



FASHION MICRO-ENTREPRENEURS: STRATEGIES FOR ACHIEVING SUSTAINABILITY

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Abstract: *Considering account the accelerated development of globally active fashion micro-enterprises, this study investigates the sustainability strategies integrated into, with the business model of these organizations, as well as the particular stages and processes involved in their adoption. These research objectives are addressed by realizing a literature review on the implementation of sustainable business models in micro-organizations, and collecting and analyzing primary data through semi-structured interviews conducted with 19 French fashion micro-entrepreneurs. The findings indicate that these micro-entrepreneurs are well aware of both the advantages and challenges of sustainable strategies. In addition, it essential to take into account the specificity of these organizations, characterized by small size, low market power, and a low level of resources, but having the competitive advantages of quick decision making, operational and strategic flexibility, and close relationships with their customers, often intermediated by online technologies and social media platforms. The respondents also indicate that implementing sustainable strategies is a gradual process, involving an evolutive business model. Finally, the managers emphasize the problem encountered with balancing the three pillars of sustainable development in the context of their organizations, and the amount of effort and resources required to select, obtain and maintain sustainability certifications.*

Key words: *sustainability, micro-enterprises, advantages, challenges, implementation stages*

1. INTRODUCTION

Sustainability is a concept frequently used today in the public discourse. However, at present, there is no generally accepted definition for sustainability. In general, the word refers to an activity or process than can be continued over time at a certain level of resource consumption. On the other hand, the derived concept of sustainable development has a well-known definition given in the Brundtland Report [1]: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” From this perspective, sustainability must ensure a fair equilibrium between the interest of present and future generations. This process is enacted by reaching an equitable balance in terms of business, social, and environmental goals and activities, representing the three pillars of sustainable development.

Although sustainability is often described, analyzed and discussed in the academic and professional literature pertaining to the fashion industry, most of the extant studies focus on large multinational corporations that own well-known product and/or retail brands. However, the fashion industry is in the midst of a business model transformation, which provides more market and partnership opportunities to small or micro-enterprises. This trend is facilitated by the globalization,



digitalization, specialization and automatization of the production process. Despite this trend, little is known about the specific strategies deployed by micro-entrepreneurs to enhance the sustainability of their activities and outputs. This study attempts to address this knowledge gap, answering the following research questions: “What are the main sustainability strategies deployed by micro-entrepreneurs to enhance the sustainability of their organizational activities and outputs?” and “How are these strategies implemented in micro-enterprises?”.

To provide valid answers to these questions, we decided to use a qualitative methodology, based on semi-structured interviews conducted with 19 French fashion micro-entrepreneurs, which permits us not only to clearly identify these sustainability strategies, but also to evidence the processes deployed to ensure their implementation.

The findings of this study represent an original contribution to the sustainability literature in the context of the fashion industry, facilitating a better understanding to the strategies and processes used by micro-enterprises for academic, consultants and managers.

2. BACKGROUND

Fashion represents a highly dynamic economic sector, characterized by high growth rates and high levels of competition. As presented in the introduction, globalization, digitalization, specialization and automatization, coupled with the increasing fragmentation and segmentation of markets in highly specific niches, have provided an impetus to creating many fashion micro-enterprises. From an organizational point of view, we apply in this study the definition of micro-enterprises developed by European Commission [2], as enterprises that employ fewer than ten persons and whose annual turnover and/or annual balance sheet total does not exceed two million euros.

In recent years, the growth dynamic of the fashion industry and market have been sustained by large multinationals that own globally known brands and integrated value-added chains. These companies have succeeded to drastically reduce the design, production and commercialization costs while maintaining a high or medium quality of products and services. On the other hand, the market demand for high quality products has increased exponentially, as the growth of consumer resources in many developing countries has given an accelerating impulse to the global demand [3].

Unfortunately, the dark side of the fashion industry is characterized by the exploitation of workforce in some developing countries and short production and consumption cycles, which create significant waste and environmental pollution, as around 85% of the clothing produced each year end up in landfills [3], the fashion industry being responsible for 10% of the global annual carbon dioxide emissions and for the use of 1.5 trillion liters of water annually [4]. In addition, research indicates that micro-plastics from clothing represent a significant polluter of seas and oceans [5].

The business paradigm of the fashion industry is evolving towards organizational models that are design-oriented, producing small batches of clothes that are often sold over the internet or using extant global platforms, such as Amazon. The organizations that are representative for these new trends are usually small or micro-organizations, that thrive through specialization, digitalization and close customer relations often managed through the major social networks, such as Facebook, YouTube or Instagram.

At the same time these creative micro-organizations are confronted with a growing awareness regarding global sustainability issues, being pressured to adopt and ensure the sustainable development of their business model, and respect the growing standards regarding social equity and environmental protection. Addressing the extant knowledge gap regarding the lack of information regarding the implementation of sustainability strategies in micro-organizations, our study explores



and analyzes (i) the competitive advantages and the organizational challenges associated with these policies, (ii) the strategies implemented by micro-enterprises to enhance the sustainability of their activity and outputs, and finally, (iii) the specificity of processes used to introduce sustainability issues and principles within their competitive business model.

3. RESEARCH METHODOLOGY

To answer the formulated research questions, we adopted an exploratory approach, based, in the first stage, on a literature review of the investigated topic, followed by a series of semi-structured interviews conducted with 19 French micro-entrepreneurs.

The interviewees have been identified by launching a Google search regarding French micro-enterprises that are active in the fashion industry. After analyzing the returned results, we identified 76 fashion micro-enterprises corresponding to the searched criteria. Then we contacted the managers of these organizations – either by phone or by email, and invited them to participate in this research project. Unfortunately, only 21 answered positively to our invitation. We realized online interviews, which was highly practical considering the numerous restrictions related to the COVID pandemic. Unfortunately, the sample was further reduced to 19 respondents as two managers declared that they lacked the necessary time to discuss with us.

The interviews were organized during November and December 2021, and took between 30 and 45 minutes, being focused on four general discussion themes: (i) the profile, activity and market targeted by each organization; (ii) the level of knowledge and the importance associated with sustainability and sustainable development by the micro-entrepreneur; (iii) the strategies implemented in these organizations to increase the sustainability of their activities and outputs (including the perceived advantages and challenges related with these strategies); and (iv) the stages deployed to implement these sustainability strategies.

The interviews were recorded with respondents' permission, and under the condition of confidentiality regarding real names. These interviews were then transcribed and manually coded in three main stages. First, the interviews were read and integrated in a general way, to understand the context of each investigated organization. Second, the specific information regarding sustainability strategies have been classified under several different categories, such as: types of strategies, perceived advantages, and perceived challenges. Third, the specific decisions, processes and stages applied in the implementation of these sustainability strategies have been separated and analyzed, in relation to the specific organizational and market context of these micro-enterprises. Finally, these categories have been codified, a synthesis of the main findings being presented in the next section.

4. FINDINGS

All interviewed micro-entrepreneurs indicated their knowledge, interest and preoccupation with sustainability and sustainable development. Despite the fact that their commercial output was relatively small, the respondents emphasized the importance of communicating and displaying a sustainable image of their organization and activity to employees, investors, partners, and especially to their consumers.

These fashion micro-entrepreneurs emphasized both the advantages and challenges of adopting an active organizational policy and communication based on sustainability (see Table 1).



Table 1: Advantages and challenges in implementing an active organizational policy based on sustainability and sustainable development

| Advantages | Challenges |
|---|--|
| Positive organigational reputation | Stigma for (perceived) lower product quality and higher prices |
| Satisfied stakeholders | Lack of resources |
| Cost reduction | Lack of knowledge |
| Competitive advantage in specific niche markets | Lack of support from suppliers, distributors or investors |
| Possibility to list higher prices | Higher costs |
| Increased transparency toward customers and investors | Meeting certification costs and requirements |
| Better positioning for future market evolutions | Balancing the economic, social and environmental components of sustainable development |

Despite the recognized importance of sustainability in organizational management and marketing, not all the investigated micro-enterprises are at the same stage of policy implementation or display the same level of commitment. Thus, five of the interviewed 19 micro-entrepreneurs consider that their organization is at the first stage of implementing sustainable organizational policies, which is characterized by a gradual diffusion of sustainability principles, practices and behaviors among employees. The main challenge encountered at this stage is to mitigate between the costs of implementing environmentally friendly manufacturing practices and the need to achieve business rentability and social goals (for example, a fair participation of employees in both the effort and the results of the firm). Therefore, the sustainability policies introduced during this stage are mostly focused on the optimal organization of manufacturing – applying, for example circular processes that reduce waste and reduce energy consumption [6], or specific recycling policies in relation to raw materials or accessories [7].

In the second stage of implementing sustainable strategies, the respondents – eight out of 19, indicated that they attempt to further integrate their organization into global or national sustainable value-added chains, which includes strategies of initiating or developing partnerships with sustainable suppliers, manufacturers and/or distributors. This transformation is not easy, because the majority of suppliers and large retailers adopt a superficial sustainability-friendly policy, primarily based on general declarations of principles and engagements. In this stage, their commitment to sustainable organizational policies is demonstrated into an increasing investment of resources in sustainability-based projects and partnerships.

Finally, in the third stage of sustainable strategies implementation, the organization adopts a holistic view of sustainable development. This vision has a double role: first, it provides a better balance and management of the three pillars of sustainable development, and, second, opens the way towards obtaining formal certifications [8] and implementing a more complex customer relationship policy. The number of micro-entrepreneurs indicating that they reached this stage was six.

5. DISCUSSION

The findings of this study indicate a gradual, evolutionary approach of micro-enterprises to implementing sustainability policies at (i) organizational, (ii) value-added system, and (iii) market levels – i.e., the stages one, two and three presented in the previous section. This gradual approach is



due to the small size and market power of the investigated micro-enterprises, which are also associated with a low level of knowledge and resources.

On the other hand, as many other micro-enterprises, their small size increases the decision-making speed and the operational flexibility of these organizations. Generally, the investigated fashion micro-enterprises can be classified into two categories: either local organizations that cater to specific segments of the national market or born-global firms using the Internet to develop, manufacture and commercialize products globally, while also adopting a strong market-niche orientation.

Being highly specialized in a specific area of the value-added chain, these organizations rely heavily on alliances and partnership with other similar or complementary firms. An important feature of the micro-enterprises investigated in their study was their creativity, all of them being specialized in fashion design, to which they added different other organizational functions in order to internalize the production and customer-relation processes, often using digital applications and technologies.

An essential problem emphasized by respondents is the vagueness of the sustainable development concept and the multitude of principles, concepts and operations that can, potentially, be included under this conceptual umbrella. Thus, often the three pillars of sustainable development – economic rentability, social equity and environmental protection are difficult to balance and manage simultaneously, especially when the organization lacks knowledge and resources. Finally, another important challenge encountered by the managers of the investigated micro-enterprises is the process of sustainability certifications, some of which deal only with one aspect of sustainable development policies and being differently recognized depending on each geographical market.

6. CONCLUDING REMARKS

This exploratory paper attempts to lay down the foundation of an in-depth investigation of the sustainability strategies implemented by fashion micro-enterprises, and of the implementation process. Despite the low number of interviews conducted with micro-entrepreneurs, we posit that the findings of our study provide interesting and original findings that can increase the understanding of the particular conditions in which micro-enterprises from the fashion sector develop and enact their sustainable business model.

The study has several limitations determined by the selected research methodology: the sample of interviewed micro-entrepreneurs is relatively small, and the resulting findings are limited to the French fashion industry. Future research should further investigate the implementation of sustainability strategies by micro-enterprises from other developed or developing countries, collecting primary data for comparison and synthesis. In addition, it is necessary to analyze the role of customers as a driving, or alternatively, a restrictive force for the implementation of sustainability policies in the fashion industry, as customers' attitudes and opinions are far from consensus.

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