Fashion in Portugal

Olivia Young – Geography 451

May 3, 2019

INTRODUCTION

The fashion cluster in Portugal mainly revolves around the production and sale of textiles, apparel, and footwear. Despite what Portugal is vehemently advertising, haute couture is not one of the main products being sought from the country. Fast fashion, on the other hand, is a substantial piece of the fashion cluster's economic puzzle. It is imperative that the fashion cluster strives to produce exports that are in demand on wider global markets—such as leather footwear and fast fashion products—because they are bought in much higher volume when they appeal to global citizens. It is also important that clusters strive to produce exports that are in demand on wider global markets because it means they are not solely reliant on local or regional markets. In the case of textiles in Portugal, the product is exported all over the world, not just to the surrounding area. While it is important that the fashion cluster follows trends to continue to produce exports that are in demand on wider global markets, it is also important for the cluster to compete within itself so as to drive innovation amongst its designers and manufacturers across the global market.

PROFILE OF PORTUGUESE DESIGNERS AND FASHION

The fashion cluster in Portugal did not truly exist until the 1980s. At this point, new design schools and fashion events were opened, and a class of designers who are still around today stepped out. Some of these designers include Anabela Baldaque, who's enjoyed a three-decade-long career, opened a store in 2014, and closed it by 2017; Alves e Gonçsalves, who pride themselves on their three decades of dressing society women; Luis Buchinho, who just


Figure 1: Fátima Lopes modeling her $1 million bikini.

celebrated his 25th anniversary of fashion design; Filipe Faísca, who has done wardrobes for films and staff uniforms for top hotels and restaurants in Portugal; Mafalda Fonseca; João Melo Costa; Diogo Miranda; and Fátima Lopes—perhaps the most renowned—who was the first Portuguese designer to present in Paris Fashion Week, designer of the world's most expensive swimsuit (Figure 1), creator of the official uniforms for the 2006 World Cup team, winner of the Comendadora da Ordem do Infante Dom Henrique Award for expanding Portuguese culture, and designer of jewelry, eyewear, houseware, textiles, fragrance, and shoes ("Fatima Lopes"). The problem is that these designers are aging, and not many new names are coming out of the cluster. As for younger designers, such as Felipe Oliveira Baptista, the Portugese pride is less apparent. In the case of Baptista, he was trained in London and now lives in Paris as the creative director of Lacoste. This phenomenon of talented young workers leaving their home country is known as human capital flight. While there is a clear effort to draw interest in Portuguese fashion, such as the launch of *Vogue Portugal* in 2002 and re-launch in 2017, many designers say it is difficult to compete internationally due to other designers getting assistance from their governments while Portuguese designers do not (Eytan).

STRENGTHS

The main strengths of the fashion cluster in Portugal revolve around the production of designer footwear and fast fashion products. Designer brands such as Prada and Gucci have long used the labor force in Portugal to produce their leather shoes (Vale and Caldeira). In northern Portugal, where the factories are clustered, the labor is cheap compared to other western European countries and the workforce is skilled in producing high-quality goods. Another strength of the fashion cluster is that with the rise in tourism in Portugal, the number of high-fashion stores being sustained is increasing. In July 2017, 7.1 million people visited Lisbon ("Spain and Portugal"). With the rise in sales, there has also been an increase in new designers taking the risk of opening storefronts. While these strengths are local to Portugal, globally the production of fast fashion has skyrocketed. The shortened product life cycle of clothing sold at stores such as Zara, Forever 21, and H&M has shown increased success in meeting consumer preferences. This is due to the fast turnover rate: unlike traditional fashion—where goods take several months to go from fashion show to shelves—fast fashion takes mere weeks to go from design to production to sold out.

While there is not a large assembly of designers in Portugal, the few who have established names for themselves attempt to bring more popularity to the industry. This could be considered a strength in the case of designers who have their designs featured in fashion weeks across Europe, allowing Portuguese fashion to be showcased to a broader audience. If these designs and clothing were distributed widely, in the future the Portuguese fashion industry would be a hotspot for manufacturing their own designs instead of Spanish designs.

WEAKNESSES

While there are several strengths in the Portuguese fashion cluster, there are also a few weaknesses. For example, the country is still coming back from the worldwide recession only a decade ago (Marques et al). Portugal was hit particularly hard out of the rest of the European countries due to its low average income. Additionally, there are not a large number of designers in Portugal, due to both an aging population of designers and human capital flight. In general, Portuguese design is not understood or accepted by the rest of Europe, making it difficult to market their high-fashion designs at the same price point as other designers' (Vale and Caldeira 61). The fashion industry as a whole lags behind the robust textile industry of the country.

OPPORTUNITIES

The fashion cluster's opportunities for global connectivity lie in the continuing popularity of fast fashion and the status of European Union member nation. With the rise of popularity of fast fashion retailers such as Zara, Portugal has an advantage of cheap labor (compared to other western European countries and the United States) and skilled workers that are able to make high-quality products (Tokatli 21). Additionally, as a member of the EU, Portugal enjoys strong competition amongst other members, the removal of trade barriers, and reduced business costs. The opportunities for Portuguese fashion designers remain slim until Portuguese designs gain more popularity in the world market. In the case that Portuguese design did gain popularity, the external opportunities for global connectivity are widespread given Portugal's position on the Atlantic Ocean.

THREATS

The external threats to the cluster essentially boil down to the possibility of other places having cheaper or more skilled labor. Other workforces, particularly those in Asia, are becoming increasingly skilled in the production of high-quality clothing (Cardoso et al). This is a threat to Portugal's fashion cluster because less clothing will be made there, forcing the country to import more clothing that they were previously exporting. A smaller threat that the cluster faces is the rising prominence of veganism, which generally does not allow for leather shoes to be worn. This would impact the cluster because leather footwear is a large export for Portugal.

The external threats to the cluster in terms of fashion designers are minimal. At present, the government does not support the designers as other countries' do, and Portuguese designs are not popular outside of Portugal, so there are not external threats vis-à-vis its role in global economic networks.

PORTER'S COMPETITIVE ADVANTAGE

Porter's Competitive Advantage addresses the necessities of an industry to achieve success in competition, both globally and locally. In terms of the fashion cluster in Portugal, the demand conditions that need to be concentrated on the most are discriminating customers and how the cluster can be internationalized. As previously stated, the designs of Portuguese designers are not widely accepted by the discriminating customers outside of Portugal. However, the clothing manufactured in Portugal is praised for its high quality. The fashion cluster is already known in Europe for its manufacturing, but it could be further internationalized by reaching out to clothing markets in the United States, Canada, and other discriminating markets. The factor conditions of the cluster are predominantly related to human capital and location. The skilled labor force that manufactures clothing in Portugal is where the majority of their human capital is concentrated. As far as location goes, Portugal has an advantage as it is on the coast of the Atlantic Ocean and still connected to Europe. This allows them to be a member of the European Union and also ship directly from their shore. In terms of related and supporting industries, there is not much competition in fashion design to drive innovation, but the manufacturing firms are competitive with each other.

CONCLUSION

As a whole, the fashion cluster in Portugal revolves mainly around footwear, fast fashion, and cheap labor. At fast fashion companies such as Zara, products only take four weeks from being designed to being sold on the shelf. This shortened product life cycle equates to increased success in meeting consumer preferences. Compared to traditional fashion companies where it may take months from design to production to being sold on the shelf, fast fashion companies are constantly scouting consumer trends to see what will sell then producing similar products within weeks. Because Portugal is a large producer of Zara's products, they export a high volume of clothing, but do not produce a high volume of Portuguese-designed clothes in their cluster. Fashion design is not a large proponent of the Portuguese fashion cluster, despite the designers' best efforts. There is the possibility that Portuguese fashion design becomes more popular, as the industry is still young, but it is currently unlikely as the country is still focused on manufacturing.

SWOT MATRIX

STRENGTHS • Designer footwear • Fast fashion production • Cheap labor • Tourism increasing sales • English language • Accessible from Europe	WEAKNESSES • Small amount of designers • Still returning from recent recessions • Designer population is aging • Human capital flight
OPPORTUNITIES • Member of the EU • Rising popularity of fast fashion • Utilization of Internet marketing to reach global audience	THREATS • Can't always be the cheapest source of labor • Other workforces becoming skilled in similar complex production

WORKS CITED

AICEP Agência para o Investimento e Comércio Externo de Portugal. (n.d.). Retrieved March 13, 2019, from http://portugalglobal.pt/EN/SourceFromPortugal/prominent-clusters/fashion/Pages/fashion.aspx

Cardoso, P. R., Costa, H. S., & Novais, L. A. (2010). Fashion consumer profiles in the Portuguese market: Involvement, innovativeness, self-expression and impulsiveness as segmentation criteria. *International Journal of Consumer Studies,34*(6), 638-647. doi:10.1111/j.1470-6431.2010.00891.x

Eytan, Declan. "Is Portugal the Next Fashion Capital of the World?" *Forbes*, Forbes Magazine, 17 July 2018, www.forbes.com/sites/declaneytan/2018/07/17/portugal-has-never-been-more-in-fashion-but-is-it-enough-to-receive-fashion-capital-credits/#2bc615e46ba0.

"Fatima Lopes." Fátima Lopes, www.fatimalopes.com/bio/.

"Made in Portugal." *Future Positive*, 12 July 2017, www.thefuturepositive.com/blog/made-in-portugal/.

Marques, A. D., Guedes, G., & Ferreira, F. (2017). Competitive strategies in fashion industries: Portuguese footwear industry. *IOP Conference Series: Materials Science and Engineering,254*. doi:10.1088/1757-899x/254/20/202006

"Riopele." *Riopele*, 2019, www.riopele.pt/commitment.

"Spain and Portugal Reboot the Iberian Fashion Market." The Business of Fashion, 24 Jan. 2018, www.businessoffashion.com/articles/global-currents/spain-and-portugal-reboot-the-iberian-fashion-market.

Tokatli, N. (2007). Global sourcing: Insights from the global clothing industry the case of Zara, a fast fashion retailer. *Journal of Economic Geography,8*(1), 21-38. doi:10.1093/jeg/lbm035

Vale, M., & Caldeira, J. (2008). Fashion And The Governance Of Knowledge In A Traditional Industry: The Case Of The Footwear Sectoral Innovation System In The Northern Region Of Portugal. *Economics of Innovation and New Technology,17*(1-2), 61-78. doi:10.1080/10438590701279318

Vale, M., & Caldeira, J. (2007). Proximity and Knowledge Governance in Localized Production Systems: The Footwear Industry in the North Region of Portugal. *European Planning Studies,15*(4), 531-548. doi:10.1080/09654310601134854