



Entrepreneurs in slow fashion: Ambitious or death wish? An analysis of the slow fashion industry



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Executive summary

Nowadays it is challenging for entrepreneurs in slow fashion to launch their start-up. Slow fashion refers to the type of clothing that is designed and manufactured to maximize benefits to people and society while minimizing adverse environmental impacts. Due to the success of fast fashion, increasing sustainable innovations, demanding consumers and global high competition, it is difficult for an entrepreneurial start-up to distinguish oneself. Choices have to be made what kind of business practices one wants to execute, because producing beautiful clothes made of sustainable materials is not distinguishing enough anymore. Entrepreneurs have to think beyond the current traditional business model in order to stimulate their viability. A business model has to incorporate the current sustainable environmental, societal and economic changes and trends. Thus, entrepreneurs have to rethink their business operations in order to be distinctive and to enhance their survival rate. Because the entrepreneurial threshold of entering the current slow fashion industry is high. This resulted in the following research question:

“What kind of sustainable business model can an entrepreneurial slow fashion venture develop in order to compete in the current fashion industry?”

In order to answer the research question, twelve slow fashion firms' business models were examined in order to create a generic business model. As a result, a generic entrepreneurial business model for the slow fashion can be created based upon the success factors of the existing slow fashion companies. This generic business model will help an entrepreneur to distinguish oneself and to be able to compete with the current (traditional) business models. The research design of this study was based upon a secondary data analysis. The data was collected through different channels, such as the corporate website, press releases and social media and analyzed according to the generic business model.

This study resulted in the creation of four generic business models derived from grouped similarities of the twelve analyzed slow fashion companies. Each business model described its own concept. A difference was made between the concepts of 1) sustainable materials, 2) service, 3) transparency and 4) support for local community. But, which business model resulted in more success than the others? Based upon the financial situation of the twelve companies, this research argued that the organizations performing best financially, were focused on more than one business model. Therefore it is recommended that an entrepreneur should integrate the following items in its business model in order to strive for distinctiveness and success: 1) integrate complete sustainable business practices and 2) an entire sustainable supply chain, 3) transparency, 4) social media and 5) recycling service. It could be concluded, that the integration of an entire sustainable supply chain is the most important finding of this study, supported by both theory and practice. Why is the incorporation of a sustainable supply chain in an entrepreneurial business model successful? The supply chain can also be interpreted as a companies' network. The key benefit an entrepreneur gains from its network is the access to its networks' resources, capabilities and skills. However, an entrepreneur has a

limited network. Based upon Teece's concept of dynamic capabilities and the Resource Based View approach, it is suggested that an entrepreneur should start an alliance with another company. The alliance will enable the entrepreneur to become more distinctive as a result of the shared network and resources and will in turn create competitive advantage. Sharing knowledge and competencies can contain a considerable decline in related costs and can improve market performance. Thus based upon an alliance, it would be easier for an entrepreneur to create a sustainable supply chain.

Based upon the results, this study made three suggestions for future research possibilities. Firstly, some of the slow fashion companies in this study were in financial distress, future research could examine factors that influence these companies' financial distress. Secondly, future research could examine whether outsourcing or domestic production is more sustainable. Lastly, future research could examine entrepreneurial rates of success for starting as a raw material supplier and grow out to be a clothing producer. Moreover, how should an entrepreneur compete based upon a business model in the business-to-business market?

Keywords: Slow Fashion, Sustainability, Business Models, Entrepreneurship

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1. Introduction

“Buy less, choose well, make it last”

-Vivienne Westwood (Fashion designer)

Nowadays it becomes more and more difficult for entrepreneurs in the fashion industry to launch their start-up. Due to the global economy where competition is fierce and consumers are extremely demanding, it is no longer just about designing pretty clothes. The entire value chain is of essence, which should be based on the firm's business model. Because, several choices have to be made about the kind of business practices one wants to execute. Important questions for a starting fashion entrepreneur are: does one wants to be in *fast fashion* or *slow fashion*? And, what business model would be successful?

Fast fashion refers to “low-cost clothing collections that mimic current luxury fashion trends” (Joy et al., 2012, p.273), see Picture 1.1. These collections are manufactured in third-world countries (e.g. Cambodia or Bangladesh), where the production costs are low and the production speed and volume is high. In order to be able to mass produce cheap collections, the lifespan of clothing items is shortened (Jung & Jin, 2016). Some examples of the giants in this industry are: H&M, Zara, Mango, Primark and Forever 21. Consumers can buy these clothes against a cheap price, whereas the quality is often poor due to the cheap fabric. Fast fashion is able to produce approximately 11 collections a year, compared to the 2 collections a year by the big designers (greenfashionweek.org, 2016). Thus, fast fashion has the ability of quick responsive behavior to rapid changing consumer preferences and fashion trends, it therefore promotes disposability (Fletcher, 2008). As a result of this growing trend of fast fashion with extreme rapid production speed, some retailers were forced to sacrifice ethical standards in order to secure their competitive advantage (e.g. Choi et al., 2012; McAspurn, 2009). Overall, this type of fashion undermines sustainability and is also indicated as throwaway fashion (Bhardwaj & Fairhurst, 2010).



Picture 1.1. Fast fashion (Trustedclothes.com, 2016)

Slow fashion arose as a contradistinction of the current fast fashion system. The slow fashion process “emphasizes quality and calls for increased consciousness from producers and consumers while slowing down the production and consumption cycle” (Jung & Jin, 2016, p.1). The producers are environmental and societal minded towards the products they make and consumers are motivated to buy higher in quality and less in volume in order to gain a better understanding of the products they consume (Jung & Jin, 2016). A concept that could be integrated into slow fashion is empathic design. It is a user-centered design that intends to stimulate a deeper connection with the consumer. This could be done by a close understanding of the consumers’ value, needs and emotions. It is desired that consumers attach a special meaning to the product. Overall, the system of slow fashion is not only good for the environment, but also for materials, workers and the country’s economy (Adamczyk, 2014). Thus, this slow fashion system encourages sustainability. To summarize, slow fashion is based on “sustainability within the fashion industry and design incorporating high quality, small lines, regional productions, and fair labor conditions” (Slow Fashion Award, 2010, as cited by (Pookulangara & Shephard, 2013, p. 201). Picture 1.2. presents the largest differences between fast and slow fashion.

Table 1. Comparison between some significant concepts of Fast and Slow approaches applicable to Fashion production [10].

Fast Mindset	Slow Mindset
Mass-production	Diversity
Globalisation	Global-local
Image	Sense of self
New	Making and maintaining
Dependency	Mutual trust
Unaware of impact	Deeply connected with impacts
Cost based on labour and materials	True price incorporating ecological and social costs
Large scale	Small to medium scale

Picture 1.2. Differences between fast and slow fashion (Cimatti et al., 2017)

This research contributes to starting fashion entrepreneurs as well as for academic purposes in twofold.

First, entrepreneurial fashion start-ups could benefit from this research, because they could implement the results in the development of their business model. Hereafter, these results should be implemented in their business practices, in order to be able to gain competitive advantage and to compete with the rivalry. The purpose of this research is to strengthen entrepreneurial slow fashion start-ups’ viability.

Second, the theory used in this paper is relevant because it will contribute to the creation of more knowledge about business models for entrepreneurs in slow fashion. It will bring the theory forward and gain insights in the increasement of the viability for fashion start-ups, as a result of sustainable trends and increasing global competition. A generic business model will be

created, based upon literature and viable slow fashion companies in the current industry.

Sustainability has gained its awareness in the beginning of the 21st century (Joy et al., 2012). More and more fashion giants, retailers and startups are become aware of sustainability and implement this trend in their (core) business practices. For example, H&M launched conscious collections and produces some clothing items with organic cotton. So, even some of the fast fashion giants have responded to this trend. The fundamental change in business practices is related to the use of eco-materials and ethical concerns in production (Niinimäki & Hassi, 2011).

In general, sustainability is not only associated with corporate social responsibility (Aguilera et al., 2007) but also with “informed purchasing decisions, and an emerging green orientation at some companies” (Bansal & Roth, 2000; as cited by Joy et al., 2012, p.274). Sustainability has various definitions, but according to Seidman (2007) sustainability rises above our relations with the environment, it reflects the relation one has with oneself, with the community and with the institutions. In this sustainable industry, entrepreneurs must pay attention to other dimensions, such as ownership and their related business models, and consumer values and wishes, instead of designing according to changing fashion trends in order to achieve quick profit (Niinimäki & Hassi, 2011). Reducing the fashion industry’s environmental impact will demand a revision of their supply chain, back to the inputs into their production processes and take more responsibility (Nagurney & Yu, 2012). Conversely, changing business models in a sustainable way is accompanied with the thought of a reduction in volume and a decrease of the production’s profitability (Allwood et al., 2008). This change is coupled with resistance and it takes time to emerge (Kemp, 2008). According to Niinimäki & Hassi (2011) instead of this fundamental change a new mindset should be created within the entire supply chain, even for the consumer. In line with this is the research of Perreels (2008), which stated that the critical issue in sustainable business practices is change in both production systems but also in consumption patterns. Thus, the way of doing business should be changed according to new strategic innovations. The latter refers to questions, such as (Markides, 1997):

- **Who** is the customer?
- **What** products or services should be offered?
- **How** should these products or services be offered?

The sustainable innovations are commonly driven by the supply side. According to Niinimäki & Hassi (2011), the sustainable inventions should not evolve into sustainable innovations. Sustainable innovations occur due to the lack of the demand side’s acceptance, which in turn is the result of the lack of the demand side’s deliberation in the innovation process. Thus, the fundamentals on the supply side should be redesigned on the one hand, and on the other hand should the business on the demand side be altered. This could be done by, e.g. a rethink of value creation and a change in user experience (Niinimäki & Hassi, 2011).

Thus, it can be concluded that it is very problematic for starting entrepreneurs to enter the slow fashion segment of the fashion industry. Because, entrepreneurs have to think beyond the current traditional business model, they have to consider all the aforementioned restrains in order to stimulate their viability and eventually their success. The business model has to be adapted to the current sustainable environmental changes, trends and to the changing and demanding needs and acceptance of the consumer. Thus, entrepreneurs have to rethink their business operations and need to be extremely distinctive in order to enhance their survival rate. Because the entrepreneurial threshold of entering the current slow fashion industry is high.

Therefore, this study will address the following research question.

“What kind of sustainable business model can an entrepreneurial slow fashion venture develop in order to compete in the current fashion industry?”

In order to answer the research question, a generic business model will be created based upon existing literature and existing slow fashion companies' business models. Several slow fashion companies will be analyzed, similarities and differences between them will be studied. As a result, a generic entrepreneurial business model for slow fashion will be created based upon the success factors of the existing slow fashion companies. This generic business model will help an entrepreneur to distinguish oneself and to be able to compete with the current (traditional) business models.

The following chapter, the literature review, will further elaborate on the research question. Chapter 3 will discuss the research method. The results will be presented in chapter 4, which serves as input for the analysis in chapter 5. In chapter 6 the results will be discussed, accompanied by the limitations, managerial implications and future research suggestions.

2. Literature review

This chapter describes the theoretical framework, which functions as the foundation of this study. It will start by defining the concept of sustainability.

2.1. Sustainability in the fashion industry

Sustainability practices are essential to companies' strategies, particularly for the companies in sensitive business areas. The latter refers to, e.g. poor working conditions or the excessive use of natural resources, as is the case in the fashion industry (Smith, 2003). The fashion industry has experienced severe environmental problems concerning the production process, through the excessive use of natural resources and using chemical products that resulted in high environmental impact (Lakhal et al., 2008).

In the last few years, sustainability has become a very important and trending concept in the fashion industry (Pookulangara & Shephard, 2013). Therefore, consumers' awareness towards sustainability is also growing (Cimatti et al., 2017). In essence sustainability refers to a "complex and changing environmental dynamics that affect human livelihoods and well-being, with intersecting ecological, economic, and sociopolitical dimensions, both globally and locally" (Joy et al., 2012, p.274).

In the context of the fashion industry sustainability is involved in business operations, business strategy, connection to the consumers, connection to the community and in workforce engagement (Siegel et al., 2012). Sustainability can create competitive advantage (Seuring & Müller, 2008) through the improvement of their market position and product differentiation (Polonsky & Jevons, 2006). As mentioned, sustainability is intertwined with the concept of slow fashion. The latter has occurred as a response of the negative consequences of fast fashion and increased consumers' awareness considerably. Slow fashion wants to stimulate conscious consumers in their buying behavior in a holistic way, particularly because these consumers are the ones who have to become more aware about their own social and environmental impact (Henly, 2010; Siegel et al., 2012). Sustainability in slow fashion can be found in, for example integrate technology in order to reduce pollution and waste, using green (natural) fibers or change the movement of the product through the entire supply chain (Pookulangara & Shephard, 2013).

Sustainability can be classified into three perspectives, commonly referred to as the Triple Bottom Line (Elkington, 1998):

1. **Environmental (→"Planet")**

The environmental perspectives require that society protects the environmental resources (Bansal, 2002). Thus a company's sustainable environmental business practices.

2. **Economic (→"Profit")**

This perspective demands a respectable production of resources in order to not disturb and continue society's fair standard of living (Bansal,

2002). However, this perspective still entails the economic value created by a company, but that can still be gained in a sustainable way.

3. Social (→ “People”)

The social perspective insist that everybody is treated equitably and fairly (Bansal, 2002). The business practices of a company should be beneficial and fair for the workers, the community and the region in which the company operates. For example, the workers in the third-world countries of the fast fashion industry.

The Triple Bottom Line functions as an evaluation of business performance, in a broad context, in order to create greater business value. Business performance should in turn be adapted consistent with these three dimensions. That is, in order to execute sustainable future development and manage the impact on future generations’ wealth, firms must implement a long-term planning and allow economic growth sustain the social progress and the environment (Lamming & Hampson, 1996). Thus, business performance is not solely based on financial performance, but is also dependent upon ethical, social and environmental prosperity.

It could be argued, that in fast fashion there is a lack of all three dimensions. Because, fast fashion is an unsustainable trend with no care for the environment. The emphasis is on mass production where toxic materials are being used resulting in waste and pollution (1). Even though the economy is stimulated due to consumers’ high spending pattern, the workforce behind the fast fashion industry is treated unethically (2). Lastly, the obsolescence of fast fashion is stimulated by cultural and social habits of continuous eagerness for renewal (3). The latter indicates consumers’ desire for personal affirmation and the distinction from others.

But what kind of sustainable business practices should a company apply? What are the sustainable guidelines?

The research of Caniato et al. (2012) defined several sustainability drivers, which could be translated to sustainable business models. Their research made a difference between large international well-known brands referred to as GIB (*Green International Brands*) and smaller companies who still have to gain market opportunities referred to as SAF (*Small Alternative Firms*). Due to the complexity and the heterogeneity of the fashion industry this distinction is made (Caniato et al., 2012). Since this paper focuses on slow fashion entrepreneurial start-ups, only the SAF practices will be described. The SAF are leveraging on sustainability, to be able to compete and to create its own brand (Caniato et al., 2012; De Brito et al., 2008). In their research they made a distinction between sustainable drivers and sustainable practices.

Caniato et al. (2012) concluded, that the main trigger motivating the SAFs down the environmental conscious path is the need to discover new ways to compete and to offer their products. They also concluded, that *the personal commitment of the SAF’s owner* concerning sustainable practices is considered an important driver, which could be indicated as a corporate value. The owner’s dedication is the main element of the company’s success.

Besides, the *internal costs* are an important driver for the SAFs (Caniato et al., 2012). In order to be able to compete with the low labor cost countries and to quit being a subcontractor and/or a supplier for the internal major brands, the SAFs decided to sell their products directly to the end consumer. Moreover, they also offer their sales to local exchange communities. The latter could for example indicate organized consumers groups interested in sustainable products. As a result, both the distribution costs and the environmental impact are being reduced and the SAFs gain higher margins and are able to invest in more sustainable products and/or processes.

Next to the internal costs, the *market drivers* are also important for the SAFs (Caniato et al., 2012). Market pressure occurs due to the SAFs need to identify new market niches in order to be able to survive and compete. The targeted consumers in the new market niches are attracted through the aforementioned local exchange communities, instead of the traditional retail system.

In addition to the drivers, several practices were also identified (Caniato et al., 2012). *Product design practices* were indicated as the core element of a green business strategy. The green design practices should be integrated from the start to the end of the development process. This could be done, for example by using recycled or green materials in order to create a recyclable product that in turn can be recycled or reused in order to limit the environmental impact. Furthermore, the production process is an important element of a green strategy. However, the production processes can only be controlled if the company chooses not to outsource it. Caniato et al. (2012) indicated, that the SAFs mostly chose for internal manufacturing and adopting natural and clean production processes.

Finally, *the design of the entire supply chain* is a crucial element in producing products that minimize the environmental impact. For the smaller companies it is more difficult "to use formal certifications and structured communication systems" (Caniato et al., 2012, p.666). Whereas the formal certifications could refer to the selection of certified suppliers, but the certificated process demands a minimum company size. In turn, the supplier selection is a difficult process for smaller sustainable companies. In essence a company is not only responsible for their own internal practices but also for the practices of their suppliers (Koplin et al., 2007; Maignan et al., 2002), as was the case for the Dutch shoe producer Van Bommel. This case described Van Bommel's attempt of greening its supply chain (Faisal, 2010). Unfortunately, its Indian supplier was unwilling to participate in the greening process. Thus, a company is always dependent of its suppliers, even if the attempt is related for the greater good. In order to find suppliers who are willing to cooperate with sustainable practices, Caniato et al. (2012), illustrated two alternative ways of supplier selection, also called *the inbound supply network*:

1. Only using local suppliers
2. Only choose suppliers connected to the Fair Trade community

The outbound supply network should also be redesigned. As mentioned, the direct selling to consumers is part of redesigning the outbound supply network. The traditional intermediaries are eliminated from the supply chain.

Caniato et al. (2012) suggested, that culture could also play an important role in designing the supply chain. Because, culture affects supply chain partners' sensitivity about environmental sustainability. Which in turn could influence the adoption of green practices.

Slow fashion is more than slowing down the production process, it is about integrating *sustainability*, *transparency* and *social responsibility* in the business practices in order to maintain and enhance profitability (Fletcher, 2010). Where *sustainability* functions as an umbrella concept which integrates environmental components in order to determine proactive future practices (Thomas, 2008). Dickson & Eckman (2006) identified a framework for *social responsibility* which comprehend multiple core dimensions: "an orientation that is comprised of the environment, people, and the value chain that is involved in the textile and apparel process; a philosophy that seeks balance between ethics and profitability; and a desire for outcomes that have little negative impact on the people and societies involved" (as cited by Pookulangara & Shephard, 2013, p. 202). Consumers often have positive attitudes towards social responsible business practices, however they do not possess the proper knowledge in order to make responsible purchases (Dickson, 2000).

And *transparency*, especially supply chain transparency, is an influential approach in order to communicate to consumers (Siegel et al., 2012).

Information transparency can be "obtained through the diffusion of information about product characteristic and price (using the company website), or through the creation of an environmental culture inside the local exchange communities and through workshops held by the owner himself" (Caniato et al., 2012, p.666). Nowadays consumers expect to have easy and instant access to product information, which they can use in their purchasing decision (Gargi & Ha-Brookshire, 2011). Consumers are technology shrewd, therefore suggested Pookulangara & Shephard (2013) that slow fashion retailers carefully should watch and use social media, smartphones and the internet in order to be able to provide consumers with information. However, the latter should only be executed to a level to which the consumer is comfortable with (Siegel et al., 2012).

2.2. Slow fashion

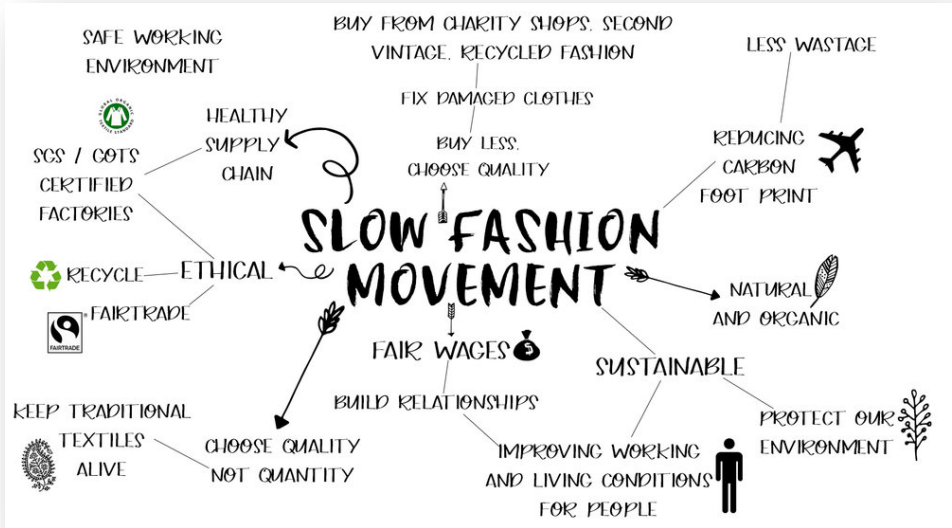
For several years there has been a growing concern about sustainability on the consumption side of the fashion supply chain, due to all the conflicting environmental impacts on the current buying behavior (Niinimäki, 2010; Carter & Rogers, 2008; Birtwistle & Moore, 2007; Jackson, 2004; Fineman, 2001). The fierce competition in the fashion industry and a lack of supply chain transparency have resulted in a decrease of both costs and social & environmental standards (Pookulangara & Shephard, 2013). As mentioned, the current fashion industry is dominated by fast fashion. As a result of the fast fashion industry, consumers are besides buying clothing rapidly also disposing clothing rapidly, and thus creating overconsumption (Pookulangara & Shephard, 2013). Today's clothing has poor quality and is damaged in no time, which results in high amounts of clothing waste (Niinimäki & Hassi, 2011; Johansson, 2010).

However, more and more fashion companies realize that ethical management and sustainability raise awareness (Moisander & Personen, 2002), because the unethical fashion practices create suspicion (Aspers & Skov, 2006). The fashion industry responded with the rise of **slow fashion**. Slow fashion refers to “the type of clothing that is designed and manufactured to maximize benefits to people and society while minimizing adverse environmental impacts” (Ochoa, 2011; Claudio, 2007; Joergens 2006; as cited by Chan & Wong, 2012, p.194). Slow fashion wants to restore the value of craftwork and tradition improving the positive significance of a slow working process, which in turn can attach unique value to a product (Cimatti et al., 2017). Other terms equivalent to slow fashion are: eco-fashion, sustainability fashion, green fashion or ethical fashion. The concept of slow fashion is environmentally and societally conscious, with special care for quality. The environmental consequences are considered during the production of the clothes, e.g. by using recycled or biodegradable materials, and the use of natural dyes (Fletcher, 2008; Joergens, 2006). It is also argued, that slow fashion is not just about using ethical proper textiles but be part of the process of recycling, repurposing and reusing existing clothing (Pookulangara & Shephard, 2013). Which in turn result in an opportunity for the slow fashion retailers, since their designers and/or tailors could motivate their consumers to repurpose their clothing (Pookulangara & Shephard, 2013).

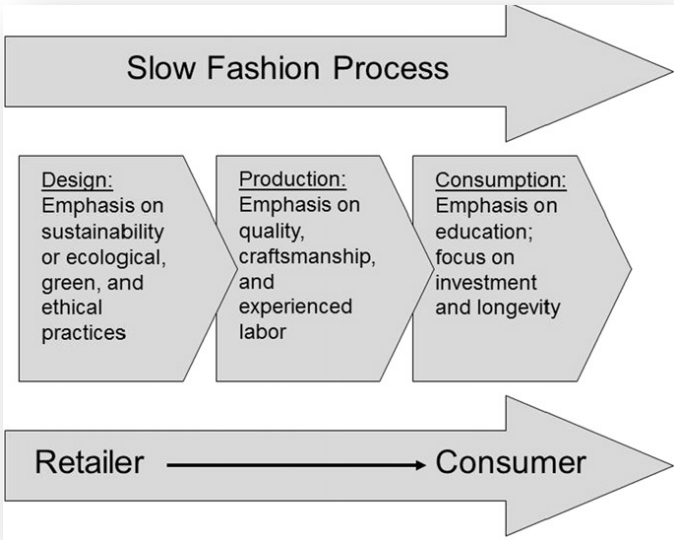
The name slow fashion is derived from the popular trend slow cooking, where the latter was a response to the increasing fast food lifestyle (Fletcher 2010; Johansson, 2010). The concept of slow cooking is concerned about what consumers purchase and who produced the food, in order to enhance consumers’ sustainable choices (Fletcher, 2010; Kahn, 2009). Moreover, it tries to support the local and small farmers and to promote the use of the local seasonal products (Kahn, 2009). Which in turn is the philosophy underlying sustainability. Clark (2008) described 3 components of slow fashion: 1) place value on local resources and economies, 2) transparency in the production system and 3) create products with a longer usable life. All the characteristics that slow fashion entails are represented in Picture 2.1.

Pookulangara & Shephard (2013) presented a slow fashion process in their study. They argued, that the process of slow fashion embodies the direction of the fashion industry to integrate more conscientious decisions at all levels of the fashion industry, from supplier to retailer to consumer. The process of slow fashion is presented in Picture 2.2, where it starts with incorporating sustainable, ethical and environmental practices into the designs. Slow fashion designers are urged to use the “cradle to cradle” designing concept. This concept encourages designers to “design a product with all stages of the garment’s lifecycle in mind including what happens to the garment when it is no longer in use or discarded” (Gam & Banning, 2011; Gam et al., 2009; as cited by Pookulangara & Shephard, 2013, p.203). However, a challenge in the designing process is choosing the proper sustainable textiles, e.g. organic cotton. The second phase should select methods that emphasize experienced labor, craftsmanship and quality in the production. The last phase of the process emphasizes the education of the consumer, in order to enable them to play an

active role in making conscientious decisions regarding their clothing choices. Because, the consumers still do not possess the right amount of knowledge and access regarding companies' business practices (Gargi & Ha-Brookshire, 2011). Which in turn is in line with transparent business practices, a core value of slow fashion, as mentioned in section 2.1.



Picture 2.1. Slow Fashion Movement (Donohoe, 2017)



Picture 2.2. Slow Fashion Process (Pookulangara & Shephard, 2013)

The fashion consumers' attitudes to slow fashion remain ambiguous, even the literature about this concept remains contradictory.

Despite the positive attitudes fashion consumer hold towards environmental protection and their interest in sustainability, they are less motivated to actual purchase slow fashion and continue to purchase cheap fast fashion (McNeil & Moore, 2015; Chan & Wong, 2012; Joy et al., 2012; Ochoa, 2011; Johansson, 2010; Niinimäki, 2010; Joergens, 2006). Thus "consumers fail to walk their talk" (Han et al., 2017, p. 163, as cited by Johnstone & Tan, 2015; McNeill & Moore, 2015; Chan & Wong, 2012; Carrington et al., 2010). Fashion consumers are continuously being seduced by the inexpensive versions of the catwalk styles of the previous week (Wood, 2009). According to Niinimäki (2010), fashion consumers differ in essence from other consumers. The latter indicates, for example, that fashion consumers show less commitment in sustainable consumption because an unethical decision or purchase does not directly affect their well-being or health (Joergens, 2006), compared to consumers in, e.g. the food sector (Chan & Wong, 2012). Whereas ethical consumer behavior refers to "decision-making, purchases and other consumption experiences that are affected by the consumer's ethical concerns" (Cooper-Martin & Holbrook, 1993, p.113). Moreover, consumers still think they do not possess enough knowledge to make ethical decisions (Pookulangara & Shephard, 2013), even though more and more ethical information is becoming publicly available (Jones et al., 2007).

Conversely, consumers become aware of the fact that the current overconsumption stimulates an ongoing cycle of appetite, stimulating greediness and insatiability (Joy et al., 2012). As a result, a movement of ethical consumption among consumers is rising, where they insist that the products they purchase are produced in a way that does not harm the environment or the people who produce them (Pookulangara & Shephard, 2013). Furthermore, consumers are willing to pay more for sustainable or "green" products (Pookulangara et al., 2011; Gam et al., 2009; Kahn, 2009).

As a result of these contradictory findings, a sustainable fashion paradox exists! But why does the increasing current ethical awareness of fashion consumers not result in actual purchasing behavior?

There still remains a gap between fashion consumers' attitudes and behavior in their ethical purchasing decisions (Solomon & Rabolt, 2004). Fashion purchasing is in essence a visual medium that has to affirm consumers' taste and personality (Ritch & Schröder, 2012). Conversely, the most important reason for fashion consumers not to purchase slow fashion is the fact that slow fashion is identified as unfashionable and unsuited for aesthetic needs (Beard, 2008). Moreover, it is associated with an unattractive design and appearance and it does not meet the fashion consumers' needs and/or lifestyle (Joergens, 2006). Thus, the importance of visualization and the "look" can not be underestimated, because it functions as a determinant in the purchasing decision criteria (Ma et al., 2012). Consumers rather want to be fashionable than socially responsible (McNeill & Moore, 2015). As a result, a slow fashion aesthetic - purchasing paradox exists! Conversely, there is a growing recognition that

design influences the introduction of new sustainable products (De Angelis et al., 2017). Moreover, Niinimäki (2010) concluded in her research, that the slow fashion designers and retailers do not know what fashion consumers expect and want of slow fashion. As a result, only a limited number of fashion consumers is reached. Which in turn is a stimulating factor of the attitude-behavior gap.

Besides, fashion consumers often associate ethical purchasing with inconvenience, in terms of uncomfortable materials and higher prices (Joergens 2006). The fashion consumer does not want to suffer personally, for example by paying a higher price (Pookulangara & Shephard, 2013; Joergens, 2006).

Furthermore, the fashion consumers' motivation in order to actually purchase slow fashion is primarily related to the product's and retail store's attributes. The former refers to product, quality, price, design and the latter refers to the store's ethical practices, shop convenience and store- design and environment (Chan & Wong, 2012). In their study, Chan & Wong (2012) concluded that fashion consumers perceive slow fashion as inferior to fast fashion, related to the product and store attributes. These attributes yield benefits for the consumer in order to be able to embody fashion trends (Ochoa, 2011; Niinimäki, 2010; Beard, 2008).

To conclude, these factors in turn have an effect on the purchasing behavior of the fashion consumer. As mentioned, consumers believe that they possess not enough information and/or knowledge to make ethical purchase decisions (Pookulangara & Shephard, 2013). According to Han et al. (2017), consumers' limited awareness about sustainable fashion products could influence negative feelings towards sustainable fashion products consumption (hereafter SFPC). However, their study showed that these negative feelings can be transformed into positive ones by staging personalized experiences. These staged personalized experiences allow the fashion consumer to gain practical knowledge about sustainable fashion and become more open minded towards SFPC. Han et al. (2017) concluded, that staged consumption experiences are a fundamental platform to deliver quality and design compared to the traditional communication tools, such as public relations and advertising. Moreover, their study showed that "developing and staging consumer-centered experiences help balance the psychological imbalance occurring in the attitude-behavior gap between sustainability concerns and SFPC behaviors" (Han et al., 2017, p.166). In other words, the staged experiences will improve the connection between sustainability concerns and SFPC behaviors.

2.3. Business models

The most well-known and used model for developing business models is The Business Model Canvas by Osterwalder & Pigneur (2009).

They define a business model as "a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams" (Osterwalder et al., 2005, p.17). Their business model is explained through nine building blocks that represent the logic of how a company wants to earn money.

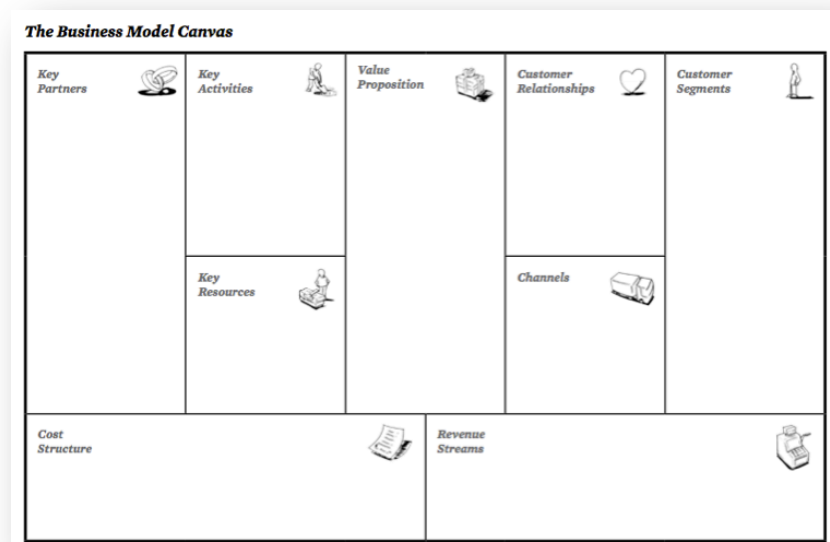
These nine building blocks in turn cover the four main areas of a company (Osterwalder et al., 2005):

1. Product
2. Customer Interface
3. Infrastructure Management
4. Financial aspects

Picture 2.3. represents the nine buildings blocks and their description. Osterwalder et al. (2005) stated, that a business model serves as a blueprint for how a company operates. Moreover, the business model functions as a building plan that enables designing and realizing the business systems and structures that compromises the company's physical and operational form (Osterwalder et al., 2005). Picture 2.4. presents an overview of the Business Model Canvas.

Pillar	Business Model Building Block	Description
Product	Value Proposition	Gives an overall view of a company's bundle of products and services.
Customer Interface	Target Customer	Describes the segments of customers a company wants to offer value to.
	Distribution Channel	Describes the various means of the company to get in touch with its customers.
	Relationship	Explains the kind of links a company establishes between itself and its different customer segments.
Infrastructure Management	Value Configuration	Describes the arrangement of activities and resources.
	Core Competency	Outlines the competencies necessary to execute the company's business model.
	Partner Network	Portrays the network of cooperative agreements with other companies necessary to efficiently offer and commercialize value.
Financial Aspects	Cost Structure	Sums up the monetary consequences of the means employed in the business model.
	Revenue Model	Describes the way a company makes money through a variety of revenue flows.

Picture 2.3. Nine buildings blocks (Osterwalder et al., 2005).



Picture 2.4. The Business Model Canvas (Osterwalder & Pigneur, 2009)

As mentioned is the Business Model Canvas a general and traditional model for developing a business model that explains how a specific company wants to

operate. This paper however, focuses on new entrants in an already existing market. Thus, what kind of sustainable business model should increase the viability and create competitive advantage of an entrepreneur in slow fashion?

2.3.1. Business models in slow fashion

Bohnsack et al. (2014) suggested, that business models should convert specific characteristics of sustainable technologies into new opportunities in order to create economic value. Also, to overcome the barriers which hinder the market penetration. The latter refers to the successful selling of a product in a specific market in order to create a larger market share (Ansoff, 2007). Even though the main focus of Bohnsack et al. (2014)'s paper is on industries that are highly dependent of the use of fossil fuels (e.g. electric vehicles), their research could be translated to the fashion industry. In turn, the fashion industry is also challenged by several sustainable trends, which could be indicated as business model drivers. Nowadays, the most common are:

- *Corporate Social Responsibility (hereafter referred to as CSR)*
CSR is becoming a trending topic in the fashion industry. More and more companies want to adopt CSR practices, which refer to green washing and ethical sustainable business actions. CSR is often implemented in supply chain management, because the network of companies' global suppliers is very complex. Authority and transparency must be executed in order to be able to control the CSR practices, even in the countries far away (Todeschini et al., 2017).
- *Technological innovation, materials*
Materials that are environmental-friendly, their effect on the environment is kept at a minimal level. In contrast to the synthetic fabric family, the usage of pesticides, fertilizers and other chemicals that are damaging the land is relegated. Examples of these alternative fiber materials are: organic cotton, soy, hemp, bamboo, PET plastic, kombucha (SCOBY), Qmilk and S.Cafe (empoweredsustenance.com, 2014; Hollingsworth, 2007). To conclude, sustainable and alternative fibers are one of the most important innovations in the rise of the slow fashion movement. These innovative techniques result in improving clothes' durability, using alternative raw materials instead of scarce natural resources and reducing waste from cleaning processes (Todeschini et al., 2017).
- *Circular economy*
The principle of this trend is to base economic production on regeneration and restoration. The purpose of the circular economy is to maintain products continuously at their highest value and utility. It tries to combine the economic growth and development from the consumption of specific and limited resources. In order to do so, it divides between biological and technological materials "and focuses on effective design and use of optimizing their flow and either maintain or increase technical and natural resource stock" (Todeschini et al., 2017, p.X).

- Clothing swapping*

This trend stimulates the reduction, reuse and recycling of clothing. Instead of using new raw materials to produce new clothes, clothes are swapped between consumers. This concept stimulates a less-material intensive way to produce clothes, instead the use-intensity of the clothes is stimulated (Armstrong et al., 2015).

Ultimately, this method saves consumers time and money. The former indicates, that consumers can swap their clothes online and do not have to visit an actual store. It also reduces both transportation costs and time. Examples of these international clothing swap websites are: Swapstyle, Rehash, and Dig 'N Swap. Examples of Dutch clothing swap websites are: Nudge, Swopster, Krijg de kleertjes, and Ruilen. There are also public clothing swap events or clothing swap meeting points. Consumers can also organize private clothing swap parties.

This trend of clothing swapping is in turn stimulating a *shared* economy. The latter indicates a sustainable economic system where private assets are being shared (Zekanović-Korona & Grzunov, 2014). Another word for this phenomenon is *collaborative consumption*. Based on Botsman & Rogers (2010), collaborative consumption refers to the expansion and reinvention of exchanging, swapping, bartering, sharing loaning and donating practices.
- Clothing rent/lease*

There are several websites and actual stores that offer the service of leasing clothes. A great example of such an organization is the Dutch MUD jeans. This organization enables consumers to lease a pair of jeans for one year, hereafter one can switch to another pair of jeans or receive a new pair if the old one is worn out (mudjeans.eu, n.d.)¹. There also are actual stores where one can buy secondhand clothes and resell them back to the store (Mincer, 2015).
- Vintage clothing*

"Vintage is a fashion style based on used or retro-style garments. Existing studies connect vintage with authenticity, nostalgia and identity" (Veenstra & Kuipers, 2013, p.355). Lovers of vintage clothes highly treasure original items, those who are at least 25 years old and prefer designer items (Veenstra & Kuipers, 2013). The sudden popularity of vintage clothing is associated with the change in consumers' attitudes regarding using and wearing second-hand products (Cassidy & Bennett, 2012). According to Palmer & Clark (2013), vintage is a response on the mass production of the fast fashion industry where individuality is vanished. Moreover, consumers disapprove with the performed unethical practices in the fashion industry (McColl et al., 2013) and established a growing distrust towards global brands (Tungate, 2008; Keynote, 2009). Another reason for the rapid vintage appeal could be devoted to a growing rise of acceptance of an aesthetic shift, where vintage enables one to differentiate themselves and to enlarge one's self-expression (Tungate, 2008; DeLong et al., 2005; Palmer & Clark, 2005).



- *Trashion*

“Trashion refers to the set of materials resulting from human and animals’ activities which are usually solid and are called waste as a result of being thrown away as unwanted or being unusable” (Dadmarz et al., 2016, p. 57). These “used and thrown-out” materials are composed and used to create new fashion, jewelry and home decorations, also referred to as “upcycling” (Anderson, 2009). Some of these reused trash materials are: glass, metal, wood, paper and plastic. An example of a trashion dress is represented in Picture 2.5. This dress is made from 5000 used Nespresso coffee capsules.

Todeschini et al. (2017) connected the aforementioned trends, sustainability innovation and The Business Model Canvas to one another. They revealed 15 drivers of sustainability related business model innovation for fashion firms. Additionally, they analyzed these drivers’ impact on the 9 business models components, as defined by Osterwalder & Pigneur (2009). The overview of their research is presented in Table 2.1.

Table 2.1. Trends and drivers of sustainability related business model innovation for fashion businesses (Todeschini et al., 2017)

Macro-trend	Driver of sustainable innovation	Where does it drive innovation in the business model?
Circular economy	Recycling	Cost structure, key activities, key partner
	Vegan	Key partners, key resources, channels, value proposition
	Upcycling	Key resources, key activities, value proposition
Corporate social responsibility	Sweatshop free	Customer relationship, key resources, key activities
	Fair trade	Customer relationship, key partners
	Locally sourced	Customer relationship, value proposition, key partners
Sharing economy and collaborative consumption	Fashion library	Customer relationship, value proposition, revenue streams
	Second hand	Value proposition, channels, customer relationship, key activities, revenue streams
	Collaboration	Key partners, key activities, key resources, delivery channels, customer relationship

Technological innovation	Sustainable raw materials	Key resources, customer relationship, cost structure
	Zero waste	Key resources, key activities, cost structure
	Wearables	Key resources, key activities, key partners, value proposition, cost structure
Consumer awareness	Capsule wardrobe	Customer relationship, value proposition, revenue streams
	Lowsumerism	Customer relationship, value proposition, revenue streams
	Slow fashion	Value proposition, customer relationship.

In addition to these 15 drivers, Todeschini et al. (2017) revealed entrepreneurial challenges and opportunities. The former are critical to the success of a business model. The latter, have been to some extent, incorporated in a few viable business models. However, these opportunities still require additional enhancement. The following *challenges* were defined:

- Design phase strategy**
 Critical to sustainable product development is to reconsider the design phase. During this phase, decisions are made that affect the whole product, e.g. materials and the manufacturing process. In turn, these design decisions will affect the entire business model but will specifically influence the adaptation of sustainability principles to the value proposition, such as using environmental friendly materials. Also, the design phase is full of technical challenges (Todeschini et al., 2017).
- Consumer education**
 Consumer education can be indicated as a potential failure of sustainable business models. Many sustainable business models have failed to persuade consumers about their sustainable products' benefits. According to Todeschini et al. (2017), slow fashion is in particular not perceived as valuable by consumers. Thus, in order for sustainable business models to be effective, consumers need education on the sustainable benefits. "Consumer education can be a catalyst for changes in consumer behavior toward more sustainable individual practices related to fashion" (Todeschini et al., 2017, p.X).
- Consumer expectations**
 Closely intertwined with consumer education are consumers' sustainability expectations. Because, consumer education is a necessity in order to increase the awareness about sustainability, which is still limited for a lot of consumers. According to Ansett (2007), gaining certifications is a first step in the right direction. Because, consumers are not willing to change their perceptions that easily. Slow fashion start-ups have the advantage, contrary to fast fashion organizations, that they are build upon sustainable principles and values. These start-ups are more likely to

adopt a proactive strategy, implement innovation and participate in supply chain models based upon collaboration and innovation (Todeschini et al., 2017).

- **Aligning values in the supply chain**

In order to establish an effective collaboration, the values in the supply network must be aligned. In this manner, “creating truly collaborative arrangements and building stakeholder commitment in sharing knowledge, resources and abilities” (Todeschini et al., 2017, p.X). Often, fashion supply chains need to recommercialize in order to be sustainable. Advantages of establishing such a supply chain and sharing knowledge and competencies can contain a considerable decline in related costs and can improve market performance (Todeschini et al., 2017; Beh et al., 2016).

The following *opportunities* were presented:

- **Enhanced focus on CSR**

Nowadays, consumers’ attitudes of CSR practices are improving and even developing into an influential factor concerning purchasing decisions (Todeschini et al., 2017). According to Lueg et al. (2015), by communicating an organization’s CSR practices can result in an opportunity for improvement and expansion.

- **Service-based business models**

Service-based business models should reduce an organization’s stock conditions or even refrain from production completely. Examples of such concepts are garment subscription schemes or fashion libraries. The whole service-based concept entails a shift from the purchase of new goods towards the reconstruction and restyling of existing goods (Todeschini et al., 2017). Wang & Song (2010) suggested to implement after-sale services in order to assist customers in their garment recycle, e.g. drying clothes naturally instead of using the washing machine.

- **Monetizing sustainable innovation**

The last opportunity concerns “monetizing the voluntary simplicity embedded in drivers of sustainable innovation such as upcycling and second hand” (Todeschini et al., 2017, p.X). In contrast to the fast fashion industry where consumers are omitted from production processes, with less emotional appeal in the purchase and use of fashion products (Todeschini et al., 2017). “Voluntary simplicity focuses on the careful use of apparel and an appeal for broader usefulness in order to decrease the production of fashion goods and the associated consumption of natural resources” (Ruppert-Stroescu et al., 2015; as cited by Todeschini et al., 2017, p.X). Voluntary simplicity can be found in, e.g. second hand clothing and upcycling (Todeschini et al., 2017).

The aforementioned sustainable drives, challenges and opportunities increase the level of difficulty for entrepreneurs to launch their fashion start-ups. Due to

the changing sustainable technologies, the fashion industry is adapting their business models, marketing practices and developing slow fashion in order to promote sustainable consumption (Wong et al., 2012a; Wong et al., 2012b; Wong et al., 2011, Fletcher 2008; Joergens, 2006). As a result, the value network (product development, production and sales), the value proposition (the targeted product segment) and the revenue/cost model (financing and payment) should be revised (e.g. Demil & Lecoq, 2010; Johnson et al., 2008; Osterwalder, 2005). Because, the proper business model should increase a technology's market attractiveness and improving the value captured of an innovation, which will all result in competitive advantage (Björkdahl, 2009).

Beside the sustainable technologies, the growing fierce global competition, the poor labor conditions in some countries and the intensive resource use is challenging the viability of new entrants in the fashion industry (De Brito et al., 2008). Moreover, the fashion market becomes more and more saturated due to the current mass manufacturing.

As a result of this growing fierce competition, Nagurney & Yu (2012) developed in their study "an oligopoly model for the fashion supply chain competition which explicitly considers different brands and different degrees of environmental consciousness and sustainability" (p.533). This model has its novelty earned through a contributing of gaining more understanding about the following dimensions:

1. It explains differentiation through branding
2. Alternative modes of transportation for product distributions are used. Also, it allows for an option of direct shipment from manufacturing plants.
3. It allows each fashion company to independently decide, "by use of its individual concern through a weighting factor, its environmental impacts through the emissions that it generates not only in the manufacture of its product but also throughout its supply chain, with the ultimate deliveries at the demand markets" (Nagurney & Yu, 2012, p.533).

The variational inequality model considers that each company pursues to maximize its profit and to minimize the emissions that it develops in the supply chain, as it participates in its activities of manufacturing, storage and distribution with a weight connected with the distribution criteria. This model acknowledges alternate ways of transportation from manufacturing sites to distribution centers and from the latter to the actual market, since alternative ways of transportation are known to diffuse different amount of emissions (Nagurney & Yu, 2012). The model can establish the effect of changes on:

- The demand price functions → the total cost and the total emission
- "The weights associated with the environmental criterion on the equilibrium product demands, product prices, profits and utilities" (Nagurney & Yu, 2012, p.539).

Nagurney & Yu (2012) noted, that the environmental weight could also be indicated as environmental taxes, and in examining various values an authority, like the government, could determine a priori the effects on the organization's profit and emissions. Their study also illustrated, that consumers can have a

considerable effect, due to their environmental consciousness, on the amount of profit earned by a company, through favoring organizations that implement environmental pollution-decrease technologies in their supply chain activities.

In addition to Nagurney & Ya (2012), studied Choi & Chiu (2012) newsvendor models in order to examine supply chain management problems with fashionable products. The newsvendor model is in essence an inventory management model and it is argued, that this model is extremely well suited for the fast fashion industry (Choi & Chiu, 2012). The latter, because of the fit between the model and the fast fashion industry's practices, such as (Choi & Chiu, 2012):

- High demand uncertainty
- Single and short selling season, without refilling
- Rather an easy cost-revenue structure where markdowns rarely take place, due to the minimum level of inventory and quick inventory turnover.

The original newsvendor model focuses on deciding "the optimal stocking quantity in a single-period single-item inventory problem with a stochastic demand" (Choi & Chiu, 2012, p.552). This model's objective focuses on either maximizing the profit or to minimize the expected costs (Choi & Chiu, 2012). However, in the "real" business world, have companies "different kinds of objectives and some decisions makers are risk averse" (Tang, 2006; as cited by (Choi & Chiu, 2012, p.552). The latter resulted in two streams of research (Choi & Chiu, 2012):

1. Determine the optimum "stocking quantity for the newsvendor problem with the objective of optimizing the chance to achieve a target profit level" (Choi & Chiu, 2012, p.552).
2. Determine the optimum "stocking decision when the newsvendor risk is averse" (Choi & Chiu, 2012, p.552).

While this paper is focused on the slow fashion industry, the study of Choi & Chiu (2012) is focused on the fashion retailing problems related to different objectives functions and their influence on the retailer's decision, but also on the level of sustainability. The latter is measured as follows (Choi & Chiu, 2012):

- The expected amount of leftovers (→ environmental friendliness),
- The expected sales to expected good leftover ratio (→ environmental friendliness and economic sustainability),
- The rate of return on investment (→ economic sustainability),
- The probability of meeting the profit target (economic sustainability).

In order to be a sustainable fashion retailer, the following operational goals should be achieved (Choi & Chiu, 2012):

- Exercise good control over the amount of unsold products.
- The profitability must be sufficient in order to be sustainable. In turn, the profitability can be interpreted in two ways
 1. The chance of achieving the target product,
 2. The rate of return on investment.

In their research made Choi & Chiu (2012) a distinction between the mean-downside-risk (MDR)¹ and mean-variance (MV)² newsvendor models, both under the exogenous³ and endogenous⁴ retail price decision cases (Choi & Chiu, 2012). They concluded, that the MR fashion retailer, which consist of both MDR and MV, will achieve the best results, namely:

- The smaller expected amount of unsold products,
- The larger SLR → SLR is defined "as the ratio of expected sales to expected quantity of goods leftover" (Choi & Chiu, 2012, p.554),
- The larger the rate of return on investment,
- The larger profitability of achieving the profit target.

2.4. The generic business model

It could be concluded, that defining the "right" business model is difficult, especially for emerging technologies, where the process of defining the proper business model could be described as an experiment of change (Chesbrough, 2010; Teece, 2010). Business models remain complex (Casadesus-Masanell & Ricart, 2010; Zott & Amit, 2010) and multiple conceptualizations have been made (Zott et al., 2011).

On the one hand, business models are defined in a general way as organizations that capture and create value (e.g. Baden-Fuller & Morgan, 2010; Demil & Lecoq, 2010; Teece, 2010; Chesbrough, 2007). According to this general definition, different business models of different organizations can be compared, resulting in an identification of business model archetypes (Zott et al., 2011; Morris et al., 2005). Moreover, it is important that the business model is based on "the need to create legitimacy and customer acceptance for the emerging technology that all actors involved in the technology could benefit from" (Aldrich & Fiol, 1994; as stated by Bohnsack et al., 2013, p. 285).

On the other hand, business models are defined in a firm-specific way, which enables one to design and describe specific components of the business model and the interaction between them (Demil & Lecoq, 2010). Examples of these frameworks are: Johnson (2008), Morris et al. (2005), Osterwalder et al. (2005) and Chesbrough & Rosenbloom (2002).

These frameworks all contain the same recurring elements of:

1. **Value proposition**
2. **Value network**
3. **Revenue and cost model**

The main advantage of these frameworks is the fact that within these conceptions, organizations "still have the choice to make unique choices to gain competitive advantage, implying a strategic perspective" (Teece, 2010; Morris et al., 2005; as cited by Bohnsack et al., 2014, p.285).

¹ Investors should assign their investments according to the reward to risk criterion. Their main concern may not be the variance but the downside risk. Thus, this framework illustrates the financial risk associated with losses (Ren & Sigmundsdóttir, 2012).

² A framework which indicates an optimum decision as one that improves the problem of both risk and pay-off. The former is measured by the variance of profit and the latter is measured by the expected profit (Choi & Chiu, 2012).

³ The retail price is exogenous given and is therefore not a decision variable (Choi & Chiu, 2012).

⁴ The retail price is endogenous, which indicates that the retail price is a decision variable of the fashion retailer (Choi & Chiu, 2012).

Therefore, this paper will focus on the aforementioned three elements of a business model. As mentioned, business model innovation presents organizations with opportunities to gain competitive advantage. Since this paper addresses entrepreneurs with “new” sustainable value propositions, an innovative business model is a necessity. According to Zott et al. (2011), in order to be able to innovate business models, new sources of value creation should be identified. More specifically, the different components inherent to the business model and/or the interactions between them should be innovated (Demil & Lecoq, 2010; Morris et al., 2005). Value creation in business models contain efficiency and novelty. Efficiency refers to cost reductions of existing transactions. Novelty refers to new ways to conduct transactions (Amit & Zott, 2001).

The purpose of this study is to develop a generic business model for entrepreneurs in slow fashion. The business model that will be used in this paper is based upon the three recurring components derived from the business model frameworks of Johnson (2008), Morris et al. (2005), Osterwalder et al. (2005) and Chesbrough & Rosenbloom (2002). Within these frameworks the companies are still able to make unique choices in order to enhance their competitive advantage. In line with the study of Bohnsack et al. (2014), the first two components of *value proposition* and *value network* are divided into subcomponents. In order to maintain simplicity and unity throughout this study, a choice has been made to limit the business model to these three components. The selected three components are:

1. **Value proposition**

This refers to the reason why customers turn to a specific company, in contrast to another. The offered products and/or services of a company should satisfy customers’ needs or solve a customers’ problem. Each value proposition includes a specific bundle of products and/or services that meet the requirements of a specific customer segment. It could be stated, that the value proposition is a collection, or bundle, of benefits a company offers to customers. Thus, the value proposition is indicated as a bundle of products and/or services that create value for a specific customer segment (Osterwalder & Pigneur, 2009). What makes the company unique?

Therefore, the concept of value proposition is divided into:

- *Product content & service content*
Values can both be qualitative or quantitative. The former refers to, e.g. customer experience or design. The latter indicates values such as speed of service or price.
- *Customer or target segment*
Defines the customer groups an organization aims to reach and serve.

2. **Value network**

The value network entails different channels of how an organization communicates with and reaches its customers. Besides their customers, it is important for an organization to be in line with their suppliers and/or

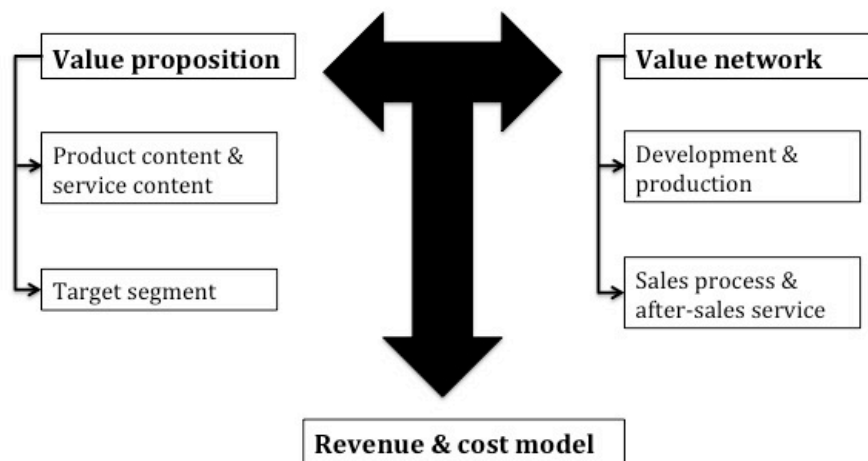
partners. An organizations' network is therefore an important element in organizational success. In order to create more clarity, a distinction is made between organizational stages:

- *Development & production*
This stage will indicate how an organization has constructed their development and production processes. How are these stages set up? For example, who is responsible for the designing process? Is production outsourced? Is there a possibility for customers or partners to have a say?
- *Sales process & after-sales service*
This phase will describe through which channels the products and/or services are offered. How is it offered? Besides, does the organization provide after-sales service? If so, how do they execute it?

3. Revenue and cost model

The revenue refers to the cash an organization generates from their customers' segments. The cost includes all the costs obtained in the business model. How is the ratio between revenue and costs

Picture 2.6. presents an overview of this study's business model. This model will be the foundation for further analyses. Moreover, this model enables the results to be comparable. Where similarities could be grouped and differences can be separated.



Picture 2.6. Business model for analyses

2.5. Environmental management systems

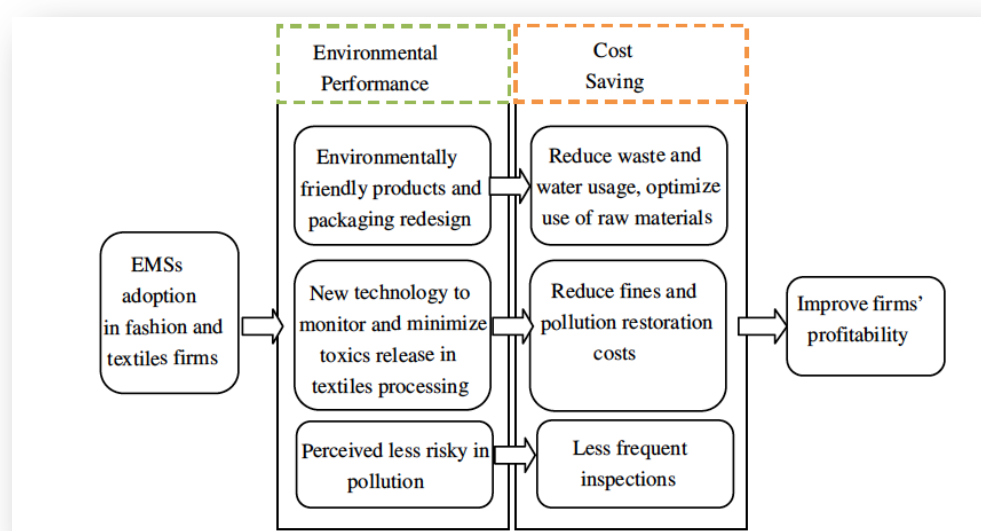
Environmental management systems (hereafter EMS) could, besides business models, also be an important tool for entrepreneurs in order to enlarge their success rate. Since not every fashion consumer is able to create one's own environmental standard, they can rely on international recognized EMS (Lo et al., 2012). An example of such a system is, the Global Recycling Standard (GRS) for the clothing and textile industry, founded by the control union (Lo et al., 2012).

The most popular EMS is the ISO 14000. This is a bundle of management procedures and processes demanding businesses “to identify, measure and control their environmental impacts” (Bansal & Hunter, 2003; as cited by Lo et al., 2012, p.561). Thus, the aim of the ISO 14000 is to improve the environmental performance of a business, adhere to the regulations and rules of an “independent, third-party certification body” (Jiang & Bansal, 2003; as cited by Lo et al., 2012, p.561).

The EMS is recommended for the fashion and textile industries due to their high consumption of energy, water and large quantities of pollution emissions (Lo et al., 2012). The EMS could be used in order to improve the production processes and limit the environmental impact (Lo et al., 2012). The literature about the fashion and textile industries only studies the EMS in the supplier selection process, not as part of business performance.

The EMS could be additive to a sustainable business model, to completely implement green business practices. Integrating EMS could have a significant effect for fashion manufacturers’ operational performance (Lo et al., 2012). Lo et al. (2012) studied the effect of EMS adoption on business performance for businesses in the fashion and textile industries. They concluded (Lo et al., 2012), that the adoption of the ISO 14000, which is an EMS, improved manufacturers’ profitability over a period of three years, measured by return-on-assets (hereafter ROA). Moreover, they found that the profitability growth started during the implementation stage and continued at least one year after the firm integrated the ISO 14000 system. The growth of profitability is mainly due to the increase in cost efficiency, measured by return-on-sales (hereafter ROS).

Thus, Lo et al. (2012) concluded that the adoption of EMS has significant positive effect on business financial performance for businesses in the fashion and textile industries. Moreover, they developed an environmental cost-saving model for fashion businesses and to highlight the primary impacts of adopting EMS, see Picture 2.7.



Picture 2.7. Environmental cost-saving model for the fashion industry (Lo et al., 2012)

3. Methods

This chapter elaborates on the chosen method of this paper, a literature review, starting with the research design.

3.1. Research design

The research design of this study is based on a secondary data analysis using secondary data in which the primary concepts are identified and analyzed in order to be able to determine the most appropriate and viable sustainable business model for entrepreneurs in slow fashion. Since slow fashion is a relatively new concept and consumer's awareness is still growing, this study could enable other researchers to elaborate upon this study. Moreover, this study could also progress other empirical studies like Han et al. (2017), who focused on consumers' sustainable purchasing behavior. An advanced topic could for example combine the outcome of the study by Han et al. (2017) and the outcome of this study. Besides, this study could also assist entrepreneurial start-ups in their choice of sustainable business models. In turn, this study stimulates entrepreneurship.

This literature review will continue with a general search of several online databases.

3.2. General database search

The following databases were consulted: Researchgate, ScienceDirect, Google Scholar, Web of Science and Scopus. The following search terms were used in all the databases:

- "slow fashion",
- "eco fashion",
- "ethical fashion"
- "sustainable fashion"
- "sustainability",
- "sustainable buying behavior"
- "conscious consumers"
- "sustainable consumer attitudes"
- "sustainable decision making"
- "ethical purchasing"
- "sustainable business performance"
- "business models",
- "sustainable business model",
- "entrepreneurial orientation"
- "slow fashion processes"

These terms were used in all fields in the database, thus in the title, abstract, keywords and the full text. Moreover, all result types were included.

3.3. Focused searches

The general database search was executed in order to determine which of them provided results. The following step of the literature selection entails a more focused search. These focused searches required the following criteria:

- Complete scientific articles published in journals,
- Complete master theses or PhD theses.

After these criteria were applied, another focused search was conducted. This search contained the following criteria:

- Empirical study included,
- Explicated literature review and research methods,
- The paper clearly focused on the fashion, or slow fashion industry.

The databases were screened in the following order: ScienceDirect, Google Scholar, Researchgate, Scopus and Web of Science. Most results were published in international acknowledged journals and a few papers had been published for international conferences. Also, some book chapters appeared as a result of the search.

3.4. Additional searches

The last step of the literature search contained examining relevant references of the initial found papers. This search resulted in finding more appropriate papers. Also, a few papers were provided by this thesis's supervisor.

Again, the following criteria were used:

- Empirical study included,
- Explicated literature review and research methods,
- The paper clearly focused on the fashion, or slow fashion industry.

3.5. Data

In order to be able to determine frequent used sustainable business models for entrepreneurs in slow fashion, existing sustainable fashion companies have to be analyzed. As a result, a generic sustainable business model for entrepreneurs in slow fashion could be developed. The criteria for selecting these companies are:

- The company has to operate in **slow fashion**,
- The company must be based on a **sustainable** business model.
Determining a company's sustainability involves its business operations, business strategy, connection to the consumers, connection to the community and its workforce engagement (Siegel et al., 2012)
- It would be desirable if the selected company would operate based on a **new and unique concept**, instead of being part of an international enterprise. Since this study examines business models for entrepreneurs with less resources available than a large international enterprise.

The data necessary for executing the analysis will be collected through different channels:

- The organizational information given on the companies' websites.
 - Press releases
 - Newspaper articles
 - Information displayed on the companies' social media.
- Additionally, user experiences will also be included.

Thus, the analysis is based on secondary data. The collected data will be analyzed according the developed business model that is presented at the end of chapter two. The following companies are selected for the analysis.

The first four were indicated as being sustainable in the research of Joergens (2006). Hereafter, the name of the company, its core business and the motivation for selecting the organization is described in Table 3.1.

Table 3.1. Overview of the selected 12 slow fashion companies

Name company	Core business	Motivation
1. American Apparel	An American company that produces quality basics with simplicity, minimalism and original colors. Sustainability is intertwined in everything they do (Americanapparel.com, n.d.).	Indicated as being sustainable by Joergens (2006).
2. Edun	Edun was established in order stimulate trade and source production in Africa. Edun combines the modern designer vision with the richness of Africa in order to produce their clothes (Edun.com, n.d.).	Indicated as being sustainable by Joergens (2006).
3. Gossypium	Gossypium produces hand made, ethical and organic yoga and active wear in the UK. They only use the latest eco-technological fibers (Gossypium.com, n.d.).	Indicated as being sustainable by Joergens (2006).
4. People Tree	A British company that is indicated to be a pioneer in Fair Trade by the fashion industry and consumers. They produce eco and ethical clothing in cooperation with Fairtrade artisans and farmer from developing world countries (Peopletree.com, n.d.; Thegoodtrade.com, 2015).	Indicated as being sustainable by Joergens (2006).

5. MUD jeans	Consumers can lease a pair of jeans at the Dutch company MUD jeans. Besides their leasing services, they also produce sustainable clothing and offer vintage jeans (Mudjeans.eu, n.d. ¹ ; Mudjeans.eu, n.d. ²).	Because, there are less successful global sustainable Dutch fashion companies. Moreover, MUD jeans developed an unique value proposition of clothing leasing, which in turn is a brand new phenomenon. They are all about recycling and reusing
6. Siizu	An American sustainable clothing company that operates based on a lean business model of exclusively offer their clothing online. Their dedication refers to minimize their amount of carbon footprint that is executed throughout their whole supply chain (Siizu.com, n.d; Thegoodtrade.com, 2015.).	Because, they implement sustainability in their entire supply chain. They only sell online in order to reduce their pollution emissions. Moreover, in order to stimulate tree growth and environmental growth, they are a donor of the American Forest.
7. Everlane	An American sustainable clothing company who operates based on transparency. The transparency of Everlane lies in the fact that they openly communicate the real costs of producing the clothing compared to the price they sell it for, called the markup (Everlane.com, n.d.; Thegoodtrade.com, 2015).	Because, it successfully operates based on complete transparency. The latter is a key component of sustainable business practices and is not very common.
8. Krochet Kids International	This American company developed the unique concept of affordable clothing related to sustainable and fair business practices. Their entire business operations are based on empowerment and the unison of their supply chain in order to break the cycle of poverty. They also provide mentoring, training and educational programs (Krochetkids.org, n.d.; Thegoodtrade.com, 2015).	Because, of their unique connection with the community, they do not employ artisans based on their skills but on their helplessness in order to offer them security.

9. Preza	This Brazilian startup's main product is a line of luxury sunglasses. These sunglasses are made of wood waste from their local luxury furniture market. In turn, all their product inputs and raw materials are environmental-friendly and thus sustainable. Preza aims to create an entire sustainable supply chain (Preza.me, n.d.; Todeschini et al., 2017).	Because they are still in their startup phase and their value proposition is unique. They create products using only waste, which in turn is extremely sustainable.
10. Eileen Fisher	This American company is growing to become an industry leader in ethical and sustainable fashion. They offer fair wages to their workers, oversee their entire supply chain and support local communities. Their vision states, that by 2020 they only want to have 100% organic linen and cotton fibers, carbon positive operations, no waste facility and responsible dyes (Eileenfisher.com, n.d.).	This company is chosen, because this is the first company that formulated such a clear and direct vision, they are very goal oriented. Moreover, their website is very elaborated on the world behind the label. Their operation is very transparent.
11. Purple Impression	An American socially conscious company that combines handwork with modern design. They state, that they want to create a world of diversity, where values are shared, differences are celebrated but a world where everyone is welcome. Because everyone is different, yet so similar in so many ways. Purple Impression wants to stimulate a pluralistic world. By caring for the world, they integrate sustainable practices in their entire business (Purpleimpression.com, n.d.).	Because, it integrates another level of transparency by connecting the consumer with the actual maker of the clothing item. As a consumer, one is able to see who you indirectly support.
12. Orange Fiber	An Italian startup that creates clothing made of wasted citrus juice byproducts. More than 1	Due to their unique choice of using citrus juice waste in order to produce textiles, which in turn is extremely

million tons of this juice is sustainable.
wasted in Italy, therefore -
Orange Fiber uses this waste
juice by transforming them
into cellulose fibers and
develop these fibers into
innovative fabrics
(Orangefiber.it, n.d.¹;
Todeschini et al., 2017).

4.Results

This chapter will analyze the collected data from the selected twelve companies. The analysis will be based upon the business model presented at the end of chapter two. This business model will determine the layout of this chapter. The three components of the business model will represent this chapter's paragraphs.

4.1. Value proposition

Each company's value proposition will be separately described:

1. American Apparel

It could be concluded, that American Apparel holds a product content value proposition. Not only do they produce ecological clothing, but their business practices are entirely ecological. Besides offering customers good quality and sustainable clothes, they also provide in the customers' need of striving for a better world. American Apparel is unique in their care for the environment (Biotop), their workers (sweatshop free) and communities (investment programs).

American Apparel's target group is quite broad, they produce clothes for women, men, kids and pets. Sale prices are relatively normal.

According to Thegoodtrade.com (2015)'s price rating system, American Apparel receives an one dollar sign, \$. Their rate system functions as follows: if a company has cheap to normal prices, they receive an one dollar sign, \$. If the company has normal to expensive prices, they receive two or three dollar signs, \$\$ or \$\$\$\$. Since American Apparel produces for all four customer groups, it could be argued that they are focused on the family target segment.

2. Edun

It could be stated, that Edun contains a product content value proposition even though their primary goal was to increase African employment opportunities, production and welfare. Edun only produces female clothes, embodying African influences. The clothes contain African patterns and a lot of bright colors. Their online shop presents African models showing Edun's clothes. Moreover, most of Edun's business partners and relations are from Africa. Thus, it can be concluded that the connection with Africa is intertwined in the entire company, which could be interpreted as their uniqueness. Besides producing clothes, Edun provides the local African community with work. Their well being is a core element in Edun's business practices.

As mentioned, Edun only produces clothes for women, who in turn represent their target group. The sale prices are extremely high, thus the women in the target group are supposed to have well paid jobs in order to be able to buy these clothes. The clothes are also inspired by the latest fashion trends, stimulating younger women to buy their clothes.

3. **Gossypium**

It can be concluded, that Gossypium's value proposition is based upon a product content, yoga and active wear. This wear is produced in cooperation with fitness instructors and yoga teachers in order to create the best fitting and shaping work out wear. Their sustainability refers to the use of the latest eco-technological fibers, with long lasting quality. It could be said, that the uniqueness reflects the cooperation with workout professionals and the use of ecological fibers. Moreover, their sustainability includes the local production in the UK. Production is not outsourced and kept "indoors". The organic yoga wear is created by craftsmanship, they are made one piece at the time.

Gossypium is targeting both women and men. The yoga and active wear is offered against a normal price, which is quite remarkable considering the time- consuming (craftsmanship) production process.

Since Gossypium only offers yoga and active wear, their target group should be considered sporty.

4. **People Tree**

Considering the fact, that People Tree is producing clothes, their value proposition is based upon a product content. People Tree is a pioneer in sustainable fashion, therefore they gained the ability to build an entire sustainable supply chain. People Tree developed the first integrated supply chain for organic cotton from farm (in India) to final product. The fact that they received several accreditations strengthens their position in the slow fashion market. They are aiming to minimize their environmental impact by using and renewing sustainable production methods:

- Clothes are safely dyed using azo-free dyes
- Products are sourced locally. Selecting recycled and natural products over non-biodegradable and synthetic materials
- Most of the products are shipped by sea instead of air
- The fabric is woven by hand.

People Tree only creates clothes made of organic materials. Moreover, they integrated artisans' handwork in the design of their clothes, which in turn distinguishes them from others.

Besides their care for the environment, People Tree established the People Tree Foundation. This foundation is an independent charity and provides artisans and farmers with benefits, such as scaling up training, environmental initiatives and technical support, and through increasing awareness and campaigning for a sustainable and fair fashion industry.

The target group of People Tree is women, better said, mothers. Besides the clothes offered for women, there are clothes offered for babies.

The latter enables these women to buy their own clothes as well as for their babies, which stimulates convenience.

People Tree receives two dollar signs, \$\$, by Thegoodtrade.com (2015).

This indicates, that the clothes are payable but have the tendency to be expensive. Therefore, the women in the target group are supposed to have well paid jobs.

5. **MUD jeans**

It could be concluded, that MUD jeans holds both a product and service content value proposition. Besides offering vintage jeans and new clothes made from recycled materials, they offer a jeans leasing service. MUD jeans has a very unique value proposition of jeans leasing. A customer can lease a pair of jeans for €7,50 per month for one year. After that particular year the jeans can be returned to MUD jeans, or kept by the customer. If the jeans are worn out before the end of the year they can be returned earlier. In the case of sending back the pair of jeans, the customer can switch to a new pair of jeans.

By introducing this initiative, MUD jeans stimulates the circular economy and transformed the concept of sustainability and waste reduction to a whole other level. They are the first company offering such a leasing service, at least in The Netherlands.

Because MUD jeans' value proposition is quite broad, by offering two products and one service, the target group can also be considered quite broad. They offer the products and service for both women and men. The leasing service and vintage jeans are in proportion cheaper than buying a new jeans. The leasing service and availability of vintage jeans are the perfect solution for consumers with less money to spend on clothes but still want to wear sustainable clothes.

6. **SiiZU**

It could be stated, that SiiZU contains a product content value proposition. Sustainability is integrated as a core value in SiiZU's business practices, from start to finish, which in turn could be indicated as their uniqueness. SiiZU exclusively offers their clothes online and in one store, in order to reduce their carbon footprint on the world that is carried out through their entire supply chain. Therefore, their shipping materials are recyclable and only eco fabrics are used.

Also, ethical manufacturing is integrated in order to guarantee that the factory workers are fairly paid and treated.

Besides the integration of sustainability in their business practices, SiiZU also shows their support for the environment by becoming a partner of the American Forest. By donating money to the American Forest, SiiZU supports the plantation, protection and restoration of both the trees and wildlife.

SiiZU is only targeting women. Their online collection is not quite extensive, but this is in line with the slow fashion principles. The appearance of the clothes is modern basic chic. The designs are not affected by fashion trends but more influenced by timelessness. SiiZU receives two dollar signs, \$\$, by Thegoodtrade.com (2015). This shows, that the clothes are payable but have the tendency to be

expensive. The clothes made of wool and cashmere are more expensive than their clothes made of other materials. Thus, the targeted women are supposed to have good jobs to be able to buy SiiZU's clothes.

7. Everlane

It can be concluded, that Everlane's value proposition is based upon a product content. Everlane is one of the few companies stating that they operate based on transparency. They openly communicate the difference between the real costs of producing their clothes and the markup. The markup reflects the price they sell their clothes for. Their transparency is their uniqueness. They try to convince customers to trust them, trusting them not to have a double agenda. In turn, Everlane is always willing to honestly answer the customers' questions. Besides the transparency as their core value, they operate based on commitment. With every worldwide factory owner Everlane builds a personal relationship. Also, their indoor business culture functions on commitment. Every single decision on every level is being examined in order to challenge the status quo. Another unique aspect of Everlane is that they introduced the concept of "pay what you want sale". On selected sale items online customers can choose what amount of money they want to spend. They can choose between three different amounts. Each amount will be accompanied with an explanation where the money goes. The lowest amount of money will not provide Everlane with profit, it will only cover the cost. The two higher amounts will explain what the amount of profit will be used for.

Everlane's target group consists of both women and men. Thegoodtrade.com (2015) provided them with two dollar signs, \$\$\$. This illustrates, that the clothes are payable but have the tendency to be expensive. Everlane's designs are made to last, the used fine eco materials will last for years. Everlane is not influenced by the latest fashion trends.

8. Krochet Kids International

Considering the fact, that Krochet Kids International (hereafter KKI) produces clothes, their value proposition is based upon a product content. KKI is determined to oppose poverty, which is integrated in their entire business operations. KKI is employing the most vulnerable poor women. By offering these women education, mentoring and training KKI wants to secure these women's future. These women can be indicated as KKI's unique selling point. Customers are connected to the woman who made the specific clothing item. Moreover, one can visit the female artisan's online profile in order to learn more about her. Every product that is made is hand signed by the woman who made it. As a customer, one can feel helpful in improving these artisans' lives.

Moreover KKI introduced a non-profit organization called CAPABLE. This organization helps the poorest by creating business, enlarging their income and transforming their communities. Customers can donate money in order to support their purposes.

KKI is producing clothes for women, men and children. Therefore the

target group is quite broad. The designs of the clothes are basic and simple. Thegoodtrade.com (2015) provided them with one to two dollar signs, \$-\$\$\$. This indicates, that the clothes have normal to cheap prices.

9. **Preza**

It could be concluded, that Preza's value proposition is based upon a product content, since they produce unique luxury sunglasses. Preza wanted to value Brazilian design and local production through a conscious production process and a Fairtrade policy by transforming industrial waste into authentic products with high social impact and a low environmental impact. Their uniqueness reflects the way they produce the sunglasses. These are made of wood waste of the local luxury furniture market in Brazil. Their product is entirely sustainable, from raw materials to other product inputs. The process of making a sunglass is time-consuming and each sunglass receives an identification number and is therefore unique. Preza only works with partners who hold the same sustainable ideology.

The models of the sunglasses are quite unisex, therefore both women and men can wear the sunglasses. Because Preza wants to be exclusive, the prices are quite high. The prices can be compared with those of the top designers.

10. **Eileen Fisher**

Considering the fact, that Eileen Fisher produces clothes, their value proposition is based upon a product content. Eileen Fisher is determined to do business differently. They declare to be sweatshop free and oversee their entire supply chain. Besides, Eileen Fisher supports some local communities in which they are operating.

Even though they produce sustainable clothing, the combination between sustainable clothing and their care for the environment and the local communities is what makes Eileen Fisher unique. Moreover, they stated in their vision, that by 2020 they only want to work with 100% organic linen and cotton fibers, carbon positive operations, no waste facilities and responsible dyes. They state that they have cashmere with a conscious. Compared to other sustainable companies, Eileen Fisher is very precise in their formulation of future sustainable goals. Which in turn can be indicated as a strength.

Eileen Fisher only produces clothes for women and only wants to produce timeless clothes with the best quality of organic fibers. According to Thegoodtrade.com (2015), Eileen Fisher receives three dollar signs, \$\$\$\$. Eileen Fisher produces the most expensive clothes compared to the companies in this study.

11. **Purple Impression**

It could be stated, that Purple Impression contains a product content value proposition, since they produce clothing. Purple Impression's clothing is produced in an unique way. The female artisans who (hand)

make the clothes are granted by Purple Impression by giving every piece of clothing a name with a personal story of the maker. This enables the customer to see who made the clothing item, the stories of the artisan can be found on Purple Impression's blog. They want to bring people together through art and fashion. They state, that they want to create a world of diversity, where values are shared, differences are celebrated in a world where everyone is welcome. Because everyone is different, yet so similar in so many ways. Purple Impression wants to stimulate a pluralistic world. Thus, it could be said that Purple Impression holds a strong believe about the world and is determined to share it with their customers. By caring for the world, they integrate sustainable practices in their entire business. They use, e.g. recycled fabrics, handwork, integrate creative embroidery techniques in order to minimize fabric waste and use eco friendly packaging materials. Moreover, Purple Impression believes in fairness, which is carried out in their support and respect of their workers and provide them with the opportunity to build a secure livelihood. To summarize, Purple Impression holds an ethos of four values: inclusiveness, eco-consciousness, fairness and transparency.

Purple Impression's target group are women. Considering Thegoodtrade.com (2015)'s pricing system, it could be said that Purple Impression receives one to two dollar signs, \$-\$\$\$. Their collection is limited and the designs of the clothes are somewhat different. The designs are characterized by the handmade style, the use of embroidery techniques. It could be said, that this style is what differentiates Purple Impression from others.

12. Orange Fiber

It could be concluded, that Orange Fiber's value proposition is based upon a product content, since they produce fabric in a very unique way. Their fabric is made of wasted citrus juice byproducts. More than 1 million tons of this juice is wasted in Italy, therefore Orange Fiber uses this waste juice by transforming them into cellulose fibers and developing these fibers into innovative fabrics. In turn, these fabrics are used for manufacturing clothes. It could be stated, that Orange Fiber has the most unique way in producing fabric in this study. They transform sustainability and recycling into a whole other level.

4.2. Value network

Each company's value network will be separately described:

1. American Apparel

American Apparel's headquarter is located in Los Angeles, where the collections are designed. Their production is outsourced worldwide. They operate in North and Central America, Asia, Europe and the Caribbean Basin. In total, they employ 4.800 people. As mentioned, American Apparel is sweatshop free, indicating that they are determined to provide a positive work environment for all their employees. All the employees working in their global facilities earn considerably more than

the local minimum industry wages. Besides, most of the facilities provide the employees with valuable benefits, such as subsidized meals, free transport from and to work, 24-hour access to onsite medical clinics and access to financial aid programs. As a result, all these incentives influence the positive impact on the life quality of their employees.

American Apparel launched its first retail store in 2003 in Los Angeles. It is only one year hereafter that they opened retail stores around the world. Besides their actual stores, the clothes can be bought on American Apparel's webshop.

In general, customers are satisfied with American Apparel. For example, on Amazon's customer review service they received 4.4 out of 5 stars. A frequent comment online made by customers is their high sale price.

American Apparel is very active on social media, e.g. Facebook, Twitter, Instagram and Pinterest. Unfortunately they do not have online social media rating systems. As a result, no customers' comments can be found on their social media. However, American Apparel's Youtube channel is very up to date, they continuously upload videos.

2. Edun

Since Edun's primary goal was to increase African employment opportunities, production and welfare, 85% of their production is now produced in Africa. There are 8 factories in Africa producing Edun's clothes. In 2010 Edun received criticism and negative publicity, because the majority of Edun's clothing production was fabricated in China. Only the smaller and simpler garments were made in Africa. Due to this criticism, Edun decided to move their production to Africa. Nowadays, still 15% is produced in America.

Edun's headquarters are located in Dublin and New York where the collections are designed. Until September 2017, Edun was only selling its clothes online. In September 2017, Edun opened its first retail store in New York.

Edun is very active on Instagram but less on the other social media.

3. Gossypium

Gossypium both designs and produces their wear in East Sussex in England. The sustainability reflects the local producing of their wear. Local craftsmen handmade the yoga and active wear. Gossypium's collection is not very extensive, but customers can choose from a wide range of colors. Gossypium's sustainability reflects the use of organic cotton and beechwood fibers. Moreover, they use the unique sustainable Edelweiss technology, which is an environmentally friendly production process. This process is self-sufficient, easy on energy and other resources and creates no waste.

According to Gossypium's website, they state that their "customers are individuals and we offer them an unique, bespoke service by listening to their needs" (Gossypium.co.uk, n.d., p.X). Since Gossypium is a smaller

and local business, they are able to carefully incorporate individual needs. The handmade process enables the makers to make slight alterations. Their bespoke service can be retrieved by online reviews by customers. Gossypium is active on various social media but is the first one in this analysis that included the Facebook rating system. According to their Facebook page, their customers are extremely satisfied with the quality, speed of delivery and the customization of the wear. The latter refers to the fact, that the makers include personalized labels and write a separate “thank you note”. Moreover, if the clothing does not fit properly, Gossypium offers a free alteration service. Out of the 5 stars, Gossypium received 5 stars.

4. People Tree

The designing process starts at People Tree’s headquarter in London. As mentioned, People Tree is the first company that developed an integrated supply chain for organic cotton from farm to final product. Their organic and Fairtrade cotton originates from India. After the Indian cotton is produced, the production process continues and moves up the supply chain to Assisi Garments. This company was originally set up by Franciscan nuns in order to provide employment and training for mute, deaf and economically disadvantaged women. Thus, the clothes are mostly made by Assisi Garments, located in south India. Assisi Garments supports the local community by investing in diverse social projects, e.g. a cancer hospital and an AIDS rehabilitation center. After the clothes are produced in India, they are shipped to the headquarter in London.

People Tree wants to connect their farmers, artisans and producers with their customers. On People Tree’s website customers can meet the makers of the clothing items. The production process is divided into the various production specializations. Besides, People Tree executes a social review. This social review is carried out every two years in order to evaluate the influence of their Fairtrade work. This is measured based upon a questionnaire send out to their worldwide producers. The results provide a means to evaluate and hold People Tree responsible to their producers and customers. People Tree is determined to meet the Fairtrade principles throughout their entire supply chain.

People Tree only offers their clothes through their webshop. There is no physical store. However, People Tree has about 200 wholesale partners in the UK, such as House of Fraser, John Lewis and Asos.com. Their webshop provides their customers with the opportunity to join their exclusive club, Treetop. As a customer joining this club provides one with several benefits, such as exclusive offers & promotions, advance access to sale and sample sales.

5. MUD jeans

Since MUD jeans contains both a product and service content, their design and production processes are composed differently.

Based upon the principles of the circular economy, MUD jeans will remain the ownership of the raw materials. Which in turn is a necessity for their recycling concept.

If a jeans, used by their leasing service, is worn out it is recycled in order to produce new materials. Therefore, the starting point of the design process is recycling. The worn out jeans are sent to the factory in Italy or Spain, the jeans are teared and combined with new organic cotton. As a result, new spun containing recycled denim is created of which new jeans or other clothing items can be produced.

Besides the aforementioned two factories, MUD jeans has factories located in:

- *Tunisia* → 2 factories, one for laundry and stitching of jeans. The other for knitting of jumpers
- *Egypt* → Factory specialized in denim mill
- *Turkey* → Fabric supplier GOTS certified materials
- *Italy* → besides the stitching and yarn out of recycled denim, there is another factory where sweaters are being produced.

Besides the recycling, MUD jeans also upcycles. This illustrates the process of lease jeans being returned after one year and are hereafter sold as a vintage jeans. These jeans are named after the former owner. The leasing service is only offered on MUD jeans' webshop. The vintage jeans and other clothing items can also be bought on the webshop but also in several stores. MUD jeans has stores all over the world, from Iceland to Melbourne.

MUD jeans is very active on social media. They try to convince their customers to share their picture wearing MUD jeans with #mudjeans on their social media. Several pictures of the #mudjeans are used on their website. Besides, MUD jeans integrated reviews of customers on their website. They stated, that customers want to hear other people's experiences before buying. Reading reviews of others can stimulate purchasing behavior. Also, MUD jeans offers a "try at home" service. Because, finding the right fit is difficult, therefore customers can try the jeans at home. If the jeans does not fit, they can send it back to MUD jeans.

6. SiiZU

The basis for designing SiiZU's clothes is to utilize the fabrics to its maximum potential in order to minimize the amount of waste. For the production process SiiZU partners with the most reputable manufacturers in the world. These manufactures are thoroughly scouted before a collaboration is decided upon. Most of the manufacturers are located in Asia, each for another purpose.

In Japan there is an organic cotton supplier and a supplier for eco fabrics. In China is the garment factory located, as well as another eco fabric

supplier. The last Asian factory is located in Mongolia, where sweaters are produced. The collections of SiiZU are produced in the garment factory in Asia and a clothing factory in New York. Many of these manufactures also work for the world's famous luxury fashion designers. Because, SiiZU wants to deliver a high level of craftsmanship and the best quality possible. The clothes are offered on SiiZU's webshop. They also have a store located in New York. One of SiiZU's principles is the direct connection between the brand and the consumer. They do not want to integrate middlemen and wholesale markups.

SiiZU is very active on social media. Moreover, there is the possibility for customers to become a model for SiiZU. On their website there is an application form of modeling for SiiZU.

7. Everlane

Everlane's headquarter is located in San Francisco. At this location the designs for the collections are being made. Just like SiiZU, Everlane partners with reputable manufactures in the world. The factories are spread across the world. The factories are often visited by Everlane in order to create a strong relationship. However, each factory is given a compliance audit to evaluate the factory on different aspects. Examples of these aspects are: wages, work environment and hours of work. The factory in question has to gain at least a score of 90 on the audit, otherwise Everlane does not want to cooperate.

Everlane cooperates based on transparency, which is their core value. Therefore, all their factories are thoroughly presented on their website.

Everlane has both a webshop and two physical stores. One is located in New York and the other one in San Francisco.

8. Krochet Kids International (KKI)

The headquarter of KKI is located in Costa Mesa, California. This is where the designing process takes place. KKI works in unison with their partners in order to break the cycle of poverty. Therefore, the most vulnerable women are selected in Peru and Uganda to produce their clothes. KKI provides life-changing jobs for these women. The women at KKI's facilities in Peru and Uganda are trained in order to develop their skills and themselves. As a result of these women's job opportunities, they are able to care for their family and send their children to higher levels of education. The goal of KKI is the empowerment of these women with resources to rise above poverty. In order to measure the empowerment, KKI developed a monitoring and evaluation system that rates several empowering indicators.

KKI's clothes are only for sale on their webshop. However, there are some retailers in America selling their clothes.

KKI is very active on social media. Just like People Tree wants KKI to connect customers with the makers of their clothes. KKI introduced the #knowwhomadeit, because every product is hand signed by the woman

who made it. Customers can visit the woman's online profile and send her a thank you note. KKI also introduced the rating system on Facebook. They received 4.9 out of the 5 stars. In total 295 reviews are given by customers. Additionally, KKI frequently post videos on their Youtube channel.

9. Preza

Preza is a Brazilian company who is still in their start-up stage. They started a few years ago in a kitchen and it took them two years of developing, designing and testing before they had composed the perfect production process. The first sunglasses were produced in the end of 2014. The production process is based upon the use of wasted luxury industrial wood, called revised wood. Moreover, Preza only includes natural wood, no solvent wood is used. The production process starts with the lamination of the wood and gets cut by a laser in order to derive every raw material. Hereafter, all the raw materials are glued together by hand. This process takes five days.

The sunglasses are only sold on their webshop.

Preza is active on social media and also included the Facebook rating system. They received 4.9 out of the 5 stars. Since Preza is not yet broadly known, there are significantly less reviews given compared to KKI.

10. Eileen Fisher

Eileen Fisher's headquarter is located in New York where the designs of the clothes are being made. In general, 97% of the garments sold are produced outside the US, Eileen Fisher produces 25% of the garments in New York and California. The other 75% are produced worldwide. Eileen Fisher partners with two factories in Los Angeles and five factories in New York. In the future, Eileen Fisher wants to increase those statistics in order to increase domestic production.

Moreover, Eileen Fisher introduced a recycling program in order to reduce fiber and fabric waste. Their customers can "donate" their used Eileen Fisher clothes and receive a \$5 dollar gift card for each item in return. The donated garments are resold and with that money the following funds are granted: support leadership programs for women and girls, women-owned businesses and local communities.

Besides the online webshop, Eileen Fisher has multiple stores in the USA and some worldwide stores.

Eileen Fisher is very active on social media, especially their Youtube channel is thriving. There are various videos uploaded, from how to tie a scarf to meeting the women who make the clothes. Even though other companies also launched a Youtube channel, they are not as consistent as Eileen Fisher (and American Apparel). Which in turn could be indicated as an uniqueness.

11. Purple Impression

Purple Impression's headquarter is located in Fremont, California. Their designing and production process contains specific steps, called ethical stitch. It is a combination of modern design with ancient craftsmanship. The process begins with a sketch, embodying the values of style and comfort. The clothing pieces should be comfortable but flattering on all body types. Furthermore, only natural and astonishing materials are used. Hereafter, the process continues with the cutting process. After the designs are completed, their master tailor cuts them by hand and he delivers the fabric that has to be embroidered. All the clothes are made in small batches and are never mass produced. The pattern experts are located in Dubai and San Francisco. The next step in the process is the design transfer. Purple Impression's master Waheed transfers the designs onto carbon paper and uses the traditional prick and pounce method in order to transfer the pattern and to capture the most complicated details. He is specialized in transferring embroidery design onto fabric. Hereafter, the designs are hand embroidered by the female artisans from Multan or the suburbs of Pakistan. Each clothing item takes two to three days to complete. Purple Impression trains and helps these female artisans in order to deliver the quality standard and the taste of the modern buyer.

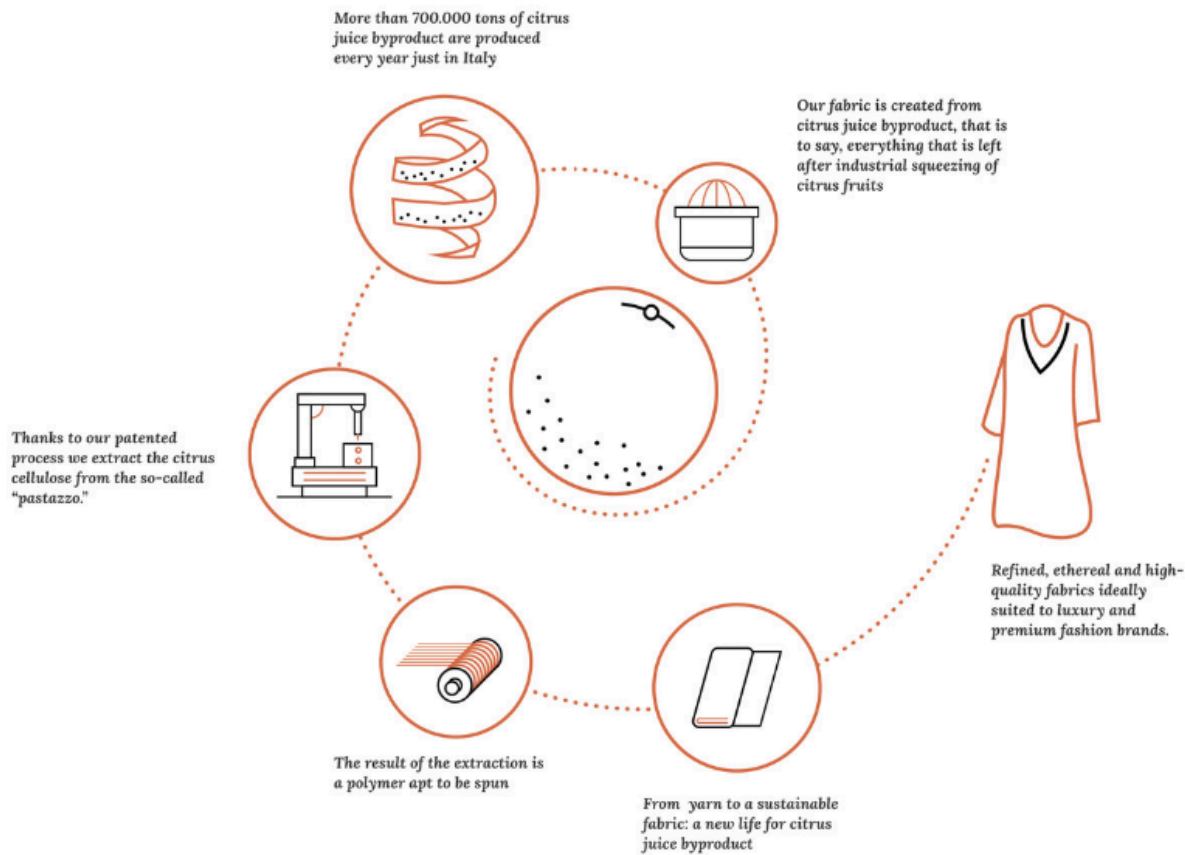
Purple Impression mostly sell their clothes through their webshop. However, there are two boutiques in America that sell their collection. Purple Impression is very active on social media. Just like Eileen Fisher launched Purple Impression a Youtube channel. However, the most recent video is nine months old.

12. Orange Fiber

The operational headquarter of Orange Fiber is located in Catania, Italy. The production process of Orange Fiber is presented in Picture 4.1. Until now, the production process is located in Italy. The production is kept domestically, since the citrus waste is originated from Sicily. On average, the citrus waste in Sicily is about 700 million tons.

Just like Preza, Orange Fiber is still in their start-up stage, they are unable to produce their own collection because they do not have enough resources yet. Until now, they only produce the fabric. However, Salvatore Ferragamo is the first fashion house to employ Orange Fiber fabrics. Salvatore Ferragamo is an Italian luxury shoes and accessories company.

Orange Fiber is very active on social media. They already launched a Facebook, Instagram, Twitter and LinkedIn account.



Picture 4.1. Production process Orange Fiber (Orangefiber.it, n.d.)²

4.3. Revenue and cost model

Each company's revenue and cost model will be separately described:

1. American Apparel

As mentioned, American Apparel's sales prices are not quite expensive (Thegoodtrade.com, 2015). On the contrary, several online comments by customers argued the opposite. American Apparel's revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes.

Unfortunately, based upon financial statements from 2014, American Apparel gained a net income of -\$85,528.000, indicating a loss.

This loss implies that their costs are exceeding their revenues. Several factors could have an influence on their losses, such as bad management, poor customer experiences or decreasing sales.

Moreover, their stakeholders' equity is -\$56,191.000 (Nasdaq.com, n.d.). It could be argued, that American Apparel is facing a stage of financial distress.

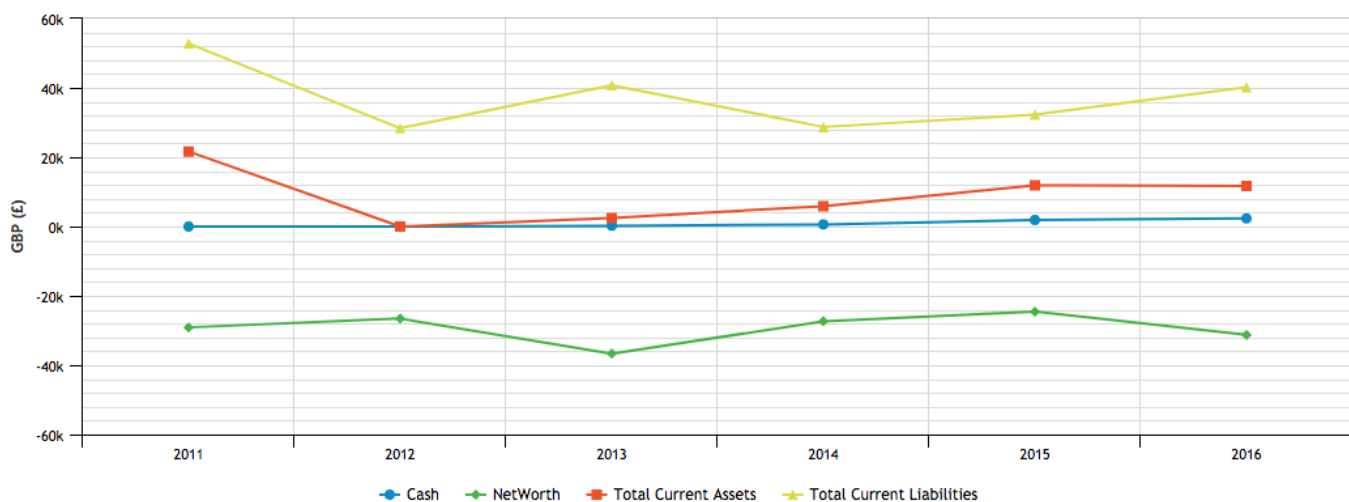
2. Edun

Edun's sales prices are quite expensive. The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes. Unfortunately, no financial information of Edun is available.

3. Gossypium

Considering the fact, that Gossypium's clothes are handmade, the sale prices are not quite expensive. The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes. Since the production is not outsourced and the wear is handmade, which is time consuming, the production costs would be high.

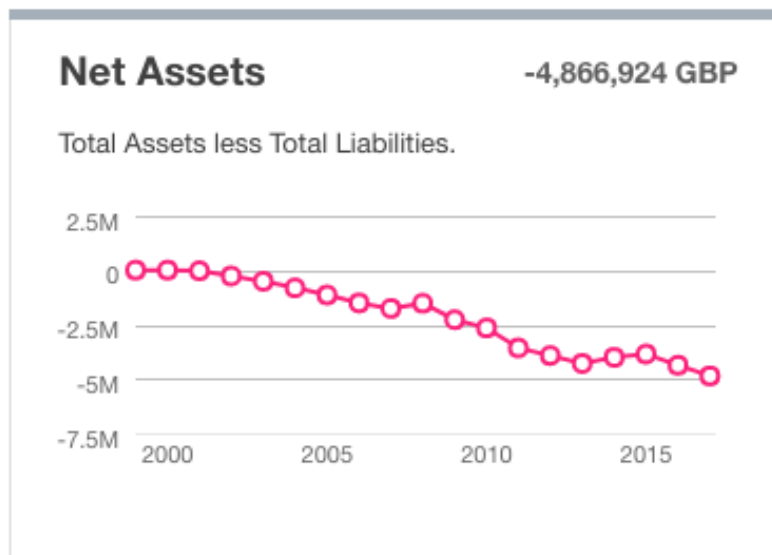
Picture 4.2. presents the current financial information about Gossypium. According to this picture, it could be concluded that the production costs are indeed high. The current liabilities are higher than the current assets. Unfortunately gained Gossypium a negative net worth of £-31,300.000 in 2016. Thus, in 2016 Gossypium owed more than it owned.



Picture 4.2. Financial overview Gossypium 2011-2016 (Companycheck.co.uk, n.d.)

4. People Tree

People Tree received two dollar signs, \$\$, by Thegoodtrade.com (2015). This indicates, that the clothes are payable but have the tendency to be expensive. The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes. The most recent financial information stems from 2014. Where People Tree gained a pre-tax profit of £152,785.000. However, there was a decrease in profit from 2013 to 2014 of 45.5%. The turnover of 2015 was £2,900,000.000. However, the net assets (total assets – total liabilities) is about £-4,900,000.000, see picture 4.3. It could be stated, that People Tree is also facing a period of trouble.



Picture 4.3. Net assets of People Tree 2000-2015 (Duedil.com, n.d.)

5. MUD jeans

Even though MUD jeans offers vintage jeans, sale prices are quite high. However, worn out jeans are recycled, combined with new organic materials and manufactured into new jeans or other clothing items. This entire recycling process is costly, since it is outsourced.

The revenues are solely based upon the amount of sales and the amount of leasing contracts. Whereas, the costs are related to all the shipping costs for the leasing service, and to all the costs related to the recycling and production process of jeans and other clothes. The most recent financial information is from 2015. MUD jeans netto profit of 2015 was €114,460.000. The netto profit increased with 71% from 2014 to 2015.

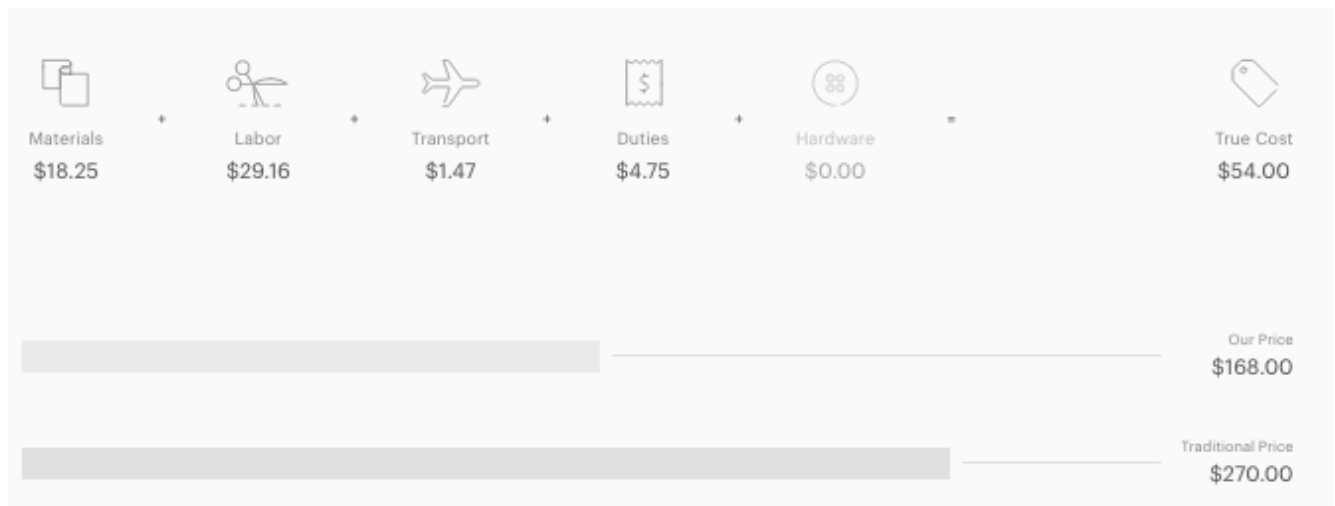
6. SiiZU

SiiZU received two dollar signs, \$\$, by Thegoodtrade.com (2015). This indicates that the clothes are payable, but have the tendency to be expensive. The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes. Unfortunately, there is not information available about SiiZU's financial situation.

7. Everlane

Everlane's core value is transparency, therefore Everlane openly communicates the true costs of producing their clothes and eliminates the traditional markup. Picture 4.4 presents the cost breakdown of a loafer produced by Everlane.

Everlane presents the cost breakdowns of denim, cashmere, jackets and the day market tote. Moreover, they state that on average traditional retailers markup their products 5-6 times. Everlane only 2-3 times.



Picture 4.4. Cost breakdown loafer Everlane (Everlane.com, n.d.)

Everlane received two dollar signs, \$\$, by Thegoodtrade.com (2015). This indicates that the clothes are payable, but have the tendency to be expensive. The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes.

Everlane gained revenue of \$50 million in 2015 and doubled their revenue in 2016, \$100 million. It could be argued, that Everlane is in a very stable and growing stage.

8. Krochet Kids International

Since KKI target group is quite broad (women, men and children), it is smart to offer cheap to normal price, as rated by Thegoodtrade.com (2015). The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes. The most recent income statements of KKI are of the years 2013 and 2014. These statements and can be found in Appendix I. The net profit KKI made in 2014 was \$845,283. Moreover, revenue of products sale increased from 2013 to 2014 with 76% to \$2,157,472. The products sales nearly made up 80% of the total revenue.

9. Preza

Considering the fact, that Preza is still in their start-up face, their sale prices are quite high. As mentioned, the sale prices can be compared to top designer prices. It is assumed that the costs of the raw materials are not quite expensive since the raw materials are wood waste. However, it could be assumed, that the production costs are high since it is a time consuming process. Unfortunately no information is known about Preza's financial situation.

10. Eileen Fisher

As mentioned, the sale prices of Eileen Fisher are the most expensive ones in contrast to the other companies in this analysis.

The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the

clothes. Nowadays, Eileen Fisher gains a revenue of \$350 million.

11. Purple Impression

Considering the fact, that Purple Impression's clothes are handmade, the sale prices are not quite expensive. Thegoodtrade.com (2015)'s price indication was \$-\$\$, which illustrates cheap to normal prices.

The revenues are solely based upon the amount of sales. Whereas, the costs are related to all the costs made in order to be able to produce the clothes. Since Purple Impression holds a very specific and time-consuming design and production process, the related costs could be high. Unfortunately, no financial information about Purple Impression can be found.

12. Orange Fiber

Orange Fiber still is in their start-up phase. They are unable to produce their own clothing collection, until now they only produce the fabric made of the citrus waste. Since their fabric is made of waste, their raw material costs are low. However, the production process is supposedly time consuming. Their start-up budget is between the €500.000 and €1,000,000.

In order to make the differences and similarities between the 12 companies more clear, a recap of the results is presented in a table and can be found in Appendix II.

4.4. Generic business models

Based upon the analysis of the 12 companies, four generic business models can be established divided into: value proposition, value network and revenue & cost model. Table 4.1. presents these four models. The business models are grouped into: sustainable materials, service, transparency and support for the local community. As a result of the analysis, the grouping is based upon similarities between the 12 companies. Even though the 12 companies all contain their unique value proposition, the way in which they execute business is generally the same. These four generic business models enable future entrepreneurs to base or compare their ideas for founding a business to the four generic business models.

Table 4.1. Generic business models

	4 generic business models			
	Sustainable materials	Service	Transparency	Support local community
Value proposition	<ul style="list-style-type: none"> • Clothes • Organic and eco fibers • Fabric created of waste • Timelessness; long lasting quality • Recyclable shipping materials 	<ul style="list-style-type: none"> • Provide clothing lease • Based upon the circular economy → entrepreneur remain owner of raw materials 	<ul style="list-style-type: none"> • Clothes • Value is showing transparent business practices • Sweatshop free • Business culture based on commitment • Meet the makers initiative 	<ul style="list-style-type: none"> • Clothes • Integrate artisans' handwork • Include artisans' personal story • Meet the maker initiative • Sweatshop free • Increase employment opportunities • Establish non-profit or foundation (e.g. People Tree and KKI)
Value network	<ul style="list-style-type: none"> • Develop own cotton production (e.g. People Tree's cotton farm) • Domestic production of waste and/or include local craftsmen • Outsourced production, include foreign artisans or manufactures 	<ul style="list-style-type: none"> • Design process based on recycling • Aftersales service; recycling program for customers • Domestic or outsourced production 	<ul style="list-style-type: none"> • Strict selection of manufacturers, based upon an audit • Relationship management with manufactures • Monitor & evaluation systems of manufactures • Usually, outsourcing of production 	<ul style="list-style-type: none"> • Local foreign production, thus outsourcing • Integrate artisans' handwork • Provide training and education for artisans • Monitor and evaluation systems of artisans • Investment programs
Revenue & cost model	<ul style="list-style-type: none"> • Low material costs in case of waste fabric • Revenue based on sales and related production costs 	<ul style="list-style-type: none"> • Pricing based upon a lease contract • Costs based upon repairing and buying • Revenue based upon the amount of lease contracts 	<ul style="list-style-type: none"> • Honestly present pricing system • No commercial markup • Revenue based on sales and related production costs 	<ul style="list-style-type: none"> • Model based on sale and related production costs • Fair prices for artisans • Revenue based on sales and related production costs
Examples	<ul style="list-style-type: none"> • Gossypium, People Tree, - Orange Fiber, 	<ul style="list-style-type: none"> • MUD jeans & Eileen Fisher 	<ul style="list-style-type: none"> • Everlane, SiiZU, Krochter Kids International 	<ul style="list-style-type: none"> • American Apparel, Edun, - People Tree,

	MUD jeans, SiiZU, Everlane, Preza, Eileen Fisher and Purple Impression			Krochet Kids International, Eileen Fisher, Purple Impression
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5. Analysis

As showed in Table 4.1. at the end of the previous chapter, four generic business models are derived based upon grouped similarities of the 12 analyzed slow fashion companies. Each business model describes its own concept. A difference is made between the concepts of sustainable materials, service, transparency and support for local community. However, which business model results in more success than others?

It could be argued, that based upon the financial situations of the 12 companies, Eileen Fisher, MUD jeans and Krochet Kids International (hereafter KKI) are financially the most successful. It can be noticed, that these three successful companies are grouped into more than one generic business model, as can be seen in Table 4.1. MUD jeans and KKI are grouped into two business models, whereas Eileen Fisher is grouped into three. Therefore, it can be argued that an entrepreneurs' focus should be on more than one business model or business concept. Nowadays, producing clothes made of sustainable materials is not distinguishing enough. There are various slow fashion companies offering the same value proposition. As can be seen in Table 4.1., nine out of the twelve analyzed companies implemented sustainable materials into their production as unique value proposition, which covers the majority of the analyzed companies. Therefore, an entrepreneur should distinguish oneself by integrating sustainability on several levels and focus on more business model concepts. The latter is in accordance with the Triple Bottom Line, which classified sustainability into three perspectives of environmental (planet), economic (profit) and social (people). According to Lamming & Hampson (1996) these three perspectives should be adapted to one another and connect the business practices. Therefore, an entrepreneur should incorporate the following items in their business model:

- Create complete sustainable business practices
Producing clothes of organic fabrics is not distinguishing enough to be able to compete in the slow fashion industry. As an entrepreneur, one has to return something to the environment or the community. For example, American Apparel is sweatshop free and integrated investment programs, Edun's core value is the well-being of the local African community, People Tree introduced the People Tree Foundation, SiZU minimizes their amount of waste, Everlane uses a compliance audit of their factories, Eileen Fisher supports local communities. All the companies in this analysis have the well-being of the environment and the community as a core value intertwined in their business practice, they are not solely about producing clothes.

As a result of this item, the second item is based upon....

- *Integrating an entire sustainable supply chain*
According to Caniato et al. (2012) is designing an entire sustainable supply chain a crucial element in producing products that minimize environmental impact. Thus, in line with their research, it is suggested that entrepreneurs start with creating their own sustainable supply chain. Even though it is difficult for entrepreneurs to find suppliers, an entrepreneur is not only responsible for its own sustainable business practices but also for their suppliers' sustainable business practices, which is also indicated in the research of Caniato et al. (2012), Koplin et al. (2007), Maignan et al. (2002).

Most of the companies in this analysis outsourced their production to African or Asian countries. However, a few of the companies in the analysis specifically stated that they carefully oversee the foreign factories in order to secure their workers' well-being and working conditions. For example, People Tree introduced a social review, Everlane selects their factories based upon a compliance audit and executes relationship management with their manufacturers, Krochet Kids International integrated a monitor and evaluation system and Eileen Fisher oversees and manages their entire supply chain. It is very important for an entrepreneur to have a strict selection procedure for choosing foreign manufactures. In order to oversee these manufacturers, relationship management and an evaluation system should be implemented.

It could also be argued, if outsourcing really stimulates sustainability or not? Even though the foreign factories will be strictly selected and visits from headquarter to the factories will be made, will this be enough to ensure a sustainable work environment? Will the foreign workers be treated fairly subsequent to the visits? Control is more difficult to execute, if there is a great distance between headquarter and factories. In case of domestic production, the production costs would be higher, transport costs will be lower and the factories can be overseen more easily. Would domestic production enlarge sustainability instead of outsourcing?

As mentioned, as an entrepreneur it would be difficult to find proper sustainable suppliers because of the entrepreneur's limited reputation and resources. However, the entrepreneur in turn could become a supplier instead of a clothing producer. Orange Fiber is an excellent example of a starting company not having enough resources to launch its own collection and therefore only producing raw materials. Instead of entering a business-to-consumer market, a business-to-business market could be entered. As an entrepreneur, one can create a large network in the slow fashion industry and gain enough money to be resourceful enough to enter the business-to-consumer market in the future. Thus, would it be beneficial for an entrepreneur to start as a supplier?

- Transparency

In the analysis Everlane is quite unique in their transparency. Contrasting to the fast fashion industry, transparency is essential in the slow fashion industry. In accordance with the research of Siegel et al. (2012), supply chain transparency is an influential approach in order to communicate with one's consumers. Moreover, information transparency can be "obtained through the diffusion of information about product characteristics and price" (Caniato et al., 2012, p.666), for example through the corporate website.

Thus, as an entrepreneur one should be honest about one's markup and should directly connect itself to the consumer, without the inclusion of a middleman. So, it is advisable to start with a webshop only. This is in line with the research of Caniato et al. (2012), they stated that internal costs are an important driver of sustainability and therefore products should be sold to the consumer directly.

Also, an entrepreneur needs to conquer their market position and gain awareness, it would therefore be recommended to be transparent throughout their business practices, because transparency raises trust for customers. It could be argued, that in line with the former item, transparency would be easier if production is not outsourced. Domestic production in turn, eases authority.

The following item will partly refer to transparency....

- Social media

Nowadays social media can not be absent in the success of a business. Consumers are 24/7 online and are information eager. Also, consumers expect to have easy and instant access to product information, which they can use in their purchasing decision (Gargi & Ha-Brookshire, 2011). Consumers are technology shrewd, therefore suggested Pookulangara & Shephard (2013) that slow fashion retailers should carefully watch and use social media. Thus, in line with Pookulangara & Shephard (2013), especially an entrepreneur should be very active on social media. People Tree and Krochet Kids International are the only ones in this analysis who enabled their customers to meet the makers of their clothes. By introducing this initiative, the relationship with the consumer can be strengthened. Because, by showing care as a company for your workers, and thus being *transparent* in the business practices, illustrates reliability. Also, MUD jeans integrated customer reviews onto their website.

As mentioned, consumers are information eager and curious to other consumers' experiences. To honestly and openly post the reviews on one's website, stimulates *transparency*. Krochet Kids International, Gossypium and Preza also included the Facebook rating system and enabled customers to write a review on their Facebook page. Often, consumers rely on other customers' experiences and opinion. Beside the inclusion of the review possibility, it would be advisable to create a Youtube account. By frequently uploading videos of, e.g. meeting the makers and visiting factories, stimulates *transparency* and raises trust.

- Recycling service

Just like MUD jeans and Eileen Fisher enabled the customer to send back their worn clothes. These clothes are in turn donated or recycled. MUD jeans gives the customer a new clothing item, whereas Eileen Fisher provides the customer with a voucher. This initiative ties the consumer to one's company. Customers are very sensitive to rewards or vouchers and this initiative in turn, stimulates sustainability.

It could be argued, that there is no difference in business models for a product or a service based value proposition. There is not much of a diversion between the business model of MUD jeans compared to the other companies that are based upon a product value proposition. The way in which an entrepreneur offers its product or service, manages its supply chain and communicates with its customers, are of essence. Therefore, the aforementioned items are vital and should be implemented in an entrepreneur's business model, regardless of the value proposition.

However, the design phase of a product based value proposition or a service based value proposition differs. The company with a product based value proposition, has to design their product in an unique way. This is probably the hardest task for an entrepreneur. Nowadays, there are so many slow fashion companies, that it is difficult for an entrepreneur to be unique. The value propositions of MUD jeans, Preza and Orange Fiber are all unique and extremely sustainable. Therefore, nowadays it is not enough to just produce organic clothes. However, different aspects should be incorporated in designing a product in order to stimulate uniqueness and sustainability. *Timeless* is an important aspect of a sustainable clothing collection. Since there are approximately two collections a year, it is important that the clothes' designs are enduring and can be worn for years. Therefore, *high quality materials* should be used otherwise they can not last for years.

It can be stated, that it is difficult to compose a conclusion referring to the revenue and cost model of a business model. The costs are dependent upon the production costs and the choices a company makes, regarding outsourcing or domestic production. As mentioned, it is advisable for an entrepreneur to start with a webshop only, in order to reduce costs and gain a lot of awareness through social media, which in turn is free. Word-of-mouth is a strong marketing tool, which can be used on social media in order to influence consumers. In turn, sale prices are also dependent upon raw material costs, production costs, employment costs and so on. However, it could be recommended, that the sale prices should be transparent and honestly represent the markup.

6. Discussion

6.1. Key findings

It could be argued, that the most important key finding in this study indicates the integration of an entire sustainable supply chain for slow fashion entrepreneurial business models. As mentioned, the development of such a sustainable supply chain is in a business model difficult and costly for entrepreneurs to realize. However, both theory and practice support this sustainable supply chain integration in an entrepreneurial business model. Several slow fashion businesses in this study incorporated their supply chain in their business model and proved to be more successful than the others. Thus, the following question can be formulated:

Why is the incorporation of a sustainable supply chain in an entrepreneurial business model successful?

The supply chain can also be interpreted as the companies' network. Based upon this study's developed generic business model, it could be argued that the network has a large influence on entrepreneurial survival and success rates. Since entrepreneurs have limited relations, financial and non-financial resources, support of one's network could strengthen an entrepreneur's market position. A network can influence the entrepreneurial process and results in positive outcomes, as stated by Hoang & Antoncic (2003). The key benefit an entrepreneur gains from its network is the access to its networks' resources, capabilities and skills. Additionally, entrepreneurs gain information and advice from this network (Hoang & Antoncic, 2003). In essence relations with suppliers, distributors and competitors are equally important as conduits of information and know how (Brown & Butler, 1995). Besides, gaining all the aforementioned benefits, an entrepreneurs' network could also enhance entrepreneurial success rates. Start-ups are established among dynamic and uncertain conditions under which the entrepreneurial practices occur. Various stakeholders (e.g. potential investors and employees) seek information that could measure the latent potential of the start-up. In turn, entrepreneurs are looking for legitimacy to decrease this potential perceived risk by associating and by obtaining specific certification from well-recognized organizations (Hoang & Antoncic, 2003). These network linkages could also influence the positive potential of an entrepreneurial start-up.

A general suggestion reflects the fact, that distinctive positioning of actors within a network structure has an important influence on resource flow, and thus entrepreneurial outcomes (Hoang & Antoncic, 2003). It is also said that who the actor is inferior is to its position in the network (Hoang & Antoncic, 2003). The power, reach and effectiveness of a business relates to the connections in their network. Thus, a question remains:

How can an entrepreneur establish such a network if one only has limited resources?

Based upon the theory of the resource based view (hereafter RBV), resources determine a company's competitive advantage because they are firm-specific (Teece et al., 1997). The RBV is an economic tool that is used to determine the strategic resources that are available to a company.

The RBV of a company is aiming to connect assets that meet four criteria defined by Barney (1991) for capabilities and resources that could support long-term competitive advantage. The creation of a business model is dependent upon a company's dynamic capabilities. These dynamic capabilities refer to a company's capabilities to implement, improve and adjust internal skills in order to approach changes in the business environment (Teece, 2017; Teece, 2007, Teece et al., 1997). The strength of a company's dynamic capabilities is of essence in several ways to its capability to preserve long-term profitability (Teece, 2017). Thus, dynamic capabilities reflect an organization's capability to create innovative and new forms of competitive advantage. In line with the RBV, Teece (2017) claimed that "business models, dynamic capabilities and strategy are independent. Through its effect on organization design, a business model influences the firm's dynamic capabilities and places bounds on the feasibility on particular strategies" (p.1).

However, it could be a profitable solution if an entrepreneurial venture would initiate a strategic alliance with another company. Of course a choice has to be made if the entrepreneur wants to cooperate with another entrepreneurial venture or with a business that already proved to be successful. The advantage of the latter is the established large network and resources. Of course, the basis of any alliance would be the alignment of sustainable values. In essence should a strategic alliance partner for an entrepreneurial slow fashion venture also be based upon the concept of cradle-to-cradle.

It could be stated, that the entrepreneurial survival chances would increase in case of an alliance. The entrepreneur will gain access to its alliance's resources and network and will in turn strengthen its market position and profitability. Which is in agreement with the research of Todeschini et al. (2017) and Beh et al. (2016). Both studies stated that sharing knowledge and competencies can contain a considerable decline in related costs and can improve market performance (Todeschini et al., 2017; Beh et al., 2016). An alliance will enable the entrepreneur to become more distinctive as a result of the shared network and resources and will in turn create competitive advantage. Thus, it would be easier for an entrepreneur to start and alliance than to create a sustainable supply chain on its own. As mentioned in the analysis, the entrepreneur also has to decide if the production is outsourced or domestically produced. But this choice would partly be dependent upon the alliance's network.

6.2. Limitations

The first limitation refers to the availability of the companies' financial information. There was only financial information available on 6 of the 12 analyzed companies. Furthermore, the available information of the 6 companies was not recent for every company. Some companies' financial statements were dated from 2015. These were the most recent ones and had to be used.

The second limitation indicates the amount of analyzed companies. This study only analyzed 12 companies, which are part of a very large industry. Even

though not so many companies were analyzed, determining which companies were to be analyzed was done in a very strict way. There was a specific choice to select companies that are located around the world. The companies originated from Europe, America and South America. However, the fact remains that only 12 companies were analyzed.

The third and last limitation refers to the researcher's subjectivity. If other researchers would have executed this study, other companies probably had been chosen, the secondary data would be interpreted differently resulting in other outcomes. Furthermore, this study used secondary data and did not collect its own quantitative or qualitative data. The fact that secondary data is used could also indicate a limitation, because of its availability (as was the case with the financial information). Moreover, the analysis of secondary data is always dependent upon one's subjectivity and interpretation.

6.3. Managerial implications

There are several managerial implications, starting with:

- **Start an entrepreneurial venture**

The outcomes of this study are practically relevant for entrepreneurs who want to develop their sustainable start-up in the slow fashion industry. Entrepreneurs can use the results in order to decide how to structure their business. They can implement the outcomes found in their business model and consider the possibilities. It would be wise not to limit themselves to just one business model, but to implement the aforementioned items and broaden their business practices.

- **Create a sustainable supply chain**

Entrepreneurs should also explore the possibility of creating an entire sustainable supply chain. As mentioned, it could be difficult for entrepreneurs to find suppliers willing to cooperate since entrepreneurs do not have a reputation yet. It would also be a possibility to start in the business-to-business market and start as a supplier of raw materials, just like Orange Fiber. This way, an entrepreneur can create a network, a reputation, awareness and gain financial resources. In the future, one can change of markets and enter the business-to-consumer market. It would be an advantage if the entrepreneur in question can supply its own raw materials.

- **Service content value proposition**

Another possibility for entrepreneurs is not to start with a product content value proposition, but a service content value proposition. The service content business model was one of the four created generic business models, presented at the end of chapter 4. According to Todeschini et al. (2017), service based business models are business opportunities for the future. An entrepreneur should create an unique service based value proposition, just like MUD jeans.

MUD jeans original value proposition was jeans leasing, later they added the vintage jeans, recycling and creating of jeans.

6.4. Future research

Based upon this study's results and limitations, several future research suggestions will be made in order to increase the knowledge about entrepreneurial sustainable business models in slow fashion.

As mentioned, not all the analyzed companies (of which the financial information was known) are profitable. Some of them are in a situation of financial distress, while others like Eileen Fisher, MUD jeans and Krochet Kids International are performing well. As mentioned, their broad oriented sustainable business practices reflect their strength. However, other factors would probably influence the fact that the other companies are performing less. Future research could examine these influencing factors resulting in a situation of financial distress.

As indicated in the discussion, several companies outsourced their sustainable production process while others kept it locally or domestically. As argued, both production processes have their pros and cons. However, which production process is more sustainable in terms of transparency, waste, emissions and work environment? Future research could make a distinction between outsourcing the sustainable production process, or to keep the sustainable production process domestically? Which production process is easier to oversee and to execute authority? Which is in turn in line with the concept of transparency.

As mentioned, there is an opportunity for entrepreneurs to start as a supplier and enter the business-to-business market instead of starting as a producer in the business-to-consumer market. Future research could examine the rates of success for starting as a raw material supplier and grow out to be a clothing producer. Moreover, future research could indicate how an entrepreneur could compete based upon a business model in the business-to-business market. Referring to the assumption that there is in fact a difference in business models between the business-to-business market and the business-to-consumer market.

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Appendices

Appendix I – Income statements Krochet Kids Int

STATEMENT OF FINANCIAL POSITION	2013	2014
ASSETS		
CURRENT ASSETS		
Cash	251,695	513,457
Accounts Receivable	176,244	171,591
Inventory	548,667	1,038,194
Fixed Assets	7,881	1,633
TOTAL ASSETS	984,487	1,724,905
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
Accounts Payable	101,103	122,813
Line of Credit Payable	0	500,000
Long term Loan	0	250,000
Other Current Liabilities	40,974	6,808
Equity	842,410	845,284
TOTAL LIABILITIES & EQUITY	984,487	1,724,905
STATEMENT OF ACTIVITIES	2013	2014
INCOME		
Product Sales	1,804,403 87%	2,157,472 76%
Donations	128,091 6%	503,170 18%
Direct Support	172,796 8%	156,137 6%
Other Income	38,281 2%	19,225 1%
TOTAL INCOME	2,143,571	2,836,004
EXPENSE		
Uganda Program Operations	358,279 14%	285,653 10%
Peru Program Operations	316,465 13%	375,080 13%
Beneficiary Wages/Production	632,028 25%	1,050,327 37%
Product Distribution US	686,105 27%	812,711 29%
Capital Investment (into Peru, Cuz and Sew Program)	205,246 8%	0 0%
TOTAL PROGRAM EXPENSE	2,198,123 88%	2,523,771 89%
Administration	280,004 11%	273,274 9%
Fundraising	26,528 1%	66,086 2%
TOTAL EXPENSE	2,504,655	2,833,131
Change in Net Assets	(361,084)	2,873
Net Assets at Beginning of Year	1,203,494	842,410
Net Assets at End of Year	842,410	845,283

Appendix II – Recap results analysis

Company	Value proposition	Value network	Revenue & cost model
American Apparel	<ul style="list-style-type: none"> Product content Biotop Sweatshop free Investment programs Broad target group Basics 	<ul style="list-style-type: none"> Design process in headquarter LA Production is outsourced to North and Central America, Asia, Europa and the Caribbean Basin 48.000 employees worldwide Creation of positive work environment Worldwide stores and a webshop Active on social media: -Youtube channel 	<ul style="list-style-type: none"> Based on sales and related costs Normal sale prices; Thegoodtrade (2015) = \$ Negative net income; operate based on loss and negative stakeholders' equity <p style="text-align: center;">↓</p> <ul style="list-style-type: none"> Stage of financial distress
Edun	<ul style="list-style-type: none"> Product content Primary goal increasing African employment opportunities, production & welfare Connection with Africa is intertwined in the entire company Core value is the well-being of the local African community Target group is women Fashionable 	<ul style="list-style-type: none"> 85% of the clothing collections are produced in Africa Headquarters are in Dublin and New York Designs are created in the headquarters Webshop and, since September 2017 an physical store in New York. 	<ul style="list-style-type: none"> Based on sales and related costs Expensive sale prices
Gossypium	<ul style="list-style-type: none"> Product content Produced in cooperation with fitness instructors and yoga teachers The latest ecotechnological fibers, with long lasting quality Target group is both women and men 	<ul style="list-style-type: none"> Headquarter, design and production in England Local craftsmen Handwork → one piece at the time Edelweis technology Small collection, personalization Webshop only Bespoke service 	<ul style="list-style-type: none"> Based on sales and related costs Sale prices are normal Negative net worth <p style="text-align: center;">↓</p> <ul style="list-style-type: none"> Current liabilities are higher than current assets.

People Tree	<ul style="list-style-type: none"> • Product content • Developed the first integrated supply chain from cotton farm to final product • Pioneer in sustainable fashion • Several accreditations • Using and renewing sustainable production methods • Organic materials and artisans' handwork • People Tree Foundation • Target group women (mothers) 	<ul style="list-style-type: none"> • Design process in London • Majority of the production located in India • Artisans' handwork included • Meet the makers initiative • Social Review • Webshop only and wholesale partners • Exclusive club, Treetop 	<ul style="list-style-type: none"> • Based on sales and related costs • Sale prices are normal • Negative net assets 2015 • Period of trouble
MUD jeans	<ul style="list-style-type: none"> • Product content of vintage jeans and new clothing made of recycled materials • Service content of "leasing a jeans" • Circular economy → ownership of raw materials • Target group of women and men 	<ul style="list-style-type: none"> • Design process based on recycling. Outsourced to factories in Italy and Spain • Production processes are outsourced to Italy, Egypt, Tunisia and Turkey • Upcycling • #mudjeans • Customer reviews • Try at home service 	<ul style="list-style-type: none"> • Revenue based on sales of vintage, lease and recycled new jeans. • Cost are related to sales • Vintage sale prices are high • 2015 netto profit €114,460.000 • Increase of 71% in netto profit between 2014 and 2015
SiiZU	<ul style="list-style-type: none"> • Product content • Sustainability as core value • Eco fabrics • Recyclable shipping materials • Ethical manufacturing • Partner of American Forest • Target group is 	<ul style="list-style-type: none"> • Design process: utilizing the fabrics to its maximum potential in order to minimize the amount of waste • Manufactures are located in Asia and America • Webshop and one physical store 	<ul style="list-style-type: none"> • Based on sales and related costs • Normal to expensive sale prices; Thegoodtrade (2015) = \$\$ • No information available about SiiZU's financial situation

	women	<ul style="list-style-type: none"> • Direct connection to customers. No middlemen and no wholesale markup • Become a SiiZU model 	
Everlane	<ul style="list-style-type: none"> • Product content • Core value is transparency • Business culture based on commitment • Designs are not influenced by the latest fashion. • Clothes are timeless • Eco materials • Initiative “pay what you want sale” • Target group are both women and men 	<ul style="list-style-type: none"> • Design process at headquarter San Francisco • Production process outsourced worldwide • Manufacturers are selected through a compliance audit • Strong relationships with manufacturers • Webshop and 2 physical stores • Active on various social media 	<ul style="list-style-type: none"> • Based on sales and related costs • Normal to expensive sale prices; Thegoodtrade (2015) = \$\$ • No traditional markup
Krochet Kids International	<ul style="list-style-type: none"> • Product content • Core concept: break the cycle of poverty • Empowering women • Basic clothing • Broad target group • Non-profit CAPABLE 	<ul style="list-style-type: none"> • Design process in America • Production process in Uganda & Peru • Monitor & evaluation system • Webshop • Active on social media: #knowwhomadeit Facebook rating 	<ul style="list-style-type: none"> • Based on sales and related costs • Normal to cheap sale prices; Thegoodtrade (2015) = \$-\$\$ • Net profit 2014 \$845,283.000 • 2013-2014 products sale increased with 76%
Preza	<ul style="list-style-type: none"> • Product content • Unique luxury sunglasses with identification number • Value Brazilian design and local production • Wood waste • Exclusivity • Target group unisex 	<ul style="list-style-type: none"> • Both design and production located in Brasil • Time consuming production process • Unique production process • Webshop only • Active on Facebook, rating system 	<ul style="list-style-type: none"> • Based on sales and related costs • Expensive prices, related to top designers prices • No information available about Preza’s financial situation • Assumed: low raw material costs, high production costs
Eileen Fisher	<ul style="list-style-type: none"> • Product content • Do business differently: -Sweatshop free -Oversee supply 	<ul style="list-style-type: none"> • Headquarter in New York • 25% domestic production of garments 	<ul style="list-style-type: none"> • Based on sales and related costs • Most expensive in sale prices; Thegoodtrade

	<ul style="list-style-type: none"> chain • Organic fibers • Support local communities • Clear formulation future sustainable goals • Target group women only • Timeless 	<ul style="list-style-type: none"> • Worldwide supply chain • Recycle program • Webshop and various worldwide stores • Active on social media → Youtube channel 	<ul style="list-style-type: none"> • (2015) = \$\$\$ Revenue \$350 million
Purple Impression	<ul style="list-style-type: none"> • Product content • Handwork • Each clothing item contains a personal story: Blog • Entirely sustainable business practices • Stimulate a pluralistic world • Fairness • Target group is women • Collections are a combination of modern design with ancient craftsmanship • Limited collections 	<ul style="list-style-type: none"> • Headquarter in Fremont • Design and production process: sketch, cutting, design transfer and hand embroidery • Pattern experts from Dubai & San Francisco • Female artisans from Pakistan • Most sales through webshop • Active on social media 	<ul style="list-style-type: none"> • Based on sales and related costs • Normal sale prices; Thegoodtrade (2015) = \$-\$\$ • No information available about Purple Impression's financial situation
Orange Fiber	<ul style="list-style-type: none"> • Product content • Fabric produced out of citrus waste • Patent on technology • Most unique and sustainable • Start-up phase 	<ul style="list-style-type: none"> • Operational headquarter and production process in Sicily • Salvatore Ferragamo employs Orange Fiber • No own collection • Active on social media 	<ul style="list-style-type: none"> • Low costs raw materials • Time consuming, costly production process • Start-up budget €500.000-€1,000.000