Made in Italy

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- The nation brand of Italian fashion
Abstract

This paper investigates how professionals within the Italian fashion industry collaborate and communicate to develop the nation brand Made in Italy. The problem of brand confusion, which occurs when the different parties within a nation does not cooperate towards a distinct brand message, is analysed. Based on a theoretical review of previous studies in nation branding, interviews and observations in the area of Florence and a desk study of scientific papers, articles and literature, the model “The Nation Brand Tree” was developed. This was applied to the case of Made in Italy. Conclusions: The certification “100% Made in Italy” was proven to be an ineffective solution of saving the Italian heritage of craftsmanship and quality. The Italian nation brand is currently being preserved by private investors, but there is a need for increased governmental support to create a stronger and unified nation brand for Made in Italy.

Key words
Italian fashion industry, Made in Italy, Nation branding, Craftsmanship, Delocalisation, Griffe, Country-of-Origin, Starlight Effect, Made in
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1. Introduction

This thesis is a descriptive study of the Italian fashion industry, which is stated in a stigmatising situation where they are trying to save their heritage of a strong and desirable fashion industry through their nation brand; Made in Italy.

1.1. Problem Background

The brand Made in Italy is connected to the ready-to-wear approach of the 80’s and the opportunities of commerce in Milan (Segre, 2005). Furthermore, Made in Italy stand for the tradition of craftsmanship, and involuntary, it is a brand represented in the labels of a gray market, made by the Chinese fast fashion producers in Italy. Since the brand has become broad and confused, there have recently been many marketing attempts to save the Made in Italy brand such as the labels “Italy made”, “Italian Concept” and “100 % Made in Italy”. The attempts have mainly concerned the Italian heritage and identity, Segre (2005) suggests that history has a distinctive role when it comes to fashion branding strategies. The competitive French fashion industry is based on successful fashion houses that comes from a long history of Haute Couture (high fashion). The Haute Couture lines are strictly controlled by the Chambre Syndicale in Paris and basically means that the pieces to be made should be constructed in Paris, made to order by talented craftsmen. The honorary to traditions are one of the strongest reasons to why the French fashion industry is succeeding regardless of globalisation and economic crises (Mihalovich, 2009). Segre (2005) emphasises that there is a need for further research in the fields of what actions the Italian fashion industry have to take in the future to reclaim its status, thus this topic will be the main focus for the study.

Pike (2009) suggests that national stereotypes are something that can infuse a perception of a brand. “Country-of-origin” and “Made in” are therefore connected to the consumer perceptions of the different capabilities and reputations. According to Lin & Kao (2004), the country of production affects the consumers perception of quality and price in products and services. Moreover Van Ham (2001) explains that “Made in the USA” stands for individual freedom and prosperity, that Hermes scarves evoke the French “art de vivre” and German people the sense of efficiency, strong values connected to geographical places. A brand could have a direct connection to a geographic location such as British Airways or an indirect like the Italian brand Lamborghini. Pike (2009) questions on what degree of ownership places can have on a brand. When Burberry e.g. outsourced a factory from Wales to China, the britishness was trying to be saved through a “Keep Burberry British” campaign. Still, they kept producing their famous trench coat in Britain. This is an example of how the internationalisation and movement of labour, delocalisation, has made it more complex to define geographical branding today (Pike 2009).

Cutrini (2011) claims that long distance delocalisation, especially to China, has been increasing the past decade. The motivation for this is usually to reach the low-wage countries and engage in the “cost competitiveness syndrome”. Cutrini (2011) suggests that this is a short-term reaction due to current macroeconomic trends in the European market. To restore industrial districts innovation and education is essential for developing both the internal and external environment. According to Cutrini (2011) it is also important to evaluate the loss of employment in the production functions, when the young educated generation are uninterested in such activities and rather want to work with complementary intangible activities. This statement will be examined in the case study, due to the
importance of preserving valuable know-how within the fashion business. Furthermore Cutrini (2011) claims that the firms tending to survive economic crises, are usually larger firms, which is why it is interesting to study how small firms can succeed through collaborations using cluster branding. Porter (2000) emphasises that clusters can be a way to organise the economic development, since it gives insight into the productive potential of an economy. Also, sustainable competitive advantages are usually found locally, even in a global economy. On the other hand researchers such as Srinivasan et al. (2004) claim that it is increasingly important to be able to shift operations to areas of the world where the costs are minimised and the investors returns are maximized.

According to Mihailovich (2006) small businesses, activities and people of a country form the nation brand together. The specialities of the country need to be preserved in order to maintain the right values of the nation brand. The concept of griffe, which is a central concept in the theoretic framework of the study, works as a testimony of that each seed within the nation brand is the most knowledgeable in their area of expertise and produces products and services of the highest quality (Mihailovich, 2009). Pursuing nation branding has increased as a differentiation strategy to be unique at the global market. Despite this, Mihailovich (2006) emphasises that nation branding should not be seen as the Olympic Games. It is only a valuable branding strategy when it really gives added value. Regarding the management of the nation brand, the main focus lies within keeping a clear message and thus avoid brand confusion (Kocyigit & Ringle, 2011). Fan (2010) agrees that the challenge in nation branding is to communicate one single message. Still, one slogan cannot sell everything to everyone. Therefore, Fan (2010) suggests that nation branding should be conceptualised to receive more meaningful and practical tools.

In this research we wish to examine the changed geography of production and the brand confusion this can evoke. The research should be regarded as an insight on the globalisation of nation branding, through the case of an industrial district and the current fashion business in Italy.

1.2. Problem discussion and purpose

Through the case of the Italian fashion industry, the goal of the thesis is to understand how a country can use nation branding strategies to differentiate themselves in the globalised market and thus grow economically stronger. We regard the Italian fashion export as an important asset with great potential for economic growth to increase the current financial situation, which is why we chose to do a case study of the Italian fashion industry.

The aim of the thesis is to make a descriptive study of the Italian fashion industry and examine the current significance of the Made in Italy brand. Primarily we want to find out how the management of Italy, the government and trade organisations, and the manufacturing part of the industry collaborate to develop the brand Made in Italy in the fashion sector. The thesis will conclude in a discussion of whether there is a brand confusion or not, both looking at internal and external factors. Further the thesis will study the dilemma if the certification “100% Made in Italy” could be a valuable strategy to support the development of the Italian fashion export or if Italian manufacturers disagree. We also want to find out if it is even possible for the Italian manufacturers to meet the requirements of the certification “100 % Made in Italy”. Through developing our own theoretical model we wish
to find future prospects and strategies to preserve the uniqueness, the griffe, of the Italian fashion industry, in purpose of keeping their nation brand competitive.

A nation brand is complex and divided in many sublevels, which can make it hard to have a clear message, a keystone in branding. It is hard to change the perception of a nation brand. Is the Made in Italy brand already too blurred to be saved or can it recover? Marianne Randolph, an experienced buyer and concept developer in the fashion business, means that Italy used to understand the importance of preserving their identity of craftsmanship and good quality. She is a believer of that the industry will shift focus back to more locally produced goods to help the European countries, especially Italy, to recover from the economic crisis (Stil, 2012).

Lately the Institute for the protection of Italian manufacturers (ITPI) have developed the certification “100% Made in Italy”. It aims to certify products that are entirely made out of Italian parts and that are manufactured according to Italian traditions. What is the secret of the Italian manufacturing traditions? There is a need to examine if Italy still have special techniques for textile production and the acknowledged “love to product”-spirit from their tradition of craftsmanship. If this is true, Italy might need to rethink their promotion strategies of their fashion industry. In order to examine the Italian fashion industry, there is also a need to evaluate if the management of Italy share the same vision of the Made in Italy brand as the fashion brands and manufacturers. Is there a gap between the different parties that is hurtful to the development of the Italian nation brand and thus create brand confusion among consumers?

1.3. Main question

How do professionals within the Italian fashion industry collaborate and communicate to develop the nation brand Made in Italy, in order to avoid brand confusion?

1.4. Disposition

In order to fulfill the purpose of our study, we have organised our thesis accordingly; in the following chapter, we perform a review of relevant literature, in the area of nation branding. We will present concepts adequate to the main theory of nation brands. These concept helped us form the basis for our own theoretical model “The Nation Brand Tree”. The model was used as a framework throughout the thesis and will also be presented in the second chapter. It concerns how different seeds, or roots, can represent the unique characteristics that a nation possesses, which we in this thesis define as grifffes. The model was developed to help us answer our main question, about communicating a nation brand and avoid brand confusion.

Moreover the thesis will be a case study of the fashion industry in Italy, illustrating how a nation brand was developed and later on became blurred. By using our own model we applied this to the case and looked at aspects on how to save the nation brand Made in Italy. The material consisted in both secondary data from articles and documents and also the implications from the field work we did in the textile cluster outside of Florence. We studied the history of the industry, the label as a nation brand and how it has become confused due
to the globalisation, the chinese “invasion” and the economic crisis. As a main result, we found out that that the country of origin (COO) has a great impact on how the nation brand will be interpreted. It affects the brand in many dimensions, since it is the roots of the nation brand. When the griffes of a nation has been gathered in a specific geographic area within in the nation, we defined this the concept of clusters or places. Together they join forces and promote united messages in order to avoid brand confusion. The nation brand needs to be built both through the internal factors as well as the external. Occasionally it is hard to control the external factors, the starlight effects that can hurt the brand negatively such as the economic crisis or low investments from the government. In the conclusion chapter we present our suggestions for promotional strategies on the case, as well as areas that are in need of further research.

2. Nation branding - A review

The aim of the review is to present theories that have been examined in previous studies, to be able to set a framework for the case study and to analyse the problem. The main sources in the review that were chosen are scientific papers analysing topics that are relevant for the case study. Especially theories from the brand management guru Philippe Mihailovich became very central in our research due to his knowledge in luxury branding, which applied to this specific case. The central theory of the review is nation branding and the following theories are related to the concept of nation brands. These theories are fairly broad, where upon we wanted to develop a model of our own that captured the holistic idea of nation branding, which is presented in this chapter.

2.1. Nation branding

The purposes of nation branding is according to Fan (2010) to reform national identities, enhance competitiveness, embrace political, cultural and economical activities, promote these abroad and thus improve the image of a nation. It’s about communicating how good you are to the world. Similar to the image of commercial brands, a nation’s image can be communicated in a professional manner. A strong brand needs innovation to sustain in the long term, but when it comes to nation branding it’s different. Usually the biggest strength for a nation brand is in one specific sector such as textiles in Italy or engineering in Germany (Fan, 2010). However, a country can have a number of different nation brands. Still it’s desirable to only communicate this in a single core message to all different countries and audiences. Nation branding is a tough challenge, both in practice and in research, due to the fact that there are many different interpretations. It could therefore be meaningful to conceptualise the nation branding into sublevels, such as cluster branding. The concept should not be mistaken for national identity, which is the self-perception of a country and not something that a brand strategist can affect (Fan, 2010).

Mihailovich (2006) agrees on the suggestion that a nation can itself become a brand through uniting its citizens and attracting foreign investments, tourism and exports. Branding has become a central tool in country competitiveness. Still, very few new countries have established distinct brands. As competition increases due to globalisation, nations need to develop distinctive brands that differentiate them from other countries, to help domestic businesses (Mihailovich, 2006). This implies investing in more than just a logo or an
advertising campaign. The concept of marketing a country is not entirely new, numerous
countries have traditionally promoted themselves for tourism. But the current position of
globalisation demands more, at least four different sectors need to be marketed; public
diplomacy, tourism, exports and foreign direct investment (FDI). Local concentrations of
horizontally or vertically integrated firms specialising in related lines of business together
with supporting organisations. Today, branding of such clusters is among the most important
economic development activities in OECD (Organisation for Economic Co-operation and
Development) countries, but that often is only marketed with a united brand name and not
deeper affecting the businesses (Mihailovich, 2006)

According to Mihailovich (2006) improving and building a nation brand starts with planting
seeds. These seeds can grow into effective messages and associations that build the holistic
nation brand. Another Mihailovich model, the Brand-bonding Spectrum (2006), shows
different levels of cooperation between the house brand (e.g. nation brand) and the product
brands (e.g. companies, products, people, events or places). Giving the different product
brands a united marketing strategy builds and promotes the nation brand. To reach FDI’s an
effective "bottom-up" branding strategy can be used by clustering commodities or people in
geographic regions under meaningful brand names and reputations. The "bottom-up" strategy
could also imply "showcasing" talented individuals of a country, such as sports
people, artists or politicians worldwide to effectively brand the nation (Mihailovich, 2006).
Mihailovich (2006) theory is that the government of a country should strive to assist all
selected interest groups in establishing the kinship alliances of common positioning and the
structures needed for effective branding. They need to encourage and mobilise kinship brand
groups to ensure the holistic positioning of the nation brand. It may even require its own
specific brand management structure with brand managers to oversee national and
transnational branding. Mihailovich (2006) claims that nation branding is a constant
evolving process that need to be managed and renewed to appeal to audiences across the
country borders. An example of cultural activities that gain free press constantly is the
seasonal fashion weeks in capital cities around the world. These activities are effectively
building place brands and contributing to the promotion of the nation brands. They have the
mobility to transcend borders, especially online. This is important since the internet is today
one of the most important places for branding and also one of the most difficult channels to
control for a brand. The internet is the forum where to plant the seeds and sublevel brands of
a nation that will grow into effective marketing contributors to the nation brand, by giving
them a basic knowledge and stable foundation following the united nation brand message
(Mihailovich, 2006).

2.2. Place branding

There is a need for brands to differentiate themselves from their competitors on the market,
to use the place where a product has been produced, designed or assembled, can be an
effective branding technique. Products are not necessarily made in specific countries, instead
they are made in places. When applying the word “place”, it can add softer attributes such as
an aura, feeling or mystique of a place to the perception of a product (Pike, 2009). Place
branding is relevant today since consumers and investors continue to rely heavily on country
images in making their economic decisions. Effective place branding helps fight negative
images by shaping new associations and images (Mihailovich, 2006).

The DNA of the different places of a nation is what the nation brand values should be based
on. An example of place branding values is the capital city of France, Paris. This “place”
stands for fashion and romance. The distinct brand values of Paris helps the domestic companies to claim their products authenticity abroad. For example the world’s largest beauty brand L’Oréal changed their brand name to L’Oréal Paris which enhanced their products further, helping them launching products within the area of personal care (Mihailovich, 2006). People now connect L’Oréal and their products with the same attributes and associations of Paris. The brand promotes the place/country and the place/country promotes the brand. Once the country’s brand image improves a virtuous cycle evolves.

2.3. Cluster branding

Another sublevel of the nation brand, that can be considered an example of place branding is clusters according to both Fan (2010) and Mihailovich (2006). Wigren (2003) claims that business clusters is a possibility for companies located in the same area to help each other and grow stronger by joining forces. Even more effective is to combine clusters with innovation systems. This constantly develops new inventions to help the cluster grow and become more effective in their producing techniques.

Mihailovich (2006) suggests that the building of clusters has become one of the most important economic activities for the Organisation for Economic Co-operation and Development (OECD) countries, including the branding of such clusters. Often branding of clusters only comes down to a simple united name and is not going deep enough in structuring with strategies for the cluster. Clusters are based on geographic regions where all firms, citizens and organisations promote the region towards the same values. This is when the cluster becomes tied to the place. The clusters within a country then all feeds the united nation brand with values representing the nation state.

According to Roveda and Vecchiato (2008) foresight is a valuable tool when promoting development of industrial districts. The method of foresighting are the different steps of socialization, articulation, combination and internationalisation. Through these steps an investigation of the economic, social and cultural structure of a district is being made. Successful districts find a middle point between concerns of the small enterprises, “what the district is” and the view of the stakeholders and the government, “what the district should be”. Sammarra & Belussi (2006) claim that some ancient districts has faced declination, which is debated to be the consequence of the globalisation and its challenges.

2.4. Country-of-origin

The country-of-origin (COO) of a product affects consumer behaviour in the decision making of purchases (Pecotich & Ward, 2007). The information of COO brands affects the perception of quality and price of the consumer, even if the consumer can be considered an expert of the specific product or a novice. Despite being able to detect quality differences in a specific product, novices still uses the COO as a halo to base the price and quality on the perceptions of the country hierarchy. Even though experts easier find differences in physical quality, both consumer groups relies more on the effect of the COO in their decision-making of the purchase. The theory of Pecotich & Ward (2007), that COO affects the consumer decision-making process, agrees with the study by Lin & Kao (2004), who claim that ”it is widely accepted that COO is an important external cue to judge product quality, when consumers face an unfamiliar brand”. The authors discusses the COO of the brand and not
the product, and claim that the COO have a proven effect on brand equity. The moderators that has an impact on the consumer perception and purchase action are; information accessibility, product familiarity, affective prejudice, product importance and product complexity. The conclusion of the moderators effect is that the more information that can be used to judge product quality for a consumer, the less influential the COO of the brand will be on the brand equity (Lin & Kao, 2004).

Regarding luxury brands it is more important for the consumers what brand it is rather than its COO according to Aiello et al. (2009). This is because the nationality of most luxury brands are well known. Since the COO today in many cases only represent the country where the final touch of the manufacturing was made, new concepts and notions have arose in the literature of COO. According to Aiello et al. (2009) the interaction between these concepts and the declinations of origin need to be researched. Today consumers perceive the COO of global companies in different levels, both as the country of design (COD), where the product was designed and developed, the country of manufacture (COM) and the country of brand (COB). However the COO is usually the country the consumers associate with the brand regardless of where it has its manufacturing base (Aiello et al. 2009). When investigating the image of a nation the following dimensions are important; innovative approach (being superior, technology), design (style, elegance), prestige (exclusiveness, status) and workmanship (reliability, durability).

An extension in the marketing of the COO of a brand is the labelling of the products with "Made in". Jean-Noël Kapferer (2012) claims that “made in” must be defended or it will lose its value. It should be handled as a brand, with tangible and intangible sources of added value. It is critical in a time when more and more brands delocalise their production and outsource to reach lower prices. It is especially critical for luxury brands since the delocalisation could destroy the soul of the brand. The luxury brand Burberry has delocalised all their production except for their signature product; the trench coat. They believed that producing the rest in UK would not create any added value. Kapferer (2012) argues that branding the COO of a brand when it is not fully made in one country, only hurts the brand. Kapferer suggests further that the use of origin certification or made in labels, should be restricted. Also the word “luxury” has been abused. Luxury brands should have the ingredients of rare production and unique craftsmanship. Luxury brands grow through increasing the quality, creativity and naturally the price of their products. Further on it should have the intangible characteristics of time and provenance. The later is what builds the non-comparability and magic and what makes the luxury the by-product of art. However being fashionable is not something that lasts, it is much more fragile. The country of origin, and it is dimensions of heritage and time, is then not as important according to Kapferer (2012).

2.5. Griffe

Regarding the COO of a nation brand, Aiello et al. (2009) claims that the the reliability and the durability of workmanship is an important dimension to the nation brand. Mihailovich (2009) describes how the French term griffe becomes interesting in luxury branding. Technically the term is derived from the metal claw used by craftsmen to scratch their mark into leather, but in branding the word describes the mark that is made from it. A griffe is a unique form of mark that only the originator can do, just as with a great painting it can theoretically be traced back to an exact person. This is what many luxury brands were and
are still born with, the superior talent of an artist that ensured the quality of the products by putting their name on them. Without a griffe brands and products are easier to imitate. Today brands without a soul and with no personal touch involved are facing difficulties in marketing themselves. This is why luxury brands often tend to personalise their brands by using the founders name/names as the brand name. It is an easy way to market authenticity and to ensure the creators approval and elation of the product towards the consumers. When these type of brands also have a designer and creator that is still alive they become the embodiment of the griffe, which gives the brand a strong identity for the customers to relate to. The identity and the work of the aura of the griffe then becomes the brand DNA (Mihailovich, 2009).

2.6. Storytelling

The globalisation process with progressive liberalisation and deregulation of markets, together with the information and communications technology (ICT) development, has led the birth of new branding strategies. Defined by a high level of competition, the use of intangible assets is increasing to create value-added products and services (Bianchini & Parente, 2008).

Kniazeva (2011) developed a conceptual framework of the process of mythologizing a country through the packaging of brands in the food industry. She claims that the visual image is important when creating a country-of-origin effect. Commercial narratives perform a big mythological function and create imaginative elements of a country. For example historic events could be significant. A story with a connection to a grandmother can imply a sense of tradition. “Made in” should rather be a cultural indication with symbolic meaning than a geographic place. It could consist of geological elements such as names of mountains, seas, towns and specific addresses. Kniazeva (2011) exemplifies with the narrative of La Campofilone Egg pasta package; ”Campofilone is a small hill town in the central Italian province of Ascoli Piceno, overlooking the Adriatic Sea. There, for over 400 years, artisan pasta makers have produced unique homemade pasta called Macceroncini”. Brand storytelling can emphasise connections to particular countries by adding mystic elements of culture, which leaves room for geographic imagination. A product package can simply have a picture that invites the consumer on a imaginative travel experience. Kniazeva (2011) claims that here is often a combination between fantasy and reality. When adding a story the products gets character and enhance the geographic imagination for the customer. The mythological poetry could create an image of an idyllic country with passion, creativity and authenticity. Kniazeva (2011) concludes with the question; “How can something from this country not be delicious?”.

2.7. Starlight effect

The perceived image of brands can be hurt and negatively affected in different ways (Anholt, 2003). Anholt (2003) describes the ”starlight effect” as an image in peoples’ minds based on the memories of long past historical events, such as the second World War still is affecting the nation brand image of Germany negatively. A company can often escape starlight effects by drastic changes such as renaming their brand, which countries cannot as easily do. Why nations have more difficulties repositioning themselves. In 2007 Anholt describes how politicians and the political system of a country is the key influencer on a nation’s brand. To
be able to improve a national brand the government needs to have a clear vision of how the country should develop and then be able to follow the vision. The national political brand is a part of the nation brand, reflecting a nation’s political system communicated by the political leaders. According to Anholt (2003) the political brand is the most important part of the nation brand due to its dominating communication with both citizens and foreign audiences. Thus the only way for a nation to grow from a starlight effect is by an effort from the government and the political leaders within the nation.

### 2.8. Brand confusion

With the constantly growing number of brands and brand advertising on the market the pressure on consumers immense (Kocyigit & Ringle, 2011). Today the freedom of choice can be perceived almost as a burden for consumers. The primary task for a brand manager is to form strong brand images that consumers can associate with the products. Kocyigit & Ringle (2011) claim that if the communication of the brand carries misaligned and ambiguous messages consumers may have a diffuse image of the brand which equals with brand confusion. Thus brands need to develop distinct and coherent images. It is crucial to understand how consumers perceive marketing communication. Brand confusion affects the creation of strong brands in consumers memories negatively (Kocyigit & Ringle, 2011).

According to Kocyigit & Ringle (2011) the most important indicators of brand confusion are brand similarity, brand clarity, brand continuity that all have a strong impact. If a brand image is not clear, distinct, credible or continuously communicated consumers do not feel satisfied with their purchase, which lead to decreased brand loyalty. Regarding nation brands, it is of great importance to develop a unique brand image to maintain the market for domestic high end brands, otherwise private label brands of cheaper unbranded products will take market shares. If not, the brand will see a subtle decay of their brand equity (Kocyigit & Ringle, 2011).
2.9. Model

“The Nation Brand Tree” is a model that was created to show how the nation brand of a country is developed, from the domestic businesses to the public image, from the roots to the crown.

2.9.1. The Nation Brand Tree
2.9.2. Explanation of the model

The seeds represents the different griffes in a country (Country-of-Origin). They can be organised based on geographical location into cluster brands. Clusters in different regions and around cities in a country can be ordered into place brands. The cluster and place brands share different values depending on what griffes their seeds in their geographical location have. The seeds, cluster brands and place brands are all dimensions that forms into the united nation brand of a country. The nation brand is the publics perception of a country. The nation brand is managed by the political leaders of the nation. The name of the model refers to the resemblance between the building of a nation brand to the growth of a tree. As a viewer (referring to the public), you cannot see the the roots where the tree grows from, instead you only see the development of the seed that builds into the stock and the crown of the tree. As a gardener (referring to the political leaders) of the tree, you cannot change the life of the tree, but you can nurture the tree and try to make it grow in a united direction and shape the crown. You can never change the roots and the seed where the life of the tree comes from, hence the nation brand.

There are two major factors that can hurt the nation brand. The first one is the starlight effect, when past historical events still affects the publics' perception of a brand. The starlight effect can accordingly occur in all dimensions of the nation brand. The second factor is brand confusion, when the message of a country is not clear and well managed by the political leaders, the perception of the brand becomes confusing to the public. This affects domestic products and services negatively which means that the seeds of the nation will suffer and thus, the nation brand will suffer.

2.10. Summary of the review

According to Mihailovich (2006) a nation brand starts with planting seeds that can grow and evolve within a frame of values, into the nation brand. A nation brand starts with the small businesses, activities and people of the nation who together forms the total nation brand. This is why there is a difference between promotion of a nation as a tourist destination and a nation brand. A nation brand can not be promoted and advertised in the same way as a tourist destination. The seeds are the building blocks of the nation brand. A nation brand that stands for high quality products and a tradition of artisans and craftsmanship/workmanship, has to understand what their original specialities are that they are superior in and preserve these qualities in order to maintain the right values of the nation brand. The concept of griffe (Mihailovich, 2009) works as a testimony of that each seed within the nation brand, are the most knowledgeable in their area of expertise and produces products and services of the highest quality. If the seeds are managed to follow the same values, the nation brand can become successful, where the brand and the seeds conveys the same values.

The COO (Lin & Kao, 2004) affects the consumers perception of quality and price in products and services, thus it is strongly connected to nation branding and the seeds. If the seeds manage to produce products and services of their best quality using their heritage of knowledge, the COO will be connected with those values and thus also the nation brand.

Clusters (Wigren, 2003) is a way of gathering seeds that share similarities such as the same area of expertise. In the fashion industry it could be an area of SMEs producing fabrics and yarns of the same type of fibre. The cluster can be known for their specific area of expertise or
griffe. Regarding the nation brand clusters makes it easier to manage the seeds and make them work towards holding the same values.

The cluster is centered to specific places that become known for different specialities (Wigren, 2003). These places can be used in the nation branding in the same way as the clusters (Mihailovich, 2006), it is the combining of different seeds that together can claim their expertise for specific services or products in dedication to one specific region, city or place. It can be easier for the foreign public to connect a place to a certain expertise, rather than recognising each seeds for their products. The place brand (Pike, 2009) can then contribute to the nation brand, standing for different products and services produced in that place and the intangible characteristics they possess.

To maintain a strong nation brand there is a strong need for preserving the different griffes of the country. This includes avoiding starlight effect (Anholt, 2003) from historical events hurting the brand by demeaning the reputation of the griffe. A strong griffe testifies the level of quality for the products and services represented by the nation brand. For a nation brand of high quality, heritage and tradition of artisans and craftsmanship, storytelling (Kniazeva, 2011) is a technique to market and claim that the values are true and have roots in the country of the nation brand. Regarding the management of the nation brand, to manage all the seeds in the country, the main focus lies within keeping clear messages and avoid brand confusion (Kocyigit & Ring, 2011). The managerial role is held by the political government, which are the face of the country and the ones who can arrange and control the seeds to work towards the same values.
3. Method

The main focus for the research method was to, in a qualitative approach, interact with professionals with connection to the nation brand Made in Italy. To understand what their knowledge and specialties in textiles and fashion were, their experiences of the recent economic crises and their opinions of the current brand significance of the nation brand. In this chapter we account for what the most suitable structure of method was and why we chose it.

3.1. Research design

To answer our main question we needed secondary data about the brand Made in Italy as well as talk to people with inside information, through interviews, using the method snowball sampling. At first we felt reluctant to observe the field, since it is a complex and time consuming method, but after consideration we decided to combine interviews with participating observations. Furthermore we examined earlier theories related to nation branding, to receive an adequate theoretical framework, to be able to analyse the empirical findings. The data collection from academics and teachers in the field of brand building, suchs as Pike and Mihailovich, have generated lots of information and added value to our own findings.

The most suitable research design naturally turned out to be a qualitative one, which today is an increasingly used method. Significant for the method is the focus on language and words and how we interpret these. This is also called an epistemological position, with a focus to understand the social world, rather than using a natural scientific model, as in quantitative research (Bryman & Bell, 2003). We are aware of the fact that the qualitative method can consist of more than interviews and observations, but we needed to make limitations and a mixed method would probably be too ambitious for this project. Accordingly we did a limited qualitative study with industry professionals in Italy. More specifically, our goal was to use the snowball sampling method. Since snowball sampling is an explorative process, we didn’t know most interviewees in beforehand.

The focus was on the manufacturers feelings and stories from the field. Through these we wanted to better understand the systems and processes of Italian fashion production. Qualitative interviews are not very strict in structure and allows discussion on certain topics, that we, as researchers, find suitable. We did a “guide” with questions (see Appendix) to receive information that helped us answer our main question. Still, we wanted to save time for flexibility through a few open questions. It was important for us to be very knowledged on our thesis subject before we started interviewing which is why we did the fieldtrip in a late stage of the thesis process.

Ethnographic observation was an interesting method when visiting manufacturers. It gave us first hand information and brought forward thoughts that might would have been withheld in an interview. We were not sure about the possibility to access the production facilities of the manufacturers’ buildings, but we were positively surprised since all manufacturers were very welcoming. Also, we were not sure of how open the manufacturers would be and how much we would be able to ask about their businesses. It turned out that the ones we visited had no problem talking about their financial state or their clients. We thought it could be critical for the manufacturers to share their experiences since it has been a hard time, with difficult
economic conditions and bankruptcies. Thus our methodological approach was decided to be curious, rather than nosy. According to Bryman & Bell (2003) ethnographers are usually observing a social setting for a long period of time. Because of this we had doubts of the method for this research because of the time limits. When pursuing ethnographic fieldwork it’s of great importance to write down observations in a detailed and distinct way as quickly as possible and if the respondents allow it, record what they are saying. (Bryman & Bell, 2003) We didn’t record our meetings, but we made notes and transcripted these after every observation.

Bryman & Bell (2003) claim that general criticism on qualitative research is that it can be too subjective. We wanted to increase the credibility of our report, regarding both in how the interviews were performed and how to interpret the information we received. Qualitative interviews are in general difficult to execute without personal interference since we, as interviewers, are the main tool for the process. This is an issue that we did consider. Though, as we are two persons in our research team, we constantly evaluated and agreed on the information we received. We also didn’t speculate too much before the meetings. For one of the meetings we received a phone number to a factory and called the same afternoon, no idea of who we were supposed to meet or what we were supposed to see. With these types of experiences we didn’t have any preconceptions, which is good when executing a qualitative study, according to Bryman & Bell (2003). Our approach was to be very open minded and interested, with the problem of our research constantly in our minds. Furthermore we chose to use a deductive approach. We used a defined theory and thereafter studied the chosen field, with this theory as a framework.

3.2. Sampling

According to Bryman & Bell (2003) snowball sampling is a method suitable for qualitative research. Qualitative research benefits from the method since the orientation to sampling usually is guided by the preference of theoretical sampling rather than statistical sampling. The method is preferred when there is no frame of total population for the study since the population is shifting over time. During the sampling process different social connections will seem conceivable or potential respondents for the study, but not all might turn out eligible. Furthermore Bryman & Bell (2003) claim that snowball sampling is a method where social networks are being used to find participants who meet the eligibility criteria and can contribute to the specific study. The sampling method pictures a snowball increasing in size collecting more and more snow as it rolls downhill, like the group of participants increase by using social networks. The sampled participants finally sums up in a plethora of information received from intermediary acquaintances. The sampling ends when the researchers can generate a hypothesis or draw conclusions based on the gathered information. Whether the usage of snowball sampling can be considered successful relies on the initial contacts and the ability to establish new connections of the researcher. The methods reliability is relying on the social networking skills on the individual conducting the sampling. The bias of the researcher is significant when using snowball sampling. Bryman & Bell (2003) explains this as one of the disadvantages of the method, the first participants of the study will have a strong impact on the resulting sample and the selection of these respondents will all be heavily reliant on the individual researcher. The snowball method is consequently not supporting conventional notions of random selection and representativeness since it is based on the development of social networks. To select respondents randomly lies beyond the ability of the researcher, why the external validity of the thesis will suffer.
Snowball sampling is common when researching hidden groups, which is why this method is preferable in the thesis as well as letting the interviewees remain anonymous. Manufacturers within the fashion industry are very discrete in revealing their clients due to protecting the clients’ designs from leaking to competitors (Bergström & Egels-Zandén, 2013). The strong protection of clients and their own secret craftsmanship techniques made snowball sampling the most relevant sampling method for our study. We had a personal contact based in Prato, one of the Italian textile regions we aim to study closer, that we started our sampling from. Our contact is a merchandiser with a broad social network in the Italian fashion industry, that we considered a reliable first interviewee who we thought would be able to provide us with further adequate interviewees.

Another disadvantage of the method is whether the study can rely on that the sampled interviewees are an accurate reading of the target population, especially when only interviewing a few selected individuals (Bryman & Bell, 2003). By increasing the amount of participants in the first round of sampling the reliability of the study will increase. To increase the reliability and the validity of our method we contacted more than one individual in beforehand to start our sampling from.

3.3. The Case Study

According to Buchanan & Bryman (2009), a case study is suitable for empirical research when the historical perspective is relevant and when the case can be seen in a holistic perspective. Each case is built on a critical number of components (Buchanan & Bryman, 2009). In order to reach a high level of credibility of our case we wish to provide a detailed description of how the case study was done;

3.3.1. Desk study

First, there was a need for factual data on the context of the case. Therefore we started our research by making a desk study reviewing archival data. The data was specifically collected for the case of the Italian fashion industry, looking at the past changes and factors on how it has evolved over time. The main focus was on how the Italian fashion industry had been affected by the economic crisis, but we also found it interesting to reach an understanding of how the industry once had started, what were the roots of the Italian craftsmanship and the manufacturing skills. Through the desk study we received material, including scientific articles with both theoretical and historical and dimension and developed a better understanding for the foundation of the case, which made us prepared and eager to get a contemporary overview of the case. We also wanted to collect data from several sources, both from archives and more contemporary data from interviews, in order to analyse the data in a multifactorial way. Further, we wanted to constantly be able to compare the primary data from the field with secondary data from documents, to reassure the credibility of the gathered information. Buchanan & Bryman (2009) claims that a case study can be built around a whole organisation or an identifiable subunit. When studying the case of the Italian fashion industry we decided to have Prato, an important textile industrial area and cluster, outside of Florence, as a starting point.
3.3.2. Informal interviews

To be able to answer our main question, we decided that a field trip to Prato was the best option, mainly consisting of interviews and observations. We spent two weeks in the area of Florence. When designing this type of research, the selection of interview respondents need to be transparent (Buchanan & Bryman, 2009). The kind of respondents we desired was mainly professionals in the manufacturing businesses, to dig into the roots of the industry and find the “griffes” representable of the Italian fashion industry. Furthermore we held interviews that lasted at least 1.5 hours to get the answers to our questions. We started out having a semi structured interview in Prato with respondent A (see List of Archive material), where we started with predetermined questions, with the aim of our thesis in mind. Using the snowball method, our next step was to call one of the 50 factories that were part of the Prato Trade Organisation, which we have had email contact with in beforehand. We had a visit and meeting with respondent B. After being told about the activities in the leather cluster Scandicci, in our first two meetings, we wanted to visit professionals in that area to. We met with respondent C, but the meeting was unstructured and mostly an observation, with the aim to get access directly with the workforce. Unfortunately it was quite hard to communicate with the artisans, because of their lack of knowledge in english and our limited italian. Furthermore we had another semi structured interview with respondent D, very similar to the one with respondent B, who we also came in contact with in through the list of factories we received from Prato Trade Organisation. A visit at a museum and the headquarters of a famous Italian fashion brand, respondent E gave us input and understanding in the value of craftsmanship, history and culture in the Italian nation branding. Finally we had an informal meeting with respondent F, where we got to understand how his team worked to reach a high level of quality and craftsmanship in their products and how they manage the difficulties that has come with the economic crises.

Except for the desk study and the field study we have had corresponded through email with two business professionals in the Italian fashion industry. We sent them a description of our project and a couple of questions, before going to Florence. These conversations concerned the foundation Altagamma and one of the chief executives of a factory in Prato. Their answers were very helpful since they enlightened certain areas of our study that showed different views on some of the problems we had found in our first steps of the desk study. To reach a high quality in a case study, it is important to have a construct validity; to establish correct operational measures for the concepts (Buchanan & Bryman, 2009). With this in mind we formulated distinct definitions of the concepts in our theoretical framework before the field study, to be able to use the same “toolbox” every time were to interview a new respondent.
4. The Case of Made in Italy

In this chapter we describe the case of the Italian fashion industry and our empirical findings from the fieldwork through interviews and observations with industry professionals. Furthermore we present additional empirics from secondary data and documents that we have collected during our research. The empirical findings presented in the following section are all relevant to the concept of nation branding and the previously presented theories in chapter two “A review”. The theoretical framework have delimited the collected data which is thus solely the relevant data for the case.

4.1. History of the Italian fashion industry

To connect Made in Italy regarding the Italian fashion industry with nation branding, this chapter starts with a review of the history. To examine the position of the Italian fashion brand today it’s crucial to know where the Italian fashion brand started. The aim was to find the roots and the griffe of the brand, in order to evaluate if it has been kept or reformed.

4.1.1. From the Renaissance to Ready-to-wear

For centuries Italy has been a highly respected producer of exclusive textiles and owner of influential fashion houses. During the Renaissance Italy was world leading in fashion, especially due to the manufacturing area of Florence in Tuscany. Local textile production was a vital aspect of the Florentine culture as well as its economy (Currie, 2008). Although when it comes to modern fashion, Italy is a rookie. It wasn’t until the 1950’s that Italy started to compete with France and specifically Paris as a creator of contemporary fashion. After the Second World War Italy had an economic boom that changed the country. The Italian prime minister and fascist leader Mussolini was long gone and a modern Italy arose. The Italians were able to enjoy life and also be well dressed. US admired the “The Italian Style” and became an important financial supporter, and the Italian fashion industry was thriving (Stil, 2012). In the 1960’s there was a crucial emergence of fashionable ready-to-wear in Italy in which the fashion brand Max Mara played a key role, according to White (1996) this anticipated the international success. White claims that little consideration has been given to this critical evolution of Italian fashion, when Italian manufacturing went from traditional craftsmanship to mass production. In the 1970’s Italy noticed a shift in focus from Florence to Rome, when international movie stars and jet setters captured the city and made it the centre of glamour at the time. “Made in Italy” became a quality label that through word of mouth was beneficial for fashion brands such as Armani and Versace (Stil, 2012). Elisabetta Merlo (2011) describes in her study how Italian fashion brands were able to decrease their production costs and meet consumer demands faster through a strategy of less attention to details in aesthetics. This strategy successfully met the consumers of the 80’s whom wanted affordable designer clothes. For example the fashion brands Armani and Moschino took the lead and launched new sub brands following this concept (Merlo, 2011). In the late 80’s the manufacturing industry in Italy faced strategic changes. For example Chinese immigrants started to settle down and work in Prato outside of Florence. In the 1990’s the Italian apparel manufacturing in Italy differed considerably from other European countries, with their high labour costs (Guercini, 2004). Today the Prato region supplies fashion fabric to various
designers and retailers, but globalisation has made its mark. Italy's minister of commerce, Piero Fassino, said that “protectionism would be going backward and that is not the road Italy will follow” (Conrad, 1999). The former Italian minister of finance, Giulio Tremonti, indicates that Europe is in a decline of an era, referring to the past two centuries of the absolute domination by Europe losing their leading role to China, the Italian fashion industry is facing a tremendous change of scenery (Segre, 2005).

The start of a severe decline for the Italian fashion industry was the global recession 2007-2009. The recession has been followed by numerous economic crises in the Eurozone affecting the Italian economy. The controversial Italian prime minister Silvio Berlusconi resigned in 2011 and has during his tenure being accused of not emphasising on the Italian business world (Ekonomiekot lördag, 2011). In February 2013 the World Bank’s ranking for doing business listed Italy as no 73rd, below Romania, Bulgaria and Kyrgyzstan (Who can save Italy, 2013). Greece was the only country doing worse than Italy. The situation is alarming but The Economist (Who can save Italy, 2013) wrote that despite the current economic climate, Italy still provides exports and a manufacturing base stronger than those of Britain and France.

“in difficult times fashion is always outrageous” - Elsa Schiaparelli

4.1.2. The development of Alta Moda

Alta Moda was founded in Florence in 1951 by Giovanni Battista Giorgini, a wealthy Italian entrepreneur who used his background as a diplomat to understand the tastes and the requirements of the American market to export Italian fashion (G.B. Giorgini Archive, 2002). Giorgini used his private houses, filled them with Italian antiques and art, to combine business with recreational events with dances and concerts. He was a pioneer in promoting the Italian lifestyle in order to increase the demand for Italian fashion goods. In 1951 he organised the first Italian Alta Moda show (G.B. Giorgini Archive, 2002). Giorgini wanted to change the image of the Italian fashion industry, which had an history of copying French fashion instead of designing their own. The event led to success for Italian fashion and Giorgini kept forming the Italian nation brand and the trademark Made in Italy throughout his career. Today there is an Italian businessman in fashion who has great similarities to Giorgini, the owner and inheritor of the Italian fashion brand Tods, Mr. Diego Della Valle (Vogue, 2012). Della Valle has during his career taken it upon his agenda to both personally and in the name of Tods take responsibility in preserving and building the Italian nation brand (Ilari, 2012). For example Della Valle supports the Opera house of Milan, he rescued Fiorentina an Italian soccer team from bankruptcy, he invested in Cinecità the Roman film studio and he personally invested 30 million euros to fund the restoration of Colosseum in Rome. Della Valle also promotes the Italian artisans and craftsmanship by keeping and expanding Tods’ manufacturing in Italy. Della Valle suggests (Vogue, 2012) that building the Italian brand is to preserve Italian culture and to show international customers why they should buy Italian products. In the coffee table book of Tods he explains why it is important to build the nation brand Made in Italy; "it is a way to show a northern Chinese customer, for example, who we are through portraits of our culture, our DNA, our style. Together with art, food, and beautiful places that are also very Italian" (Ilari, 2012). Della Valle is also participating in the revival of Alta Moda.
with the relaunch of the legendary house Schiaparelli. Valentino is the only fashion brand who have been able to make Alta Moda since the start of their brand (Vogue, 2011) until today. Versace launched their Alta Moda line Atelier Versace in 1989, and in the past decade three Italian fashion brands were added to the Alta Moda brands; Armani Privé in 2005, Gucci Première in 2010 (The premiere of Gucci Première, 2010) and Dolce & Gabbana in 2012 (Leitch 2013). A force that increase the status of all Italian fashion brands and creates desirability from consumers worldwide who cannot afford the Alta Moda pieces, but will become more eager to purchase pieces of the sub-brands to the Alta Moda collections or other Italian less exclusive brands to be able to be a part of the Italian luxurious fashion world.

4.2. The Contemporary brand

Ayling (2011) claims that Italy is now in a stage where they need to take care of their fashion heritage and reposition themselves as a country with a strong fashion export where the brand Made in Italy is highly significant. The president of Ermenegildo Zegna Group, Paolo Zegna agrees with Aylings (2011) opinions on how the Italian fashion industry needs to evolve. Zegna says “The Italian industry has been able to get up, find its own new way to recover. Today, we may be smaller but we are stronger with a potentially stronger future” (Ayling, 2011).

4.2.1. Made by Chinese

The Italian fashion industry has promoted themselves with tradition of craftsmanship, quality consciousness and know-how since the Renaissance. The globalisation has led to the fact that a part of the Italian fashion industry, including the know-how of manufacturing, has been delocalised to China (Segre, 2005). This means that Made in Italy is threatened by Made in China. The ongoing interaction between Italy and China over the past decades regarding industrial structures in apparel production are changing the preferences of Italian fashion goods. The Chinese manufacturers employs retired Italian artisans to learn from their “love to the products”. The Italian fashion industry is also threatened by imitation and counterfeiting which are common in the business culture of China. Segre (2005) claims that the problem with delocalising the production to China is that Italy loses their strongest attributes of what their trademark Made in Italy stands for. If China can deliver and produce the exact same products as the Italians, what will then happen with the Italian fashion industry?

This line has become quite blurred between “Made in Italy” and “Made in China” (Donadio, 2010). Prato has the largest concentration of Chinese immigrants in Europe. Silvia Pieraccini claims in her book “The Chinese siege” that 20 000 are living illegally in Prato. The book is about the pronto moda, or as we know it, fast fashion. Although most of the clothes are in the mid range (Kennedy, 2010), the Chinese factories have low-wage workers. Most Chinese business men call themselves Italian names such as Luigi etc. because it’s easier, but together they have created a community, a so called “St. Beijing” in Prato (Smith, 2013). In fact, there are more Chinese garment manufacturers than Italian textile producers, which was reaffirmed by Pratotrade organisation. According to Smith (2013) the Chinese import cheaper fabrics from China. The Italians are beaten, at least when it comes to price. Many Chinese manufacturers want to learn and replicate the Italian benchmark of couture. However, even if fast fashion is expanding Prato remains a centre for innovations in future fabrics. A Chinese
entrepreneur, Xu Lin, believes that if the Italian companies wake up to new opportunities and continue to compete with the aesthetics and design instead of price, they are in favour (Smith, 2013).

Segre (2009) claims that having or not having a "national fashion" is fundamental to the success of brands operating in the contemporary market. In the interactions between Italians and Chinese, who work together to make and sell fashion, the concept of national identities emerges. There is a diversity in attitude towards each others national identities regarding Chinese and Italians. In the production sector Italians are seen as superior due to their communication of their heritage of craftsmanship and tradition of artisans, even though they are using Chinese production. (Segre, 2009) Examples of Italian fashion brands such as Salvatore Ferragamo is following the trend of celebrating the Italian identity with its cultural roots and identify "Italianness" with the Renaissance, artisan skills and entrepreneurship. Despite the fact that the real manufacturing might take place in Chinese facilities, which is associated with the opposite of poor-quality products. Italians in a business, technical or managerial role tend to claim a position of possessing style to offset the more naive Chinese taste. Altagamma, the Italian association of high end Made in Italy brands, holds the same point of view. Segre (2009) claims that this opinion is taken towards Chinese consumers and foreign consumers in general, to argue for that they show good taste in choosing Italian style. This can be seen in many examples of advertising campaigns of Italian fashion brands. It is a way to maintain control over the Chinese, if style cannot be learned, the Italians can decide and command however they want to. According to Segre (2009) this strategy has been able to become successful due to the fact that the Chinese are lacking in fashion designers of their own. This is because historically the major Chinese fashion brands have been promoted and directed by the Chinese state. To attract investments from abroad and appeal to consumers the Chinese state used to place Western fashion designers at the head of local productions. Also, the first Chinese fashion designers originated from art schools and have therefore been looked at more artistic rather than commercial (Segre, 2009).

The Chinese national system is much more protective of their domestic market towards international brands, in comparison with the Italian system. Many of the interviewed factories expressed the extensive difficulties of exporting their products to China, but explaining how easy it was to import Chinese goods. The Chinese government have extremely strict rules and controls of the imported products. Respondent B\(^1\) explained that if they would sell a collection of fabrics to a Chinese client, they need to have exact information on the composition of their fabrics and how every meter of the fabric needs to match the composition of a small test piece that is sent to the Chinese ministry for check up. The Chinese ministry can then, whenever they want to, make sample tests to see if they match. If they fail the test, the factory needs to withdraw the full export of all the fabric to Italy. This is why they have been very precautious in the expansion to the Chinese market regarding export, it is too risky. Bianchini & Parente (2008) claim that Italian brands have for a long period of time rested on the fascination of “the Italian style” and therefore become successful on international markets, such as China. Especially in the elitist market niche, with status symbol products such as fashion and cars, due to that they are easily recognised as “the Italian Style”. Made in Italy is focused more on product design rather than the communication. According to Bianchini & Parente (2008) the Italian SME’s are often lacking virtual retail or e-commerce. Such promotional strategies of the Italian lifestyle should be integrated with the Made in Italy brand (Bianchini & Parente, 2008). The Italian production system has historically been oriented toward manufacturing

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\(^1\) Respondent B, interview 2013-05-08
generating high quality products, but low technological contents. This is why Italy now is
more exposed to competition where the know-how is more easily reproducible. When 100
Italian SME’s were interviewed, half of them saw China as ”the danger” hurting the Italian
businesses in fashion (Bianchini & Parente, 2008).

4.3.1. Made in the world

The nation brand can become vague when a product, or the a fabric, is “made in the world”.
The factory of Respondent B in Prato manages and outsources the production of fabrics. They
offer budget fabrics for high street clients. To be able to reach the low prices these clients
requests they have very complicated logistical solutions for the outsourcing of the production.
For example the production of a wool fabric for Zara that costs 5-8 € per meter, means that
from the stage of thread to finished fabric, the production takes the material through different
processes in ten different countries. The countries could be Romania, Turkey, Poland,
Portugal. Finally the fabric will arrive in the factory for final control and checkings.
According to Respondent B a factory that makes everything today are in trouble, it is better to
do trade offs and only do what you do best. They specializes in fabric for coats, which is their
key to success. Their customers know where to go².

4.3.1. Price pressure

The factory of Respondent B³ have clients in both the lower sector and in the high end fashion
market. The price for a Zara coat is about 120-150€ retail, compared to a Burberry coat that
costs about 1000-2000€ in store. The factory engage in high quality, great craftsmanship and
tradition of italian products. However today, they actually find it more fair to sell their fabrics
to clients as Zara due to the percentage that the fabric can cost for the different clients in
relation to the final retail price. Zara pays ca 8-10 € per meter for their fabrics while Burberry
pay ca 20-30 € per meter. This means that Zara puts around 10-20% of the final price on the
quality of the fabric, while Burberry only puts 3%. Burberry claims to have high quality
products made by artisans, but in relation to final price they buy fabrics that are far from the
highest qualities. The prices decreased when all fashion brands started to join the stock
exchange, according to the Respondent B. Another example is Hugo Boss, their clothing lines
have decreased in quality due to this, since saving on the fabric is a strategy to save money.
Today Hugo Boss can spend 8€ on the fabric but sell a coat for 1000 €.⁴ Another fabric
scandal brand is Dolce & Gabbana. Lanvin and Prada however, can spend any kind of
amounts on a fabric.⁵

4.4. Starlight Effect

According to Anholt (2007) the image of the nation brand among international audiences can
be difficult to change if the country suffer from negative long past events such as Germany
and the World Wars. Anholt claims that the only way to change a nation brand is if the
government has a clear vision of what directions their nation should take and then follows that

² Respondent B, interview 2013-05-08
³ Ibid
⁴ Ibid
⁵ Respondent D, interview 2013-05-13
vision. This is why the political system and its representatives are the key influencer in nation branding, due to the fact that politicians are the ones within the nation that are dominating the communication with both citizens and international audiences. The national political brand is therefore a part of the nation brand. The long past events, with political involvement, that might still be affecting the Italian nation brand could be the following three:

- The participation in the World War 2 under the regime of Benito Mussolini, where Italy allied with the Germans.
- The scandalous corruption in the Italian political system during the 1990s called the ”Mani Pulite” which led to the political reformation and the foundation for ex-prime minister Silvio Berlusconi’s successful campaign ”Forza Italia”.
- The tenure of former prime minister Silvio Berlusconi.

Bigi et al. (2011) argues for how the global recession has affected the Italian nation brand tremendously. Their GDP index and their Future Brand Rank have declined simultaneously. The Future Brand Country Brand Index (CBI) shows that the national economic performance is vital to the strength of nation brands. Italy has dropped several places in the CBI due to their financial situation in the past years. Despite efforts in marketing their nation and tourism, they have dropped in ranking of their brand. The effort though have been very promotional, similar to techniques of policy-oriented competitive identity, that commonly is used for promoting tourism, featuring Silvio Berlusconi to improve his falling image. This type of advertising technique of a nation brand is damned by Anholt (2007) as an outdated and ineffective strategy today. The problematic situation of Italy today politically and economically is linked to Berlusconi, the misguided values that he is sending out are the ones that international audiences interconnects to the Italian nation brand. Bigi et al. (2011) claim that ”A national branding strategy is grounded in the vision of political leaders, especially the head of government or state”, which is why the effects of Berlusconi’s leadership is having a negative impact on the nation brand of Italy. According to Anholts theory (2007) this could be a sign of a starlight effect that Italy have been suffering from and will suffer from in the future. Italy has today a new prime minister and might be able to change their nation brand since the government are the ones who can reposition a nation brand, there is potential for improvement.

4.5. The Certification

There are industry professionals, such as Marianne Randolph, who believe the fashion industry will shift focus back to more locally produced goods (Stil, 2012). Alongside with this, Kapferer (2012) claims that “made in” labels will lose its value if no actions are taken. In the case of Italy, the government did in 2004 a definition of products that are 100% Made in Italy. The Italian Ministry of Economic Development has made an effort to enhance Italian manufacturing and co-funded the project of the certification “100% Made in Italy” by the Institute for the protection of Italian manufacturers (ITPI) founded in 1990. The ITPI developed a certificate trademark concerning several sectors, including textiles. The requirements of the products are the following; entirely made in Italy, made using parts entirely made in Italy, made with first choice quality materials, created according to the manufacturer’s exclusive design and made following the Italian manufacturing skill tradition. Except for preserving traditions, there are many advantages with the certification according to ITPI. Through the certificate manufacturers can guarantee the value of their production and also it helps distributors to justify the costs. It’s also supposed to add prestige and make Italy
stand out comparing to foreign production. The manufacturing company of Respondent G\(^6\) don’t work with the certification “100 % Made in Italy”, even if they believe in locally produced fashion. According to the factory, the important part of the raw material used by the manufacturers is originated from Italy and also most of the work is done in Italy. But the world of textile is global. Concrete examples are that more than 50 % of the yarn that the high-end manufacturers use comes from non-european manufacturers. This is to be able to source the superior fibres in the world to produce textiles of top quality. For example natural fibres from Italy cannot be compared to fibres such as the Supergeelong wool from Australia or the Pima cotton from Peru\(^7\). Though, often the production of superior fibres abroad are Italian owned companies placed in Asia, East Europe or North Africa. Another one is that many Italian manufacturers of printed textiles are offering a great supply and world leading in production when it comes to printing and colouring. Although the raw materials used are often from non-european countries. The respondents explains further;

Honesty, 100 % made in Italy has been almost impossible, with the exception of a very narrow line of products. There are always yarn or some component that for some reason is not made in Italy. Our Made in should therefore stand for 100 % Italian when it comes to the underlying philosophy, the touch of style, the persistence in wanting to be the leader and establish the Italian textiles as a synonym for beauty, in combination with research, the ancient traditions and the know-how interlaced with innovation. (Respondent G\(^8\))

Respondent G also claims that Preferenziale Europea is a first qualification for “100 % Made in Italy”. It is based on a European standard that sees more to the economical benefits rather than protecting and promoting the Italian know-how. Respondent G emphasizes that the foundation of Altagamma should rather develop strategies for innovation and keeping the know-how, instead of following the regulations from the EU. This agrees with the opinions from Altagamma\(^9\), who claim that the certification “100% Made in Italy” is a private initiative of a group entrepreneurs outside of Altagamma whom has no official recognition by the Italian government. Thus, the members of Altagamma have no interest in aligning to the standards as they already and undisputedly view themselves as the best of Made in Italy.

In Scandicci there is a head office and a factory for a brand producing exclusive leather bags, fully made in Tuscany/Florence who are using the certification 100% Made in Italy. The factory claimed\(^10\) that the parts of their bags are sourced in the Florence area, even the threads and the hard wear parts. The company produces and sells bags under their own brand name as well as making bags for the high end fashion brand Chanel. For Chanel, the bags are made completely in their own factory, but for the bags sold under their own name, parts of the production is outsourced to subcontractors in the close area of Scandicci. This follows the example of Scandicci as a leather cluster offering a full package deal to the clients, by joining forces between the Italian and the Chinese manufacturers. The company uses Chinese subcontractors to be able to produce all products in their collection, who are working under strict control of the Italians. The Chinese factories normally produces products for the very low end market, even lower than the regular high street consisting of brands such as Topshop,

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6 Respondent G, mail interview 2013-04-18  
7 Respondent F, interview 2013-05-14  
8 Respondent G, mail interview 2013-04-18  
9 Respondent H, mail interview 2013-04-24  
10 Respondent C, interview 2013-05-10
H&M and Zara. Respondent A\textsuperscript{11} suggests that the leadership of the Italians over the Chinese factories in Scandicci have been able to increase their level of workmanship and thus be able to work for the high end market as well, helping the Italian manufacturers to be able to meet order quantities. According to the factory of respondent D it’s crucial to have a quality certification, but it is not a goal for them to have the “100% Made in Italy” certification. It’s more important to have inspections, check the quality is the most important thing. Primarily, they don’t buy yarns from anyone. They choose quality over a lower price. Then, the machines need to be checked constantly and last but not least and the workers need to be experienced. They see an increased demand in quality fabrics, for example one of their most loyal clients, Patrizia Pepe, started as a fast fashion brand but is now positioned in a higher segment.\textsuperscript{12}

### 4.6. Cluster

In cluster branding there are a range of key factors; to join forces and be innovative (Wigren, 2003). Furthermore a cluster is based on a specific geographic region with stakeholders sharing the same values (Mihailovich, 2006). To apply cluster branding within the Italian fashion industry, different types of clusters will be discussed; Como outside of Milan and Prato outside of Florence. Further we will also present an organisation managing a cluster and a recent project, with purpose to enhance the clusterization.

#### 4.6.1. The Italian clusters

Alberti (2006) shows that there are Italian industrial districts that have entered a process of decline, which might be the effect of the general recession in the whole textile industry. This contributes to the debate on the evolutionary patterns of industrial districts. In the 80’s the devaluation of the Italian lira played a prominent role (Alberti, 2006). Through the case of the industrial district of Como, nearby Milan, and its decline process from 1980 to 2003, Alberti (2006) developed a model suitable for analysing strategies of how to develop the Italian fashion industry through a manufacturing perspective. It could be relevant to apply this theory on the district of Prato. According to Alberti (2006) the traders gained bargaining power towards the manufacturers in the 90’s, which forced them to become more efficient and flexible than before. Because of a cost advantage, Asian producers became competitive. The district of Como specialized in silk fabrics, but the consumers demand changed, instead of wanting the premium price products they wanted more essential garments, made of synthetic fibres. This was a typical consumer behaviour of the time, which meant lower levels of demand in quality and less concern on the geographical origin. Alberti (2006) claims that Como couldn’t keep up with the evolving technology needed, both towards higher production efficiency and towards innovation. The factor that was the most destructive one was that manufacturing activities was outsourced to China to benefit from low cost production and led to shrinking district size. The district lacked the management needed, due to that the companies were small and often family owned. Also the labour that was demanded was medium-low job profiles. These factors forced workers to abandon the business and contributed to the decline of the industrial district of Como (Alberti, 2006).

\textsuperscript{11} Respondent A, interview 2013-05-08
\textsuperscript{12} Respondent D, interview 2013-05-13
Sammarra & Belussi (2006) reveal that cluster firms’ ability to shift from manufacturing to other activities, provides higher returns along the global value chain. They claim that it is key to understand the effect of globalisation and relocation processes on the clusters’ long-term competitiveness. Weak learning districts are the most threatened while innovative districts are able to endorse a selective process of relocation as well as substituting outsourced activities with more valuable ones. Sammarra & Belussi (2006) further suggest that relocation processes not necessarily has to do anything with district decline, even if it tends to reduce the level of clusterisation. Globalisation can have advantages such as new external relations. When it comes to the district of Prato, it is crucial to maintain its capacity in offering top-quality materials for the high fashion sector (Buzzi & Li, 2011). Moreover Prato needs to adapt to further structural changes. Back in the 12th century Prato arrived as a district with a valuable know-how in processing carded wool. An inventor at the time called Giovanni Battista Mazzoni, enhanced the geographic concentration and has a capitalistic view of the processes, which made the cluster grow. In 1950 important innovations were made, such as the introduction of nylon, which was used in garments with wool interwoven as backing. This supported the development of the cluster brand, according to Buzzi & Li (2011). They had a high degree of cooperation and entrepreneurial attitude. The wool was the trademark of Prato until the 70’s when there was no longer the same demand. In fact, wool is only 3% of the global fibre production today. Prato had difficulties in the 80’s. 28% lost their jobs and 37% of the firms went out of business. The district shifted their production strategies and invested e.g. in the finishing processes, an important part of the supply chain. This made Prato vital and competitive for a decade, then it faced economic changes in the new millennium. On a structural level, it became more important with having a distribution network. As in the case of Como, the globalisation forced garment makers in Prato to delocalise. Also, the Chinese entrepreneurs settled down and established a network of firms on their own in Prato, a form of parallel district and “backyard globalisation”, according to Buzzi & Li (2011). The Chinese reached impressive results and today the estimated workforce reach up to about 25 000 people, which have turned Prato into the province of Italy with the most foreign origin.

4.6.2. Pratotrade

Pratotrade, an organisation founded in 1979 to promote the industrial district of Prato, is a consortium with 50 selected textile companies, producing apparel fabrics. Initially, its purpose was to provide technical, logistical and organisational services, but also to preserve the historical and cultural aspects of Prato. They collaborate with fashion consultants that can provide information to the district about new developments and trends in fabrics and colours. The purpose is to continuously be on terms with the upcoming innovations and quality requirements in the fashion business. Also Pratotrade work with experts in foreign law, in order to provide services regarding entering foreign markets.

Pratotrade promotes their district and try to find public investment, organise participation in trade fairs and workshops to enhance innovation and sets up B2B meetings to attract clients to the factories. All activities are done to give stimulus to the factories so they can be able to respond to the upcoming trends and demands by the clients. Pratotrade collaborate with the “Italian Chamber of fashion”, which include professionals such as Mario Boselli, the head of Camera Nazionale della moda Italiana and Mr Rafaello, the CEO of Pitti Immagine. In the 70’s the government started to support Prato Trade with public funding. Though, when

13 Story told by Respondent A, interview 2013-05-08
Tuscany developed their own policies for SME’s the funding activities from the government come to an end. In 2000 the Toscana Promozione created their own promotion agency and today Pratotrade Organisation works as a second level organisation under Confindustria, which aims to help the economic growth of Italy.

One of the main activities when supporting the factories and building new relationships, is the annual textile fair Première Vision in Paris. Until 2009 Pratotrade used to have their own booth, but today due to lack of public funding they can not afford it. 90% of the factories that Pratotrade represents participate in the fair. 50% also participate in the fair Milano Unica. In spring 2013 Milano Unica and Frankfurt Unique created a joint venture and participated in the Chinese fair Intertextile in Beijing, which led to great success for the 30 Italian factories from Prato that participated.

Today Pratotrade consists of two consortia, the first one are the producers of fancy yarns and the second one are the producers of fabrics. These are all fully Italian companies. The factories normally consists of 20 persons and they are more capital intensive than labour intensive. The factories produce for all big brands in the fashion industry worldwide and they are known for their great standards of quality. The situation of Prato today has drastically changed over the past decade. In 2000 Confindustria had 1100 factories in their organisation, today the amount of members is down to only 550. The reason to these changes according to Pratotrade is the global recession and the strong competition of Mainland China. In the beginning of the new millennium, the Italian textile industry flourished which made it easy for new factories to become successful. When the recession began some of the Prato factories were not used to deal with the tougher conditions on the market, which forced them to shut down. For example they had poor loyalty programs with their clients. When the economy becomes tough and the market slows down, only the best factories offering the best services manage to survive. Perhaps the changes in Prato only was a natural consequence. Factories in Mainland China affects the factories in Prato with their low production cost and their ability to create big volumes to a quick response. Thus clients tend to outsource their production to China instead of Europe. They simply cannot afford in this economy to use Italian factories. According to respondent A, when they chose to outsource to China they didn’t care about their suppliers losing business in Italy. Although when facing difficulties in China, they came back. Today most companies find it convenient to have some suppliers in Europe and some in China.

Prato has during the past decade went through a structural change by the “backyard globalisation” with the Chinese workforces coming to Prato to set up their own factories. Today there are over 1000 small Chinese factories in Prato, with 5-10 persons working in each factory. Many of them living illegally in Italy. They have created their own manufacturing area named Macrolotto Uno. The Chinese factories only produce apparel for the fast fashion sector and the worldwide “gray market” for small shops selling unbranded clothing. The quality of their work and their finished products is far from the same 100 Italian factories in Prato producing apparel. This is why Prato Trade claims that there is no competition between Chinese and Italian factories in Prato. This differs from the medial image outside of Italy who seem to think that the factories within Prato are very unorganised and where Italians and Chinese cross borders and collaborate together. This is not the case. The Chinese and the Italian production are two parallel and separated clusters.  

14 Respondent A, interview 2013-05-08
According to Buzzi & Li (2011) the future challenges for Prato will be to strengthen its relations, by improving long-term collaborations, have a better control and network of the market distribution and internationalise the facilities when it is advantageous. Pratotrade claims that their promotional activities in foreign markets can grasp opportunities and increase the export. The cluster branding strategies need to concern the district as a whole and not only to single firms. The strategies should according to Sammarra & Belussi (2006) be proactive, with focus on developing immaterial resources of know-how, design, information and logistics.

4.6.3. The Fashion Valley

Pratotrade declared\textsuperscript{15} that they have started a new project launched in February 2013 called Fashion Valley, which is an initiative to create a more collaborative industry in the Prato cluster where Italians and Chinese work together to be able to create full collections for clients. Which today is only available for the lower segment in fashion for brands such as H&M, Zara, Pinko, Patrizia Pepe, Mango or Abercrombie & Fitch. Fashion Valley is supposed to offer full package deals for their clients, from the production of thread and fabric to the confection of the final garment. It will be focused on three important factors of the fashion industry; small volumes, creativity and short lead times. The Italian companies will take the managerial role of the Chinese factories, due to the fact that they have higher standards of quality and relationships with the high-end fashion market. Fashion Valley is inspired from the example of Scandicci, the leather cluster outside of Florence. This case was the first successful collaboration between Italian manufacturers and Chinese subcontractors to produce full package deals for Hermès and Chanel. The Italians helped the Chinese buy new machines to be able to work for their Italian supplier, so that they all could meet the same quality standards. With this result in mind, Pratotrade Organisation is in the process of finding external sponsors apart from the main investor today which is the Camera di Commercio from Prato. The purpose is to invest in honest interacting with the Chinese factories. Through this, all companies within the Fashion valley will be able to work for high end fashion brands such as Prada, Gucci, Lanvin among others. The radius of the Fashion valley is supposed to stretch 50 km outside of Prato. Except for Scandicci, it will for example include the tannery in Santa Croce Sull’Arno, the menswear cluster Impoli and the Prada headquarter Terra Nuova.

4.7. The heritage

This section aim to reveal the secrets behind the Italian manufacturing traditions and the heritage of craftsmanship. The presented empirics will include the special techniques for the textile production, and describe the spirit of the “love-to-product”. It will finally end up with an prospective aspect; how to preserve the know-how.

4.7.1. The story of craftsmanship

Budtz et al. (2010) claims that storytelling is a valuable branding strategy, both for stakeholders and consumers but also for the internal branding. In past Italian marketing attempts, the focus has mainly been on historical aspects and the Italian identity, e.g. having

\textsuperscript{15} Respondent A, interview 2013-05-08
the Italian national anthem imprinted on socks, seen at Pitti Uomo. Segre (2010) claims that history has a peculiar role when it comes to fashion branding. Since Made in Italy ironically does not really stand for craftsmanship, Segre (2010) claims that is interesting that it is still associated with artisan work. There is a paradox of how Made in Italy should be re-established and what it really should stand for today. The concept of Made in Italy is caught between propaganda and joking, and marketed through an increased obscure and vague concept of exclusiveness (Segre, 2010). It has become a stereotype that industry people in some cases want to take distance from. Many designers promote a new form of branding. Others, such as Respondent F\textsuperscript{16}, wants to stay true to the tradition of craftsmanship, but combine it with contemporary taste. They only produce to orders and use hand knitting machines in their production. Furthermore the factory pay attention to details, such as using local olive tree material for the buttons on their knitted sweaters.

A journalist on the online journal luxurysociety.com (Doran, 2012) explains how there have been studies made that shows how consumers in the luxury segment feel that the level of quality and customer service in luxury fashion brands today have decreased. In the 2011 report by the Luxury Institute called “Luxury Branding and Marketing: A Global Comparison of Wealthy Consumers in Top Markets”, they show how the top three attributes that define luxury fashion brands are; superior quality (73%), craftsmanship (65%) and design (54%). With the increasing usage of internet and social medias in marketing luxury fashion brands have been inspired by the original activities of brands such as Louis Vuitton and Gucci, who occasionally in the past used to present their artisans in their retail stores to show their customers how their leather bags were stitched by hand (Doran, 2012). Combining these marketing events with the video channel Youtube, many luxury fashion brands have made their own videos with a “behind the scenes” theme, where people all over the world can watch how their products are made with great craftsmanship. Doran (2012) presents examples of such videos in her article where you can see videos of the production for 12 of the most well known luxury fashion brands in the world, where 4 of the brands are Italian and where all 12 brands are clients of Italian manufacturers (Respondent B, C & D). Respondent C revealed that in July 2013, they were launching a video showing their production and craftsmanship on Youtube for their own brand.

The Chanel representative\textsuperscript{17} claims that the model 2.55 are fully made in their factory in Scandicci. It is very strict and secretive to work with Chanel. To avoid the gray markets, numbering labels to mark the bags. Defected bags in production are directly sent to Chanel in Paris, who take care of the bags. Each Chanel bag is marked with a number to be able to trace its origin and claim the originality of the Chanel production. The workforce in the production department are extremely knowledgeable. For them it is an honorary profession. They are experts and they do not take interns in the production. It takes 3 days in production to finish a 2.55 bag for Chanel. There are no compromises on quality, craftsmanship or construction when it comes to the production of the bags.\textsuperscript{18}

The museum of the fashion brand Salvatore Ferragamo in Florence is niched in storytelling, which helps the promotion of Florence and the area of managing their inheritance of craftsmanship. This year, 2013, they have an exhibition called “the Amazing Shoemaker”. A guide from the museum\textsuperscript{19} explained that it presents the life of the founder Mr. Salvatore

\textsuperscript{16} Respondent F, interview 2013-05-14
\textsuperscript{17} Respondent C, interview 2013-05-10
\textsuperscript{18} Ibid
\textsuperscript{19} Respondent E, interview 2013-05-13
Ferragamo, his passion for shoes, how learned from the cobblers in his small village to create shoes only six years old and that he studied the anatomy of the body to be able to make great shoes. He came up with the idea of making a special designed piece of iron that he put in the sole of high heeled shoes to make them more comfortable. Salvatore Ferragamo moved to Hollywood, America, where his brothers lived when he was 14 years old, where he opened his first shop in 1920. It was called the “Hollywood boot shop” and he made boots for the Western movies, all completely hand made. When he returned to Italy he bought the building where his museum and headquarters of the company is today in the center of Florence. There is still an archive left in the building consisting of about 1000 pairs of shoes and prototypes. Except for being a skilled artisan, Ferragamo was also a skilled businessman; he made patents on all his new and innovative models. For example he invented the wedged high heeled shoe. He experimented with different types of materials, such as plastic cellophane, an idea inspired from the packaging on candies. During the World War he had to find cheaper materials and for example he used fish skin. In this time it was hard to import materials so everything was 100 % sourced and made in Italy. He got inspiration from historical times and decades, such as the era of dinosaurs, medieval and the Renaissance. He also did a shoe in canvas and let a florentine artist paint a sailing ship on it in 1930. 1956 he made “The golden shoes” in 18K gold, with help from the goldsmiths from Ponte Vecchio in Florence. Ferragamo was never really part of the fashion business. He was simply a true artisan who made shoes of innovative design and superior quality. The museum collaborates with contemporary artists with the purpose to bring forward new talents. In the exhibition “the Amazing Shoemaker” they managed to get the award winning film producer Tim Burton to create a short film based on the story of the early career of Mr Ferragamo, which shows how the brand Salvatore Ferragamo works extensively with storytelling as a branding concept.\(^{20}\)

4.7.2. Love-to-product

Cutrini (2011) suggests that to restore industrial districts, education is essential for the development. The young educated generation choose to work with intangible activities, such as marketing, rather than manufacturing activities. According to the representative from Pratotrade\(^{21}\) there is a noted concern about the ageing workforce and the fact that the younger generation do not take on the know-how and the tradition of craftsmanship. The companies Keaton and Caruso menswear have made a private solution. To cherish their staff they started with their own factories. Now they have a school with about 100 people studying and working for them. A school of high specialisation in leather is doing a similar project. Also the foundation Altagamma declared\(^{22}\) that they are doing a similar project at the moment, called “Il Successo nelle Mani”. The project is done jointly and closely with the Government, promoting technical schools and encouraging young people and their families to also consider this kind of career opportunities after B-Levels. According to Respondent A, this is the real strategy to help the industry, not the certification “100% Made in Italy”\(^{23}\).

\(^{20}\) Respondent E, interview 2013-05-13  
\(^{21}\) Respondent A, interview 2013-05-08  
\(^{22}\) Respondent H, email interview 2013-05-05  
\(^{23}\) Ibid
5. Discussion and conclusions

In this chapter we will present the different perspectives of the theoretical review and the empirical findings, by applying these to our own model “the Nation Brand Tree”. Finally the discussion will result in our conclusions to the main question of the thesis, addressing the problem of brand confusion; how do professionals within the Italian fashion industry collaborate and communicate to develop the nation brand Made in Italy, in order to avoid brand confusion?

Based on the desk study we found arguments for that the certification “100% Made in Italy” was a good solution and branding strategy to promote Italian products. In our empirical findings we found out that the representatives of textile production disliked the certification and representatives of leather products were positive to the certification. The reason to the different opinions are the concerns of the prima materia, the origin of the material. The Italians are superior in production of textiles and leather goods, but not in the making of the textile fibre, in contrary to that the Italians are world renowned for their leather. Hence, the leather manufacturers have the best prima materia in their country, which is not the case of the textile producers. The natural fibres from Italy cannot be compared to e.g. the fine Supergeelong wool from Australia or the Pima cotton from Peru.

The certification is funded by the Italian Ministry of Economic Development, based on our findings we have come to the conclusion that the Italian political force is not supporting or acknowledging their fashion export as an important part of the Italian economy. Representatives from organisations, factories and fashion brands in our study all agree that the support from the Italian state is non existing or has recently been withdrawn. They also claim that the certification is not the right way to restore and increase the Italian fashion industry. The certification is more hurtful to Italian textile factories and fashion brands than effective, in a promotional perspective. The managers of the national Italian fashion brand is not succeeding in creating a united and clear message for the different parties of their fashion industry to work towards. Instead there are many private forces on different levels that are trying to restore and build the Italian fashion brand. Organisations such as Altagamma and Pratotrade, strong fashion brands and individuals within the fashion industry take it upon their own agenda to promote their regions to make their businesses grow, since the government does not help. Based on our empirical findings the history of Italian politics is hurting the nation brand as a starlight effect. The reputation of the former Italian prime minister, Silvio Berlusconi is still affecting the perception of Italy by the public, which can have an impact on Italian companies and their ability of making business globally. Thus there is a starlight effect that can be hurting the Italian image and the trust in Italian companies. Based on our empirical findings we draw the conclusion that one of the main issues threatening the future of the Italian textile production and fashion industry, is the problem with the ageing workforce of the artisans and the loss of craftsmanship. Today most efforts have been made by private investors to establish educational solutions to save and preserve the traditions of craftsmanship. Thus, the new Italian government with prime minister Enrico Letta, recently started working with Altagamma to inspire young Italians to choose a career in craftsmanship, which shows a brighter future of the Italian fashion export with state aid.

Another finding from the empirics is that Italian brands seem to shift back to ready-to-wear, suchs as the brand Patrizia Pepe, letting the past decades of pronto moda go. Patrizia Pepe started out as a fast fashion brand in the 80’s but has evolved into a brand with a focus on
higher quality fabrics, pushing the brand to a premium segment. This exemplifies how the manufacturers of fashion are forced into producing higher quality fabrics and thus increased the usage of quality certifications. The fashion buyers are more selective in choosing their fabrics. In accordance with these findings, we realised that there was clearly two very separated clusters in the Prato district. The Chinese fast fashion producers did not have any connection with the Italian fabric and yarn producers. This was an interesting finding, since it was not shown throughout the desk study, where the secondary data misled us.

To comment the opinion of industry professionals, such as Marianne Randolph, who believe that we will go back to more locally produced goods, we are still quite splintered. We do believe that supporting local production is a natural consequence in strained financial and political times. The Euro crisis led to unemployment and downsizing of many textile firms, which was devastating since Italy already had a high unemployment. The value of the Euro has been decreasing comparing to big economies, such as the American dollar. This creates exports opportunities for the Italian fashion. To grasp this opportunity, the Italian fashion industry need to relaunch their brand Made in Italy. Their griffes need to be distinct and niched, create word of mouth based on their superiority and become spoken about by others. In fashion branding, forced self advertising is very ineffective. It is much more effective when for example a french fashion brand such as Chanel, creates a video of how their bags are made, showing the Italian craftsmanship and love-to-product that their bags are made with. It is free press for the italian fashion nation brand, which by consumers is perceived more trustworthy than a self promotional activity such as the certification “100 % Made in Italy”. The certification works as a promotion of Italian made products, but it is far less effective in comparison to word of mouth and being spoken about from an outside party.

The roots of “the Nation branding” tree cannot be seen by the public. Although, fashion companies are starting to produce promotional videos showing parts of their inner secrets, such as inside their production facilities. Suggestions for further research would be to e.g. develop a model how the roots, the unique griffes of a country can be shown without being copied. In the current delocalisation it is crucial for the Italian nation brand to preserve their roots. By showing their own production techniques, they can differentiate themselves on the market.

To further answer the main question there are several aspects to analyse. Primarily, brand confusion could occur if the origin of the brand is promoted when the production has delocalised due to globalisation and cost reductions. Branding the country of origin when the product are not fully made in a specific country can thus hurt the brand. For example Burberry has delocalised all their production apart from the production of their trenchcoat, their signature piece, which they kept in the UK. For the public this can be perceived as contradictory, when the brand who claims their british heritage so strongly, actually produces their products somewhere else today. Our study shows that the roots of fashion brands have significance to the consumers. Especially luxury brands tend to be very connected to the country of origin, it is in their brand souls. Thus, today there is a need to be creative and include strategies of how to present the origin of a fashion brand in the original marketing strategy. Our conclusion is that a delocalised brand rather should use the term designed in (country of design) than made in (country of production), to avoid brand confusion.

Our empirical findings concluded that it is better to do trade offs and only focus on the part of the supply chain, that you do best. The Italian griffe in fashion is the production of fabrics, garments and yarns. In other words, this is what the Italian fashion industry do best. The
sourcing of the fibres should be done elsewhere in order to receive the best prima materia. Otherwise the quality of the yarns will not be the highest possible and neither can the fabrics have top quality. Many manufacturers do not seem to care about the total nation brand, but in the same time they are very dedicated to the part of the production chain that they are involved in. They are niched and successful. Those who try to do everything are the ones that could not survive the economic crisis.

The purpose of the study was fulfilled by forming an accurate overview of the Made in Italy brand. We were able to get in contact with knowledged professionals within the business. With our model, we got an holistic insight to the problem, regarding both internal and external factors. We still believe that the Italian fashion industry has valuable know-how, but they need to preserve it better. Promoting leather products and heritage brands, such as relaunching the brand Schiaparelli, could be two directions to go, in order to enhance the competitiveness in the global market.

Regarding the results of our study and research method, we are pleased with the data we found. Though about the relevance of our study, additional interviews and observations would have enhanced the scientific level. We did not have the time or resources to study other clusters than the area around Florence, which limited our study substantially. It affects the holistic view of the case, since we aimed to study the whole Italian fashion industry, but ended up only studying a part of it. Our findings should be viewed as an insight, but not a result that can be generalised and applied to all dimensions of the Italian nation brand Made in Italy. However, the theoretical model “the Nation Brand tree” can be useful for future brand managers, when creating holistic nation brand strategies. Also, our study can be valuable for all parties of the Italian nation brand, to make them understand the importance of having a strong nation brand. In our results we found that many of the Italian factories that we interviewed, did not appreciate or understand what their head organisations, such as Pratotrade or Altagamma, was doing. This shows that there is a need for the managers of the Italian nation brand to enlighten and lead the seeds of their country towards united goals. Especially since the Italian fashion industry is represented by mainly small and independent family businesses, that would benefit from joining forces. Suggestions for further research would be to do a follow-up. Due to the economic climate and the current change of government we assume and hope that the situation will be different in a few years ahead and improved results could be found.
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7. Appendix

7.1. List of archive material

List of the respondents:

A – Initiative taker of the Fashion Valley project, working for Pratotrade
B – Sales Manager of a factory in Prato
C – Brand Manager of a leather factory in Scandicci
D – Son of the founder of a factory in Prato
E – Guide at the Salvatore Ferragamo museum
F – Owner of a knitting factory in Carmignano
G – Founder of a factory in Prato
H – Representant from the Altagamma foundation

7.2. Interview template

Nation branding:
Recognition and opinions about the “100% Made in Italy” certification?
Any connection to the foundation Altagamma?
- Opinion of these types of organisations/certifications?
- Helpful to your business?
In what way do you see that the government is helping you in your business?

COO:
In what way does it affect your business that you are Italian?
Do you believe that you have certain image and criteria to live up to?
- Culture, heritage, history?

Clusters:
What does the Prato region do to promote themselves as a textile industry cluster?
In what way has joining the Prato Trade organisation affected your business?
- How do you become a member?
- Does it cost anything?
- Does Prato Trade enhance your export?

Storytelling:
How do you promote your business?
How do you get new clients?
How does the relationship with the clients work?
Do the clients tend to keep the same manufacturer for a long time or do they change often?
**Griffe:**
When did you start your factory?
What are your specialties that you offer to your clients?
- Processes, fabrics?

Who are your main clients?
What products do you produce for the clients?
Why do they choose to work with you?
Do you believe that you still have a specific know-how in processing wool?
How did you get your know-how?

**Other:**
During the past 5 years, have you been forced to change your business due to the global recession?
Investments made recently in technological development, to be able to produce innovative textiles?
Does the orders differ very much over the seasons?
Experience of the Chinese manufacturers, any collaborations?