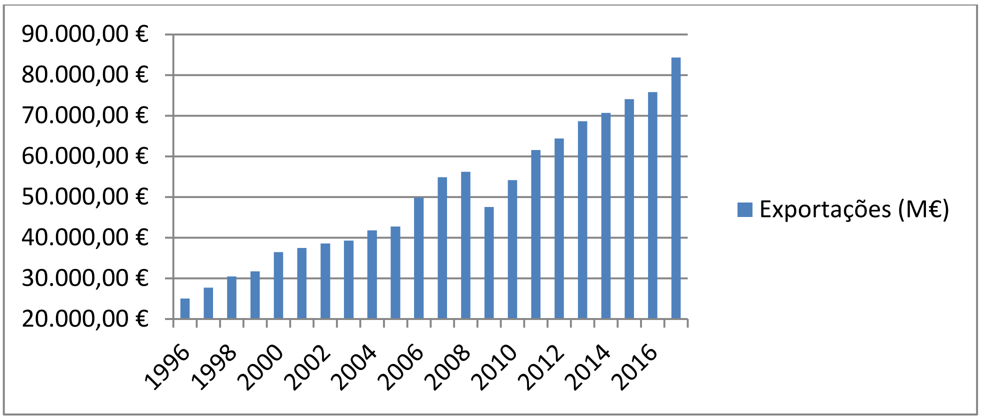
Table 17 – Portuguese Exports Growth Rate (1997-2017)

Taxa de Crescimento Exportações Portuguesas	
Anos	Portugal
1997	11%
1998	10%
1999	4%
2000	15%
2001	3%
2002	3%
2003	2%
2004	6%
2005	2%
2006	17%
2007	10%
2008	2%
2009	-15%
2010	14%
2011	14%
2012	5%
2013	7%
2014	3%
2015	5%
2016	2%
2017	11%

Source: Self Elaboration according to PORDATA (2018)

Afterwards, it has to be emphasized the response given by Portugal Economy in a post-crisis era in which Portuguese Exports have almost doubled between 2009 and 2017 (Figure 21).

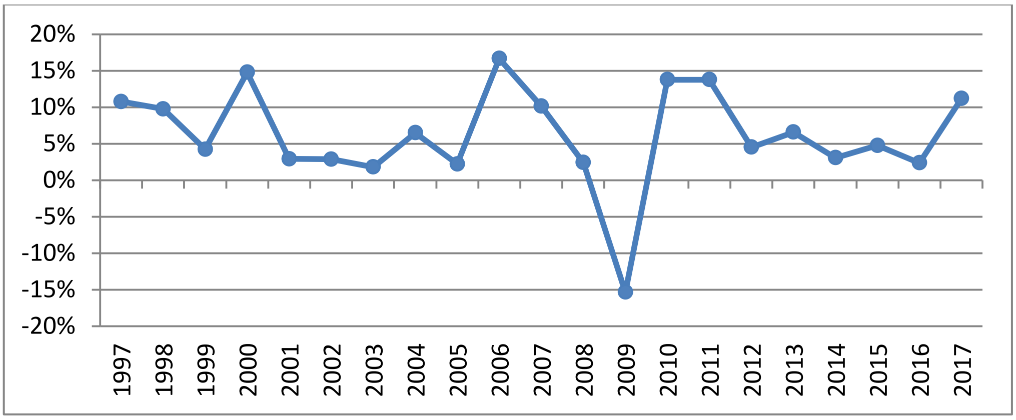
Figure 21 – Portuguese Exports Evolution (1996-2017)



Source: Self Elaboration according to PORDATA (2018)

Regarding Portuguese Exports Growth Rate, data from Figure 22 suggests that since 2010 Portuguese Exports are living a stable phase showing constant positive evolution (Figure 22).

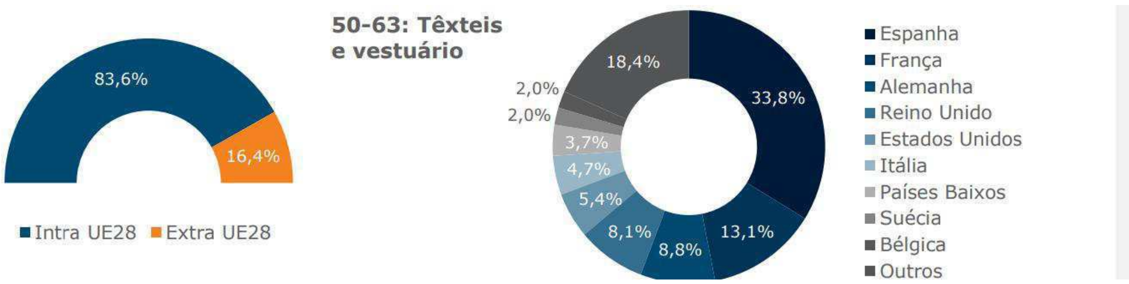
Figure 22 – Portuguese Exports Growth Rate (1997-2017)



Source: Self Elaboration according to PORDATA (2018)

One important detail which describes the Portuguese Textile and Apparel Industry is its dependency on European Market. As per information available on Figure 23 actually almost 84% of Portuguese Exports have as destiny European countries.

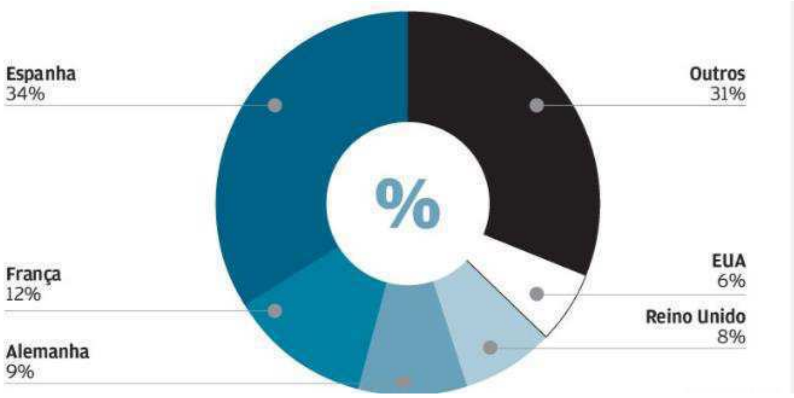
Figure 23 –Destinies of Portuguese Textile and Clothing Exports



Source: Têxtil e Vestuário no Contexto Nacional e Internacional – Mensal (May 2017)

Further information reveals that Spain, France and Germany represent more than 55% of Portuguese Textile and Apparel Exports (Figure 24).

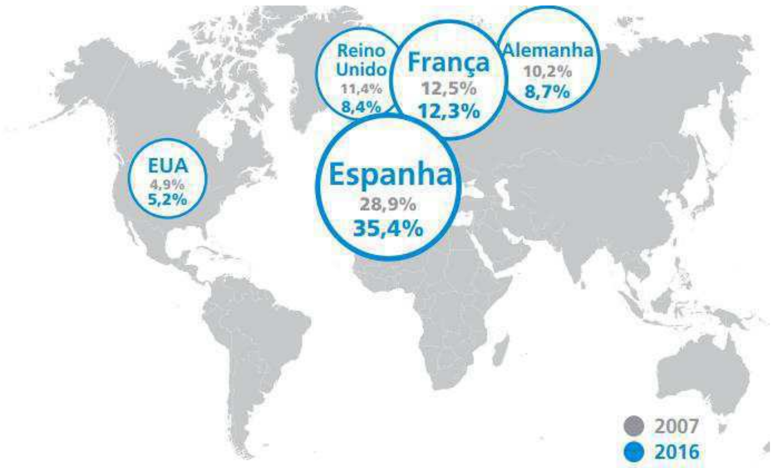
Figure 24 – Main Destinies of Portuguese Textile and Clothing Exports



Source: Jornal de Negócios (2018)

Additional details available on Figure 25 show that historically this dependency was already raised on 2007 and in the last 10 years commercial relationship with Spain has become even stronger.

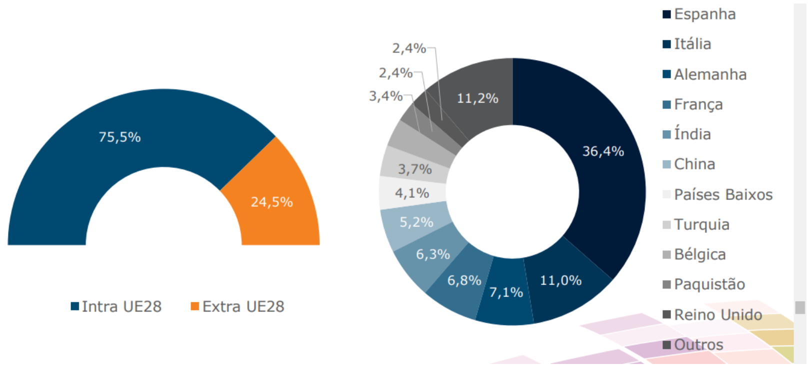
Figure 25 – Five Main Destinies of Portuguese Textile and Clothing Exports Evolution (2007 – 2016)



Source: Portugal Global (2017)

Concerning Portuguese Imports, it is also clear the dependency on European Market, having Spain, Italy and Germany the Top3 of Portuguese main business partners (Figure 26), representing 58,6% of imports.

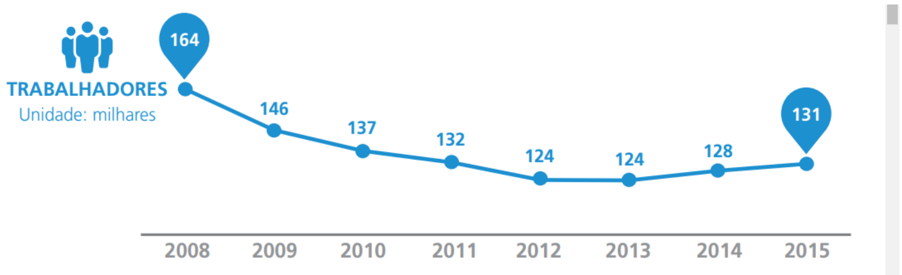
Figure 26 – Main Origins of Portuguese Textile and Clothing Imports



Source: Têxtil e Vestuário no Contexto Nacional e Internacional – Mensal (Maio 2017)

In order to provide an accurate view of Portuguese Textile And Apparel Industry, Figure 27 informs on the evolution of number of workers of this sector between 1995 and 2017, in which there is visible a substantial decrease.

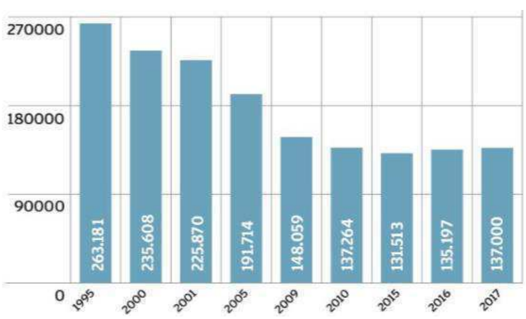
Figure 27 – Number of Workers Evolution (2008 – 2015)



Source: Portugal Global (2017)

Details available on Figure 28 provide evidence to conclude that is clear that, although sector is exporting more and more (Figure 21), on the last 20 years, the number of workers have dropped to almost one half comparing to 1995 (263.181 – 137.000).

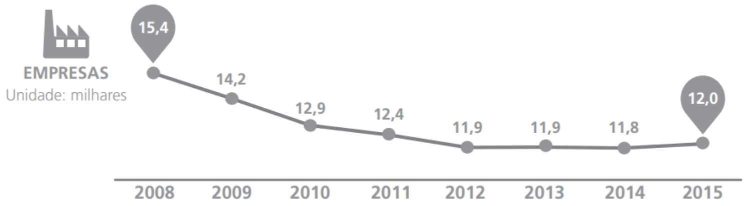
Figure 28 – Number of Workers Evolution (1995-2017)



Source: Jornal de Negócios (2018)

Analogous analysis can be made to the number of companies which have decreased 3000 between 2008 and 2015 (Figure 29).

Figure 29 – Number of Companies Evolution (2008 – 2015)



Source: Portugal Global (2017)

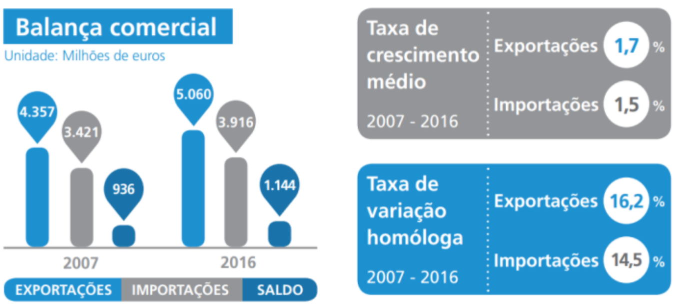
An important question associated with this decrease of numbers of workers and companies and simultaneous increase of exports can be justified by a "Mindset Change" that Portuguese Textile and Apparel industry embraced during the last years.

Taking advantage of the growing Fashion Concept that was affecting people's clothing consumption pattern, globally, the whole sector have evolved from a primary outsourcing Textile Production player into a "Private Label" Fashion Design player.

In other words, although sector was losing number of workers and companies, the product sold to clients have changed a lot and evolved into a vertical stage in which instead of only producing clothes, Portuguese Textile and Apparel industry started to integrate the whole process: seek for new trends, design new clothes, produce them and deliver to clients as a private label.

Regarding Trade Balance, during the period 2007-20016 it can be noticed a positive evolution in both Portuguese exports and imports, ending up with an average growth rate of 1,7% and 1,5%, respectively (Figure 30).

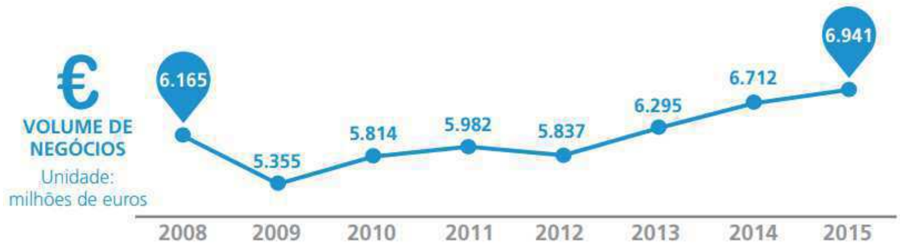
Figure 30 – Textile and Clothing Portuguese Trade Balance Evolution (2007 – 2016)



Source: Portugal Global (2017)

In addition, also Business Volume has revealed a parallel evolution as Trade Balance (Figure 30). Although this evolution analysis has shown a break in post-crisis season (2009) with 5.355 Million of euros, on the following years the industry has recovered the development and kept following the path of continuous increase, presenting results of 6.941 Millions of Euros on 2015 (Figure 31).

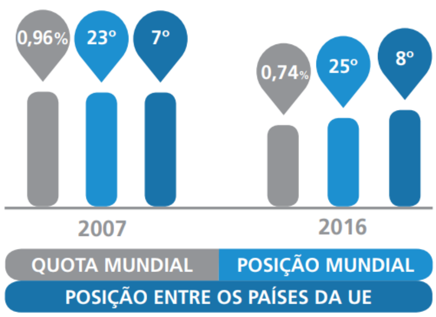
Figure 31 – Portuguese Textile and Clothing Industry Business Volume Evolution (2008 – 2015)



Source: Portugal Global (2017)

Comparing Textile and Apparel Portuguese industry exports with the rest of the World, Portugal comes up in 2016, on the world 25th position and as the 8th European strongest player (Figure 32), having a global share of 0,74% of the world exports (2016).

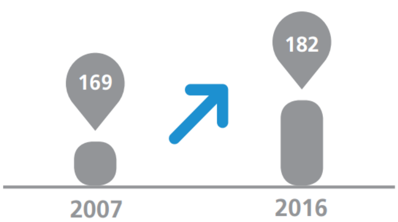
Figure 32 – Portugal Position in Worldwide Textile and Clothing Exports (2007 – 2016)



Source: Portugal Global (2017)

Considering the number of export markets, according to Figure 33, it has been faced an increase of 13 markets from 169 traded on 2007 to 182 on 2016.

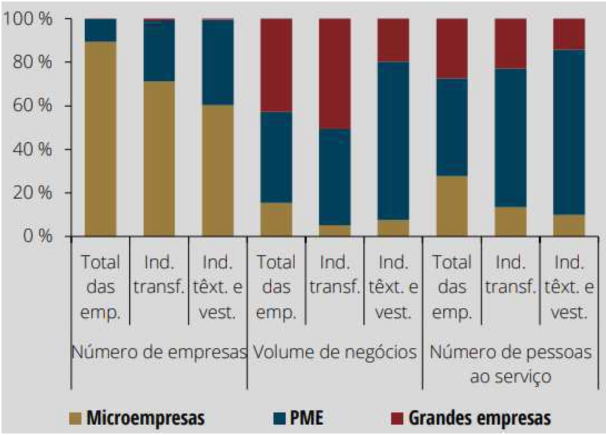
Figure 33 – Portuguese Textile and Clothing Number of Export Markets (2007 – 2016)



Source: Portugal Global (2017)

Regarding companies structure, Portuguese Textile and Apparel industry is characterized by a dominance of micro and SME players in all parameters presented on Figure 34 – number of companies, Business Volume and number of workers.

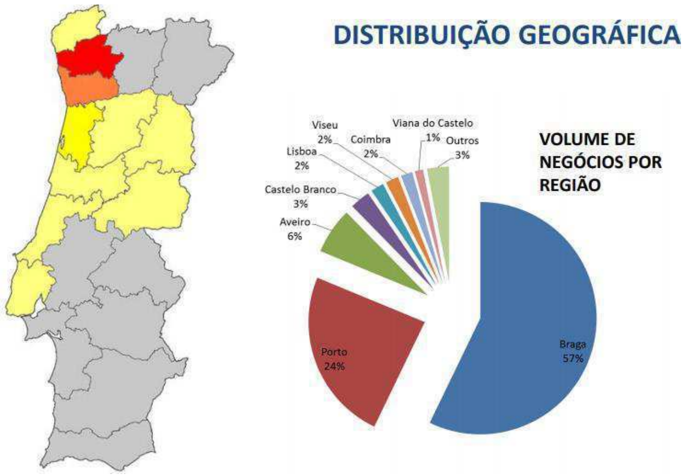
Figure 34 – Textile and Clothing Portuguese Companies Structure



Source: Banco de Portugal (2016)

Concerning Geographic Distribution, it is quite visible the preponderance of companies based on the Northern of Portugal (Figure 35) with Braga (57%) and Porto (24%) districts representing an aggregate weight of 81% of the whole country Business Volume.

Figure 35 – Portuguese Textile and Clothing Industry Geographic Distribution per Business Volume (2017)



Source: Associação Têxtil e Vestuário Portuguesa (2018)

To sum up, historically, in this thesis there has been defined 3 main time periods though which Portuguese Textile and Apparel industry evolution can be summarised (Figure 17):

- 1995 – 2001: Exponential Growth **(Textile Production)**

During this period Portuguese exports have presented a constant and regular increment mainly due to competitive paradigm based on low production costs.

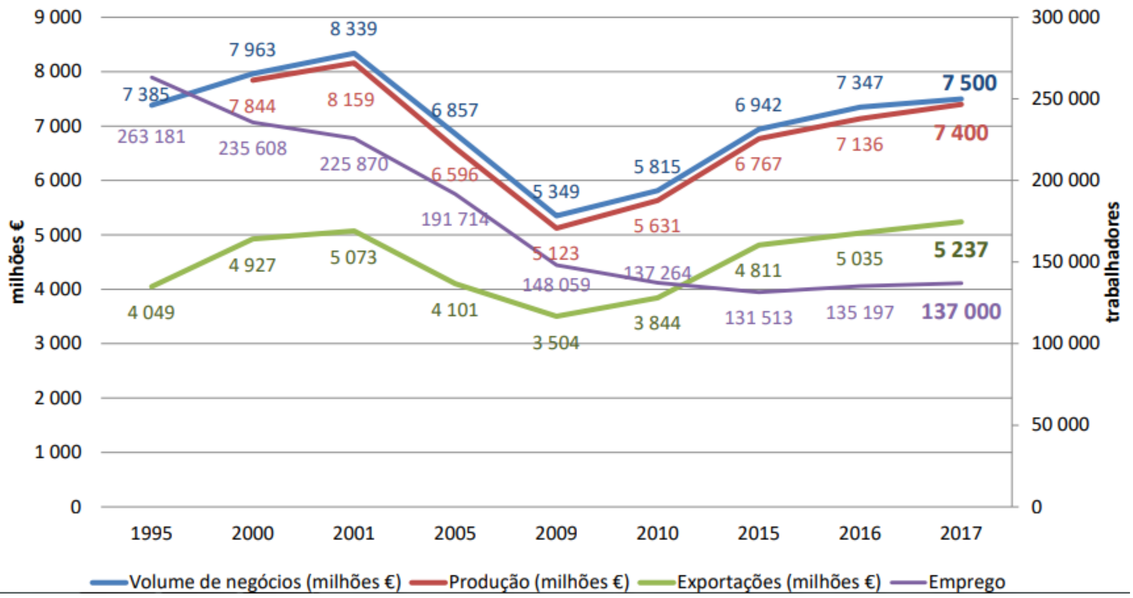
- 2001 – 2009: Negative Period **(Fashion Design Mindset)**

Afterwards, there has been a negative period with decrease of business volume, production and exports, mainly justified by China's entrance into the WTO (2001), EU Eastern Enlargement (2004) and 2008 Worldwide Economic Crisis (ATP – Fórum da Indústria Têxtil (2018) – Appendices, Figure 73, page 96).

- 2009 – 2018: Post-crisis Recover **(Mutation in Competitive Profile: From Primary Outsourcing to Private Label)**

Although concept implementation took place in previous era, it was during this period that positive effects of Fashion Design concept have been felt, enhancing its positive peak in 2017 when exports record has been beaten - 5.237 M € (ATP – Caracterização do Sector (2018) Appendices, Table 22, page 96). -

Figure 36 – Portuguese Textile and Clothing Industry Main Indicators Evolution (1995 – 2017)



Source: Associação Têxtil e Vestuário Portuguesa (2018)

3.2.Fashion Design Emergence

As previously mentioned, during the first period of Textile and Apparel Industry history, the competition was based on great levels of exportations due to low production costs. During this period, concepts like design, creativity and innovation were not automatically linked and discussed among players in this industry (RTP, 1985).

At that time, Portuguese Textile and Apparel industry was very focused on getting production processes more efficient and faster in order to provide competitive prices to international brands (RTP, 1995).

Here, industry found to be characterized by its production ability, its focus on a label ‘’Produce in Portugal’’, with simple and basic products for others big international players, instead of creating a label of ‘Designed and Created in Portugal’ (Portugal Têxtil, 2018).

However, this image for being known by production and manufacture activities has changed. Nowadays, is an industry with an image where creativity and innovation are the today word.

In fact, designing and creating fashion has been a current wave that is here to stay, to support and to develop the Portuguese classic activity. This new way of doing things came to create value and freshness on Textile and Apparel industry (Sic Notícias, 2014).

It is during the second period, between 2001-2009, that the purpose of Fashion Design and Creativity in Portugal begins to gain significance, space to grow and to be explored. These new ideas and concepts captured the industry’s attention due to the entrance of China into the World Trade Organization, which impacted negatively Portuguese Textile and Apparel Industry (Portugal Têxtil, 2018).

Talking a little bit about Fashion Design history in Portugal, it was only in 1975 that Portugal meets its first official Portuguese Fashion Designer.

Initially, the first Portuguese Fashion Designers found difficult to operate with products from Portuguese Textile industry due to lack of good finishings and good materials. At this point, Portuguese Industry is going to a crisis and lack of innovation that leads Portuguese fashion designers going outside to find products (RTP, 1995).

Also, due to the old mentality of industrials, Portuguese Fashion Designers found very difficult to initiate their activities because most of textile and apparel companies did not seem to be interested in being innovative, in being creative and being more technological about the way of doing things (Rádio Renascença, 2015).

Only few fashion designers, during the 80-90s, were able to success and to consolidate their names on national and international markets, others did not resist to the lack of capital support to invest, the lack of know-how in managing fashion businesses, the lack of support from domestic market and so on (ATP, 2018).

In fact, between the final years of 90s and in the beginning of 2000s, factors such as Design and R&D have played a very important role in reinventing and reconstructing the Portuguese Textile and Apparel industry (Portugal Têxtil, 2017).

With this new mentality, Fashion Designers and other creative players could be introduced in companies working under Textile and Apparel industry and were able to change the Portuguese image: from traditional producers to innovative producers. Moreover, creative players helped companies to stand out as a brand.

3.3. Portuguese Fashion Design Current State

The unavowable convergence between Creativity and Industry is already a reality nowadays. Yet, there is still more work to do under this relationship for the future to find more opportunities.

The constant support to Fashion Design among the 90s years from European funds and other actions from Portuguese entities had a positive influence on its national and international success. These supports helped on Textile and Apparel industry's grow, but it also helped, indirectly, to develop and increase the number of other professionals associated to Fashion World like hair-dressers, make-up artists, photographers and so on.

Also, organizations and associations have been created through the years to support all Fashion activities and to focus on the evolution of Portuguese Fashion Design. These new entities give special attention to the creation of projects and fairs to promote the internationalization or to support the importance of innovation and development (Observador, 2018).

Some say that the real beginning of Portuguese Fashion relates to the birth of ModaLisboa. In 1991, ModaLisboa was the first official organization dedicated to Portuguese Fashion Design, contrary to the traditional production of textile and apparel that Portugal was known.

Today, we can see collections of Portuguese Fashion Designers a little bit around the world and several projects that gives 100% of attention to fashion design made in Portugal, by organizations like ModaLisboa (ATP, 2018; Observador, 2018).

Nowadays most of Portuguese Fashion Designers work in two different modalities:

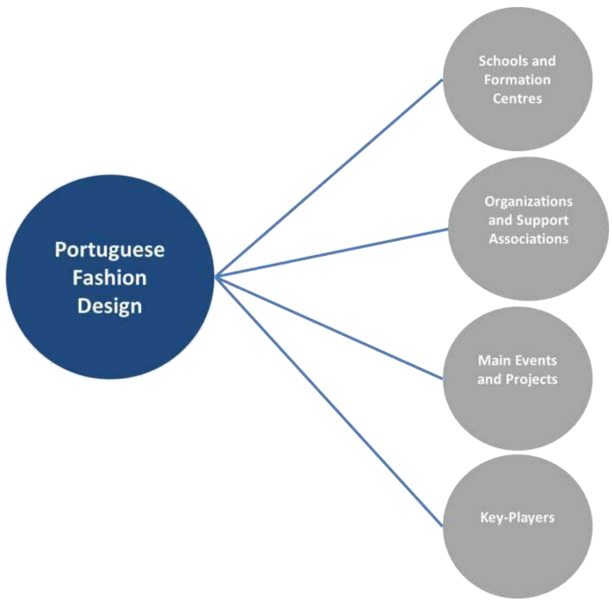
Figure 37 – Portuguese Fashion Designers Work Modalities

Source: Associação Têxtil e Vestuário Portuguesa (2018)

Mentioned by these players, it is difficult for Portuguese fashion designers to consolidate their businesses in national borders due to market dimension, limitations, constrains and lack of monetary support to keep up with the demands on the markets (ATP, 2018; Jornal Económico, 2018).

In this section there will be presented some information which will help to describe the current status of Portuguese Fashion Design (Figure 38).

Figure 38 – Analysis Diagram



Source: Author's creation

3.3.1. Schools and Formation Centres

- Modatex

Figure 39 – Modatex Logo

Source: Modatex (2018)

Created in 2011, in Porto, under a protocol and collaboration among IEFP, ATP, ANIVEC and ANIL this school is a Professional Formation/Education Centre of Textile, Apparel, Confection and Wool. This Centre has the purpose of educating and qualifying people or organizations of this sector in a technical and theoretical way in order to get higher specialized people and to add a higher value into the companies.

In this institution we find formations/graduations/courses in areas such as Fashion Design, Textile Design, Modelling and Confection Workshops, Computer science applied to Design, Fashion Marketing and Management, and so on. Modatex is more than just a school or learning institution, it also provides services like consulting and advisory to external organizations; develops technical trials and investigations for Textile and Apparel sector; organizes Workshops, Seminars and Projects.

Having this, Modatex is known for its wish and ambition of being a School of excellence in creating highly qualified people and giving the best education and knowledge to create value in Portuguese products and know-how that will help on international recognition (Modatex, 2018).

- <u>EMP (Escola de Moda do Porto)</u>

Figure 40 – EMP Logo

Source: EMP (2018)

The EMP initiates its activities in 1989 with the objective of educating young people to become professionals with technical and qualified competences to respond the real needs of Textile and Fashion industry. In the different areas lectured by EMP, Fashion it is always a present concept and common factor between them. EMP was created by other Fashion school GUDI, due to the need of focusing its lectures to young people that want to work in the industry.

EMP's vision passes to help students to get closer to economic organizations, to other professionals and associations linked to Textile, Apparel and Fashion industry with the goal of making this sector more competitive and specialized.

In this sense, in order to promote the students and hep their professional career, EMP counts with several protocols and partnerships with privileged companies and important organizations in Fashion World and Textile and Apparel Industry (EMP, 2018).

- GUDI

Figure 41 – GUDI Logo

Source: GUDI (2018)

Founded in 1972 in Porto, this was the first Fashion School in Portugal to support the Textile and Apparel sector in specializing and educating human resources. During the years, GUDI has closely followed the technological evolutions inherent to this sector to respond global needs but also wishes to preserve classic and traditional know-how of producers.

Currently, GUDI drives its lectures and courses to adults and other professionals already working in Textile and Apparel Industry who wish to become more qualified and specialized on their work and desire to be more innovative (GUDI, 2018).

- EML (Escola de Moda de Lisboa)

Figure 42 – EML Logo

Source: EML (2018)

Created in 1989 by the Education Minister, EML pretends to educate young students with ages between 15-20 that wish to follow a more specialized education and practical studies which fulfil the needs of companies and organizations on Textile and Apparel industry for high professionals.

In this school the goal is to provide to market and potential recruiters the highest specialized people and qualified workers and to give the students the possibility of working as partners with professionals, companies and organizations in fashion world so that they can initiate their future career and professional journey (EML, 2018).

3.3.2. Organizations and Support Associations

- Associação Textil e Vestuário de Portugal (ATP)

Figure 43 – ATP Logo

Source: ATP (2018)

Created in 2003, ATP association counts with a group of over 500 portuguese companies linked to Textile and Apparel industry. ATP turned to be the biggest and the most important association that represents all these agents due to the importance of this sector in Portuguese VAT (ATP, 2018).

Today, ATP gathers all type of enterprises with different activities and roles in Textile and Apparel industry and stands for the below motivations:

Table 18 – ATP Purposes

Motivations and Purposes	Description
Unity	Companies together ensure the visibility of their importance and claim their interests.
Protection	Defend enterprises ideas and visions for development and competitiveness
Representation	Being a voice between political issues
Guidance and Advisory	Services of advisory and consultancy to companies in ATP
Security	Ensure the future and development of the sector

Source: ATP (2018)

ATP association have always given a certain and special importance to Internationalization of this sector. As so, projects like ‘Fashion From Portugal’ and Textil 2020 have been created.

- ANIVEC/APIV : Associação Nacional de Indústrias de Vestuários e Confecção

Figure 44 – ANIVEC/APIV Logo

Source: ANIVEC/APIV (2018)

Being the result of the merger between the two most important associations for Apparel and Confection industry, ANIVEC/APIV represents since 2013 Portuguese Apparel, Confection and Fashion industry, like companies, workers and suppliers, in front of other national and international institutions.

ANIVEC/APIV's mission is to defend interests and rights for the associates and to promote competitiveness on sector through economic scales, increase of internal competencies and partnerships which will help their business on domestic and foreign markets.

All associates can also benefit from ANIVEC/APIV others high value services like business advisory, information and legal help by specialized professionals and experience on Apparel, Confection and Fashion industry (ANIVEC/APIV, 2018).

- Citeve – Centro Tecnológico das Indústrias Têxtil e do Vestuário de Portugal

Figure 45 – CITEVE Logo

Source: CITEVE (2018)

Being a non-profit private organization, CITEVE is a Technological Centre which provides to companies in Textile and Apparel sector a wide range of services such as technical & technological advisory, R&D, Products Certifications, laboratorial tests, Fashion & Design Services and others. This technological Centre is located in Vila Nova de Famalicão and it is a national and European reference in promoting innovation and development of Textile and Apparel Industry.

Since its birth in 1989, CITEVE mission passes to support technical and technological capabilities of textile and apparel industry and provide a quality improvement for the sector as so as it helps on defining industrial politics.

Despite the work with companies, CITEVE also gives very importance in contacting academies and universities where it has an active role in promoting the sector (CITEVE, 2018).

- <u>ModaLisboa</u>

Figure 46 – MODA LISBOA Logo

Source: Moda Lisboa (2018)

ModaLisboa association has as mission the promotion and development of Portuguese Fashion activities. Partnering with Câmara Municipal de Lisboa, this association came up with what is the most important Portuguese Fashion project nowadays – Lisbon Fashion Week.

It is ModaLisboa that organizes in 1991 the first Fashion Week that has ever been done in Portugal, gathering and presenting what is the best done in Portugal back that time. Fashion Designers like Ana Salazar – the first professional Portuguese fashion designer- and others where there presented.

ModaLisboa association also reminds the importance of supporting young and new talents that just initiate a fashion career through another project – Sangue Novo. Still, ModaLisboa is the face of all showcase of Portuguese Fashion Sector, the communication link between players to the press and public. It can be said that ModaLisboa and its parallel work with Textile and Apparel industry is the motor of development of Portuguese Fashion (Moda Lisboa, 2018).

3.3.3. Main Events and Projects

There were several initiatives built to support international visibility and economic growth of Portuguese Fashion Designers:

- Fashion From Portugal

Figure 47 – Fashion From Portugal Logo

Source: ATP - Fashion From Portugal (2018)

The purpose of this project is to reinforce the international image of Portuguese Textile and Apparel Industry showing over borders Portuguese Know-how, creativity, customization and its capacity of innovation and design in four different markets – Spain, USA, Germany and Nordic Countries- in the best international fairs through our Design and Fashion Brands, Private label services and Home-Textile. In this project, ATP wants to dynamize the relationships between the potential international clients and the best Portuguese companies in this sector (ATP, 2018).

- Textil 2020

Figure 48 – Textil 2020 Logo

Source: Portugal 2020

Project developed by ATP and presented in 2014 that defends the development of the textile and apparel sector till 2020 under project Portugal 2020 – a partnership between Portugal and European Commission - which promotes economic, social and territorial development in Portugal (Portugal 2020, 2018).

Textil 2020 following the current community strategy finds the below priorities for the sector:

Table 19 – Textil 2020 Priorities

Textil 2020 Priorities
Investment Financing
Better business Management
International Competitiveness
Innovation & Technology
High Qualified Human Resources
Image and Visibility
Entrepreneurship

Source: Author's creation according to Portugal 2020 (2018)

Adding to these priorities Textil 2020 also works towards three paths needed on Textile and Apparel Portuguese Industry:

Figure 49 – Textil 2020 Path

Brand	Technology	Private Label
• Investing on Fashion Design and creating own collections to final consumers	• Investing on innovation and techonology to develop functional and technical competences on textile and Design	• Offering not only industrial services and solutions but also presenting other competences such as product development.

Source: Author's creation according to Portugal 2020 (2018)

- Portugal Fashion

Figure 50 – Portugal Fashion Logo

Source: Portugal Fashion (2018)

Portugal Fashion was born under a common project/idea between ANJE and ATP which pretends to show and demonstrate or promote internationally the best of Portugal when talking about Textile and Apparel Industry, where is possible to find and produce not only high-quality textile but also good Fashion Design with own label/brands.

Born in 1995, Portugal Fashion has shown to be a mandatory event on an Iberic level where it has the objective of finding new talents and values and promoting a better access and co-working between production industry and fashion design activity through groups and associations like ANJE (Associação Nacional de Jovens Empresários) and ATP.

Because the seeking of new promises in the fashion world is one of the most fundamentals pillars of Portugal Fashion, project BLOOM, has the mission of helping young talents to initiate their first steps on fashion market as designers who fight for recognition and desire to join textile companies and others designer positions.

Portugal Fashion started its internationalization with an invitation to visit São Paulo in 1999 where several Portuguese fashion designers such as Fátima Lopes, Luís Bucinho, Miguel Vieira, Nuno Gama and other to present their creations.

Since then, the Portugal Fashion project has grown positivity due to its consequently participation in the most important Fashion Weeks of the world, like New York, Madrid, London, Milan or Paris (Portugal Fashion, 2018).

- BLOOM

Figure 51 – Bloom Logo

Source: Portugal Fashion (2018)

BLOOM project was presented in Portugal Fashion 15th birthday, in 2010. This event purposely got away from every traditional and typical passerelle and gives a bloom of freshness and novelty, creativity or informality of young new talents in fashion world. Organizations and Schools such Citex, Escola Superior de Artes e Design de Matosinhos (ESAD) and Escola de Moda do Porto join this project to promote their students' collections.
BLOOM also does not forget the importance of internationalization for these new fashion designers supporting them by creating fashion shows and Showrooms in other Fashion Cities over borders (Portugal Fashion, 2018).

- <u>Lisboa Fashion Week and Sangue Novo</u>

Figure 52 – Lisbon Fashion Week Logo

Source: Moda Lisboa (2018)

Lisboa Fasion Week gathers several players of fashion industry from buyers to artists, textile industrials, press and important relevant organizations to disclosure Portuguese Fashion work. Created by a partnership between ModaLisboa and Camara Municipal de Lisboa, the first Lisboa Fashion Week happened in 1991, being the first Portuguese Fashion Project. Lisboa Fashion Week is seen as the most important Fashion Project in Portugal. In fact, many players find this event as the real beginning of Portuguese Fashion History since was the first official project to give 100% attention to Portuguese Fashion Design.
The main goal of Lisboa Fashion Week is to show nationally and internationally the work of Portuguese Fashion Designers and to create the best channels of communication with other players and agents in Fashion World and Textile and Apparel Industry.
ModaLisboa also gives the opportunity to new fashion designers to share and show their ideas and collections in Sangue Novo project (Moda Lisboa, 2018).

Figure 53 – Sangue Novo Project Logo

Source: Moda Lisboa (2018)

In Sangue Novo project, the objective is to choose the best young talent between the finalists and present their work in the most important national project- Lisbon Fashion Week. The presence of young talents in Lisboa Fashion Week gives the opportunity to young designers get in touch with other professionals and players that work in Fashion world, to share know-how and support in different areas (Moda Lisboa, 2018).

3.3.4. Portuguese Fashion Design Key-Players

- Miguel Vieira

With a career of almost 30 years, Miguel Vieira is nowadays one of the most international Portuguese fashion designer. Presenting his first woman collection in 1988 (Portugal Fashion, 2018), the pointing start of his brand happened when he was only with 17 years old. In fact Miguel Vieira discovers his passion for fashion, when taking his course Arts, Design and Quality Control of Textile, in "Instituto Superior de Engenharia do Porto" (Infopédia, 2018). Born in 1966, in São João da Madeira, Miguel never wished to leave his home town in order to proceed a fashion career, declining several work proposals abroad from big well known fashion players (Sábado, 2016; Portugal Fashion, 2018). Funny fact, Miguel Vieira has an ''Made in Portugal'' tattoo on him remembering where his career started (Sic Mulher, 2012; RTP Internacional, 2014).

Initiating his adventure in woman apparel, Miguel had also shown talent in men apparel and decided to create his own shoes, accessories and jewellery collection, due to his independent free spirit and passion for design in very different areas (Portuguese Shoes, 2014). In fact, more than being one of few Portuguese designers achieving presence in all important fashion capitals presenting his collection, Miguel is also a reference in furniture and décor design never dodging himself from his main goal of creating everything that can be part of a personal identity (Diário de Notícias, 2016). For him, the starting point of fashion ensures a total tuning from all the multiplicity of accessories and derivated products.

Figure 54 – Miguel Vieira Logo

Source: Miguel Vieira Website (2018)

More recently he initiated 'Miguel Vieira Junior' project in children apparel which have been successful accepted and broadly spoken after socialite Kourtney Kardashian posted on social networks a photograph of her son wearing a Miguel Vieira Junior shirt, commercialized in United States of America, one of the markets which he most desired to enter and launch all his collections (Observador, 2016).

With the idea of how clothes can reflect what we are and how other see us, his work is described as minimalist and casual chic showing a high presence of black and white wagging essentially in collections with fluids textiles and flawless cuts being compared as tailor work due to his careful selection of materials. Miguel Vieira is being a synonymous of elegance, charm and glamour and always accentuates how his clothes can be wear by completely different type of people.

Present in New York Woman Fashion Week and being the first Portuguese designer with a personal brand parading in Milan Man Fashion Week Miguel Vieira does not wish to separate his collections and he decides to present both woman and man collections in these different gender fashion weeks (Expresso, 2017). He obviously recognizes the importance of his appearance in these events due to his media coverage which provides an extra international knowledge helping him to take ''next level''. In fact, the designer always mentioned the heavy commercials and publicity investments needed to enter in new countries a huge barrier for Portuguese designers.

Currently Miguel Vieira exports about 80% of his total collections to foreign markets and only 20% are kept and commercialized in Portugal (F Luxury Magazine, 2016). Although the designer confesses his products are well accepted in national market, the Portuguese audience is not enough to possible expansion and to generate gains and wealth since in Portugal there have been less and less high quality multibrand stores. Strong international trades and sells result from the free and high divulgation of his work during fashion shows (Sol, 2013).

Figure 55 – Miguel Vieira

Source: Miguel Vieira Website (2018)

Inspired by people, travels and movies, Miguel Vieira collections are known by its tremendous elegance, class and simplicity that comes from a very high level of textile quality, being 90% of his creation produced in Portugal (Sol, 2013).

Miguel always used to work with high quality materials and workers carefully selected in order to stand up his high standards from the beginning to the end of collection production, creating and structuring its own network of licensed factories by the brand making this vertical orchestration one value key of his success as so as the important idea that the same type of materials can work in different climates by different people all over the world (Dinheiro Vivo, 2012).

Throughout his career, Miguel Vieira has always referred to the financial barriers and struggles that Portuguese designers have to face in Portugal nowadays, due to the lack of financial support from big companies with heavy investments that could turn these designers into big international players like others (F Luxury Magazine, 2016). Becoming international and exporting collections is always a complex and expensive process like brand registration in each different country, massive publicity and marketing actions, Miguel Vieira tried to enter in the Chinese market, but his brand was already being registered by a local citizen (Expresso, 2012). Due to great market and huge opportunities that a country like China could offer to any entrepreneur, the Portuguese designer started his negotiation in order to be able to commercialize the true 'Miguel Vieira' brand legally. However, 2 million euros were asked to the designer. Till today, Miguel Vieira affirms that his own brand does not possess that liquidity that big players could easily get and in fact this particular issue was exposed to Portugal govern just to reinforce that nowadays there is still lack of faith from national investors in fashion world who do not believe this industry can generate profits. Fashion industry in Portugal is still seen as an embryonic market that is far away of becoming an important rule, globally speaking (RTP Internacional, 2014; Jornal de Negócios, 2012).

- Katty Xiomara

Daughter of Portuguese parents, luso-venezuelan Katty Xiomara was born in 1974 and lived in Caracas till she was 18 years old (Portugal Fashion, 2018). Then she decided to apply Fashion Design on CITEX, in Porto where she began her fashion career in 1996 (Diário de Notícias, 2017).

Figure 56 – Katty Xiomara Logo

Source: Katty Xiomara Website (2018)

Till today her work and brand concept are inspired by women with a strong attitude, who are completely well-known because of their feminism and confidence with their style and uniqueness. In fact, Katty Xiomara collections are focused on sophistication, elegance but comfortable luxury and yet accessible for design pieces (Delas, 2018). Different types of items in each collection characterize the idea that any silhouettes and body shapes are equally important in Katty's work, meaning, there is no unique silhouette to her (Lux, 2016). Careful and romantic details have been a key image to Katty Xiomara collections as so as the high quality and finishing (Bom Dia, 2017).

Being a constant appearance in Portugal Fashion since 1998, although her brand was only registered in 2000, Katty Xiomara has been a notorious international fashion designer with presence in several fashion cities such as Barcelona, Berlin, Paris, Tokyo, New York and Las Vegas and well rewarded along these years receiving her first award, still as a student in Fashion Design, for 1st place in Fashion and Technology, in Florence, Italy (Portugal Fashion, 2018; Diário de Notícias, 2017). In fact Katty Xiomara has already received a great number of other awards during her career, like two certification of Excellence in 'European Design Annual 4/1999' and 'European Design Annual 5/2000' by the American magazine HOW and the silver prize awarded by International DesignAwards on the Pret-a-Porter Category in 2014 and 2015 (Katty Xiomara Website, 2018).

During her career, the Portuguese fashion designer has been involved in different partnerships such as designing the limit edition package for Sony Playstation PSP, designing employee's uniforms for MacDonald's, Pizza Hut and Kodak (Correio da Manhã, 2009). These partnerships are seen as a way of financing her own collections, as well as lecturing in her old school CITEX, now known as MODATEX.

Figure 57 – Katty Xiomara

Source: Katty Xiomara Website (2018)

In 2007, Katty Xiomara opened her first and only store- atelier in a secular house, in one of the most iconic streets of Porto where she could dedicate herself to designing and creating exclusive wedding dresses whenever requested, a passion discovered when she planned to design her own wedding dress (Portugal Fashion, 2018).

Her international steps started in 2005, on ‘’Bread and Butter Fair’’, in Berlin and Barcelona and since then Katty has been a little bit all over the world, giving a special attention to New York fashion shows and showrooms, where she has been for several times (Observador, 2016; Dinheiro Vivo, 2017). In fact, Katty Xiomara collections can be found on over 50 ‘’boutiques’’ stores in USA where she can count on a dedicated American representative agent. Indeed, Katty considers the American market as one of the most critical, due to its high potential and great number of multibrand stores that are not common in the Portuguese market (Público, 2016; Correio da Manhã, 2017; Sic Notícias, 2017). International strategy of this brand is also focused on Asian market due to huge potential of these emerging economies. In fact, Katty’s brand projection can already count with some presences in showrooms in Japan and Tokyo which are handled by a local representative of ModEL inc (Portugal Fashion, 2018).

According with our fashion designer, nowadays the ‘see now, buy now’ concept is being highly demanded by customers whenever a fashion show takes place. Although this concept is logically accepted and well recognized by designers, Katty Xiomara confesses how this type of doing business is still a barrier to her firm due to its small size and lack of capability in producing items before any fashion show (Bom Dia, 2017; Blue Ginger, 2017).

Although internationalization is a significant and relevant key of success for any fashion designer, Katty Xiomara has always been conscious and patient when it comes to late income returns and slow business growth. Persistence and positive attitude on reinforcing client’s confidence in her current markets characterize her main goals. Katty Xiomara’s work is also commercialized in other markets like Koweit, Spain, Dominican Republic (Bom Dia, 2017; Novo Norte, 2018).

- Luís Buchinho

Being one of the most assiduous fashion designers since first edition of Portugal Fashion in 1995, with a golden globe in 2011 and 2016 for best Portuguese Fashion Designer and rewarded in 2012 by Fashion TV for Best Creator, Luís Buchinho is not only an internal reference in fashion. In fact, his international steps began in 1992 in Florence, Italy, for the Mediterranean Young creators Biennial and since 1998 he has participated in several international run shows such as São Paulo Fashion Week, Sixth Fashion Week in New York and Paris Fashion Week and Prêt-à-Porter (Portugal Fashion, 2018; Luís Buchinho, 2018).

Having a professional career with more than 25 years, Buchinho is still a surprising and relevant Portuguese fashion designer in Women Apparel. His talent was accidently discovered by his 11th grade Arts' teacher through his illustrations and comics that has been a particular obsession and passion since early years of his life. With his teacher's support, Luís Buchinho decided to apply to a Fashion design course in CITEX (Centro de Formação Profissional da Indústria Têxtil), known today as MODATEX, in Porto which he concluded in on 1989 (Expresso, 2015).

Figure 58 – Luís Buchinho Logo

Source: Luís Buchinho Website (2018)

Since 1990 Buchinho started his fashion career as an intern in JOTEX, a specialized knitting company where he stayed till 2009, due to its bankruptcy. At the same time, in 1991 he launched his first collection under his own name in ModaLisboa (Jornal de Negócios, 2009). Without always being great, Luís Buchinho confesses that, at the beginning of his career, the first collections were not generating enough income and returns in order to guarantee business continuity (Correio da Manhã, 2015). In fact, the designer mentioned that at this stage he realized how commercialization plays an important role on his career and how selling points must be located as broadly as possible (Expresso, 2015).

The expert skill he acquired in JOTEX made Luís consider Knitwear a key element on his collections. Indeed, acting as a ''signature'' of the designer he mixes different types of materials, shapes and geometrics making knitwear as appealing as any other apparel proposal. It is relevant to say that black and white (the core of each items) always ''play'' with different other colours (Maxima, 2015; Maxima, 2016; Global Blue, 2016).

With only two Men Collections along the years Luís, has always focused his natural work in dressing a female target he believes are dynamic, positive, with strong attitude but mostly with a great sense of feminism regardless one´s age. In spite of this belief he confesses that he still finds ''age'' a barrier in national market, although the Portuguese women that he found 25 years ago are not the same as today, giving the huge importance of fashion democratization, social media and more careful with their personal image (Sapo, 2010).

With two open stores in Porto, firstly in 2007 and later 2012, Buchinho always considered Portuguese market quite limited and not big enough to become profitable and to continue business growth even more when national economic environment has seen ''better days''.

As so, Luís initiated successfully his international path in 2013 and today he is present in 12 different markets (Público, 2014). Buchinho explains that international clients are aware of the high quality of products since they are 100% produced and manufactured in Portugal, where they can be closely watched throughout their manufacture. This acts as a quality stamp accepted by the audience (Diário de Notícias, 2015).

Figure 59 – Luís Buchinho

Source: Luís Buchinho Website (2018)

Luís Buchinho believes that Portuguese Textile Industry is a valuable asset for any Portuguese fashion designer who offers high-quality materials and textile expertise and a good responsiveness since this industry is producing each time in larger quantities (Notícias ao Minuto, 2015). Although the Portuguese fashion designer admires this extreme specialization in textile industry, Portuguese fashion apparel is still a long way of being known as a strong market player under international field due to lack of marketing and brand strategy that our country does not possess, since there is no support from big financial investors or institutions (Diário de Notícias, 2015; Portugal Sou Eu, 2014).
A constant presence in fashion weeks like Paris made ''Luís Buchinho'' a well-known brand and clients all over the world seek to buy his products. In fact, Luís claims his fashion shows are highly wanted by Asian and African women who feel identified with his products, ensuring sells from Japan to Hong Kong. With more than two years after ''debuting'' international markets, Buchinho exports 50% of his collections: the USA (with a notorious role), China, France, Italy are important markets and they make us believe some more will come, what does not happen with internal sellings (Diário de Notícias, 2015).
With a successful and admired career, Buchinho is being a notorious support to young fashion designers teaching today in his old school MODATEX, where he can pass his own experience and advices to those who desire to pursue a similar path (Global Blue, 2016; Delas, 2018).
Luís Buchinho Fashion Career is a way long to be finished however his love for illustration and comics can make him turn to different areas in the future.

3.3.5. Key-Players Comparison

After a brief presentation of three Portuguese fashion Designers chosen for this study as an example of success between international markets and with relevance in the Fashion Industry, author finds useful this chapter to compare these players behaviours and actions which resulted in journey of success.
With this comparation of realities, author is trying to seek a logical causality between fashion designers' actions and their results (Table 20).

Table 20 – Portuguese Fashion Designers Key-Players Comparison

Fashion Designer	Strategic Behaviours
Katty Xiomara KATTYXIOMARA	▪ Course of Fashion Designer in CITEX (MODATEX) (Portugal Fashion, 2018); ▪ High quality products with particular finishes (Delas, 2017); ▪ Presence in Fashion Weeks: Barcelona, Paris, Tokyo, New York, etc (Portugal Fashion, 2018; Diário de Notícias, 2017); ▪ Partnerships: Sony Playstations PSP, MacDonald's PizzaHut, Kodak etc. (Correio da Manhã, 2009); ▪ One own store open – Porto (Portugal Fashion, 2018); ▪ Internationalization promotion: Fashion Shows and Showrooms (Dinheiro Vivo, 2017; Diário de Notícias, 2017); ▪ 50 sales points in USA (mutibrand stores)(Sic Notícias, 2017; Portugal Fashion, 2018); ▪ Showrooms: Japan and Tokyo; ▪ See Now Buy Now – MintySquare Partnership possible pre-order of collection; ▪ 100% made in Portugal (Blue Ginger, 2017); ▪ Markets: USA, Japan, China, Spain, Koweit, Dominican Republic, etc. (Novo Norte, 2018; Portugal Fashion, 2018); ▪ International fashion shows with National Programs and Projects and also fashion shows by her own (Observador, 2017; Dinheiro Vivo, 2017; Delas, 2017; Diário de Notícias, 2017); ▪ Participation on international fairs (Katty Xiomara, 2018; Observador, 2016).

Miguel Vieira	▪ Course of Arts, Design and quality Control of Textile – ISEP; ▪ Presence in international Fashion Weeks: New York, Milan, Paris, etc. as external promotion (RTP Internacional, 2014); ▪ Exports 80% of his production (Dinheiro Vivo, 2012); ▪ Products of high quality – 90% produced in Portugal (Sol, 2013); ▪ 90% of Textile are Italian (Portugal Fashion, 2018; Jornal T, 2018; RTP, 2016); ▪ Created a network of licensed factories allowed to produce 'Miguel Vieira' due to high quality standards: vertical strategy with 15 companies (Dinheiro Vivo, 2012; RTP, 2016); ▪ Partnerships: SportZone (Multipublicações, 2017; Sapo, 2017); ▪ Markets: Japan, France, USA, Italy etc. (Sic Mulher, 2012); ▪ International investments: Multibrands stores (Sic Mulher, 2012; RTP Internacional, 2014); ▪ Bet on global products – to a global audience (Sol, 2013; Sic Mulher, 2012).
Luís Buchinho	▪ Course of Fashion Design in CITEX (MODATEX) (Portuguese Shoes, 2014); ▪ Presence in international Fashion Weeks: São Paulo, New York, Paris, etc.; ▪ Previous experience in TAI – JOTEX ▪ Opened Two own stores – in Porto; ▪ Present in 12 international markets – Ex: Japan, China, USA, France, Italy, etc. (Expresso, 2015) ▪ International strategy/expression: Fashion Shows, multibrand stores and Showrooms (Delas, 2018); ▪ 18 international sales points and 16 national sales points (Sic Notícias, 2015); ▪ Preferred target Markets: USA and Asia (Expresso, 2015); ▪ Exports 50% of his production (Diário de Notícias, 2015); ▪ High quality products- 100% manufactured and produced in Portugal (Diário de Notícias, 2015); ▪ Easy access to suppliers and producers – Portuguese TAI as a key value (Portugal Sou Eu, 2014); ▪ Partnerships: Graphic Designers (Delas, 2018).

Source: Author's creation

3.4. Portuguese Fashion Design Analysis

Having this information, author can see that there are a common critical behaviours and patterns from Fashion Designers which lead them to where they are today (Table 21):

Table 21 – Portuguese Fashion Designers Common Behaviors

Common behaviours
High quality products and Specialized Products
100% Made in Portugal
Close to a good network of producers and suppliers
Participations in Fashion Weeks, International fairs and Showrooms – as promotional key
Preferences for USA market and Emerging Markets
Key objective: Exportation
Partnerships

Source: Author's creation

3.4.1. PEST Analysis

PEST analysis is a framework and a strategy tool used to scan the external macro-environment in which a company/sector operates.

Through this tool it is analysed the environment that illustrates the external factors (which are not subject to control and manipulation by the company) which influence the company and the market.

PEST factors play an important role which helps to understand the business environment. These external factors are divided into four dimensions: Political, Economic, Social and Technological. This analysis focused only on the Portuguese Apparel Industry and, at the global level, the following indicators were highlighted:

Figure 60 – PEST Analysis

Political	Economic	Social	Technological
• Incentives to Investiment and Internationalization • Portugal is a democracy which benefits of Political Stability • Tax Policies • Portugal benefits of prioritary commercial relationships with European Union member states	• Positive Evolution of Portuguese and European GDP • Euro / dollar exchange parity • Low cost and qualified labor • Credit availability • Consumers Income	• Lifestyle mutation of the Portuguese citizen - given importance to appearance, fashion and clothing • Growing Ecological Concern • Business Conservatism • Growing Tourism • More conscious consumption • Higher Level of Education	• One of the countries with the highest Internet usage rate • E-commerce

Source: Author's Creation

PEST analysis comments and justification:

- **Political/Legal/Fiscal:**
    - Incentives to Investment and Internationalization

In scope of Portugal 2020 (financial instrument of the European Commission whose purpose is the economic development) there are presented several incentives to Portuguese Economy development and internationalization (Portal dos Incentivos, 2018). Additionally, on a national range, recent years editions of State Budget have been including measures concerning growth of Portuguese companies (Jornal Económico, 2017). In line with these incentives, projects as StartUP Portugal were launched in order to support emerging Businesses and companies in their financing and Internationalization (IAPMEI, 2018).

- Portugal is a democracy which benefits of Political Stability

According to an analysis study conducted by Marsh, Portugal is the 27th word country with less political risk. Political stability, improved ratings and reduced public debt have made Portugal a safe opportunity for investors (Público, 2018).

- Tax Policies

Although trend to reduce taxes in OECD countries has been noticeable, Portugal has revealed an opposite behaviour as Corporate Income Tax rates (IRC) have raised in the last years. (Diário de Notícias, 2018).

- Portugal benefits of priority commercial relationships with EU member states

Portugal is an EU member state since 1986 and has been benefiting of several advantages, such as free trade zone, without barriers, which has highly contributed for Portuguese Economy positive evolution. (União Europeia, 2018).

- **Economic/Demographic:**
  - Positive Evolution of EU GDP

As explained on Figure 20 (page 36), EU GDP has revealed an oscillatory progress on last two decades (mainly due to Worldwide Economic Crisis negative period - 2008). Portugal has presented GDP evolution below EU average. Nevertheless, in both cases there can be found a common pattern in what regards its general behavior. Since 2014, both EU and Portugal have been facing a regular phase characterized by a constant positive evolution, finalizing 2017 with GDP growth rate of 2,4% and 2,7%, respectively, which is quite positive for economy development (Figure 61 - PORDATA). Regarding Portuguese Economy example, one of the main causes of this development resulted from the increment of domestic demand (Diáro de Notícias, 2018). Additionally, it is expected that Portuguese GDP will maintain this positive evolution, even if predictions for 2019 and 2020 are not so substantial – estimated growth of 1,9% and 1,7%, correspondingly (Banco de Portugal, 2018).

Figure 61 – Portuguese and EU GDP Growth Rate (2007-2017)

Anos	Taxa de crescimento do PIB	
	UE28	Portugal
2007	3,0	2,5
2008	0,4	0,2
2009	-4,3	-3,0
2010	2,1	1,9
2011	1,7	-1,8
2012	-0,4	-4,0
2013	0,3	-1,1
2014	1,8	0,9
2015	2,3	1,8
2016	2,0	Pro 1,6
2017	2,4	Pro 2,7

Source: PORDATA (2018)

- Euro / dollar exchange parity

During last year, Euro has been losing value when compared to US Dollar (Figure 62 – XE, 2018). The core topic concerns on measuring the consequences of this devaluation and its effects on external commerce: currency devaluation turns imports more expensive and exports more competitive - which turns crucial for an economy that significantly depends on external commerce.

Figure 62 – USD/Euro Currency (18/10/2016 – 17/10/2018)

Source: XE – Universal Currency Converter (2018)

- Low Cost and Qualified Labor

Even though Portuguese Labor Cost is presenting a higher growth rate than EU (2,5% against 1,6%), Portugal is actually on 6th position of the cheapest labor cost in European context (Expresso, 2017). Meanwhile, actual generation is the one with higher level of graduation in the Portuguese History (Figure 67, 68 and 69, pages 75 and 76). These two factors together (low cost and qualified labor) influence significantly the Portuguese economy and foreign investment.

- Credit Availability

Although after Worldwide Economic Crisis (2008) banks have lost financial liquidity and reformed its loan policies, in recent years we are facing a period in which the amount and number of loans conceded to consumers have increase significantly (Figure 63, Banco de Portugal, 2018).

Figure 63 – Amount of new credits conceded to Consumers in Portugal - Homologous Analysis August 2018

Source: Banco de Portugal (2018)

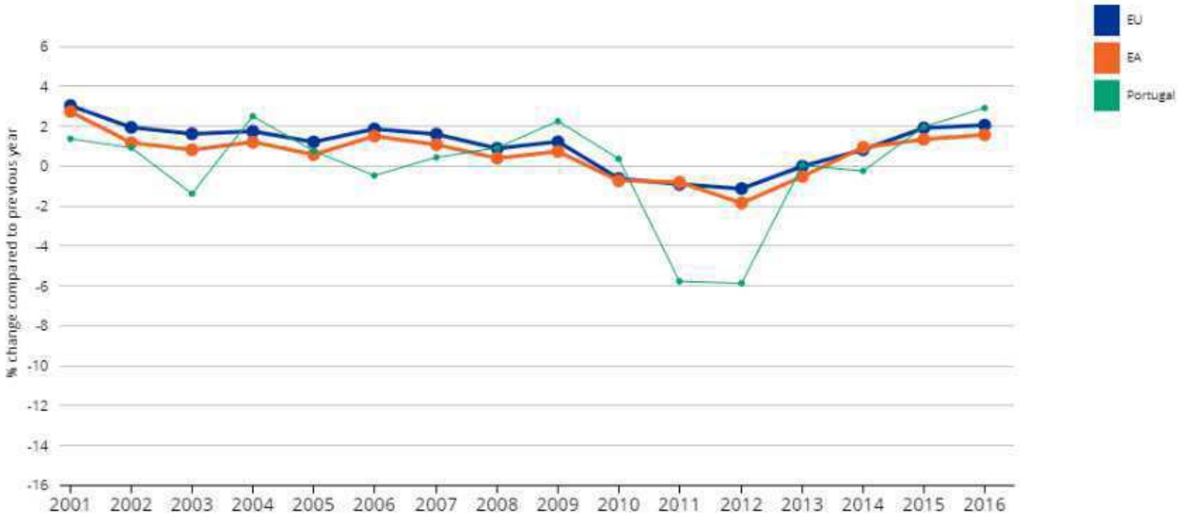
Figure 64 – Number of new credits conceded to Consumers in Portugal - Homologous Analysis August 2018

Source: Banco de Portugal (2018)

- <u>Consumers Income</u>

Although during period 2009-2012 Real Disposable Income of Portuguese Households have dropped to homologous variation of almost -5%, since 2013 we have been facing a positive evolution in what regards this parameter analysis in both EU and Portuguese perspective (Figure 64), enhancing national growth which during last 3 years have been evolving above EU average (Jornal de Negócios, 2018).

Figure 65 –Real Disposable Income of Households (% change compared to previous year)



Source: Eurostat (2016)

- **<u>Social/Cultural:</u>**
  - <u>Lifestyle mutation of the Portuguese citizen - given importance to appearance, fashion and clothing</u>

Importance given to way of life and the image that we transmit to people around us has tended to be more and more marked. The link to this "look" concern are clothes and Fashion, which has gradually become relevant in the daily routine of people, who in current days are more concerned with appearance and fashion than before (Diário de Notícias, 2011).

  - <u>Growing Ecological Concern</u>

There is a growing trend in recent years in relation to the degree of concern that people show towards the environment. Proof of this are news that appear and indicate that the Portuguese admit to having improved in the year of 2014 parameters such as water consumption, trash separation and later recycling and reduction of energy consumed, with the aim of mitigating environmental damages (Boas Notícias, 2015). Further studies suggest that Portugal is one of the best European countries in what concerns Water Consumption savings (Público, 2014).

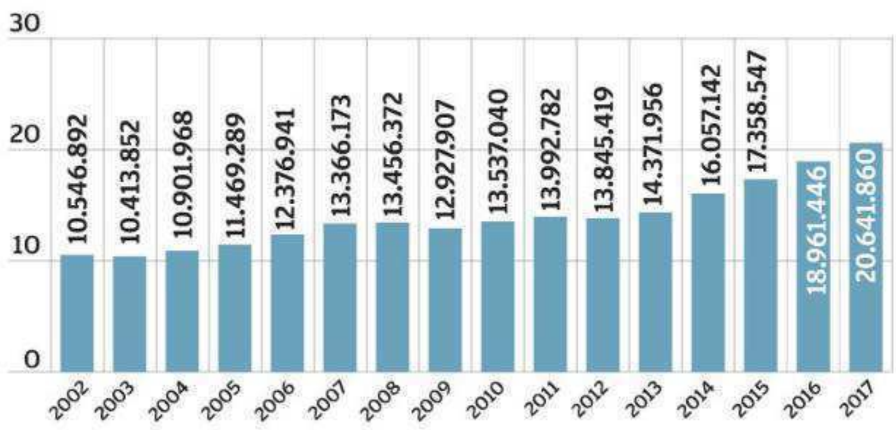
  - <u>Business Conservatism</u>

One important aspect mentioned by Katty Xiomara (portuguese fashion designer) in the interview provided was the fact that, although trend start to become different in major companies and in recently created enterprises, majority of Portuguese investors and businessmen are too conservative, traditional and averse to investments in creativity development (Katty Xiomara Interview, 2018).

- <u>Growing Tourism</u>

Tourism has been stated as one of the ledgers of the Portuguese economy. Since 2002, number of guests in Portugal have almost double its with more than 20 Million Guests registed in 2017 (Jornal de Negócios, 2018). To this factor is given a more important role when studies suggest that almost 12% of consumption in Portugal is made by tourists (Diário de Noticias, 2018).

Figure 66 –Number of Guests in Portugal (Tourism)



Source: Jornal de Negócios (2018)

- <u>More conscious consumption</u>

Studies suggest a slight recovery of the conscious consumption of the Portuguese in 2017, which recognize the need to reduce and change behaviour and style of consumption (Green Project Awards, 2018).

- <u>Higher level of education</u>

Increasing more and more the number of graduates in the country, Portugal has been following the path to achieve higher level of education for a wider population range (Figure 67 – PORDATA, 2018). This can be justified by the fact percentage of living population with complete graduation has almost doubled between 2001 and 2011 (8,4% and 14,8%, respectively) and the generated increment of 10.000 graduates between 2006 and 2012 (Figure 68 an Figure 69 – PORDATA, 2018).

Figure 67 – Number of Portuguese Higher Education Graduates

Anos	Total
+ 1994	32.622
2000	54.255
2001	61.140
2002	64.098
2003	68.511
2004	68.668
2005	69.987
2006	71.828
2007	83.276
2008	84.009
2009	76.567
2010	78.609
2011	78.785
2012	81.410
2013	80.899
2014	75.906
2015	76.892
2016	73.086
2017	77.034

Source: PORDATA (2017)

Figure 68 – Percentage of Portuguese Population with Complete Higher Education

Anos	Total
1960	0,9
1970	0,9
1981	2,4
1991	4,0
2001	Rv 8,4
2011	⊥ 14,8

Source: PORDATA (2018)

Figure 69 - Portuguese Population with Complete Higher Education

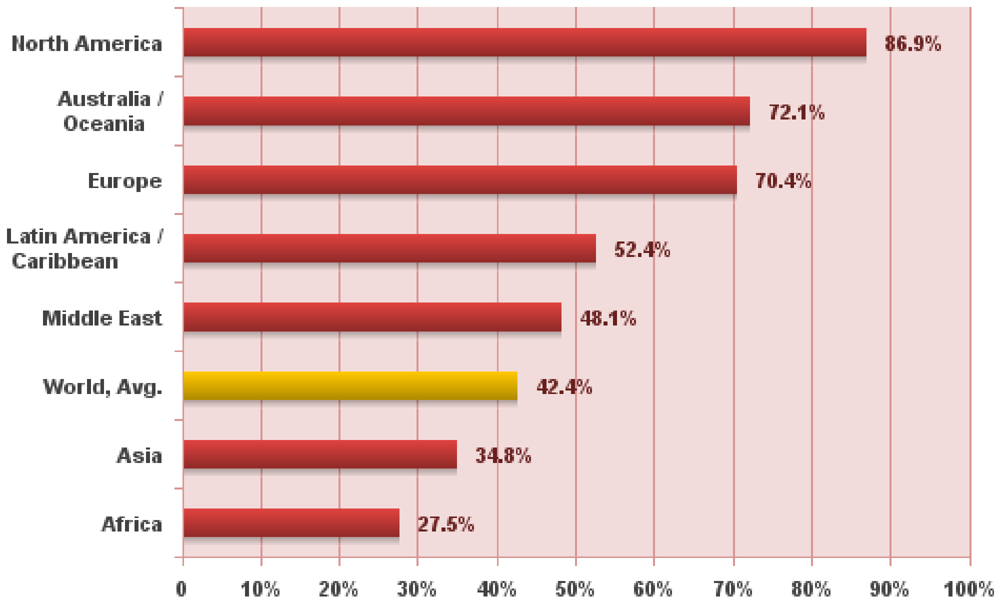
Anos	Total
1960	49.065
1970	49.375
1981	155.284
1991	284.075
2001	Rv 674.094
2011	1.244.742

Source: PORDATA (2018)

- **Technological:**
  - One of the countries with the highest Internet usage rate

Figures suggest that Portugal has registered a constant and positive evolution in what concerns Internet Usage Rate of its population. During the period 2009-2014 it is visible an increment of 20% (Figure 71 – PORDATA, 2018), reaching an Internet Usage Rate of 65%, above worldwide average of 42,4% (Figure 70 – Internet World Stats, 2014).

Figure 70 – World Internet Usage per Geographic Regions (2014)



Source: WorldStats (2014)

Figure 71 – Computer Use in Portugal by Level of Education (2000-2017)

Anos	Utilização de computador por nível de escolaridade				Utilização de Internet por nível de escolaridade			
	Total	Ensino Básico	Ensino Secundário	Ensino Superior	Total	Ensino Básico	Ensino Secundário	Ensino Superior
2002	27,4	15,0	71,6	81,6	19,4	8,5	56,9	68,6
2003	36,2	22,2	81,3	89,9	25,7	12,6	66,5	77,6
2004	37,2	21,9	83,3	91,9	29,3	14,5	72,7	84,2
2005	39,6	24,1	85,8	90,2	32,0	16,4	77,0	85,1
2006	42,5	26,8	86,9	91,0	35,6	19,5	80,3	86,9
2007	45,8	30,3	87,9	93,5	39,6	23,9	80,9	89,5
2008	45,9	30,2	90,0	92,5	41,9	25,7	86,9	90,5
2009	51,4	35,5	91,2	95,1	46,5	30,1	86,8	92,6
2010	55,4	39,7	94,3	97,0	51,1	34,3	92,2	95,7
2011	58,2	40,9	95,4	95,4	55,3	37,3	93,3	94,8
2012	62,4	44,6	95,8	95,8	60,3	42,1	93,9	95,4
2013	64,0	45,4	95,7	95,8	62,1	43,1	94,0	95,3
2014	66,0	46,0	96,0	97,0	65,0	45,0	94,0	97,0
2015	69,2	49,9	95,7	98,4	68,6	49,0	95,6	98,4
2016	x	x	x	x	70,4	51,5	96,4	98,4
2017	66,8	45,6	91,3	98,3	73,8	55,9	96,2	98,6

Source: PORDATA (2018)

- E-commerce

Recently State Budgets, which include specific line of incentives for internationalization through digital commerce, reveal the aim to ensure Portugal a place in the "front squad" in this way of commerce, contributing to a clear trend of recent generations to use the Online Shopping alternative, increasing international digital commerce (Observador, 2018).

3.4.2. SWOT Analysis

A SWOT analysis is an external / internal analysis instrument used to analyse the weaknesses, strengths, threats and opportunities of a company inserted in a specific industry (12 Manage, 2018). When we cross the information present in the different components we obtain challenges (strengths + opportunities), warnings (strengths + threats), risks (threats + weaknesses) and restrictions (weaknesses + opportunities) that the company may face in industry. In this particular analysis (Figure 72) it will not be a company the object/target of analysis, but rather the whole Fashion Design Portuguese sector, inserted in the global Textile and Apparel industry. Analysis and respective justification of the most important challenges, warnings, constraints and risks will be addressed in more detail in the section "Implications for Management", which can be found on page 85.

Figure 72 – SWOT Analysis

SWOT	**Opportunities**	**Threats**
	• O1) Growth of Ecological Concern • O2) Emerging markets' development • O3) Geographical proximity to European Market • O4) Geographical proximity to some of the most important Fashion Events (Paris, Milan and London) • O5) Trend-setting market: consumers concern to be on the verge of Fashion • O6) Growing number of fashion designers in domestic market • O7) Inceasing sinergy with Textile industry • O8) Emergence of new technologies	• T1) Global and very competitive market • T2) International competitors with greater investment capacity • T3) Volatility inherent to constant mutation of fashion trends • T4) More concious consumption and World crisis recovery period – people avoid buying expensive clothes • T5) Fashion Promotion dependency on Communitary financing support • T6) Possibility of strategy applied to Portuguese Fashion Design be applied in other countries
Strengths • S1) Sector important role in portuguese economy (contribute to Trade Balance) • S2) Existence of national brands • S3) Experience, quality and know-how • S4) International mindset (exports) • S5) Shared cultural identity with European market • S6) Common currency with EA countries • S7) Reputation and trustful image of the sector • S8) Production "Made in Portugal"	**Challenges** O2+O3+O4+S4+S5+S6 Markets approach: EU Market consolidation and focus on growing in USA O1+O5+O6+S1+S2+S8 Bet on domestic market and investment in Promotion O7+O8+S2+S3+S8 Cooperation Sinergies with Schools, Formation Centres and Textile Industry O3+O4+O6+O8+S1+S2+S3+S4+S6+S7 Attract and Raising of FDI	**Warnings** T1+T2+S1+S4+S5 Imminent "Brexit" – Exposure to UK Market (8% of exports) T1+T2+T6+S3+S4+S7 Other countries start to copy and apply the "portuguese model"
Weaknesses • W1) Expensive product • W2) Less competitive production costs and slower production capacity than several competitors • W3) Less investment capacity • W4) Weak promotion in domestic market • W5) European market dependency • W6) Conservatism linked to "creatitivity" business • W7) Domestic Demand • W8) Exports dependency	**Restrictions** W1+W5+W7+W8+O3+O4 UE budget restraint and application of fiscal consolidation measures to member states W1+W2+W8+O5+O8 USA custom barriers (Duty and Tariff) to which exports are subject	**Risks** W1+W2+W3+W6+W7+T2+T4+T5 Sector growth slowdown W4+W5+W8+T3+T4 Change of EU customers preferences W1+W2+W3+T1+T2 Market share loss due to emergence of new players with more competitive factors in the global market

Source: Author's creation

4. Conclusion and Implications

4.1. Conclusion

The idea of this dissertation happened when news like the one about Kourtney Kardashian's son (a member of one of the most influence families in the world) wearing Miguel Vieira Kids' collection are spread. News like this one, awoke author's curiosity in discovering more about Portuguese Fashion Design history and interest in getting to know what these players are doing to succeed in this market and how internationalized Portuguese designers are in this world since they are the reflexion of what is done in Portugal in terms of Fashion Design.
Within these questions, the author chose to investigate the answer for a question:

''What strategic behaviours were Portuguese Fashion Designers implementing, in the last decades, in order to maintain or sustain their business competitive in International Market in the future?''

When doing a brief analysis and research at the beginning of this study, the author had realized how today's Fashion World is characterized by its quick change.
Concepts like ''Dynamic Capabilities'' made sense to author to study when investigating about Fashion World and Portuguese Fashion Designers that work on it, to understand 'how and why certain firms build competitive advantage in regimes of rapid change' (Teece et al, 1997). Only when the author initiates her study on finding out more about Fashion Design in Portugal, she discovers how this job is really demanding for these players. Indeed, when watching an interview given by Miguel Vieira, people which are not linked to this activity do not understand all the work behind it and the fast response from fashion designers that fashion world demands. Collections that are being presented now on fashion weeks and fashion shows relate to next season, what is being commercialized and sold at that point regards to the last collections presented on the previous season and finally, when presenting new collections, Fashion Designers at this stage are already working on the next collection that will be presented six months later.
Having this in mind we can understand that Fashion Market needs extreme action from players, needs tones of work, limitless creativity and most of all, to be in it, it is mandatory to be competitive.
Teece et al (1997) having these types of markets in mind provided a new concept to Management School which characterize how firms can generate wealth under fast changing environments: through their dynamic capabilities. In fact, when talking about companies of

Fashion Design, players need to collect too many strategic competences through their life in order to be able to adapt themselves to be innovative and to quick reinvent themselves. These competences are the way to overcome, to surprise market volatility and to ensure or sustain their competitive advantage.

It is more than known that during this investigation Portuguese Fashion Designers try to adjust internal resources, deepen external relationships in favour of a rapid response that Fashion Market demands. It is not a coincidence that Miguel Vieira possesses a network of others subcontracted companies which have licenses to produce and deliver Miguel Vieira Collections. Having this structure, players have a better performance and can only be focused on what they do best (Sic Mulher, 2012). As mentioned by Teece (1997), 'winners in global market place have been firms that can demonstrate timely responsiveness and rapid and product innovation, coupled with the management capability to effectively coordinate and redeploy internal and external competence'.

It is important to this industry to have on companies daily-basis the ''innovation'' word. Following theoretical framework of entrepreneurship behaviour of Portuguese Fashion Designers, it can be noticed that players turn out to be very entrepreneurs in innovating their business and collections. In fact, it was noticed that Fashion Designers' daily work passes through new experiences with materials, concepts, new patterns, new ways of producing collections in order to be 'creative destruction'.

Portuguese Fashion Designers go on specializing their collections in product with high quality finishes, uniqueness and exclusivity.

Concerning Internationalization thematic, it was expecting a more 'international-by-stage' wave as a normal course of internationalization of Portuguese Fashion Designer business, where a company firstly satisfies internal market before getting over boards. In this case, most Portuguese Fashion Designers when initiating their activity turn out to be from the beginning a 'Born Global' company with international markets as an inherent goal. In fact, these Fashion Designers when creating collections seem to take into consideration global clients from different countries, with different climates and different body structures to provide products to any client.

From the beginning the internationalization idea has not been an easy thing to do. Despite the early willing from players to initiate their internationalization, the journey has not been an easy thing to do and its process was characterized by its 'step-by-step' and gradual nature. The main reasons noticed during the study that influenced today Portuguese Fashion

Designers to go over boards are the same from the last two decades, due to domestic market limitations and constrains: characterized by being of small dimension and by Portuguese public preferences for low-cost products or fast fashion collections due to economic circumstances. Putting it differently, what leads Portuguese Fashion Designers to export relates to the exploration of new markets and clients and to take advantage of their potential. Having in mind the idea that international process involves two strategic choices (how and where to internationalize) and having the three fashion designers studied here as a sample and reflexion of the Portuguese Fashion Design, we noticed that they opt exclusively for commercial transactions as a form of exports and present a special preference for USA market and other international markets like China, Japan, Angola, Italy and France due to market dimension or economic power per capita. Although today Portuguese Fashion Designers export their collections between 50%-80%, the international processes still have some difficulties and barriers. For most international markets, Fashion Design made and produced in Portugal is still a new feature and market tend to not trust or choose Portuguese products easily. Also, comparing with international competitors, Portuguese Fashion Designers agree on mentioning that in Portugal there is no financial investors and support to help them to compete with big international names and Fashion Design in Portugal is not seen as an important business that generates wealth and there are not sufficient agents to support this activity to grow.

Revisiting the beginning and evolution of Portuguese Fashion Design, it was impossible not to mention Textile and Apparel Industry as an historical background of this area.

Fashion Design is a recent feature of Textile and Apparel Industry. Contrary to what happened in other countries like France and Italy, the first fashion designers only appeared in Portugal between the end of 80's and early 90's. From that time until the early years of 2000s, Portuguese Textile and Apparel Industry had been characterized by its low production costs of textiles and apparel.

To sum up Textile and Apparel Industry journey, it can be delimited in three different periods of time:

- 1995 – 2001: Exponential Growth **(Textile Production)**

During this period Portuguese exports have presented a constant and regular increment mainly due to competitive paradigm based on low production costs.

- 2001 – 2009: Negative Period **(Fashion Design Mindset)**

Afterwards, there has been felt a negative period with decrease of business volume, production and exports, mainly justified by China's entry into the WTO (2001), EU Eastern Enlargement (2004) and 2008 Worldwide Economic Crisis (ATP – Fórum da Indústria Têxtil (2018) – Appendices, Figure 73, page 96).

- 2009 – 2018: Post-crisis Recover **(Mutation in Competitive Profile: From Primary Outsourcing to Private Label)**

Although concept implementation took part in previous era, it was during this period that Fashion Design concept positive effects have been felt, enhancing its positive peak in 2017 when exports record has been beaten - 5.237 M € (ATP – Caracterização do Sector (2018) Appendices, Table 22, page 96). -

Comparing paths and behaviours of Fashion Designers who are an example of success in this study, turned out to be very important and useful to the author since it allowed the identification of certain common behaviours and then presented a set of measures and strategic ideas that work as a guideline to current and future fashion designers in Portugal when seeking competitiveness, internationalization and success.
As seen in Table 21 (page 69), factors such as using high quality materials and produce high quality and specialized products as a way of adding value, the presence in international fashion weeks, international fairs and showrooms, the good and closer relationship with external agents (suppliers, producers, partnerships, etc) , confidence in ''100% made in Portugal'' and a constant bet on exports are shown to be a common behaviour between the three Fashion Designers, which turn out to be crucial to their success – Portuguese Fashion Design Success.

- High quality products and Specialized Products;
- 100% Made in Portugal;
- Close to a good network of producers and suppliers;
- Participations in Fashion Weeks, International fairs and Showrooms – as promotional key;
- Preferences for USA market and Emerging Markets;
- Key objective: Exportation;
- Partnerships.

4.2. Implications and Recommendations

In this section, author lists several suggested measures that fashion designers and entities linked to Portuguese fashion world can adopt in order to sustain Portuguese fashion designers' businesses successful and competitive on international markets.

After author's analysis of the strengths, weaknesses, opportunities and threats of Portuguese Fashion Design sector, using SWOT methodology, it was possible to conclude:

Challenges:

- Markets Approach: EU market consolidation and focus on growing in USA

With collections designed to satisfy global clients (international-mindset), the author suggests a strategy that gives special attention to the American Market due to its already importance in the three fashion designers' exportations analysed. In this market it is possible to find a high number of multi-brands stores. Concerning the European Market, Portuguese Fashion Design should take advantage of its proximity to these countries, where the most important Fashion Weeks take place. Fashion designers and support entities should use these events as a channel to get new deals and businesses with potential customers. It is important to be aware that these weeks are a meeting point to all fashion agents and clients.

- Bet on domestic market and investment in Promotion

Textile and Apparel Industry is one of the most important cluster in Portugal's economy. It is not a coincidence that most of successful Portuguese fashion designers present their collections as 'Made in Portugal' products. In fact, it is well-know that what is 'Made in Portugal' reflects quality, know-how and creativity. Besides the creativity from fashion designers and expertise from the Industry it is always determinant to identify and predict market opportunities. In Fashion World, is crucial to follow what is going to be 'trendy' and players must be able to give fashion consumers what they want. Taking advantage of the growing number of Portuguese fashion designers and the weight of tourist's consumption in Portuguese economy, betting on Portuguese market should be taken into consideration in order to increase sales. Also, promoting Portuguese Fashion Design – social media, advertisements and international fairs - can be the key to achieve the best combination possible between the domestic and international markets.

- <u>Cooperation Synergies with Schools, Formation Centres and Textile Industry</u>

The notorious importance that Portuguese fashion designers have given to technology, design and innovation reinforced the role that Schools, Formation Centres and the Textile industry have on Portuguese Fashion Design. It is necessary to create a strong relationship between them to generate benefits for both sides. Indeed, it is mandatory to expose the good reality that Portuguese Fashion Design is living and extol that Fashion sector and Textile Industry are given attention to highly qualified labour. Therefore, new students can see this sector or industry as a possible professional career with good outcome. On the other hand, having continuous specialized labour, new experts and young updated workers will ensure the technological and innovate environment that Portuguese Fashion Design needs to improve.

- <u>Attract and Raising of Foreign International Investments</u>

One of the reasons why Portuguese Fashion Design is highlighted on international markets is because of its excellence, experience and knowledge in producing high quality collections. Besides these factors, the international mindset that fashion designers present from the beginning of their business careers helped to create a respectful and strong image of this sector outside. Having foreign international investments in Portuguese fashion design will be essential to its success. With more financial capacity, fashion designers can invest on new technologies, new products, new services, new ways of doing things and can compete with other big names on foreign markets. Portugal should take advantage of its proximity to EU markets and of its consolidated excellence image to attract FDI and increase its production capacity, in order to become more competitive in global market, demonstrating that it is feasible to invest in Portuguese Fashion Design potential.

<u>Warnings</u>

- <u>Imminent 'Brexit' – Exposure to UK Market (8% of Exports)</u>

It is time to pay attention or be aware of the upcoming phenomenon 'Brexit'. Portuguese Fashion Designers should not forget, that at this stage, UK market represents 8% of Textile and Apparel Industry' exports, having a significant expression. As Portuguese Fashion Design seek, from the beginning, international markets, it is necessary to understand that new customs duties or taxation barriers imposed may influence negatively Portuguese business. Under this hypothesis, other international competitors with bigger liquidity and financial capacity can overcome these obstacles easier than Portuguese fashion designers.

- <u>Other countries start to copy and apply the 'Portuguese model'</u>

Portuguese Fashion Design has been focusing on creativity, know-how and has worked side-by-side with an Industry that today bets on product diversification, high quality products, innovation and high standards. This proximity between 'Design' and 'Industry' turned out to be important on Portuguese Fashion Design success. Then, designers need to be aware that this ability can also be copied and replicate by other international players and will benefit from this 'Portuguese model' on international markets.

<u>Restrictions</u>

- <u>EU budget restraint and application of fiscal consolidation measures to member states</u>

It has been seen that Portuguese Fashion Design sector exports most of its collections. Due to domestic market limitations, designers have always focused on the international market to ensure their business survival and success. As exposed on figure 23 (page 39), international trades in European Market have a significant expression on Textile and Apparel Industry's wealth. Some of these European markets have the most important events in Fashion World, where the presence of fashion designers and fashion brands are needed since these events are business points. It is necessary to understand that European community funds have been played a major role in Portuguese Fashion Design's promotion as so as on Textile and Apparel industry and what will be the impact whenever these funds are restraint.

- <u>USA custom barriers (Dutie and Tariff) to which exports are subject</u>

Portuguese Fashion Designers have focused their attention on American Market. Indeed, American Market has a great potential when talking about business volume and American consumers are known for they willingness to buy trendy collections and good purchasing power. As mentioned, Portuguese collections are characterized by high production costs which leads to a price discrepancy from others with lower prices due to better production capacity. Entering on the American Market means customs duties and tariffs on Portuguese final products. Turning these collections more expensive, can create constraints on final consumption. Meanwhile, it is important the continuous bet on innovation and technology as a way to overcome high production costs and to invest on product differentiation.

Risks

- Sector growth slowdown

Expecting a continuous growth rate like the ones from the past years seems to be naïve. It is important to remind that Fashion Market is characterized by its constant change, where new trends, new consumption patterns and other factors influence international competitiveness.
Portuguese exports to countries like France, UK and Germany (3 of the 5 mains destinies of Portuguese Textile and Apparel exports) have revealed a slight break on last decade: -0,2%, -3,0% and -1,5%, respectively (Figure 25, page 40).
As mentioned previously, the first period (1995-2001), Portuguese Textile and Apparel Industry focused on cost advantage strategy. Later (2001-2009), it was chosen the other via, betting on differentiation advantage, which turned out to be very hard and arduous but more successful (2009-2018).
It is important to continue this journey through differentiation, selling to new markets to avoid the risk of this slowdown spread to current markets.

- Change of EU customers preferences

We are aware that Portuguese Fashion Design success reflects on their good exports 'value. Due to poor domestic demand, designers have always paid attention to international clients. In fact, European consumers have been the most important clients to Portuguese fashion Design. Nevertheless, the change of trends or a more conscious consumption of fashion design, can easily change or influence the final consumption of European clients. Portuguese Fashion designers must understand the difficulty on having customer loyalty under this volatile market.

- Market Share loss due to emergence of new players with more competitive factors in the global market

There it will be always new competitors arriving into this business. Competitors with better competitive products, with lower production costs or with more financial supports can be a risk to Portuguese fashion designers' market share loss. It is known that the Fashion Market is characterized by its globality and high competitiveness, therefore no market position or market share are saved or guaranteed.
To finish, Portuguese Fashion Design sector and Portuguese Textile and Apparel Industry are conscious that the good results presented till now cannot exactly guarantee future success.

Thus, Design and Industry cannot accommodate to one way of working but constantly change their work dynamics – focus on innovation, creativity, design, R&D and so on – to sustain their levels of excellence.

With this idea, working under strong environment to reinforce Portugal Fashion Design international competitiveness and success, author suggests here a few additional management measures:

- Increase production and response capacity from producers;
- Concept ''See-now, Buy-now'';
- Online Market;
- Strong bet on American Market due to its consumer culture and purchasing power;
- Partnerships with Schools and Formation Centres (Open-days, internships with young talents) to attract future human resources;
- Open-days to possible financial investors;
- Bet on Communication (online-news, television programs, news reports, etc);
- Explore new materials;
- Reinforce Portuguese Fashion Design promotion – Bet on Marketing;
- National Showrooms to attract domestic demand;
- Use of recyclable materials – Ecological production Trend;
- Open ateliers to tailoring and customization;
- Incubators Centres to young entrepreneurs.

4.3. Limitations, Difficulties and Suggestion for Future Studies/Research

Concerning the limitations of this master dissertation, the author considers to be highly important their identification. What is intended with this dissertation has never been only a mere description of Portuguese Fashion Design History nor an exhaustive study with strategic doctrines with unfailing application but an unique work which clustered what has been the past evolution, which characterized the current situation of Fashion Design in Portugal and which mapped/presented certain measures or guidelines for a better and continuous success of Portuguese Fashion Designers on international world and reinforce their competition. Having this idea, during this study, its author finds that there have been some limitations which must be referred in this topic.

First limitation felt by the author during this dissertation reflects on the fact of her not being an internal part of the Fashion Design industry or not having any other type of direct and indirect linkage to the industry. Even though having a direct contact, via e-mail, with one Portuguese Fashion Designer – Katty Xiomara- the work was performed through an external viewer of the Industry, which can lead to some difficulties or misuse of technical language used on this sector although the author tried to be careful when using it.

Then, the author finds it necessary to remind that a Fashion Business is linked to a constant changing market, to a high volatility, unpredictability and instability where loyalty from clients is very hard to gain and where players find it very demanding to compete. Thus, the simple fact of the course of the years can turn this present document very quickly in an outdated work because of this change.

It is also important to refer here on this topic that all suggestions and recommendations on this dissertation are made based on the conclusions of this study and due to that, there is always the inherent risk of not being verified, being them only a simple contribution of the author as a Management' student.

Difficulties were also felt during the elaboration of this work. In fact, this journey was not done without obstacles and mishaps.

It is mandatory to mention that when trying to collect statistic data related to the last two decades only for Fashion Design Activity, that is incorporate on Textile and Apparel Industry, was not possible to find. Indeed, there is no data and enough previous studies on this activity in Portugal at least during author' s research.

To overcome this stone, the author decided to get in contact directly with the three Portuguese Fashion Designers – Miguel Vieira, Katty Xiomara, Luís Buchinho- to collect real and personal information regarding their businesses and strategic models during last years. Nevertheless, also this direct contact turned out to be very difficult since most of the Fashion Designers did not show to be available for an interview due to agenda constrains and busy schedules with international and national Fashion Weeks.

Working around this difficulty, the author proposed to all Fashion Designers the possibility of responding the questionnaire by writing or by audiotape instead of an interview face-to-face. Yet, some did not answer to author's email or did not give any 'objective answer' on their wish to help the study.

However, only one Fashion Designer showed interest and availability to participate on this study as a real witness of the business reality of a Portuguese Fashion Design. Again, due to agenda constrains, it was not possible to schedule a personal interview with Katty Xiomara at first but she promptly asked for the questionnaire to answer it via e-mail.

Again, another constrain was felt when realizing the questionnaire to Katty Xiomara. Firstly, to try to get all the information needed to this study, the author elaborated a questionnaire with more than 25 questions with open answer and due to that extension, the participation turned out to be less appealing and easy to do. To overcome that issue, a new questionnaire had been elaborated with 15 questions.

Here is a genuine acknowledged to Katty Xiomara whose role turned out to be even more fundamental and essential to this dissertation, even when preparing her collection to international Fashion Weeks.

Another difficulty witnessed during the elaboration of this dissertation was the broadly aspect and global characteristic that the topic chosen by the author possesses. The use of Management Tools sometimes needed to be adapted and put on stand-by the global expression and fall back on specific examples with the purpose of turning analysis feasible.

To finish, the author must present here suggestions for future studies. It is easy to mention that there is a wide range of possibilities for future studies with relevance to Portuguese Fashion Design which could be done not only by present and future students but also by Associations, Organizations and Formation Centres of Textile and Apparel Industry.

The idea of future works should elaborate a more specific topics or themes around Fashion Design made in Portugal to work towards the same goal of this dissertation: present opportunities to the sector or alternatives for a continuous competitiveness.

Having this, author sees several possible projects and themes for future dissertations such as:

- Business Plan for a young Portuguese Fashion Designer;
- Study the strategic evolution of a specific consolidated Portuguese Fashion Designer with a certain market dimension;
- Study the internationalization of Portuguese Fashion Designers on Emerging Markets;
- Elaboration of a study on consumptions habits for luxury products on USA to present possible strategies for market penetration;
- Comparison of internationalization process in one specific market between several different Portuguese Fashion Designers.

5. Appendices

5.1. Interview with Katty Xiomara – 10th October 2018

1 - Com uma carreira que conta com 20 anos, certamente acompanhou a evolução do Fashion Design Português. Durante muito tempo a ITV foi conhecida pela sua produção tradicional e pela pouca abertura à inovação. Sendo o Fashion Design um conceito relativamente recente para este sector ITV e que contraria tudo aquilo que era anteriormente feito, porque motivo este conceito ou elemento não foi introduzido mais cedo à ITV?

Resposta: Estando do lado criativo da ITV poderá parecer algo parcial dizer, que a razão se prende essencialmente com o conservadorismo do sector. A meu ver, o receio de mudar, embora natural num sector empresarial com altas responsabilidades, é o grande travão. Terei também de admitir que existe alguma falta de informação e interesse no design nacional.

2 - Atualmente existe uma evolução e crescimento positivo na criação de Moda Em Portugal, quais os principais motivos desta tendência? O aumento de competitividade deveu-se somente ao volume de vendas? Custos de produção e de trabalho foram mais baixos? Criam-se produtos com maior valor acrescentado?

Resposta: Não deixa de ser natural após anos de investimento por parte dos percussores. Por outro lado temos o avançar das gerações de famílias ligadas ao sector, que finalmente olham para o design como uma via e inclusive como uma necessidade, formando os jovens da casa para modernização interna. Não penso que o aumento da competitividade seja motivado diretamente pelo volume de vendas, a maior parte das vezes uma marca própria gera menor rendimento do que "fazer a feitio" o que gera sem dúvida é maior motivação e produz um certo efeito de segurança.

3 - Mais recentemente tem vindo a existir uma maior qualificação de recursos humanos, maior sofisticação de infraestruturas industriais e o aparecimento de associações e organizações de apoio à ITV mas também à Criação de Moda em Portugal. Que influência tiveram estas medidas na sua atividade enquanto Fashion Designer?

Resposta: Quando a qualificação aumenta, o resultado qualitativo melhora, por tanto esta sofisticação também se reflete no meu processo de trabalho. Por outro lado, faz aumentar as opções enriquecendo a nossa carteira de fornecedores.

4 - Sabemos que desde 1998 é uma 'cliente' assídua do Portugal Fashion. Um dos fatores apontados como uma das principais causas do aumento de visibilidade da Moda Portuguesa tem sido a organização de projetos e eventos como as Fashion Weeks em Portugal e a participação em eventos do mesmo género em territórios estrangeiro. Concorda com esta ideia? Que outras medidas poderão estar também ligadas ao aumento de visibilidade da Moda Portuguesa?

Resposta: Existe algum esforço por parte das associações do sector, contudo não nos podemos "acomodar" não podemos repetir a receita de 10 ou até 5 anos atrás. A moda tem mudado muito na sua forma de comunicar, projetar e vender, por isso não devemos limitar a nossa área de ação aos desfiles e feiras, nem pensar unicamente nos calendários e clientes tradicionais. Agora mais do que nunca é necessário pensar fora da caixa.

5 - Considera atualmente o Fashion Design Português/ Criação de Moda em Portugal competitivo comparativamente com o mercado internacional? Justifique.

Resposta: Criativamente e qualitativamente, sim. A nossa competitividade é afetada essencialmente pela nossa parca capacidade de investimento.

6 - Falando um pouco de seu trajeto profissional, que barreiras constituíram um entrave para iniciar a sua carreira enquanto Fashion Designer?

Resposta: Agora existe uma competitividade maior, o que na verdade é saudável. Mas antes existia falta de credibilidade na profissão e da capacidade de trabalho e de concretização dos seus profissionais.

7 - Ao longo da sua carreira, quando e porque é que sentiu necessidade de optar pela via de internacionalização? Quais os motivos? Existe, na Criação de Moda em Portugal, uma dependência pelas exportações?

Resposta: Talvez até foi tarde de mais. A necessidade de exportação é essencial para o crescimento de qualquer marca. Portugal é um país pequeno e infelizmente com pouco amor e orgulho no seu "made in Portugal" sobretudo quando falamos de áreas criativas, com pouca história e expressão, como é o caso da Moda. Por isso é muitas vezes necessário desbravar caminho lá fora e depois voltar.

8 – Como tem sido o seu processo internacional a nível cronológico? Quais as barreiras sentidas durante o processo e quais os fatores importantes para garantir o sucesso da sua internacionalização?

Resposta: Este meio é extremamente competitivo com investimentos de envergaduras inimagináveis, por tanto não é uma tarefa fácil. Os entraves são essencialmente financeiros o que, por sua vez, enfraquecem as estruturas na hora de existir uma comparação. Por outro lado, temos o desconhecimento, existe um grande desequilíbrio na balança quando por exemplo, uma marca nova tem um cunho de design italiano ou português. Mesmo assim sabemos que existe espaço para marcas mais pessoais e com maior unicidade, por isso a nossa persistência! Quanto a receitas…penso que mesmo com grande capacidade financeira não há nada que possa garantir o sucesso.

9 – Sabemos que tens relações comerciais com países como Espanha, Républica Dominicana e USA. A modalidade de internacionalização é somente a nível de transações ou tem investimentos diretos ou outros projetos da sua empresa?

Resposta: Não existem investimentos diretos na empresa, por enquanto trata-se meramente da exportação dos nossos produtos e serviços.

10 – Voltando ao sector ITV, este tem andado de certa forma de mãos dadas com a Moda Portuguesa contribuindo positivamente para a criação de valor de ambos. Considera que produtos integralmente portugueses (desde a conceção da ideia pelo Fashion Designer até à produção do produto final pela ITV) um fator que influência as vendas no mercado interno e externo?

Resposta: Penso que pode ser assim, mas nem sempre é esta a estratégia utilizada. Depende claro, da dimensão da marca e do mercado que pretende atingir, estas são duas grandes condicionantes que lhe permitirão ou não seguir este caminho

11 – O Mercado da Moda é globalmente conhecido pela sua constante mudança, pela sua volatilidade e ambiente imprevisível. De que modo isto influência a sua atividade a nível estratégico e operacional? Acha necessário criar métodos operacionais próprios com o propósito de os Fashion Designers se reinventarem frequentemente e rapidamente como resposta ao mercado?

Resposta: A adaptabilidade a estas mudanças tem de fazer cada vez mais parte da nossa forma de trabalhar, mas não é uma tarefa fácil. Por isso sim, seria importante encontrar uma fórmula que nos ajudasse neste processo.

<u>12 - São vários os autores que defendem quando estamos em mercados caracterizados por ambientes instáveis, acompanhar a inovação e a tecnologia são dois fatores importantes para garantir bons resultados e uma boa performance. Que importância atribui a estes elementos na sua atividade enquanto Fashion Designer?</u>

Resposta: Numa área criativa a inovação e a tecnologia são essenciais, mas deve existir flexibilidade e mais uma vez adaptabilidade, mas neste caso no sentido interpretativo, pois no vestuário nada seria o que é hoje sem o que fomos no passado. As referências são também elas muito importantes.

<u>13 – Que importância dá, na sua atividade, à criação de relações próximas com fornecedores, parceiros e outros agentes?</u>

Resposta: É importantíssimo, é essencial ter uma carteira de fornecedores e clientes fieis, constantes e interessados.

<u>14 – O mercado da Moda é conhecido pelo seu grande grau de incerteza e risco. Ser empreendedor e arriscar em novas maneiras de trabalhar, novos recursos, novas coleções, novos clientes ou novos mercados são fatores cruciais no seu trabalho? Arriscar deve ser um mindset para qualquer Fashion Designer Português?</u>

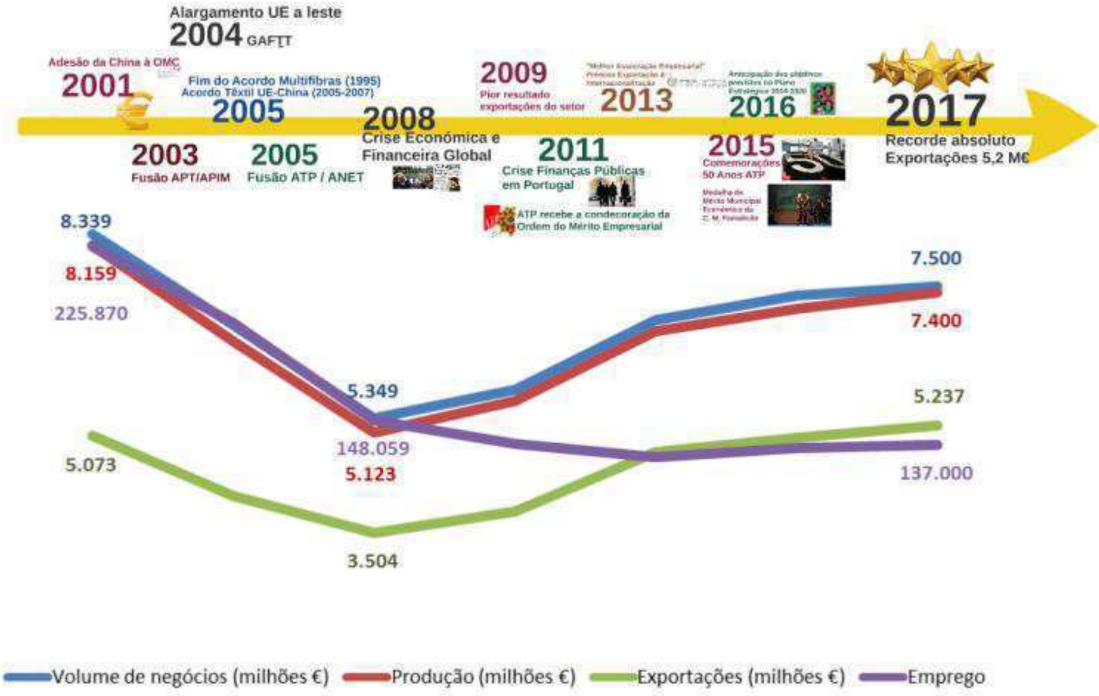
Resposta: Sem dúvida! Todos temos medo de arriscar, é natural, mas o medo não pode ser impeditivo, se assim fosse nunca teríamos dado os primeiros passos. O que acontece é que o crescimento trás com ele maiores responsabilidades amedrontando-nos ainda mais… devemos estudar os riscos, sim, mas nunca os engavetar…

<u>15 - O que acha que vai ser o futuro do Fashion Design Português? O que há a melhorar?</u>

Resposta: Pode ser auspicioso se olharmos para o que temos e percebermos a melhor forma de o rentabilizar. Acho que mesmo sendo um pais pequeno preenchido de marcas de pequena dimensão, a verdade é que podemos ter espaço dentro e fora para crescer.

5.2.Portuguese Textile and Apparel Industry Statistics

Figure 73 – Portuguese Textile and Apparel Industry Main Indicators Milestones Evolution (2001 – 2017)



Source: ATP – Fórum da Indústria Têxtil (2018)

Table 22 – Portuguese Textile and Apparel Industry Main Indicators Evolution (2013 – 2017)

	2013	2014	2015	2016	2017
Produção (milhões €)	6.028	6.485	6.767	7.136	7.400
Volume de Negócios (milhões €)	6.296	6.712	6.942	7.347	7.500
Exportações (milhões €)	4.288	4.620	4.811	5.035	5.237
Importações (milhões €)	3.343	3.608	3.835	3.932	4.138
Emprego	124.147	128.414	131.513	135.197	137.000

Source: Adaptado de ATP – Caracterização do Sector (2018)

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