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Overcoming Growth Challenges of Sustainable Ventures in the Fashion Industry: A Multinational Exploration

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Abstract: Over the past decade, the proliferation of entrepreneurial ventures and small firms with sustainable business models have pushed the sustainability agenda in the fashion industry. Despite prominent success stories, these companies often encounter significant operative challenges that hinder growth or even cause business failure. This paper adopts a qualitative research design and uses data gathered during 18 expert interviews with entrepreneurs and executive managers of 18 firms from 13 countries to identify and explore the dominant challenges that micro- and small-sized sustainable fashion companies struggle with. The results indicate that communicating with consumers is perceived as surprisingly difficult, especially because sustainable brands need to justify higher prices and explain the added benefits of their products. Second, resource constraints lead to operative friction and overburdening of the decision makers and their small management teams. Third, sustainable sourcing and production processes are economically difficult in an industry that continues to occupy a mass and low-cost logic. Against the background of these insights, a range of managerial recommendations are developed and contextualized in the framework of the Business Model Canvas. This novel approach makes the suggestions which are rooted in the resource-based view actionable and supports sustainable businesses to better manage their operations and achieve growth. For example, collaborative approaches with different stakeholders may mitigate constraints across all three identified problem areas.

Keywords: small-business management; sustainability; venture growth; ethical fashion; entrepreneurship; resource-based view; business model canvas



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1. Introduction

Over the last two decades, sustainable considerations regarding the production and consumption of goods have increasingly pervaded industries of all types. Several partly intertwined drivers have pushed the progress. Among them are discerning customers, an accelerating public discussion, accumulating scientific evidence delineating the ecological impacts of global industrialization and stricter policy measures in the Western hemisphere. Most of these trends originate in the developed world, but their impacts have also led to economic, social and environmental improvements in emerging countries, which are deep-seated in today's global value chains. While this appears promising, some criticize that little has changed and that the fundamental problems remain unsolved or deliberately out of focus [1–3].

The fashion, textile and footwear industries have long been under heightened scrutiny. This is due to their global dispersion, economic significance and considerable impacts on environmental as well as social matters. The latter noticeably surfaced in the wake of various 'sweatshop scandals' in the 1990s. In recent years, corporate social responsibility (CSR), which is the set of management practices embedded in a self-regulating business model that maximize companies' positive societal impacts [4], has evolved from rather

halfhearted codes of conduct into more elaborate activities, stretching from annual sustainability reports over stakeholder dialogues to sustainable innovation and ‘fair’ product line extensions. Independent of size, companies pay more attention to matters of sustainable behavior. In the global fashion industry, sustainability is perceived as the single biggest challenge and the single biggest opportunity at the same time [5]. Among consumers, however, concerns over corporate greenwashing remain and dampen sustainable purchase intentions [6–9].

Parallel to these developments, the number of fashion start-ups with and success stories of new sustainable business models has increased strongly [10]. As an alternative draft to the ‘neoclassical firm’, which strives for profit maximization, these new ventures are created with a higher purpose that guides corporate conduct. Although tailored business models that address well-defined and attractive market niches are promising [11], ethical entrepreneurs are faced with the known resource constraints of small businesses and must allocate incremental efforts to accomplish environmental and social goals [12]. Consequently, it is not very surprising that many fashion start-ups fail to achieve substantial growth or even default in an early stage [13].

While the size and reduced scope of sustainable fashion ventures limit their impact compared to multinational enterprises [14], their contribution to societal achievements must not be underestimated [15]. Along these lines, sustainable entrepreneurship is a key factor that pushes conventional firms towards more sustainable behavior. Hence, it is important to understand the managerial challenges that these ventures encounter whilst growing their businesses. Growth in terms of revenues or number of employees is an important factor for survival and ability to compete with unequally larger incumbents [16,17]. Furthermore, scaled-up operations generate higher societal impacts, a consideration that should be particularly appealing to purpose-driven companies. However, the existing literature does not provide a fashion-specific overview of challenges for entrepreneurs. Such insights would be beneficial as they add another facet to the body of knowledge of entrepreneurship on the one hand, and at the same time, they open up avenues for future research in a highly relevant field. Therefore, exploring the main obstacles of sustainable ventures in the fashion industry and identifying approaches to mitigate urgent problems is the aim of the paper at hand. More specifically, it investigates micro- and small-sized firms, irrespective of company age, governance structure or entrepreneurial status. Hereinafter, the terms venture, company and firm are used interchangeably. As explained below, the data reflects the perceptions and opinions of the top managers of these organizations, who could be entrepreneurs, founders, owners or external managers [18]. Consequently, the results and managerial implications relate to this broader group of individuals). The following research questions are addressed:

RQ 1: Why do many sustainable ventures encounter growth challenges despite an increasingly favorable consumer sentiment, and what are the major barriers facing the small businesses?

RQ 2: How can sustainable fashion managers deal with the amalgam of challenges at the intersection of fashion, sustainability and entrepreneurship?

Because the research questions are explorative in nature, a multinational perspective is adopted, which seeks to identify the big challenges that are ‘shared’ by sustainable fashion ventures independent of location. To answer these questions, we adopt and build on the resource-based view [19,20], which has proven prolific in entrepreneurship and sustainability research [21,22]. In contrast to other studies that also rely on the resource-based view, however, we draw on the Business Model Canvas [23] as a framework to structure the evolving practice-oriented recommendations. In doing so, we provide a novel approach to better contextualize the implications of the resource-based view, also considering resources outside of the focal company [24]. Effectively, this will inform practitioners’ decision making and potentially inspire further scientific discourse.

The remainder is structured as follows. First, the extant literature on sustainable companies in the fashion industry is reviewed briefly. Section 3 then describes the research

design and the data used for the empirical analyses. The findings are presented in Section 4, followed by a discussion and the development of managerial implications in Section 5. The paper ends with a conclusion and remarks concerning its limitations.

2. Founding and Managing Sustainable Fashion Businesses

2.1. Sustainability in the Fashion Industry

Today's fashion industry is, to a great extent, characterized by two diametrically opposed yet interactive phenomena. The first is fast fashion, a business model characterized by short product life cycles, high product variety, low predictability, low margins, high degree of vertical integration and high levels of impulse buying [25]. Due to fast fashion, the industry has become more competitive and increasingly cost-driven. As a result, and at the same time as a catalyst, the production of apparel is organized in complex and globally dispersed supply chains. The upstream participants in these chains are predominantly located in developing low-cost countries with lax administrative requirements and few restrictions. This leads to less transparency and often to a neglect of social and environmental concerns [26].

The rise of fast fashion has notably increased environmental and social miseries. The established global production processes cause significant air pollution, water consumption as well as contamination, employ high impact chemicals, generate hazardous waste and violate animal welfare [27]. As such, fast fashion plays a key role in the global public discourse on climate change and water shortage [28]. Moreover, a range of social injustices, such as verbal and physical harassment, low wages, child labor and poor working conditions have been reported [27]. In general, the industry is associated with a lack of transparency, overconsumption, an irresponsible throwaway culture and overall unsustainable developments [29].

Against this background and as the second phenomenon, sustainability is an emerging paradigm in fashion that is set to address the deficiencies of the industry. The (academic) foundations in this field have been laid in particular by Joergens [30], de Brito et al. [31] and Fletcher [32]. Despite the steadily growing strand of literature, there is still no agreed-upon definition, as sustainability in fashion "can be interpreted from different realities" [33]. Consequently, several approaches exist that mirror the full spectrum of sustainability, which encompasses both environmental and social concerns [27,33–35]. Most prominent are the concepts of eco-fashion, slow fashion, green fashion, ethical fashion and sustainable fashion [35,36]. Although the latter represents a concept of its own [37], it is often used synonymously with the other approaches and thus acts as an umbrella term [33,35]. In this paper, we seize on this perspective and define sustainable fashion as the design, production and distribution of fashion when, in the different stages of the value chain, the involved actors subordinate the generation of profits to the goals of conserving natural resources and achieving social justice. An overview of different conceptions of sustainability in the fashion industry is shown in Table 1.

Table 1. Definitions of sustainable approaches in fashion.

Term	Definition	Reference
Ethical Fashion	"[. . .] ethical fashion can be defined as fashionable clothes that incorporate fair trade principles with sweatshop-free labour conditions while not harming the environment or workers by using biodegradable and organic cotton".	[30]
Slow Fashion	"Slow fashion represents a vision of sustainability in the fashion sector based on different values and goals to the present day. It requires a changed infrastructure and a reduced throughput of goods. Categorically, slow fashion is not business-as-usual but just involving design classics. Nor is it production-as-usual but with long lead times. Slow fashion represents a blatant discontinuity with the practices of today's sector; a break from the values and goals of fast (growth-based) fashion".	[32]

Table 1. Cont.

Term	Definition	Reference
Eco-Fashion	“Eco-fashion is defined as the type of clothing that is designed and manufactured to maximize benefits to people and society while minimizing adverse environmental impacts”.	[38]
Sustainable Fashion	“Sustainability in fashion and textiles fosters ecological integrity, social quality and human flourishing through products, action, relationships and practices of use”.	[37]
	“[. . .] includes the variety of means by which a fashion item or behaviour could be perceived to be more sustainable, including (but not limited to) environmental, social, slow fashion, reuse, recycling, cruelty-free and anti-consumption and production practices”.	[35]

Entrepreneurs are the backbone of sustainable fashion. The majority is comprised of fashion designers and/or founders who are primarily driven by personal beliefs and values and strive to offer an alternative to the mass market and to fast fashion players [10]. The ventures tend to be small, young, and independent, and they challenge the conventional actors in the fashion industry with new business models, innovative (and partly long-forgotten) production techniques, such as handcrafting, and the use of sustainable materials (e.g., organic cotton). Furthermore, they seek long-term relationships with suppliers and foster transparency along the value chain [31,33]. Numerous success stories of high growth start-ups (e.g., allbirds [San Francisco, CA, USA], Armedangels [Cologne, Germany], ASKET [Stockholm, Sweden], Buena Onda [Copenhagen, Denmark], Everlane [San Francisco, CA, USA], finisterre [St Agnes, UK], Rapanui [Isle of Wight, UK] and tennetree [Regina, Canada]) as well as thriving medium-sized companies with a longer history (e.g., Closed [Hamburg, Germany], JoJo Maman Bébé [London, UK], People Tree [Tokyo, Japan] and Patagonia [Ventura, CA, USA]) can be found around the world. Furthermore, a myriad of service providers such as the peer-to-peer social shopping app Depop (London, UK) or the sourcing platform Material Exchange (Stockholm, Sweden) and innovative suppliers (e.g., PILI [Paris, France]) push the industry’s transformation.

However, incumbent firms, among them the vertically integrated fast fashion companies but also time-honored global brands, responding to the increasing criticism of the fashion industry and realizing the commercial potential, have begun to embrace sustainability as part of their business models [27]. In this spirit, conventional fashion companies strengthen their ethical conduct, for example by making sustainable investments, launching sustainable product lines, monitoring their ecological/social footprint, increasing transparency and improving internal processes as well as relationships with supply chain partners [39].

2.2. Challenges for Sustainable Fashion Companies

The literature on challenges for sustainable entrepreneurs and for small business management in the fashion industry is diffuse and remains ambiguous. Only few authors investigate current challenges in a systematic and detailed way [10,40–45].

A major challenge for sustainable entrepreneurs and small businesses is inherent in their relationship with customers. Due to the wide spectrum of possible variations of sustainable fashion, it is difficult for entrepreneurs and managers of small businesses to anticipate and match the expectations of customers and other stakeholders with their own concepts [10,41,43]. However, even in the case of consensus, consumers who have expressed a willingness to purchase sustainable fashion do not necessarily act accordingly [46]. Among other factors, the elevated price of the products is a key reason for this attitude-behavior gap. Thus, costs and pricing also constitute challenges for sustainable entrepreneurs and managers of small businesses [10]. In this context, the education of consumers [10,40,41,43] and their activation [10] are identified as key hurdles. Although

social media appears to be a prolific tool [43], the commercial use of social networks for marketing purposes requires careful preparation, monitoring and ongoing management. Crucial aspects include the integration into the overall marketing strategy, the selection of appropriate social media platforms for different objectives, the calculation of meaningful performance indicators and the management of the resulting two-way communication with customers [47]. While running social media campaigns has a positive effect on sales, also for smaller companies [48–50], relative costs vis-à-vis other promotional activities [51] and managerial incomprehension [52] can defer its adoption. Furthermore, recent studies in a fashion context indicate that social media may indeed alter the attitudes of consumers towards sustainable fashion but that it lacks a significant impact on purchases [53].

Further challenges originate from supply chain issues. This includes both the establishment of supply chains that are in line with the values of the entrepreneurs [10,35,54] and the identification of qualified suppliers [10,35,42,43]. Configuring and managing flexible supply chains to be able to respond to new trends is also difficult for entrepreneurs and smaller businesses [35,43]. In addition, Plieth et al. [42] and Kozłowski et al. [10] identify limited resources along with limited knowledge and experience as significant challenges. Plieth et al. [42] further add site selection and the recruitment of suitable staff to the list.

Some authors point to fundamental challenges stemming from the overall dynamics in the (sustainable) fashion industry, namely the numerous and highly salient CSR initiatives of various players [27,34]. In this regard, Köksal et al. [34] name corrupt institutions along the supply chains as a key challenge. These authors suggest risk management practices to overcome the dangers; however, they recognize that the establishment of an elaborate risk management system represents a challenge itself. Other barriers include scaling up the business model in terms of reasonable growth that ensures competitiveness and increases the positive impact of the venture without violating the sustainable ambitions [35,55–57] and aligning the ventures with the United Nations' Sustainable Development Goals [58].

Furthermore, collaborative practices seem to be difficult for the sustainable fashion industry in general [59], and in particular for entrepreneurs therein. Schaltegger et al. [60] distinguish between collaboration on three levels: the micro level (i.e., cross-actor collaboration), the meta level (i.e., cross-issue collaboration) and the macro level (i.e., cross-sector collaboration). In this vein, Spigel and Harrison [61] emphasize the importance of entrepreneurial ecosystems, in which members may be united by shared values and beliefs. Finally, Hoogendoorn et al. [12] describe the complexity of administrative procedures and a lack of start-up support as further obstacles for launching sustainable ventures.

3. Materials and Methods

3.1. Theoretical Foundation

The underlying theoretical foundation of this study is the resource-based view of the firm [19,20], which recognizes internal resources as drivers for the competitive advantage (or disadvantage) of a company [19]. For example, Choi and Shepherd [62] examine the relationship of technological resources, managerial resources, stakeholder support, and customer demand on strategic decisions and the performance of companies. In the same way, the resource-based view is frequently used to explain the innovation performance and development of sustainable ventures [63]. The research at hand strives to identify critical resources that enable the success of sustainable fashion businesses and which of those resources ventures lack in practice, effectively impeding growth.

Criticism of the resource-based view follows two main directions. First, the resource-based view only focuses on resources within a company [24]. Second, the resource-based view is considered to be overly theoretical and does not explain how the different resources should be aligned and how the resources generate competitive advantage [64]. In order to achieve the aim of this paper and to encounter the criticisms of the resource-based view, we consult the Business Model Canvas [23]. The nine interconnected components of the framework (i.e., value proposition, customer relationships, channels, customer segments, revenue streams, key activities, key resources, key partners and cost structure) provide

a holistic and systematic view on the elements of a company’s business model and the potential linkages and impacts for value creation [65]. Thus, by employing the Business Model Canvas, we strive to organize our findings in a more accessible way. In doing so, we extend the resource-based view with a structure-oriented framework that reveals how different venture-specific characteristics (i.e., resources) relate to each other, are managed and might be suitable to address existing challenges. Adopting this perspective enables the development of meaningful recommendations, particularly how resources and activities should be configured to overcome growth barriers.

3.2. Data Collection

For the analyses, novel interview data was collected. In total, 18 entrepreneurs or executive staff from micro-, small- and medium-sized fashion companies were interviewed on site and in person at the international trade fair ‘Ethical Fashion Show Berlin’. The respondents were either visitors or exhibitors at the fair and were randomly approached without prior identification of affiliation or background. The only requirement was that the interview partner represented an independent sustainable fashion company and confirmed being an owner/founder or belonging to the top management of the company. While a trade fair might be an unusual place to recruit informants for an academic study, the Ethical Fashion Show Berlin assured an agglomeration of highly suitable interviewees, at least for two reasons: first, the fair’s focus on sustainability, and second, the fact that young, smaller and overall growth-oriented companies typically attend such events.

The semi-structured interviews were based on a guide that contained 21 open-ended questions (cf. Appendix A). Ten questions focused on the perceived challenges and opportunities as well as on changes that could advance the proliferation of sustainable fashion. Five items related to the attendance of the event, and six questions inquired about characteristics of the interviewees and the ventures they represented. The general introduction as well as the questions were designed to elicit short topical answers to keep the length of the interviews reasonable, accounting for trade show visitors’ busy schedules. The interviews were conducted on two consecutive days by the same person—ten in English and eight in German language—and were audio-recorded for later transcription, as well as translation into English if the language of the interview was German. Each interview lasted between 20 and 30 min, including introduction, farewell and queries of respondents, in case of need for further clarification of questions. The average number of words per transcribed interview amounted to 544 words (min. 144; max. 1069).

Table 2 provides an overview of key characteristics of the sample. Except for one, all companies included are headquartered in Europe. Six companies have located or contracted manufacturing in Asia; the majority, however, maintain production facilities in their home region. Only two of the 18 firms are medium-sized companies. Approximately half of the sample is made up of nascent start-ups with a relatively short history of just a few years. The remainder contains more established firms that nonetheless continue to serve niche segments and classify as small businesses according to employee count following the definition of the European Commission [66].

Table 2. Characteristics of companies included in the sample.

Interview ID	Position Interviewee	Location Headquarter	Main Location Manufacturing	Year Established	Firm Category	Product Categories
1	Managing Director	Belgium	China	2016	Micro	Apparel
2	Chief Marketing Officer	Germany	Portugal	1982	Small	Footwear
3	Founder	Slovenia	Slovenia	2015	Micro	Apparel
4	Managing Director	Germany	Germany	1982	Small	Apparel/Home Textiles
5	Chief Executive Officer	Spain	India	2010	Micro	Apparel

Table 2. Cont.

Interview ID	Position Interviewee	Location Headquarter	Main Location Manufacturing	Year Established	Firm Category	Product Categories
6	Founder/Designer	Germany	Germany	2012	Micro	Apparel
7	Designer	England	China/Nepal/Cameroon/Japan	1988	Medium	Apparel/Footwear
8	Owner/Designer	Malaysia	Malaysia	2012	Small	Apparel
9	Founder	Netherlands	Multiple Asian countries	2013	Small	Apparel/Footwear
10	Founder/Designer	Slovenia	Slovenia	2015	Micro	Apparel
11	Head of Sales	Denmark	Poland	1975	Medium	Footwear
12	Owner/Designer	Latvia	Latvia	2016	Micro	Apparel
13	Chief Marketing Officer	Spain	Spain	2016	Micro	Apparel
14	Chief Executive Officer	Sweden	Latvia	2013	Micro	Swimwear
15	Country Manager	Netherlands	Nepal	2008	Small	Apparel/Homewear/Body Care
16	Owner	Switzerland	Lithuania	2014	Micro	Apparel
17	Managing Director	Austria	Austria/Hungary	2009	Small	Apparel
18	Founder	France	France	2016	Micro	Accessories

Notes: Firm category is determined by the number of employees when available or the age of a company; the cluster micro includes firms with up to 10 employees or a maximum age of 3 years; small refers to companies with a staff up to 50 employees or a history of between 3 and 10 years and medium includes a workforce between 51 and 250 people or a tenure of more than 10 years.

3.3. Data Analysis

The study adopts a qualitative research approach with categorization based on directed content analysis [67] and deductive coding following Mayring and Fenzl [68]. For the purpose of establishing the codebook, insights from the extant literature on sustainable entrepreneurship informed the definition of the core categories. Overall, the codebook reflects the phases and managerial tasks along the apparel value chain. Next, the respondents' statements were fragmented into text modules and assigned to the different categories, whereby the codebook was extended and adapted during the data analysis. Additionally, each text fragment was summarized by paraphrasing the statements for better recognition of emerging patterns. The final codebook is displayed in Table 3. The software MAXQDA was used to facilitate the analysis, including counting the frequencies of the different categories. This quantitative treatment of the data, which is rather uncommon for a directed content analysis [67], enables the assessment of the challenges' relative importance and identification of the major barriers. Despite the missing in-depth exploration of the respondents' answers (i.e., in favor of shorter interviews), the qualitative method employed is effective for uncovering entrepreneurial perceptions, experiences and perspectives [69]. Based on the revealed insights, tentative generic challenges were formed in a qualitative analytic reasoning process [70]. Such a constant comparative analysis allows us to generate knowledge about common patterns, develop conceptualizations about possible relationships and provide meaningful practical managerial recommendations.

Table 3. Interview statement categories and frequencies.

Category	Definition	Frequency	Subcategory	Definition	Frequency
Marketing	Risks and challenges re. marketing and sales activities	30	R&D/Design	Risks and challenges re. market research, product development and design	6
			Pricing	Risks and challenges re. pricing	6
			Consumer	Risks and challenges re. end consumer communication, promotion and services	18
General administration/organization	Risks and challenges re. internal and organizational aspects	25	Resources	Risks and challenges re. organizational framework, staff, employees' skills, knowledge, finances, etc.	18
			Growth	Risks and challenges re. growth and general development of the company	7

Table 3. Cont.

Category	Definition	Frequency	Subcategory	Definition	Frequency
Supply chain management	Risks and challenges re. sourcing and distribution processes	20	Sourcing	Risks and challenges re. sourcing process of materials and supplier relations	8
			Manufacturing	Risks and challenges re. manufacturing process, incl. techniques, costs, staff, etc.	10
			Distribution	Risks and challenges occurring after the manufacturing process, incl. distribution to retailers and consumers	2
Market environment	Risks and challenges re. market environment and external stakeholders	13	Stakeholders	Risks and challenges re. governments, regulations, media, NGOs, etc.	6
			Competition	Risks and challenges re. competitors	3
			Greenwashing	Statements re. concerns of greenwashing of incumbents	4
Certificates	Statements re. certificates, quality signals, etc.	3	n/a	n/a	n/a
Absence of challenges/risks	Statements indicating that challenges do not exist	4	n/a	n/a	n/a

Notes: Frequency refers to the number of statements attributable to a given category.

4. Results

Risks and challenges regarding the interaction with consumers and the management of firm resources are the dominant, i.e., most frequently mentioned, concerns of respondents (compare subcategories ‘Consumer’ and ‘Resources’ in Table 3). When combining sourcing and manufacturing aspects, this problem area becomes equally important.

4.1. Marketing to Distribution Partners and Consumers

One of the interviewees’ main concerns was how their elevated cost structure can be compensated by realizing higher price points in the market and convincing consumers about the benefits of sustainable products: “[...] challenge is the price [...]. Sustainable production is more expensive than normal fashion, where people can have cheap clothes. It’s difficult to explain that we are expensive but that there is value.” (interview ID 5). Along these lines, it is important to recognize that managers were aware of the fact that some consumers do not necessarily “find ethical fashion too expensive, but that some people cannot afford it” (interview ID 13). In view of consumers with sufficient disposable income, sustainable businesses appear to be confronted with a bifurcated target group. On the one hand, there are affluent households with an inherent demand and appreciation for sustainable fashion. Creating brand awareness and desirability among them could be a strong factor that drives sales. However, compelling in theory, one respondent remarked the following: “To find the audience that buys ethical fashion, is not easy [...]” (interview ID 13). Furthermore, these consumers are eager for detailed information regarding production processes and materials used. Hence, firms need a transparent supply chain and competences in communicating the details, ultimately leading to incremental efforts, time and resources used.

Included in the second target group are consumers who have been less attracted by sustainable fashion products so far but who exhibit a positive attitude towards sustainable consumption in general and are willing as well as able to ‘upgrade’ to more expensive and sustainable brands. Here, interviewees suggested that communicative efforts must include ‘educational’ messages outlining the incremental value of these products, as one person summarized: “The challenge is to make customers aware of the advantages and justify reasons why to buy ethical fashion”. Respondents indicated the following areas where they suspect knowledge deficits on the demand side: lack of understanding of different materials, their properties and impacts at the end of the lifecycle, the true costs and fair

prices of products (versus the dominant public perception biased by the low prices of fast fashion retailers), and the benefits of a smaller wardrobe.

Interviewees, however, did not consider themselves exclusively responsible to educate consumers, or they simply acknowledged the lack of necessary resources to do so. Some suggested that schools and other educational institutions should already help children to acquire relevant knowledge and develop a moral radar that prevents them from ignoring the obvious ramifications of consuming unsustainable clothes, shoes and accessories when making their own purchase decisions. An entrepreneur from Spain mentioned the progress made in Northern European countries and added this: “We also need political support in Spain” (interview ID 13).

Emphasizing sustainable aspects in marketing, however, may also go too far as one respondent indicated: “The risk is that the product gets the wrong stamp. [. . .] Of course, it is easier if we present conventional collections and don’t worry about it.” (interview 6). Adding to this train of thought, others suggested that the overall segment needs less “eco-cliché” but more desirable products and attractive brands: “What we want is to be seen as a brand and that people say ‘cool brand’ and then ‘oh they are sustainable’. That’s what we want and not ‘oh they are sustainable and maybe they are cool’” (interview 15).

Some respondents also pointed out their struggle with the pivotal dilemma of the fashion industry, namely its consistent cycle of changing trends, appetite for fresh merchandise and limited product lifetimes: “Fashion goes so fast we have to present summer and winter collections every year and to keep the quality and [sustainable] proposal that people look for. [. . .] It’s about how you continuously offer something that is interesting [. . .], maybe new fabrics, maybe new concepts, maybe new design, maybe new products or maybe all of them. [Doing that] without losing your identity—it’s a great challenge.” (interview ID 5). Overall, these findings imply the following generic challenges:

Challenge 1: *Designing and implementing attractive yet meaningful campaigns for building and positioning desirable brands is imperative.*

Challenge 2: *Significant marketing efforts are needed to win the hearts and minds of consumers and turn them into customers (i.e., customer acquisition).*

Challenge 3: *Customers are discerning, making it difficult to establish long-term relationships.*

These marketing-associated challenges mainly relate to the following segments of the Business Model Canvas where decision makers need to look for designing appropriate countermeasures: customer segments, customer relationships, channels, revenue streams, key resources and key activities.

4.2. Limited Resources

The financial constraints of the companies became especially visible. Multiple respondents indicated that the advance financing of collections and deferred receipts from distribution partners imply barriers to growth, especially when firms lack external investors (interview ID 15, 16). Interestingly, one respondent even worried about potential consequences: “The sector is small and players are not financially strong, so the risk is that people won’t be able to maintain the momentum and then they will not produce ethically.” (interview ID 8). Others also indicated a weaker resilience to global crises (interview ID 3)—a concern that appears even more valid against the background of the COVID-19 pandemic and its harsh impacts on supply chains, distribution channels and consumer demand.

Linked to constrained resources are concerns about high workloads and insufficient human resources. Especially in micro-sized firms but also in small- and medium-sized organizations, interviewees expressed time pressure as a burden and described how they must solve urgent problems across all functions without much support. In particular, respondents mentioned the high dependence on personal relationships to draw on when sourcing materials and selling their products: “Knowing the right people and looking for

them [is important] because buyers go to the main actors. I think that some buyers are afraid [of smaller brands].” (interview ID 18). A recurring theme in the interviews was the inferior cost structure vis-à-vis larger incumbents. Costs of sustainable fashion companies are mainly driven by high quality and sustainable materials, fair labor conditions and in many cases local manufacturing in comparably expensive locations. That said, respondents saw sustainable capsule collections of conventional brands as strong threats due to the inability to match operative costs and competitive retail prices. One entrepreneur raised the (rhetorical) question that is representative of the overall tense sentiment: “How do I manage to make textiles that are still affordable?” (interview ID 6).

Recruiting determined staff who share a sustainable vision was perceived as a further significant short-term challenge. One interviewee put it this way: “Where everyone has the same goal for the company, [so] that it is going in the right direction [. . .] I think that is a challenge” (interview ID 15). The fact that some businesses require relatively rare expert or craft skills but cannot offer generous compensation packages exacerbates the problem. Finally, although only one respondent explicitly mentioned that creating the necessary internal business infrastructure is an ongoing challenge, many statements indirectly referenced inchoate processes or an abundance of tasks that require ad hoc management attention and how that impedes growth. These insights illustrate the following:

Challenge 4: *Resource constraints cause deficiencies and operative frictions across business functions.*

Challenge 5: *The elevated cost structure leads to a competitive disadvantage.*

In the logic of the Business Model Canvas, these challenges affect the following segments: key resources, key partners and cost structure.

4.3. Supply Chain Management

Many of the interviewed companies struggled with sourcing markets that are calibrated to the needs of the mass-market players, as summarized by the following statement: “What I found challenging is to get enough interesting and quality materials with affordable prices [. . .].” (interview ID 10). Given the above-mentioned resource constraints, sustainable sourcing was seen as a critical bottleneck. Turning to sourcing agencies that could offer support is often not an option due to margin constraints and price ceilings from wholesale and retail customers.

Even upon identification of suitable and reliable suppliers, operative details pose further hurdles. Multiple respondents mentioned prohibitively high minimum order quantities. Only one manager indicated the opposite, namely that she was unable to find suppliers for specialty materials that could deliver sufficient quantities.

Overall, manufacturing aspects were perceived as key to the sustainable value propositions of the ventures. At the same time, many respondents saw large challenges, in particular due to the fact that a higher percentage of production steps are based on handwork. One respondent described the process as follows: “[. . .] Managing production is crazy. The entire process is a challenge because, for example, we are working with a small family factory in India and we travel there four or five times a year—we have a kind of family relationship [. . .]” (interview ID 14). One respondent reflected on the fact that India and other offshore locations in Asia are commonly used and put forth to “consider moving production to Europe after all” (interview ID 4). Those respondents who maintained own production capacities in Europe, however, frequently referred to the incremental costs of these locations. Even in the case of Eastern and Southeastern European countries with labor rates in the low- to mid-range, one interviewee explained the following: “[. . .] the challenge is to keep the price low, with high quality materials and production in Slovenia [. . .]” (interview ID 10). Against the background of a dominant industry logic characterized by extremely large quantities, missing economies of scale emerged as a difficult-to-overcome barrier, especially when entrepreneurs produced locally or regionally. The use of more expensive sustainable input materials—typically

described as “high quality”—further escalates the cost structure and makes higher sales prices inevitable. These results are summarized in the last two challenges:

Challenge 6: *Small quantities and special requirements make sustainable sourcing economically difficult.*

Challenge 7: *Manufacturing is a key element of sustainable business models but is especially difficult to manage.*

Similar to the previous two challenges, the supply chain issues relate to the left side of the Business Model Canvas. In particular, key activities, key resources, cost structure and key partners are affected. Figure 1 summarizes the impacts on the Business Model Canvas and indicates the scope to which different segments are affected by the perceived challenges.

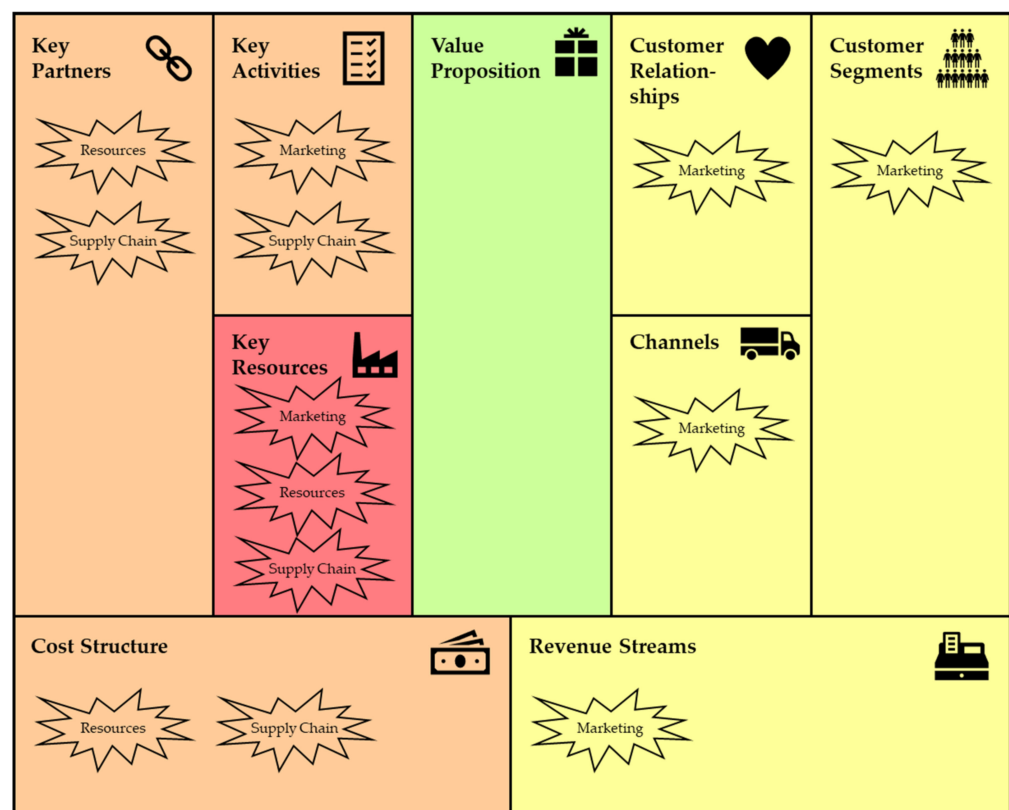


Figure 1. Impact of challenges on segments of the Business Model Canvas.

The value proposition in the center of the framework is not burdened, which is unsurprising because sustainable fashion companies are defined from the outset by the problems they address and by the value they offer to customers. The right side of the Business Model Canvas that specifies how the value is delivered, to whom and at what price, is perceived as somewhat challenging. Most striking, however, is the degree to which the challenges impact the left side. Sustainable fashion companies seem to struggle in particular with the orchestration of resources for the execution of key activities, the management of key partners and the containment of the cost base. Hence, paying close attention to these segments may be especially valuable for entrepreneurs and managers when using the Business Model Canvas in practice, both when starting a new venture and when improving the operations of an existing one. Configuring the segments against the backdrop of the here described challenges may result in higher growth and survival rates.

5. Discussion

Most of the identified challenges conform with findings from the extant literature, both from the strand of (sustainable) entrepreneurship and from studies focusing on sustainable fashion ventures [44,45,56]. Overall, the small scale of the companies can be pinpointed as a key ‘endogenous’ reason why sustainable fashion has remained a niche and why entrepreneurs continue to struggle, despite a generally favorable consumer sentiment. The latter is mirrored by a growing number of sustainable fashion ventures, omnipresent success stories in the media [71] and a market value of the global subsegment that has increased at a compound annual growth rate of 8.7% since 2015, with even higher projections until 2030 [72]. The following recommendations aim at helping fashion entrepreneurs and managers of small companies sustain and grow their businesses. While infinite growth may conflict with the innate goals of sustainable ventures, realizing some growth is clearly desirable—first, to maintain competitiveness, and second, to enlarge the positive societal impact [55,56].

5.1. Improving Marketing

5.1.1. Brand Management and Communication

The attractiveness, desirability and emotionality of fashion products must not be neglected in sustainable fashion, in order to ensure a broad interest and demand of consumers [73]. The latter tend to express a positive attitude towards sustainability but reveal a different behavior when making purchase decisions [74]; satisfying fast fashion appetite and hedonic consumption remain common patterns in apparel retail. Hence, insights from ‘conventional’ brand building and management must inform design and marketing processes at sustainable fashion ventures in order to create holistic brand experiences that spark emotional responses and entice deliberately chosen consumer segments. D’Souza [73] (p. 74), for example, shows how accentuating and integrating functional, symbolic and experiential benefits and incorporating them in branding situations enables consumers “to associate emotionally with logical facts and rational advertising”. Especially effective is the communication of personal benefits (of buying/wearing sustainable clothes) for the consumer [75] and of environmental issues [76]. Furthermore, devising and highlighting an authentic as well as appealing backstory with market relevance also assists in positioning a sustainable brand [77].

Meaningful communication messages and high levels of transparency have been shown to enhance trust with consumers [78], which is especially important in the context at hand. Consequently, sustainable fashion ventures must manage all business aspects in a traceable way. Gathering integer data, also from suppliers, and integrating the relevant pieces of information in their marketing communication [8] is indispensable to satisfy discerning customers [79] and/or to broaden their reach by educating incremental consumer segments about the benefits of sustainable fashion. This mirrors the conclusion of Štefko and Steffek [43] who suggest that companies need to improve their marketing in terms of communicating their quality to differentiate from fast fashion brands and to justify higher prices.

The enterprise orientation [80], determined by the founders of sustainable fashion ventures, who are often young designers with a strong creative but weaker business background, might lead to an immoderate focus on technical design details and materials used. This in combination with financial constraints puts professional brand management in an unwarranted back seat; critical activities such as careful consumer segmentation might suffer [81]. Creatives heading their own companies should be aware of such self-inflicted weaknesses that curtail growth. Resources spent for a clear brand positioning, raising awareness levels and for winning the hearts and minds of consumers are essential investments that should not be dismissed.

5.1.2. Design and Product Development

Although convincing consumers and changing their mindset [40] seems to be the most salient marketing challenge, product development and design issues must be considered equally. This holds especially true for small fashion ventures that rely on online channels in which it is more difficult to communicate the distinct characteristics and benefits of sustainable products and the materials used. Because design choices affect a product's fundamental characteristics, these early activities have significant impacts on subsequent marketing measures and consumer decision making.

As surfaced in some interviews, sustainable fashion companies are confronted with an extra limitation in satisfying the market's constant demand for fresh products with novel design elements time and again. Finding newness in sustainable materials, functions or production methods from one season to the next may be challenging, but in a reverse conclusion, managing this can boost reputation and create novel value propositions that lead to competitive advantages [82]. On top of the direct benefits of infusing innovation in every collection, it also supports the creation of facts and stories that can be told credibly in distribution channels and social media. Working closely with trusted suppliers and leveraging existing external design and/or materials capabilities may be a promising collaborative approach [83] (see also the discussion in Section 5.3 below).

Increasing the longevity of apparel is among the most powerful design approaches for reducing societal impact. As consumer sentiment on slower and more responsible consumption is clearly on the rise [84]; entrepreneurial ventures are well advised to develop and employ capabilities that foster the adoption of design for longevity. Goworek et al. [85] find that insufficient knowledge and skills of fashion ventures often inhibit actions to extend the life cycle of products. They conclude that cross-functional and inter-organizational development teams with open-minded and respectful knowledge sharing can mitigate existing deficits. Consequently, embracing collaboration along the supply chain can support sustainable product development. To facilitate the necessary strategic and/or cultural change in fashion companies, practice-oriented toolkits are available [86]. While recognizing past accomplishments and existing resources, they help crafting tailored action plans to increase product longevity.

5.2. Leveraging Resources

5.2.1. Separation of Design and Management

Limited resources are a common and well-documented problem of entrepreneurial ventures [87]. Scarce resource endowments and the related managerial challenges have also been identified as a critical factor influencing competitiveness of small fashion companies [59]. As shown in the interviews, resource constraints affect a multitude of functions and activities across the ventures and curtail growth. The founder's ability to cope with this situation depends heavily on his/her personal background, including education and experience. Fashion designers helming a company will naturally devote more time and effort to creative aspects. A co-founder or managing partner with a business background, an entrepreneurial mindset and/or previous venturing experience, preferably in the fashion industry, may be a good sparring partner who can dedicate herself to optimizing, bootstrapping and orchestrating scarce resources for maximum impact and growth [88]. Managerial tasks may also include implementing efficient processes and control systems [59] because professional structures and organizational routines can be a powerful means to mitigate perceived shortages without necessarily requiring additional resources.

5.2.2. Bricolage for Mobilizing Resources

Bricolage, which is an innovative, unconventional and hands-on employment of existing or easily accessible resources [89,90], is associated with fostering new capabilities and creating value [91,92]. Bricolage may be driven by necessity to mitigate resource constraints but also by belief in its inherent advantages—for sustainable fashion companies, both antecedents are equally conceivable. Research on social entrepreneurship has shown that

bricolage is adopted by young and smaller ventures to overcome resource bottlenecks but also by more mature companies to re-combine established resource bases in creative and sustainable ways [89]. In addition, external environments that lack the provision of quality resources (at reasonable prices), for example in developing countries, require firms to bricolage. Hence, fashion entrepreneurs must recognize and embrace observing, experimenting and learning to figure out solutions to resource challenges; accepting possible setbacks and tolerating frustration may also contribute to long-term success. Establishing an organizational culture that acknowledges the role of failures for wealth creation [93] and empowering employees to experiment with internally existing or externally available resources may be a critical component of the entrepreneur's leadership agenda that is too often ignored.

5.2.3. Business Model Analysis

On a more strategic level, resource constraints may also be managed via incremental business model adaptations [94,95]. When fully understanding the needs, wants and concerns of customers, for example in terms of material requirements or willingness to pay, certain aspects of the value proposition may turn out to be dispensable. Abandoning such unappreciated details or suspending abdicable activities, ideally those that are cost-intensive, may free up resources to be used elsewhere and lower cost bases. Hence, business models that are incrementally adapted over time and do not hold on to historically committed value propositions or profit formulas correspond better to the available resource bundles and have higher chances to succeed. This insight emphasizes the importance of business model iterations, as Dopfer et al. [94] (p. 243) conclude: "Experimentation with available resources assists in the process of adaptation and helps the venture to overcome uncertainty and ambiguity."

5.2.4. Benefits of Existing Networks

The importance of the entrepreneurs' and decision makers' networks for managing daily operations has been recognized by the interviewees themselves. As networks signify a vital driver of venture growth [96], leveraging existing ties to mentors, clients, business angels or investors, for example for acquiring new customers or raising additional funds [94], may be an overlooked strategic opportunity. In addition, actively enlarging a venture's partner network may further mitigate the problem of limited resources, especially when considering the additional and often idle ties that existing and new employees add to the firm [56]. Companies that are oblivious to network opportunities run the risk of inefficient resource utilization and missing growth opportunities at the same time.

5.3. Optimizing Supply Chains

Against the background of the dominant logic of high quantities as well as low prices in the global fashion industry and the inability to command higher prices from end consumers, cost management and in particular economies of scale are competitive prerequisites that many sustainable fashion players lack [97]. The cost structures of these ventures are naturally high due to the following circumstances:

- (i) Products incorporate expensive design elements (e.g., materials, production processes, etc.)
- (ii) Lack of experience curve effects

In addition, comparably small output quantities further augment cost bases due to the following:

- (iii) Minimum order quantities prohibit sourcing materials from cheaper vendors
- (iv) Fixed costs apportion among small quantities, hence increasing average costs per unit produced
- (v) Employment of relatively inefficient production technology vis-à-vis incumbents with conventional business models
- (vi) Low bargaining power vis-à-vis suppliers

While the first two aspects may be addressed and improved over time, their impact remains limited. In contrast, finding ways to mitigate the diseconomies of scale evident in points (iii) through (vi) may be a way to overcome barriers to growth, even in the short term.

Multiple B2B online sourcing platforms exist that give sustainable ventures inexpensive ways to search for and compare alternative vendors around the world. Examples with a focus on sustainable sourcing practices include but are not limited to Sqetch/Sourcebook (www.sqetch.co/; last accessed on 8 November 2021) and CO (www.commonobjective.co/; last accessed on 8 November 2021). Realizing cost savings through these platforms appears to be feasible because they augment the transparency of global sourcing markets and enable smaller buyers and sellers to connect at comparably low transaction costs. However, online sourcing platforms do not provide ventures with economies of scale.

Collaborative approaches, on the other hand, may do so. Although formal strategic alliances are more likely forged by larger fashion companies [98], collaborating with external partners to jointly reduce sourcing and production costs may be an advisable approach also for smaller firms. Todeschini et al. [54] point to high initial costs for collaborating along the fashion value chain as a main inhibitor, a pitfall that must especially be addressed for micro- and small-sized companies.

5.3.1. Collaborative Approaches with Other Fashion Ventures

Participating in local or regional associations such as the Sustainable Fashion Alliance (www.sustainablefashionalliance.com/; last accessed on 8 November 2021), the Sustainable Apparel Coalition (<https://apparelcoalition.org/>; last accessed on 8 November 2021) or the Partnership for Sustainable Textiles (www.textilbuendnis.com/en/; last accessed on 8 November 2021) may enable smaller ventures to identify other entrepreneurs with a similar agenda and to initiate cooperation to lower costs. If large associations appear deterrent due to formal memberships and overly ambitious goals, micro round tables or local networks such as Berlin-based AETHIC (www.aethic.de/en; last accessed on 8 November 2021) might be a better fit. Because local universities or research institutes often participate in these networks, drawing on such external resources, for example via student projects, becomes possible.

Partnering with other sustainable fashion ventures that face comparable challenges and that depend on similar materials for their products could be an approach to jointly meet minimum order quantities, make the utilization of efficient mass production technologies economically attractive and increase bargaining power vis-à-vis suppliers. Sourcing alliances or purchasing groups that aim at negotiating lower purchase prices and avoiding duplications of efforts [99] are employed by firms of all sizes and are a common phenomenon across industries. The success of such purchasing groups is influenced by a voluntary decision to cooperate, equal contributions of the partners (e.g., in terms of knowledge and efforts) and a long-term commitment that ensures continuity and trust [100]. Sustainable fashion entrepreneurs who share the common vision of advancing the sustainability agenda in their industry but struggle with similar operative problems might be a good match. Governed by mutually agreed upon values and beliefs [101], the members could satisfy the success criteria for purchasing groups particularly well. Furthermore, studies suggest that especially SMEs that tend to “down-prioritize purchasing and spend few resources on developing their purchasing capabilities” [102] could benefit from cooperative sourcing practices [103].

Finally, alliances between multinational incumbents and smaller sustainable fashion ventures could be an interesting option [104]. Although cost reductions in sourcing and manufacturing can also play an important role, the main motivation of smaller firms to engage in such unequal alliances is to access more consumers and enter the mainstream market.

5.3.2. Collaborative Approaches with Suppliers

Although establishing bilateral relationships, especially across distance, was described as a strenuous activity in the interviews, strengthening ties with suppliers may be unavoidable for small sustainable fashion companies. First, because vendor compliance with ecological and social standards is obligatory in the context at hand, a long-term strategic collaborative approach may lower the risk of noncompliance and hidden action [39,56,101]. Over time and with increasing length of interfirm relationships, trust may be the institution that ensures compliance with the specifications relating to sustainability, simultaneously lowering transaction costs.

Second, strong relationships may provide a reliable framework in which partners can co-develop plans to gradually increase capacities, thereby making supply chains more competitive [43]. Especially when working with smaller and less capable suppliers in developing countries, such an approach may require Western ventures to provide some managerial guidance and support. While this is clearly evocative of classical development work, not every fashion venture is willing and able to do so. For that reason, interconnecting with NGOs that already have a presence in foreign countries, maintain existing networks, enjoy the trust of local communities and know the peculiarities of various locations can be valuable. This may give fashion entrepreneurs the room to focus on business aspects while the NGOs assume the coordinating function and take care of the development work. Countries with a high concentration of active NGOs, for example as in the case of India [105], may become more attractive sourcing markets from this perspective.

Beyond mere cost savings, collaborative arrangements with vendors and production partners may also be effective for stimulating innovation and managing manufacturing performance [106]. Working with suppliers and leveraging their expertise can even spur environmental improvements, as shown for the manufacturing sector [107]. Drawing on the competences of capable suppliers may open up opportunities for sustainable innovation in products and processes without requiring excessive resources from the entrepreneurial venture. In this vein, Goworek et al. [85] see great potential for mutual knowledge exchange and collaboration along the supply chain to prolong product lifecycles. Depending on the maturity of suppliers' capabilities, even some product development aspects may be relinquished to vendors, freeing up resources to be employed, for example, for key marketing activities. Instead of developing novel product features, which may be difficult and expensive to be implemented after the design phase, sustainable ventures could co-develop products with suppliers and benefit from existing approaches.

6. Conclusions

6.1. Summary

The paper sets out to understand why many sustainable fashion entrepreneurs and small business executives fail to grow their ventures despite an increasing popularity of sustainable products. Based on an exploration of the major challenges, managerial recommendations with high practical relevance are developed. Understanding the barriers to growth is important because smaller ventures, despite their own somewhat limited impact, have motivated many larger players in the global textile and fashion industry to take ecological, social and ethical considerations more seriously [14]. Consequently, the sustainable fashion niche and within its leaders must be envisioned as an important driving factor—among others—that brings about the much-needed change in the industry. Helping small ventures to overcome operative challenges can lead to faster growth of these firms, higher survival rates of start-ups and incremental funds provided by investors. As a result, the societal impact of a thriving sustainable fashion industry is then twofold. First, small businesses have an increasing direct effect with their own products and better production processes. Second, their commercial success exerts more pressure on the incumbents which continue to rely on conventional business models. Only when both 'sides' advance the CSR agenda will real progress with larger societal impact be possible.

6.2. Implications for Practice and Theory

The results of 18 short interviews with sustainable fashion companies from across Europe reveal that the well-known liability of smallness [108] constitutes the weak point of the niche and linchpin for accelerated growth. Nevertheless, the precise challenges do not significantly differ from those of entrepreneurs and small ventures in other industries. Effectively communicating and convincing consumers, making do with limited resources and optimizing supply chains, mainly for lower procurement costs, are the dominant issues. However, given the fact that sustainable ventures need to accomplish environmental and social aspirations in addition to economic objectives, the challenges' magnitude appears unequally higher. Along the line of developing a range of managerial implications, collaboration emerged as an overarching theme for addressing challenges across the three identified problem areas. Hence, having and deploying relationship capabilities on the level of the decision maker and on the firm level seem to be especially important in the context of sustainable fashion ventures [13].

Finally, the integrated adoption of the resource-based view with the Business Model Canvas offers some interesting conceptual implications. By doing so, the often-vague recommendations of the resource-based view become more actionable for practitioners. In this vein, the Business Model Canvas could be understood as a complementary tool for the resource-based view with particular value for the applied management literature.

6.3. Limitations

The focused analysis of the sustainable fashion niche and the qualitative research approach allow us to dip into the perceived realities of entrepreneurs and managers of micro- and small-sized ventures, producing valuable insights. However, some limitations remain. First, the analysis is based on self-reported challenges of a small sample of company representatives. While the qualitative nature of the study permits an exploration of various challenges and topics, the sample is not representative of the underlying population. Despite a restricted generalizability, the empirical results are useful for deriving practical recommendations that can support the growth of sustainable ventures in the fashion industry. Second, the list of challenges explored here is not comprehensive. The manifold disruptions in the wake of COVID-19 and multiple geopolitical crises add to the economic hardship of small businesses and merit further attention. Third, the multinational approach is suited for detecting common problems that entrepreneurs face independent of location, but the study ignores varying country-specific environmental conditions, such as government support, public education or national cultural values. Consequently, it does not investigate how these factors mitigate (intensify) challenges and how certain countries are beneficial (detrimental) for sustainable fashion ventures.

6.4. Future Research

To address these concerns, further research may aim at producing quantitative evidence for the efficacy of the above developed measures. Such studies may be based on various theoretical perspectives, including but not limited to theories relating to the venture and its environment, for example life cycle theories [109], the resource-based view [110] and institutional logics [111]. In addition, theoretical frameworks that refer to the entrepreneur and her characteristics may be fruitful, especially human capital [112] and social network theory [113]. Such an agenda is not only worthwhile for academic scholars but would also prove valuable for practitioners given the severe resource constraints present in entrepreneurial ventures and small businesses. While the study at hand adopts a multinational perspective and hence identifies challenges that are 'shared' by companies from across Europe, future studies could zoom in on the realities of sustainable fashion ventures in selected locations with particular environmental conditions. Spatially focused research designs are promising for developing tailored solutions for specific regions or ecosystems. Such a research stream could also be complemented by multiple country comparisons. Finally, the insights generated here also hint at a range of starting points for policy changes

directed at supporting small businesses and start-ups. Accordingly, economic policy and public management scholars are invited to contribute to overcoming growth challenges of sustainable ventures in the fashion industry as well.

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Appendix A. Guide for Semi-Structured Interviews

Interviewee and Company Characteristics

1. What is the name of the company you are representing?
2. Where is the company located (i.e., city and country)?
3. What is your position?
4. If additional company representatives attend the event, what are their positions?
5. In which countries does your company produce its products?
6. Please describe the sustainable/ethical characteristics of your business model.

Perceived Challenges and Opportunities

7. How would you describe the relationship between 'Ethical Fashion' and 'Sustainability'?
8. Which people/organizations come to your mind when you think about the main players in 'Ethical Fashion'?
9. Which opportunities do you see for 'Ethical Fashion'?
10. What are the main risks for 'Ethical Fashion' and your company, in particular?
11. Which challenges do you encounter related to operations and daily business?
12. Which challenges do you encounter related to medium- and long-term planning?
13. Which changes will be necessary for making more progress related to the 'Ethical Fashion' agenda?
14. Do you see any need for more collaboration to address the challenges?
15. Which topics are most relevant for collaborative activities?
16. What would be the preferred collaborative format (incl. participants and mode)?

Event Participation

17. Why are you visiting the Ethical Fashion Show Berlin?
18. What are your expectations from visiting this fair?
19. Have you visited any other fairs/events with a focus on sustainability?
20. How many representatives of your company are visiting this fair?
21. May we contact you for any further questions?

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