

MATERIAL VISION INTO FASHION

–
*Design, Branding and Innovation
in the process of setting up a fashion label*

CASE LUXAA



UNIVERSITY OF LAPLAND – LAPIN YLIOPISTO

Master's thesis

Katja Palomaa

Faculty of Art and Design

Department of Clothing Design

Autumn 2013

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SUMMARY

University of Lapland, Faculty of Art and Design

The title of the pro gradu thesis: Material Vision Into Fashion – Design, branding and innovation in the process of setting up a fashion label: Case Luxaa

Author(s): Katja Palomaa

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Summary:

The objective of the study was to examine the role of design, branding and innovation in the process of setting up a fashion label. These key terms provided the theoretical point of view to my thesis. The aim was to explain these concepts and describe the relationship between them. Operational point of view explored the process of setting up a label and within this framework the thesis introduced one real-life example; Luxaa. The material innovation created the foundation for the whole concept of Luxaa.

The thesis is a qualitative case study that provided a deep knowledge of the case. Main sources of evidence were observations and a semi-structured in-depth interview of Anne Trautwein who is the founder and the designer behind the label. As a method I used qualitative content analysis. The main purpose of the study was to link the theoretical point of view with practice and to analyze how design, branding and innovation can be seen in the process of setting up a label in the case of Luxaa.

Findings of the study showed that all these aspects are meaningful factors and together they can be a benefit for a start-up company. The study states that in Luxaa's case the process has been innovation-driven and all these aspects are visible in the label's actions and philosophy. Luxaa as a label is a combination of visionary thinking, meaningful innovation, strong brand vision and high-quality design guided by the philosophy of *Material Vision Into Fashion*.

Keywords: design, branding, innovation, fashion label, fashion business

Further information:

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1. INTRODUCTION

1.1 INTRODUCTION AND BACKGROUND

Could you imagine wearing knitwear made out of paper? Doesn't it sound a bit weird and extraordinary idea at first? How does it work? Can you really wash it and is it durable? These are probably the first questions in mind when hearing the idea.

Ideas that sound a bit strange at first can be questioned and rejected really easily but actually there lies a huge potential in these kinds of ideas and opportunity for innovation. A young and open-minded fashion label Luxaa from Germany does not see anything weird or impossible in this idea. Actually this idea forms the foundation for the whole concept of Luxaa. Luxaa's collections consist of knitwear and other garments made out of "synthetic paper", Tyvek. Luxaa has taken advantage of an unusual idea in fashion by exploiting unconventional material in knitwear and other garments.

When it comes to fashion it is common that fashion designers are often experimenting with extraordinary and innovative materials. But could innovation lead the process of setting up a fashion label? In Luxaa's case it did so.

Creation of competitive advantage is necessary at crowded fashion markets. That is why it is relevant to ask what is needed when setting up a fashion label and building a brand. Toby Meadows states in his book that setting up and running a fashion label requires 90% of business skills and 10% of design¹. Is that really so? What else is required than business skills and design?

Imran Amed writes in The Business of Fashion article that many young fashion designers rush into setting up own business. He says that one of the most common questions he is asked by graduated young fashion designers is "Should I start my own business or should I go work for a big fashion house?"² It is probably true that many fashion designers are considering an option of starting own business. Setting up own label can be a way for a fashion designer to employ herself or himself.

Janace E. Bubonia brings out the fact according to fashionproducts.com that "*The global fashion apparel industry is one of the most important sectors of the economy in terms of investment, revenue, trade and employment generation all over the world*"³. Still many fashion start-ups are struggling at the market to stand out from the competitors and to get a business running. Is it just a matter of lacking business skills or poor design? I personally believe that also other perspectives are needed. Business skills and design alone are maybe not enough. Perhaps design, branding and innovation all together could do something valuable in the case of a new fashion label.

1 Meadows, 2009, 7.

2 Amed, 2007 a.

3 Bubonia, 2012, 2 according to fashionproducts.com

1.2 THE AIM AND FOCUS OF THE THESIS

This master's thesis deals with the topics of design, branding and innovation and the relationship between them in the process of setting up a fashion label. The context of the thesis is fashion industry and the main interest lies especially in a new and innovative fashion label Luxaa.

The theoretical framework lies on the concepts of design, branding and innovation. The aim is to describe what these different concepts mean, how they are connected to each other and how these aspects can benefit from each other. The practical point of view is concentrated on the process of setting up a fashion label and building an innovative fashion line. It is relevant to investigate and describe practical actions within this process. Within this framework the thesis will show one real-life example from the field of fashion; Luxaa. This case is an important part of the thesis. The thesis will describe the first steps of this new label during the first year and examine the beginning of this new brand. The main purpose of the study is to link the theoretical point of view with practice and to analyse how design, branding and innovation can be seen in Luxaa's case. It seems that Luxaa combines all these aspects in its philosophy and actions.

My personal interest as a fashion designer is to gain information about the process of setting up a fashion label. I have been really lucky to have an opportunity to follow this young and innovative fashion label and its first steps. As a professional it is interesting to get perspective and understanding of the different aspects and starting points in this process.

1.3 RESEARCH QUESTIONS

The original question that drove this study was;

"How to set up a fashion label?"

For a start-up company it is a big challenge to get a business running. I am interested in examining what is needed when setting up a fashion label and what kind of practical tasks are included to this process? Luxaa is a real-life example in this thesis and helps to illustrate the process of setting up a fashion label. The question *How to set up a fashion label?* will be examined from the point of view of design, branding and innovation. Essential in the study is to investigate what is the relationship between these main concepts in the process of setting up a label and building an innovative fashion line.

In that case the main question of the study is:

"How design, branding and innovation can be seen in the process of setting up a fashion label in the case of Luxaa?".

Interesting is also to analyze what design means in Luxaa's case, what kind of brand Luxaa is and what kind of innovation can be seen in Luxaa's case. The hypothesis of the study relies on the assumption that design, branding and innovation are important aspects in the process of setting up a label and building a brand. All these aspects are needed when the aim is to set up a label and to start a new business, to differentiate from the competitors in the market and to create something new that generates value and is meaningful to consumers. The assumption is that design, branding and innovation go hand in hand in this process. This hypothesis is based on Erik Roscam Abbing's book *Brand-driven Innovation – Strategies for development and design*.⁴

4 Roscam Abbing, 2010

1.4 THE STRUCTURE OF THE THESIS

CHAPTER 1 // The first chapter introduces the topic to the reader. It clarifies the aim and the focus of the thesis and sets the research questions. The introduction chapter also presents the research strategy and research methods used in the study.

CHAPTER 2 // The theoretical point of view is presented in the second chapter. Based on the literature review this chapter explains the key terms; design, branding and innovation and describes the relationship between these topics. The theoretical point of view lies on these concept. Later this framework gives the direction to the analysis in the study.

CHAPTER 3 // The third chapter focuses on the practical and operational point of view of the thesis. The chapter introduces the case Luxaa. This chapter will describe how the label got started and introduces first steps of Luxaa during the first year. Anne Trautwein, the designer behind the label, talks about the process of setting up own label and tells about Luxaa. The chapter describes practical steps and actions in this process based on the interview of Trautwein and literature review.

CHAPTER 4 // In the fourth chapter the focus is on the analysis. In this chapter every aspect of the study comes together and forms the most important part of the thesis. Theoretical point of view presented in the second chapter will guide the analysis. This chapter points out the findings based on the theoretical point of view and the research questions of the study. In this chapter it is analysed how design, branding and innovation can be seen in the process of setting up a label in the case of Luxaa.

CHAPTER 5 // The fifth chapter is for conclusions. This chapter will tie up all the information together and will close the study. It will evaluate how the study was conducted and will sum up the results. It will point out the prospects and analyse what were the benefits of the study and what kind of information it produced.

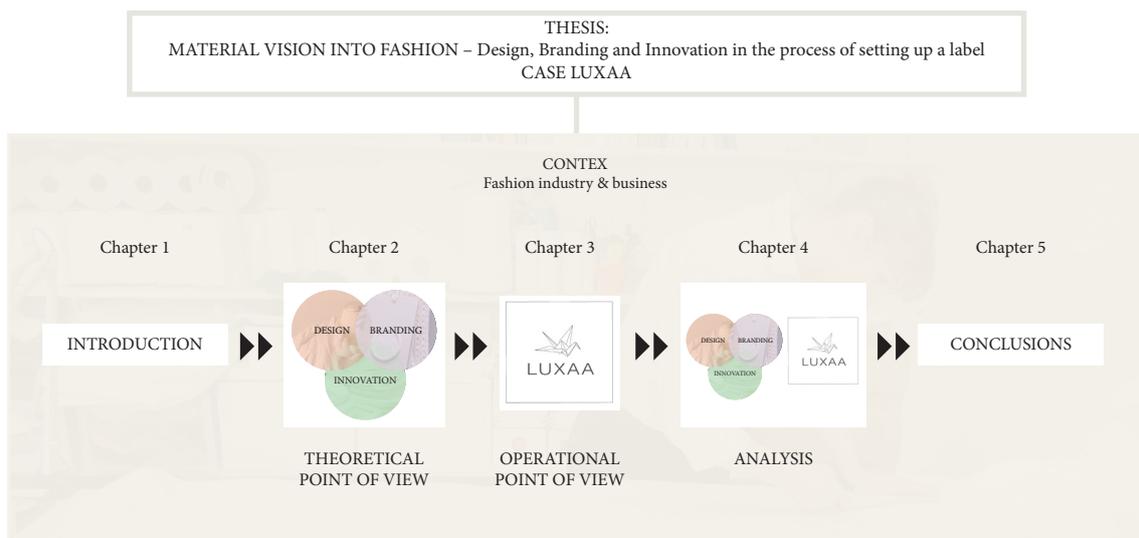


Figure 1.
The structure of the thesis.
(Palomaa 2013)

1.5 RESEARCH METHODS AND RESEARCH PROCESS

This thesis is a qualitative case study that shows one real-life example from the fashion industry. The case study can be considered as a research strategy that provides a deep knowledge of a single or multiple instances or events, the case(s). Research strategy refers to methodological choices of the whole study.⁵ That means that case study alone is not data a collection tactic but a research strategy that guides the choice of methods in the thesis from data collection to data analysis⁶. Case study as a research strategy is flexible and versatile⁷. It is an effective research strategy when the aim is to describe individual cases or processes and to gain in-depth information about certain case⁸.

This research process started in the autumn 2011. I got the idea to investigate the process of setting up a fashion label when I heard that my friend Anne Trautwein was going to set up her own label. I met Trautwein in Valencia, Spain where we were studying and doing our exchange period together at the school Escuela de Arte y Superior de Diseño de Valencia, EASD Valencia in 2008-2009. She told me about her plans to set up and launch her own label during the spring 2011. In October 2011 I travelled to Halle, Germany for the first time where Trautwein is living and where Luxaa is based.

Case study as a research strategy felt natural when I decided to investigate the process of setting up this new label. The choice of research strategy refers also to research questions. It is important to take in consideration the substance of the study and to define research questions. According to Yin a case study is an appropriate research strategy especially when the research questions are being posed in the form of “how” or “why”⁹. The main research question is “*How design, branding and innovation can be seen in the process of setting up a fashion label in the case of Luxaa?*”. In this case the research question support the choice of case study as a research strategy.

A case study is an empirical inquiry that aims at to investigate contemporary phenomenon or event within its real-life context¹⁰. Real-life context means that the case is examined in its natural environment. For a case study it is typical that researcher has little or no control over the events and relevant behaviours cannot be manipulated.¹¹ In this study data collection has happened in real-life context and the case will be presented in its natural environment. During the research process I travelled to Germany three times to collect data and to do observations at Luxaa’s studio in Halle and at the fairs in Leipzig and Berlin.

In a case study data can come from many sources of evidence and case study’s strength is capability to deal with variety of evidence¹². Main sources of evidence may be documents, archival records, interviews, direct observation, participant-observation and physical artifacts¹³. In this study data is coming from different sources. Especially two sources of evidence are important to this case study: observations and an interview of Anne Trautwein.

5 Hirsjärvi, Remes & Sajavaara 1997/2009, 132, 134-135.

6 Yin, 1984/2003, 14.

7 Piekkari & Welch, 2011, 194.

8 Hirsjärvi, Remes & Sajavaara, 1997/2009, 134-135.

9 Yin, 1984/2003, 1,7, 9.

10 Yin, 1984/2003, 9, 13.

11 Yin, 1984/2003, 1,7, 9.

12 Yin 1984/2003, 8.

13 Yin 1984/2003, 83.

I was interviewing Trautwein in October 2011 at Luxaa's studio, in her normal working environment in Halle during my first visit to Germany. The interview was the most important source of data when background information about the label Luxaa was needed. The interview was conducted when I was starting the research process and at that time Trautwein was launching Luxaa. The role of key informants is essential to the success of a case study¹⁴. That means that it is necessary to choose people who can provide useful insights and relevant information about the research topic. It was natural to interview Trautwein as a key informant because she is the founder and the designer behind the label Luxaa. I conducted semi-structured in-depth interview that included material over 180 minutes. It is typical that in semi-structured in-depth interview the main themes may be prepared but usually the researcher let the interviewee to talk pretty freely¹⁵. I chose this interview method because of its flexibility. Basic frame of questions¹⁶ was prepared but the interview was open and reminded like a conversation.

Other important source of evidence was observations. Yin says that direct observation of the events and participant-observation are possible in case study¹⁷. In this case study I was exploiting both ways of doing observation. During my first visit to Germany in October 2011 I was doing direct observation at Designer's Open fair in Leipzig where Luxaa was launched and presented as a label for the first time to the public. During my second visit to Germany I conducted participant-observation at Luxaa's studio in Halle in April 2012. Together with Trautwein I was developing the Spring/Summer 2013 collection for Luxaa. This project was part of my Advanced Master Project. I spent a couple of weeks in Halle while we were working together with Trautwein on the collection development process. This visit was perfect time for participant-observation for the master's thesis. Participant-observation means that the researcher is working with persons involved the events been studied¹⁸. I gained useful information about Luxaa and about the process of setting up a label while working with Trautwein.

In July 2012 I travelled to Germany for the third time. During my third visit I was doing again direct observation at Berlin Fashion Week. Luxaa was presented at Ethical Fashion Show Berlin and at Green Showroom fashion show at Aldon Hotel.

Observations, interview and conversations face to face with Trautwein provided useful information about the case Luxaa and the whole process of setting up a label. During my visits to Germany I did also documentation and I have lots of material of Luxaa in form of photos. Photos are used in the thesis to illustrate the case but they are not analyzed. Many sources of evidence are complementary and are helping to form holistic picture of the case.

In this study I will use content analysis to analyze the collected data based on the interview. According to Tuomi and Sajajärvi content analysis is a basic research method often used in the qualitative research¹⁹. Content analysis is a way to classify textual material and to reduce it to more relevant and manageable bits of data²⁰. In general content analysis aims at simplification of the data and producing clear verbal description of the research topic. Content analysis helps to organize unstructured data into compact form without losing any important information.²¹

14 Yin, 1984/2003, 90.

15 Tuomi & Sajajärvi, 2009, 75-76.

16 Appendix 1.

17 Yin, 1984/2003, 8.

18 Yin, 1984/2003, 93-94.

19 Tuomi & Sajajärvi, 2009, 91.

20 Weber, 1990, 5.

21 Tuomi & Sajajärvi, 2009, 180 according to Hämmäläinen 1987; Burns & Grove 1997; Strauss & Cobin 1990; 1998.



Picture 1.

Conducting participant-observation while working together with Anne Trautwein in collection development process at Luxaa's studio in Halle in April 2012

The first step in the analysis process is to decide what is essential in data and to focus on relevant information. The researcher is going through the data and this step usually includes transcription and coding. Content analysis proceeds by organizing and grouping material into categories and themes by thematising, typifying or classifying the data. Lastly the aim is to write a report with conclusions based on the information found in collected data.²²

Based on Eskola's views Tuomi and Sajajärvi categorize content analysis in data-driven content analysis, theory-guided content analysis and theory-driven content analysis²³. In this study I will use theory-guided content analysis that places it self in the between data-driven and theory-driven content analysis. The process of theory-guided analysis is abductive. That means that process of thinking is making the movement between inductive and deductive way of reasoning. Sometimes the process is driven by data and sometimes it is guided by theoretical framework. Collection of the data can be pretty free in theory-guided analysis, as in data-driven analysis. Data is driving the analysis in theory-guided method and the units of analysis are formed based on the data. However, in the analysis can be seen the impact of previous knowledge and theoretical links and the theory can guide the analysis. Also conclusions are linked to the theoretical framework. Nevertheless, the meaning is not testing the theory but opening new thoughts and views about research topic based on data.²⁴

22 Tuomi & Sajajärvi, 2009, 92-93.

23 Tuomi & Sajajärvi 2009, 95 according to Eskola 2001; 2007.

24 Tuomi & Sajajärvi 2009, 96-97.

The choice of theory-guided analysis felt natural because data was driving the process and the theoretical framework was pretty loose in this study. I started data analysis with transcription of the interview because transcription makes data easier to handle. I was going through the text and reading the interview to get the first impression of what kind of information data could provide. After that I started to find meanings from data. I labelled data sentence by sentence and wrote reduced expressions for each sentence or paragraph by the first impressions. After that I formed the main themes according to design, branding and innovation based on the theoretical point of view and started to organize data thematic way under these main themes. I was going further with thematising the data and formed categories and sub-categories under the main themes. I was organising sentences and expressions from the interview under these categories. Lastly I analysed what these expressions means in the context of Luxaa when setting up a fashion label and found meanings related to my theoretical point of view. These meanings are organized, analyzed and wrote in the form of research report in the analysis chapter according to main themes design, branding and innovation. Analysis was a dialogue between the data and the theoretical framework and process of analysis was abductive. Theoretical framework gave the guidelines for analysis but data was mostly driving the analysis. In analysis empirical data is linked to theoretical framework.

2. DESIGN, BRANDING AND INNOVATION



Roscam Abbing is talking about the connection between design, branding and innovation in his book *Brand-Driven Innovation – Strategies for development and design*. He says that the understanding of the relationship between these topics is useful and there lies huge potential in taking advantage of all these aspects. Design, branding and innovation together can create real value for people and organizations.²⁵ As a words design, branding and innovation are used often nowadays in different situations. There is a wide range of definitions and potential meanings for these words. According to Roscam Abbing the meaning of these terms depends largely on the context in which they are used.²⁶ In this chapter the aim is to define what these terms are all about in the context of this thesis. The aim is also to describe how these concepts are linked to each other and what kind of relationship there lies between these terms. By defining these terms the theoretical framework will be more understandable.



2.1 DESIGN

2.1.1 Design as a concept

Really often design is understood as a something that relates to aesthetics, looks and styling. Typically design is considered as an action of giving forms for different types of products, environments and identities²⁷. As a word design is used a lot in different contexts nowadays. However, in many cases understanding related to design is still really narrow. Design as a concept is more multidimensional than normally thought and it is not only about the products or aesthetics.

According to Roscam Abbing design can be understood as a practical activity or conceptual process that involves much more than aesthetics. Design is related to things like functionality, interaction, usability, the use of materials and construction. Design can be a creative process that defines the essence of objects, expressions, services and environments. Design is also about solving problems, creating meaningful

25 Roscam Abbing, 2010, 6-7.

26 Roscam Abbing, 2010, 11.

27 Roscam Abbing, 2010, 14.

interactions and generating value for users and organizations. It is not only about individual's expression but about experiences, services and processes.²⁸

Also Karl Aspelund points out that it is a misconception that design deals only with the surfaces or looks of the things and products. Functionality of a final product is important factor in design process. There are lots of aspects to consider like how products work, what material are they made of, how they are constructed or how they interact with users.²⁹ Aspelund says that "*A design is a plan of actions, created in response to a situation or problem that needs solving. Designing is about forming ideas, planning and explaining the execution of those ideas, and making choices based on the evolution of those ideas that will lead to an end result. Designing is a journey that has a number of stops and detours along the way*".³⁰ This states that design is a process but also the outcome of the process. The book *Design-Inspired Innovation* also points out that design, as well as innovation, refers both to a process and the outcome of the process³¹

Bettina Von Stamm says that design is a process where conscious decision-making is in important role when turning ideas into an outcome that can be tangible products or services that are intangible outcomes of a design process.³² Design enables transformation of intangible ideas into tangible products or services. Design is bringing visions into concrete real life.

2.1.2 Design process and design activities

Design activities are often related to problem-solving and decision-making. According to Aspelund design is related to a problem that requires a solution and designing starts by identifying a problem and determining what questions are being asked. He says that "*designing is about ideas; needing and finding ideas, examining and identifying their nature, and, most important, illustrating and explaining them so they can be realized*".³³

Design is having a complex relationship with both innovation and research and development (R&D). The term research and development, in other words R&D, refers to basic research, applied research and experimental development and these actions are usually integrated part of the design or innovation process. That is why activities related to design process are really multidimensional and diverse. Design activities are often concentrated on production process and there are also technical things to solve out. Production process is important part of the whole design process in the industrial areas. Design process also has same elements and activities as R&D. Both of the processes are including activities and elements like drawings, technical specifications, operational features, developments and manufacturing new products.³⁴

In design process some activities relate to artistic activities and other activities relate to more engineering or scientific elements. The book *Design-Inspired Innovation* states that "*Part of what makes design interesting is the creative combination of the artistic and engineering/ scientific elements*".³⁵ Both artistic and engineering elements are overlapping in design process. Focus of the design can be positioned with the help of a matrix that shows the artistic and engineering input of design activities. This model positions various types of design activities in two dimensions. The first dimension shows the extents of the artistic inputs and engineering

28 Roscam Abbing, 2010, 14

29 Aspelund, 2006, 5.

30 Aspelund, 2006, 2.

31 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 60.

32 Von Stamm, 2003, 12.

33 Aspelund, 2006, 5.

34 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 59-60.

35 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 63.

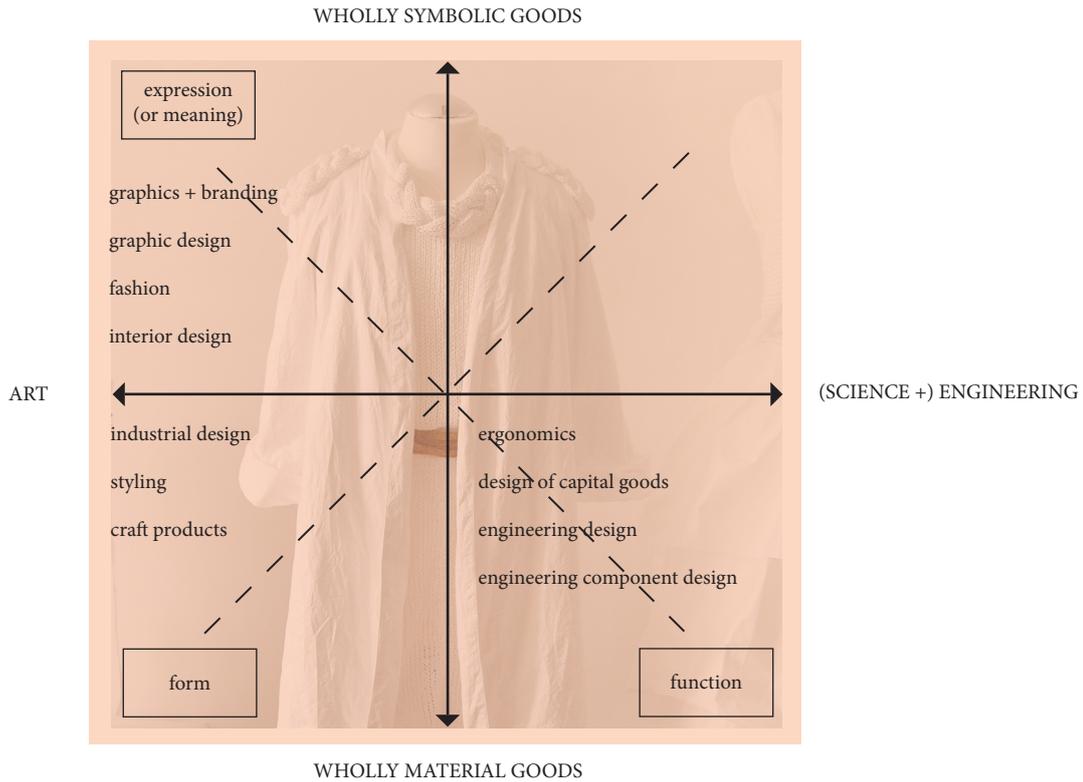


Figure 2.
Engineering and artistic input of design activities according to book *Design-Inspired Innovation*.
(Palomaa 2013; Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006.)

inputs. The second dimension distinguishes the outputs from wholly material products to wholly symbolic products. Normally nearly all products are having a mixture of all aspects and there are both artistic elements and more functional elements.³⁶

Design is having an important role also in shaping and execution of a strategy. A company can have a good business plan, a vision and a strategy but without the execution and implementation the vision and the strategy are worthless. Execution is a challenge for a company and at this stage design steps in. Design is shaping and executing strategy and enabling that things are getting done in an integrated manner. Design is connecting different areas, disciplines and competences. Designers are working together with different stakeholders and different areas of development like R&D, marketing, manufacturing and sales when developing for example a new product. This co-operation is vital to reach the goal, to execute a company's strategy and to find integrated solutions.³⁷ The power of design lies in the ability to turn abstract ideas into concrete solutions. Design is an iterative process of creation, starting from a problem or a vision and resulting concrete solution of some form. Design is strategic activity but also strategic resource and valuable asset in company's actions.³⁸

36 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 64.
37 Roscam Abbing, 2010, 42.
38 Roscam Abbing, 2010, 43.

2.1.3 Design as a way to create the meaning

There is a close relationship between design and meanings. Roberto Verganti says that every product has a meaning³⁹. Typically creating a meaning is considered belonging to marketing communication and branding activities but it can be also important part of design activities. Design is a way to create meaning and through design process companies can innovate new product meanings.⁴⁰

Alongside the functionality, form and performance also symbols, identity and emotions are important factors to people. All these elements are related to meanings.⁴¹ Design is having an important role in dealing with these elements. In other word design is dealing with meanings. It is still pretty often thought that emotions and symbols are relevant only in fashion but all kinds of products are dealing with these things from durable goods to services and from business-to-business products to softwares and food.⁴² Verganti brings out Klaus Krippendorff's definition in Design Issues in 1989 about design as a "making sense of things".⁴³ By this quote Verganti means that design can be understood as action of redefining meanings of products and innovating new meanings to things.⁴⁴ Verganti sums up that "design innovates meanings, and meanings make a difference in the market".⁴⁵

User-centered point of view is essential part of design. Marty Neumeier states that the use of design should aim at creating differentiated products and services that delight customers⁴⁶. According to Verganti it is much more important to think "what" people need in products than "why" people need them. In that way it is possible to understand the meanings of the products and also innovate new meanings.⁴⁷ The process of innovating new meanings requires managers to ask what is the deepest reason why people buy and use company's products and why they are meaningful to them⁴⁸. "What really matters to the user, in addition to functionality, is a product's emotional and symbolic value – its meaning" states the book *Design-Inspired Innovation*⁴⁹. People buy and use products for both practical reasons but also for emotional reasons. Alongside rational reasons and functional utility also intangible reasons like psychological satisfaction and cultural and emotional reasons are significant factors.⁵⁰ Functionality satisfies the operational needs of the customer when she or he is using the product but the meaning of the products is related to emotional and socio-cultural needs⁵¹. This means that functionality alone does not assure the success for a product. People want more from the products than sufficient function, quality and low cost. There is wide range of products and variety of options in the market. People want what is right choice for them. People want meaning in products.⁵²

"A design-inspired product delights the customer" states the book *Design-Inspired Innovation*. A well-designed product will stand out from the crowd with its appearance and the use of the product is apparent for user.

39 Verganti, 2009, 27, 29.

40 Verganti, 2009, 20.

41 Verganti, 2009, 28 according to Heskett.

42 Verganti, 2009, 30-31.

43 Verganti, 2009, 27 according to Krippendorff, 1989.

44 Verganti, 2009, 26-27.

45 Verganti, 2009, 21.

46 Neumeier, 2009, 17.

47 Verganti, 2009, 20-21.

48 Verganti, 2009, 37.

49 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 6.

50 Verganti, 2009, 20.

51 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 6.

52 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 1-2.

Great products make life easier, better and more interesting. They have meaning and they generate value to their users.⁵³ Verganti says that emotional and symbolic dimension of consumption are important within every industry and market segment. He brings out a quotation from Sidney Levy that “*people buy products not only for what they can do, but also for what they mean*”.⁵⁴ The importance of meanings is not limited only to some certain segments or markets like high-end market segments. People are not giving value only for a price, functionality or utility of the product. Products that have strong personality and identity are more meaningful to people and it applies to all market segments.⁵⁵

Meanings have always been a part of fashion and designers, high-end fashion houses and high street chains are providing different meanings and proposals for consumers. Designer’s role is nowadays more wide and not related only to product design. Alongside the functionality designers have to understand also meanings. Design is having an important role in dealing with meanings and in the process of creating meaningful products. When the role of meanings is understood right I think these meanings can also affect positively to environments, cultural and ethical aspects and sustainability.



2.2 BRANDING

2.2.1 The brand as a concept

There are plenty of potential meanings for a term brand. Nowadays brands are part of our everyday life. Jean-Noël Kapferer says that brands can be seen from many different perspectives and they have remarkable role in modern society in different fields like economics, social life, culture, sport and even in religion⁵⁶. This states that the brand is a significant factor in any field of creative industries or economics.

Commercial aspect is important in fashion business and a brand is a competitive advantage. Brands are intangible assets and they produce remarkable benefits for companies and for business. Brand assets are for example brand awareness, beliefs of exclusivity, superiority of some valued benefit and emotional bonding and these assets are connected to the minds of the customers and other stakeholders linked to a brand. Brands have financial value when they produce some kind of benefits to stakeholders. The brand is a way to differentiate company’s product or service from competition at the market. The brand is a sign of a property because they are owned by someone. Brands also identify and build reputation for the producer or the organization.⁵⁷ Even though the brand often refers to a trademark, nowadays the brand is not anymore considered only as a logo or something related to the visual identity of the company. According to Roscam Abbing the brand is not the logo itself but what that logo symbolizes.⁵⁸

53 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 1.

54 Verganti, 2009, 28 according to Levy, S. J., 1959.

55 Verganti, 2009, 29-30.

56 Kapferer, 2004, 9.

57 Kapferer, 2004, 9-11.

58 Roscam Abbing, 2010, 12.

The brand as a concept is nowadays understood multidimensional way. According to Roscam Abbing the brand is expressed in many ways through company's or organisation's services, products, retail, interaction and design. Values, insights and vision are related to the brand and the brand can be considered as a representation of a vision. Actually the brand should be visible in anything what a company or an organization does. The brand is involved the way the company does business, hires and treats its employees, as in the way it deals with the environments and social issues and develops new products and services. The brand is a part of the organization.⁵⁹ This means that brands are not limited only to product marketing and communication but they represent company's core values and ideology. The brand can also guide and give directions to organization's activities, decision-making and other behaviour and defining the way the company does business.⁶⁰

2.2.2 The brand as a relationship and brand promise

According to Roscam Abbing the brand has an important role in establishing relationship inside and outside the organization with its stakeholders. The brand has a bridging function and it works as a bridge inside the organization forming relationship between different departments where marketing, development, design and innovation take place. Normally marketing department is responsible about the brand but the brand should create shared understanding inside the whole company. Brand relationship should be visible in every department of the organization because the brand's mission is to inspire the development, design and innovation in the organization.⁶¹

Bridging function of the brand is also important in establishing the relationship between the organization and the outside world. The brand connects with users and forms the relationship between the organization and customers. The brand also encompass the understanding of the organization's user group by focusing organization's qualities and skills and how these factors can be transformed into value for the users.⁶²

In brand relationship shared understanding is important aspect and it is related to value and vision that the brand generates. The brand should create value to its stakeholders and users. For an organization it is useful to consider how this value can be benefit for all the stakeholders. If there is no shared understanding between the brand and its stakeholders or if the shared understanding is impaired, the brand does not create value anymore to its stakeholders. If there is no real value and benefit that the brand can offer the brand relationship is flattening over time. On the other hand if the shared understanding is strong among the stakeholders, then the brand relationship is on a solid ground. When the relationship is doing well everybody agrees with this shared understanding and stakeholders can relate to the brand's values and vision.⁶³

Shared understanding and relationship both inside and outside of the brand is closely related to brand promise. By communicating to its users the brand creates brand promise. Brand communication includes the understanding of users desires, needs and values. The brand should be aware of its own role in the process of generating and providing that value to users. Organisations have to work to fulfil the brand promise by creating and delivering new products, services and experiences that meet the expectations of the customers. That is also the way to keep the brand relationship alive.⁶⁴

59 Roscam Abbing, 2010, 12.

60 Roscam Abbing, 2010, 22.

61 Roscam Abbing, 2009, 18-19.

62 Roscam Abbing, 2009, 19.

63 Roscam Abbing, 2009, 32.

64 Roscam Abbing, 2009, 32.

2.2.3 Brand identity

Nowadays we live in the communication-saturated society and lots of information is constantly coming from everywhere. Kapferer says that everybody has the need to communicate and to get their message out. Communication is about sending out messages and making sure that they are received. From the brand's point of view this means that there is a need for clear communication and well-defined concepts. There is also lots of similarity at the market and this is why there is a need for understanding about brand identity. Brand identity is an essential part of the brand and strong brand identity is necessary for diversification.⁶⁵

Brand identity is related to the brand's innermost substance and there are different facets of identity⁶⁶. According to Kapferer there is a need to define first the brand identity and after that visuals and graphic elements of the brand. It is essential to know what is a key message of the brand and about what it wants to communicate. Core substance and intrinsic identity are affecting to the visual identity and outward appearance of the brand. The brand's core substance, values and identity must be represented by the external signs.⁶⁷

Brand identity can be defined and represented with a tool called brand identity prism. Brand identity prism as a model is a hexagonal prism that describes different aspects of the brand based on its identity.⁶⁸

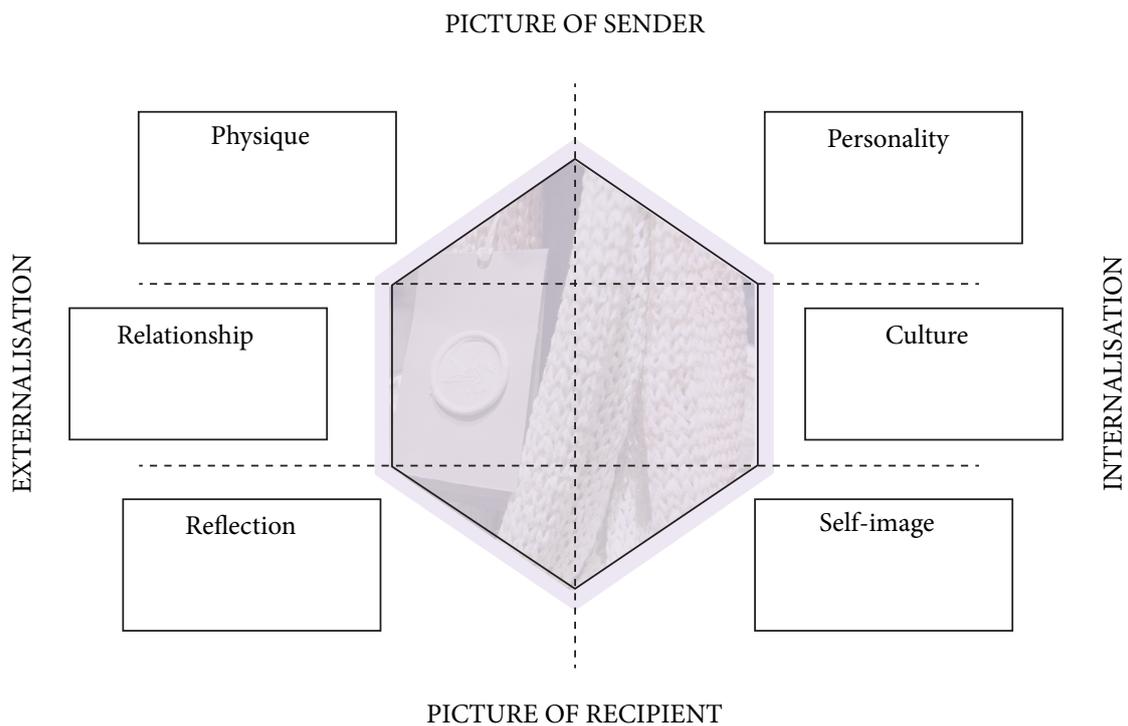


Figure 3.
Brand identity prism according to Kapferer.
(Palomaa 2013; Kapferer, 2004.)

65 Kapferer, 2004, 97-98.
66 Kapferer, 2004, 95.
67 Kapferer, 2004, 97.
68 Kapferer, 2004, 106.

First aspect in the prism is brand's physique. This means brand's physical specificities and qualities, tangible characteristics and products of the brand, in other words the brand's "physique".⁶⁹ Second facet in brand identity prism is personality. The brand has a personality and this aspect describes what kind of person the brand would be.⁷⁰ Third aspect is culture. Culture represents the core of the brand and it consists of set of values. Culture is also source of the brand's aspirational power and the brand's inspiration.⁷¹ As described previously, the brand is a relationship and this is the fourth facet also in brand identity prism. This aspect represents interaction between people. Service is closely related to relationship as well. Relationship can be seen in how brand acts, the way it delivers services and relates to its customers.⁷² Fifth facet in brand identity prism is reflection. This facet represents a reflection of the brand's perceived customer. Reflection also presents the image how the brand wish to be but also how customer wishes herself or himself to be seen when she or he uses and buys the brand's products or services. It is common that consumers use brands and their products to build their own identity.⁷³ The last aspect in the identity prism is self-image. When reflections represents the brand's or users outward mirror self-image is internal mirror.⁷⁴

These six facets are interrelated and linked to each other. They form well-structured entity. Brand identity prims bases on one concept but shows different aspect of it. Brand identity prism shows also sender-recipient dimension and internalisation-externalisation dimension. Sender-recipient aspect is related to brand communication where the brand sends a message and audience receive the message. Internalisation-externalisation dimension is related to the brand's outward expression and inner spirit.⁷⁵



2.3 INNOVATION

2.3.1 Innovation as a concept

In addition to branding and design approach the role of innovation is nowadays important as a competitive advantage to any company in every industry who wants to produce new ideas and survive in the market. There are several approaches and theories about innovation. No one can hardly question the importance of innovation. Nevertheless, when talking about innovation in general the term innovation relates often to high technology or new technical inventions. According to Roscam Abbing innovation has not necessarily anything to do with high technology. Innovation can be any new product or service that adds value or meaning to users' lives.⁷⁶ Innovation is not limited only to technical innovations, but rather innovation is about delivering value through new products, services and experiences. Roscam Abbing claims that innovation should be creative, holistic and human-centered.⁷⁷ Also Peter Drucker says that innovation does

69 Kapferer, 2004, 107.
 70 Kapferer, 2004, 108.
 71 Kapferer, 2004, 108.
 72 Kapferer, 2004, 110.
 73 Kapferer, 2004, 110.
 74 Kapferer, 2004, 110-111.
 75 Kapferer, 2004, 111.
 76 Roscam Abbing, 2010, 7.
 77 Roscam Abbing, 2010, 38.

not have to be technical. He says that often for example social innovations have even bigger impact on society than technical innovations.⁷⁸ Innovation can be a new way of using existing technology. Nevertheless, more important according to Roscam Abbing is to understand that innovation is about creating sustainable value. Results of innovation can be also something else than a new product or technology. Innovation can also relate to processes. In that case innovation can be for example a service or a business model. Innovation is about new ways of doing things.⁷⁹

The purpose of innovation is to enhance the continuity of organizations by increasing long-term turnover and profit by creating value⁸⁰. Roscam Abbing brings out the quote from Michael Porter that “*innovation has become perhaps the most important source of competitive advantage in advanced economies*”⁸¹. That means that by innovating companies can achieve competitive advantage and create value for example by exploiting new technology, fulfilling new or previously unmet user needs, differentiating from competition or improving internal processes. Innovation starts with looking for opportunities to create value.⁸²

In ideal situation innovation is natural part of the company and its actions within its environment. In that way innovation can really work as a source of growth. Roscam Abbing is also talking about proactive and reactive innovation. By this he means the situation where the company proactively looks opportunities for innovation instead of just reacting to events in its environment. Proactive way to innovate is about actively searching for opportunities and change.⁸³ Jim Solatie says that proactive anticipation is more effective for a company and also an advantage. In that way it is possible to make visionary choices and the company can also influence the future instead of just reacting to things and events around it.⁸⁴ It is logical if the company proactively searches for change it has also better changes for innovation opportunities. Von Stamm says that creativity is essential part of the innovation because innovation is about coming up with new ideas. However when it comes to innovation creativity alone is not enough. Also implementation is required because implementation is putting ideas into practice.⁸⁵ Both creativity and implementation is needed in innovation to get the new innovative ideas into real life.

Why innovation is important and worth of using resources and time? Solatie lists few reasons why innovation can be beneficial and mentions that for example economical reasons, competitive advantage, company’s image and investors can be reasons to innovate⁸⁶. It is important to understand that the world is changing constantly and so do competitors in the market. They are evolving and their ability to create new value is improving incessantly. It is important for any company to stay in this movement and that is why creation of new innovations and utilization of creativity is necessary.⁸⁷ Taking advantage of innovation approach in the process of setting up a company and building up a brand in the field of fashion could provide remarkable benefits and competitive advantage for a new start-up labels. Roscam Abbing sums up that innovation refers to the creation of new offerings that are valuable, original and meaningful⁸⁸. Innovation is about the ability to see things in a new way, searching for innovative opportunities and change and doing something differently than the others.

78 Drucker, 1985, 28.
79 Roscam Abbing, 2010, 13.
80 Roscam Abbing, 2010, 24.
81 Roscam Abbing, 2010, 24 according to Porter, 2002.
82 Roscam Abbing, 2010, 24.
83 Roscam Abbing, 2010, 24.
84 Solatie, 2009, 17.
85 Von Stamm, 2003, 1-2.
86 Solatie, 2009, 19-24.
87 Solatie, 2009, 17.
88 Roscam Abbing, 2010, 8.

2.3.2 Different types of innovation and innovation levels

As mentioned previously, innovation can relate to for example products, services, processes or experiences. Solatie classifies different types of innovation. He introduces seven types of innovation which are:

- Product and service innovations
- Technological innovations
- Design innovations
- Marketing innovations
- Distribution innovations
- Process and cultural innovations
- Strategy innovations⁸⁹

According to Solatie product and service innovations are the most common innovation types and they are often related to the improvement of the existing products and services or launching totally new products and services.⁹⁰

Technological innovations are related to invention of new technology and high tech products. However technological innovations do not necessarily require invention of totally new technology. Exploiting of existing technology in new ways or in a new context is also technological innovation. Solatie says that sometimes this is even more effective.⁹¹

Design innovations can relate to for example form and functionality of the products. Design innovations are facilitating the use of products and making them easier to use for customers. Alongside the functionality design innovation can also relate to the form, style and performance of the products. Solatie says that customers recognize and remember better products that stand out with their appearance and design.⁹² A good example of a design innovation is for example Apple's products. Apple is having stylish and user-friendly products that stand out from the competitors' products in the market.

Marketing innovations are related to marketing actions and brand innovations are included to this category. Marketing innovations often go hand in hand with other types innovations, especially with product and service innovations or design innovations.⁹³ Solatie brings out an example about Victoria's Secret and says that Victoria's Secret changed the approach to lingerie and underwear business and made it something completely new, interesting and desirable.⁹⁴

Distribution innovations are related to delivery of products and services and development of new distribution channels. Customer-oriented approach is important and this kind of innovations can facilitate the purchasing of the new products and services. Distribution innovations relate to orders, the order channels, order confirmations, payment or delivery of the products to customers.⁹⁵ Net-a-porter is an example of distribution innovation and it represented a new way to deliver high end fashion to customers via web shop⁹⁶.

89 Solatie, 2009, 30.

90 Solatie, 2009, 30.

91 Solatie, 2009, 31.

92 Solatie, 2009, 32.

93 Solatie, 2009, 32-33.

94 Solatie, 2009, 32-33.

95 Solatie, 2009, 34.

96 Hammond, 2012.

Process and cultural innovations are related to the development of internal and external processes of the organization. Usually process innovations reduce production costs, improve productivity and cost-effectiveness and enhance job satisfaction. Process innovations can be seen as improved service or in a quality of the products. Process innovations are really important for organizations to support also other innovation areas like product and service innovations. Cultural innovations are part of the process innovations and they can relate to structural reforms within an organization or reforms in the organizational culture.⁹⁷

One example of a process innovation is related to clothing chain Zara. Spanish Amancio Ortega needed to figure out a way to deliver and sell his products when a big clothing order was canceled in 1975. As a solution Ortega decided to open a boutique called Zara in La Coruña near to his factory and to sell all the clothes by himself. The shop was success. Ortega revolutionized the prevailing process thinking of clothing industry by holding the whole production chain in his hands from design and manufacturing process to the delivery of the products. This new process made it possible to follow trends in short notice and to bring new products to the market faster. Before the process of bringing new collection to the market took 9 months and now Zara did that in 15 days.⁹⁸

Other example of process innovation is H&M who started to collect old clothes and provide recycling opportunity for its customers. Clothing chain's long-term goal is to reduce the environmental impact of products throughout their life cycle and to encourage consumers to responsibility.⁹⁹

Strategy innovation generates new ideas and visions and creates new value to the new markets. Strategy innovation can relate to for example new strategies concerning the target group it aspires or new business models.¹⁰⁰ One example of strategy innovation from fashion retail business is Abercrombie & Fitch. A couple of decades ago it was old-fashioned clothing store until it was re-branded and the whole brand image renewed by changing the brand's strategy.¹⁰¹

Different types of innovation are many times going hand in hand and often it is vice to combine several kinds of innovations in company's actions. The line between different types of innovations is often obscure and there might be lots of similarities in these categories. It is more relevant to understand that innovation is needed in any field of business and all of the aspects of innovation can be useful for a company.¹⁰²

Alongside different types of innovation it is also possible to define different levels of innovation. Really often innovations are divided to incremental and radical innovations. Solatie defines three levels of innovation. He is classifying incremental innovation, substantial innovation and radical innovation.¹⁰³ Also Paul Wright introduces the same classification of three levels of innovation. This classification according to Wright bases on the degree of "newness" and the degree of added value.¹⁰⁴

Usually incremental innovations are related to product enhancements or service development. Typical for incremental innovation is that the degree of newness and the degree of turnover is low. Companies need continuous improvement concerning their products and services and incremental innovations are created constantly. Incremental innovations are required to sustain growth at all times. There is low risk in incremental innovations but so are also possibilities to shift the industry standards and change the market

97 Solatie, 2009, 34-36.

98 Solatie, 2009, 34-36.

99 Kaupan liitto, 2012

100 Solatie, 2009, 36-38.

101 Solatie 2009, 36-38.

102 Solatie, 2009, 38.

103 Solatie, 2009, 38.

104 Wright.

or create new ones. Incremental innovations rarely require major changes. These kinds of innovations are also really easy to copy from the competitors point of view.¹⁰⁵

Incremental innovations are required so that companies can adapt to continuously changing market. Incremental innovations prevent company to fall behind the competitors and they are important for a company to ensure long-term survival in the market.¹⁰⁶ Even though incremental innovations are needed but if a company trusts only in incremental innovations in long term it will lose its competitive advantage. If a company does not have a clear vision for the future and does not invest on innovations it will lead to regression.¹⁰⁷

Substantial innovations are having the ability and potential to create new business opportunities and to provide something new for the market. There will always be new products and services but the difference between incremental and substantial innovation is that substantial innovation aims at creating something better than existing products or services.¹⁰⁸ Substantial innovations require more investments than incremental innovations. On the other hand substantial innovations are also generating more value and they provide better competitive advantage for a company than incremental innovations. Substantial innovations require vision and effective strategy for successful commercialization in the process of getting new innovations to the market.¹⁰⁹

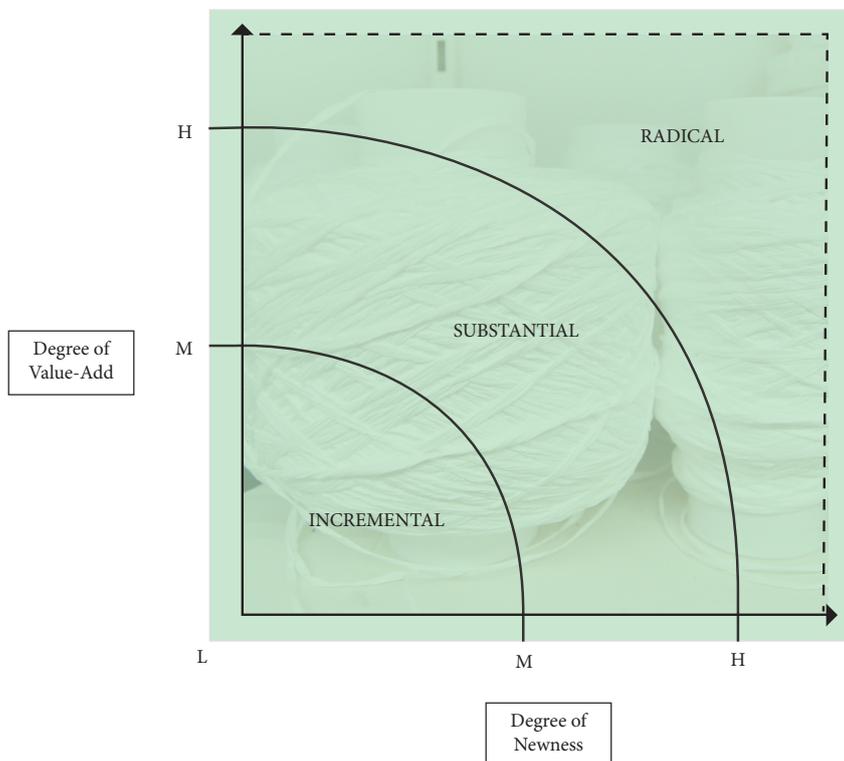


Figure 4.
The levels of innovation based on Solatie's and Wright's model.
(Palomaa 2013; Solatie 2009, Wright.)

105 Solatie, 2009, 38-39.
106 Wright.
107 Solatie, 2009, 38-39.
108 Solatie, 2009, 40.
109 Wright.

Radical innovations are bringing entirely new ideas to the market and also creating new ones. Radical innovations will guide the company in long term and provide remarkable competitive advantage for several years. When a company introduces radical innovation usually there does not exist any competition at the market. When competitors are waking up and realizing the potential of new innovation, the leading company has created already a stable foundation for its business and development process.¹¹⁰

Substantial and radical innovations are creating competitive advantage and new business opportunities for companies. The way to survive in the market is to innovate and companies should aim at creating of substantial and radical innovations.¹¹¹ However, there are also challenges related to radical innovations and production quantities. Big companies are not always willing to invest on radical innovations. Even though radical innovations have the potential to shift the industry standards, big companies have to consider how much radical innovations are threatening their core business. Large companies often have minimum production levels and that is why it is harder for them to introduce radically new products because there is maybe not a possibility to produce small quantity of a new product. Von Stamm declares that the markets for radically new products are smaller and will take time to grow. That is why bigger organizations see this opportunity unattractive. Smaller organizations are more likely to introduce radical innovations and often it is easier for them to enter a new market with a revolutionary new product.¹¹² Growth requires risk taking. However, there is a need to find a right balance between radical and incremental innovations and both are needed.¹¹³

2.3.3 Change as a source of innovation

Roscam Abbing says that in innovation it is important to look for opportunities for creating value. He says that innovation drivers set the process of innovation in motion. There can be internal and external innovation drivers. Internal drivers are changes within the organization and external drivers changes outside the organization.¹¹⁴

Drucker says that successful innovations often exploit change as an opportunity to innovate. He introduces seven sources for innovative opportunities.¹¹⁵

These sources are named as

- The unexpected
- The incongruity
- Process need
- Industry and market structures
- Demographics
- Change in perception
- New knowledge

In his book Drucker is telling more about these sources of innovation. Shortly can be said that the first four sources lie within the organisations, which means enterprises, public service institutions and industry or service sector. These symptoms of change are visible to people within the industry.¹¹⁶ In other word these

110 Solatie, 2009, 40.

111 Solatie, 2009, 40.

112 Von Stamm, 2003, 169.

113 Von Stamm, 2003, 21-22.

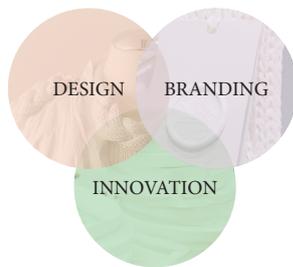
114 Roscam Abbing, 2010, 24.

115 Drucker, 1985, 31.

116 Drucker, 1985, 31-32.

symptoms are internal innovation drivers.

The last three sources are changes outside the organisations or industry. In other words they are external innovation drivers. Line between these categories is still really fine, and they can overlap.¹¹⁷ Drucker says that all of these sources of innovations are related to changes within the industry or society. These signs of opportunity are really often clearly visible but the problem is that people do not know how to react to these signs of change and take advantage of them. However, Drucker says in his book that there lies always opportunity for innovation in change.¹¹⁸



2.4 A RELATIONSHIP BETWEEN DESIGN, BRANDING AND INNOVATION

Design, branding and innovation are closely connected to each other. They also influence to each other and they need each other in a creative process. Roscam Abbing says that the brand needs innovation to fulfil the brand promise the company makes to users¹¹⁹. Earlier it was discussed that the brand is like a relationship between the organization and its stakeholders. By creating a brand promise the brand establishes relationship to its stakeholders. To meet this promise the brand needs innovation. Innovation can fulfil the brand promise and through innovation the brand can deliver real and tangible value to users in the forms of new products, services and experiences.¹²⁰ Von Stamm says that innovation has an important role in differentiation. She explains that the brand and innovation are interdependent and innovation is not only about improvement or a means for staying ahead and but it helps brands to differentiate at the market.¹²¹

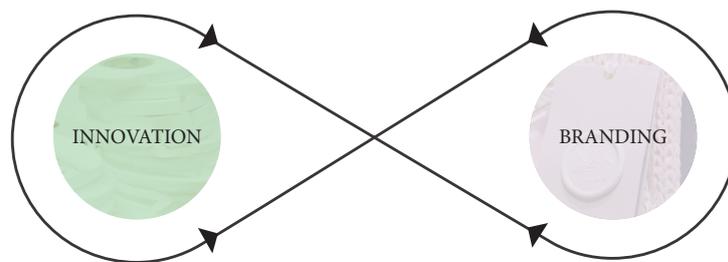


Figure 5.

The innovation-branding loop according to Roscam Abbing. Innovation and branding need each other and they drive each other. (Palomaa 2013; Roscam Abbing, 2010.)

117 Drucker, 1985, 31-32.

118 Drucker, 1985.

119 Roscam Abbing, 2010, 17.

120 Roscam Abbing, 2010, 32, 36, 38.

121 Von stamm, 2003, 99.

On the other hand the brand is driving innovation by setting the brand promise. Brand promise is communicated internally and externally. Internally brand promise sets in motion the innovation process aiming at that new innovations are commercialized and brought to market in forms of tangible products and services. Externally it is important to meet the expectations that are set by the brand promise and to fulfil stakeholders' expectations towards the brand.¹²²

Innovation needs branding to give guidance and meaning for innovation and development process¹²³. Innovation needs branding to be meaningful. Innovation is about looking for opportunities and in this process innovation needs guidance. In the core that drives innovation process are visions, values and beliefs of the organization and these things are related to the brand. It is important to match organization's qualities and desires of users in innovation process. In this process the brand is giving the meaning to innovation.¹²⁴ Innovation without vision is innovation for innovation's sake and that is why it also needs branding as a guide, in order to connect what the organization is good at and what it believes in, to what users need and desires.¹²⁵

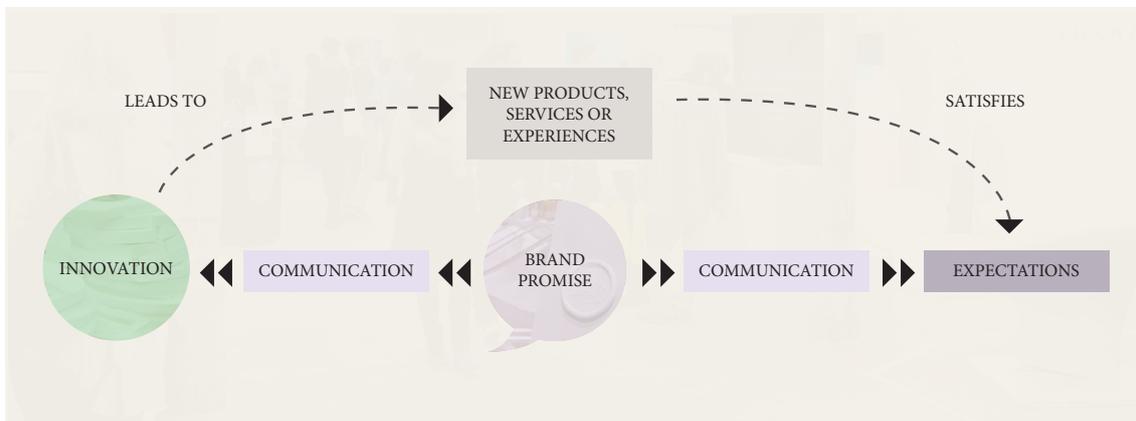


Figure 6. Expectation and innovation according to Roscam Abbing. The brand drives innovation by setting the brand promise that triggers expectations among the users. Innovation needs to fulfil the brand promise by bringing new products, services or experiences to the market that satisfy these expectations. By communication the brand also guides the innovation process that the products, services and experiences match to the brand's identity and vision. (Palomaa 2013; Roscam Abbing, 2010.)

Branding and innovation alone are not enough in bringing ideas into real life. Also design is needed. The book *Design-Inspired Innovation* brings out Walch's description of design as "the vital link between a market need, an invention or innovative idea and its translation into a product suitable for manufacture and use"¹²⁶ When it comes to producing new products and services and to generate tangible value, innovation can benefit from design. Innovation needs design to solve issues that are hard to solve, and to create solutions in a way that generates value to users. Innovation needs design to make things and ideas usable.¹²⁷ Design and design thinking help to connect innovation to the initial design vision and also to increase understanding that the brand vision can enrich the status of innovation.¹²⁸

122 Roscam Abbing, 2010, 36.
 123 Roscam Abbing, 2010, 17.
 124 Roscam Abbing, 2010, 32.
 125 Roscam Abbing, 2010, 38.
 126 Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006, 69 according to Walch 1992.
 127 Roscam Abbing, 2010, 60.
 128 Roscam Abbing, 2010, 53.

Von Stamm brings out a quote of the UK Government White Paper on Competitiveness (1995) that states that *“The effective use of design is fundamental to the creation of innovative products, processes and services. Good design can significantly add value to products, lead to growth in sales and enable both exploitation of new markets and the consolidation of existing ones. The benefits of good design can be seen as:*

- *Processes improved by gradual innovation*
- *Redesign of existing products in response to user needs, new markets and competitor products*
- *Development of new products by anticipating new market opportunities.”¹²⁹*

The role of design is important in relationship with branding and innovation and design helps to turn the abstract brand into concrete innovations. In other words design helps to turn vision into value. Design is combining visionary thinking with more concrete thinking.¹³⁰ Design helps to bring abstract visions related to the brand into concrete and tangible products or services. The relationship between design, branding and innovation is significant in the creative process and all these aspects can benefit from each other. Design is important factor in turning ideas into concrete. Innovation is meaningful when finding new ideas and searching new opportunities. Branding is important in communicating about the values and vision of the brand at the same time setting in motion the whole creative process with innovation and design.

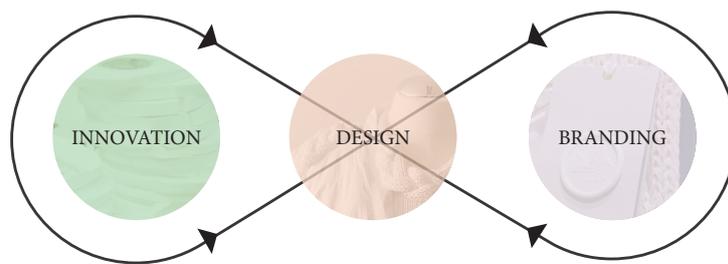


Figure 7.

The innovation-branding loop with design according to Roscam Abbing. Innovation, branding and design need each other in order to drive the creative process. Branding is driving innovation but also needs innovation to fulfil brand promise. Innovation needs the brand as a guide in the development process of new products, services and experiences. Design is the magnetism between innovation and branding and turns abstract visions and new ideas into real life.

(Palomaa 2013; Roscam Abbing, 2010.)

129 Von Stamm, 2003, 15 according to UK Government White Paper on Competitiveness, 1995.

130 Roscam Abbing, 2010, 52.

3. SETTING UP A FASHION LABEL: CASE LUXAA



This chapter will introduce practical and operational approach to the process of setting up a fashion label from the point of view of Luxaa. The chapter introduces the case Luxaa and its first steps during the first year.

3.1 GETTING STARTED – FROM THE FINAL COLLECTION TO THE CONCEPT

The apparel and textile industry is one of the most complicated and hardest area of business according to Bubonia¹³¹. Also Amed states that fashion is very competitive and complex area of business, even at the smallest of scales. Setting up a fashion label is a challenging process. Running a business requires lots of coordination and organization and includes tasks like dealing with customers and suppliers globally around the world, managing to get all raw materials including fabrics, trims and haberdashery to manufacturer in order to start the production process, and to get everything ready in time for sending finished products out to stores while managing custom procedures and other tasks.¹³²

There are several tasks to manage and several stakeholders to deal with when setting up a label. Design is only one part of the process. Designer Anne Trautwein knew this when she started to set up her own label. Luxaa is founded in autumn 2011. Before founding the label Trautwein was studying fashion design at Burg Giebichenstein Kunsthochschule Halle in Germany in during the years 2003-2010 including one year employment at Adidas and one semester in Valencia. During her studies she was working at Adidas where she got more experience working with sportswear and technical textiles. After the year she spent at Adidas she started her diploma work that is the same as master degree. During her diploma work in 2009-2010 Trautwein started to work with the material called Tyvek.¹³³

Tyvek® is a product and registered trademark of DuPont™ and it is normally used in different context than fashion. As a material Tyvek is lightweight and durable and it is used for protection, security and safety in a variety of industries. Normally Tyvek is used for example at constructions, as a covers or in industrial packing.¹³⁴ Trautwein wanted to use Tyvek in totally new context and avoid all associations related to materials normally used in fashion. She was familiar with this material from the very first years of her studies and knew that some of the industrial designers used it before. She remembered the material and thought that maybe she could try to use it because probably nobody has any associations to it in fashion. Trautwein

131 Bubonia, 2012, 10.

132 Amed, 2007 a.

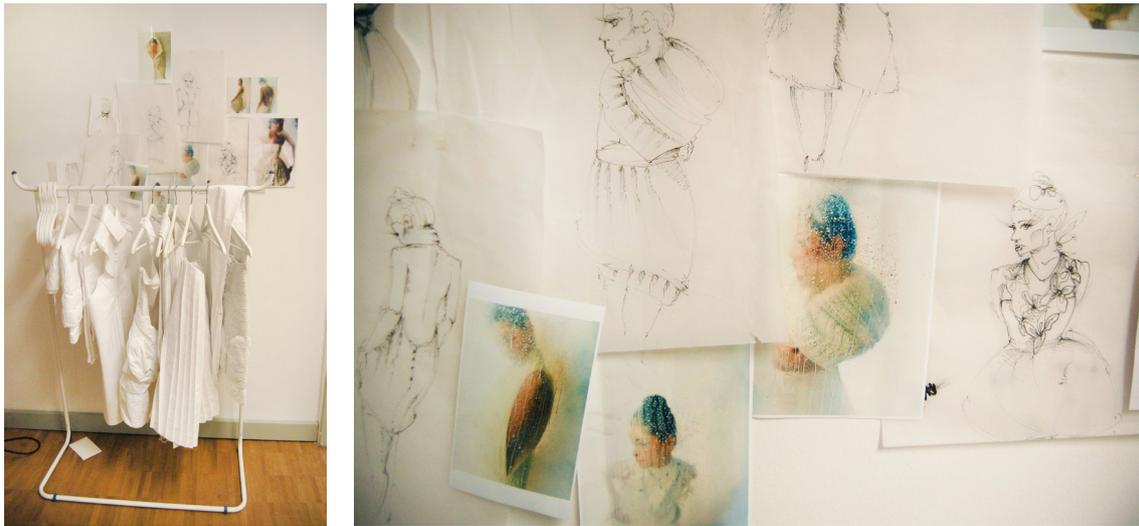
133 Trautwein, 2011.

134 DuPont™

also tells that there were no garments made of this material that people could buy. According to Trautwein Tyvek as a material is really rip-resistant and strong. She explains that it has some similar characteristics as paper and it is possible to work with this material like as paper.¹³⁵ DuPont™ website tells that in Tyvek is combined the best properties of paper, film and cloth. Beside this Tyvek's properties are water and moisture resistance, chemical resistance, good liquid barrier protection, low-linting, high opacity, UV resistance and neutral pH. It is also flexible and breathable. It absorbs little or no moisture and liquids run off its smooth surface.¹³⁶ According to Trautwein Tyvek is also antibacterial and allergy free and that is why it is suitable for people who has really sensitive skin.¹³⁷

Trautwein started to test what she could do with this material. She did some research about the characteristics of Tyvek and made some tests by washing the material.¹³⁸ As a result of all testing and sampling with Tyvek was her diploma work "*Paperknits*". Collection included knitted pieces of Tyvek and other garments made of plain Tyvek sheeting.

After her studies Trautwein set up her first company Formliebe - Studio für Design & Entwicklung and were working as a freelance designer. Even though she set up her first business after her university studies she did not have a plan to set up her own label. Everything happened gradually. She got good feedback about her diploma collection and took part for different awards with her concept "*Paperknits*". The awards were successful and Trautwein won several prizes with her concept.¹³⁹



Picture 2. & 3.
Anne Trautwein's final collection "*Paperknits*" and sketches of the collection.
(Palomaa, 2011.)

135 Trautwein, 2011.
136 DuPont™
137 Trautwein, 2011.
138 Trautwein, 2011.
139 Trautwein, 2011.

Awards;

1. prize "Innovative Product" at the Scidea Ideenwettbewerb Hochschulgründernetzwerk Sachsen-Anhalt, for developing functional knitwear out of the geotextile Tyvek as well as developing a value-added chain

2. prize "Technology" at the business plan competition

Investitionsbank Sachsen-Anhalt, for the concept of the company Tywear – Textile Solutions/ Luxaa

Development of a genuinely sustainable concept for marketing knitwear out of Tyvek in the fashion industry

2. prize "German Innovation Prize", Category Textile

Gesamtverband Textil & Mode

For development of highly functional knitwear out of the geotextile Tyvek¹⁴⁰

Awards were some kind of starting point for the label Luxaa. Lots of media publicity and new contacts came on a side. By the awards Trautwein got contact to the network called Univations. Univations works really closely together with other network called Kreativmotor. Both of the networks are focused on creative industries and to help new and innovative start-up companies. Trautwein has been working closely with these networks when setting up her own business. Network contact persons were checking the business plan for Trautwein's freelance business Formliebe. They were surprised that there was no written business plan about Trautwein's invention. They were amazed by Tyvek garments and saw potential in the idea. They were pushing Trautwein to apply to a program for start-ups with new business ideas. Via network Trautwein got information about the program and that it is possible to get support for starting own business and get monthly salary to cover the costs like rent and bills. The programme offers financial support for eighteen (18) months and the amount of the money is 1200€ per month. Support money is helping new start-ups to get their business running.¹⁴¹

"Meanwhile you can set up your business and bring it really at to that point that you can really say 'I can live from all this profits I do with this company'."



Picture 4. & 5.

Network connections to Kreativmotor and Univations and press about Innovationspreis 2010.

(Palomaa, 2011, Luxaa.)

140 Luxaa

141 Trautwein, 2011.



Picture 6.
Anne Trautwein taking care of management and running the label and at Luxaa's stusion in Halle.
(Palomaa, 2011.)

Entrepreneurial skills, responsibility and commitment to run the business are required according to Amed. A designer who sets up own business needs to deal with managing people, processes and finances and has to do decision concerning these things mostly every day.¹⁴² Really often it is not possible to manage everything alone. For a designer it would be useful to find a business partner who has experience in running the business. Also good contacts are required and it is necessary to find people in the industry who are ready to support and do co-operation. There are different stakeholders linked to a fashion label. For example it is necessary to find a factory that is able to produce garments in small quantities. Possibly a fashion designer needs to deal also with PR-persons, accountants, lawyers, stylists, photographers, graphics designers, production managers and interns.¹⁴³ Also Trautwein was advised to look for a business partner and she was told that alone it is hard to get a business running. She found a business partner and they started writing the business plan.¹⁴⁴

According to Meadows the whole process of setting up a label starts by defining a business strategy. Business strategy is related simply to the aim what a company wants to do.¹⁴⁵ According to Amed it is important to consider what is the business concept and what is the unique thing that a company has offer to the market. It is important to think is company's product or service based for example on the design, the price, the value or the dream that a company is selling. It is also important to consider why people would buy

142 Amed, 2007 a.
143 Amed, 2007 a.
144 Trautwein, 2011.
145 Meadows, 2009.

company's products and to define what kind of aspired customer would be.¹⁴⁶ Also Trautwein needed to consider business plan for her new concept and to do market research. Everything needed to be described and written in details. Even though the meaning of this program is to support new start-ups, however there always has to be some result to show and all the details described carefully.¹⁴⁷

"Because it was really a business plan to go to a bank to get some money... Because it's a program where I get some money for 18 months. This is a bank program and the money comes from the bank so you have to really prove that you did really this financial plans. That you did the market research. You have to do everything else when you wanna go to a bank to get some credit."

Business plan is considered as a document that is needed to secure funding, apply loans from a bank or get money from investors. This document has also an important role in defining the vision and objectives of the company. It can be considered as a roadmap that guides the company. Usually a business plan also contains all the financial information like the budget, managing the finance and growth of the fund. Business plan is a document that helps in decision-making, measuring the progress, adapting new insights or reflecting competitive threats or changes in business environment.¹⁴⁸ Trautwein says that a business plan includes all the important information concerning the new company¹⁴⁹.

"Actually they want to know everything. They want to know the concept, the customers, so the future customers. The research of the material. Where are you going to get the material from. What the material costs. What the prototypes are costing. What the producing is costing. This year, next year... the year after next year. Then they want to know how much money you got by yourself you can put into the company. What do you need for building up this business. How many people you want to employ after three years...for example. This market research, of course. Then target group research. How many pieces you gonna sell in one year, second year, third year and so on. They wanted to know what are, you can say, professions and what are our experience and what we gonna do in the new company. So, who is doing what and why. And with what experience in the background."

Usually a business plan includes executive summary that describes in a short way what is the company's business all about, vision and objectives, market and competitive landscape, implementation plan and financials. Business plan can work as a tool for communication with stakeholders and this kind of document is useful for example when looking for investors, employees, suppliers, office space and banking services. A clear business plan will give professional impression and help stakeholders to understand what kind of business is the case and if they are interested to be involved and to do co-operation.¹⁵⁰ Trautwein did market research and approached technical sportswear segment. She wrote the business plan with the approach of creating the concept of new kind of sporty and functional knitwear. She tells that as a material Tyvek works really well in this kind of use and the plan was to focus on sport and wellness categories.¹⁵¹

146 Amed, 2007 a.

147 Trautwein, 2011.

148 Amed, 2007 b.

149 Trautwein, 2011.

150 Amed, 2007 b.

151 Trautwein, 2011.



Picture 7.

Anne Trautwein at Designer's Open fair in Leipzig where Luxaa was launched in October 2011.

(Palomaa, 2011.)

When setting up a business there is always a question of finding money and financial supporters. It is impossible to start a business and get it running without money. There are many sources of funding but it will also take time and effort to find the best financial solutions when setting up own business. It is probably necessary to deal with bank managers about the loans. Grants, sponsorships and awards are one possible way to get financial support to start the business. Sometimes it is also necessary to consider investors.¹⁵²

For Trautwein the awards were really good starting point. Considering potential investors it is really important to have experiences like this. It is useful to show bank's approval of the business plan and then it is easier to find some investors to support the business in the future. Especially second prize in business plan award organised by Investitionsbank Sachsen-Anhalt was really good reference to start own business.¹⁵³ At the end of the August 2011 Trautwein started with her business partner in the program for new start-ups. From that point and after all three awards they had more and more media attention. However, she realized soon that working with her business partner did not work out. They decided quit their cooperation and working relationship in October 2011. Trautwein decided to continued alone running the new business. Later in the spring 2012 she employed Anja Schneemann to work for Luxaa and to take care of the management of the label. The concept and new label was launched officially for the first time under the name Luxaa at Designer's Open fair in October 2011.¹⁵⁴

152 Amed, 2007 c.

153 Trautwein, 2011.

154 Trautwein, 2011.

3.2 MATERIAL VISION INTO FASHION – DESIGN, RESEARCH AND TECHNOLOGY

Apparel design and product development is a process that includes creative and technical competence. Apparel design is highly technical process because of the production. Designers need to consider also structural and decorative elements, trends and needs and wants of consumer in order to develop sellable and wearable fashion lines and collections.¹⁵⁵

Luxaa's idea for the concept is based on material innovation and Tyvek is the main material in company's collections at the moment. The label was founded after the success in several awards and the concept idea got good feedback. Trautwein did not have time to think about fashion aspect while setting up her business. All her time was spent on research and testing with Tyvek and there were no time left to create a new collection. Luxaa's first collection was "Paperknits" which was based on Trautwein's final collection and she used the collection for launching and promoting the new label in the beginning.¹⁵⁶



Picture 8.
"Paperknits" collection's look book picture.
(Luxaa, 2011.)

Luxaa's ideology is *Material Vision Into Fashion*. Research within technical and innovative materials is natural part of Luxaa's design process. According to Trautwein the whole development process is moving between design, research and technology. The role of innovation and functionality is important in Luxaa's design and designer wants to work with technical materials. She sees textile research as an advantage and wants to exploit it in her design process. Cooperation with textile research institute is also important for Luxaa's design process.¹⁵⁷

Designing a coordinated fashion line requires a designer to be able to develop pieces that go together well and reflect brand's identity¹⁵⁸. Bubonia says that in order to develop a successful products and well-coordinated and well-positioned product lines knowledge of target market is useful. This knowledge is often based on the research about the target market and includes information for example about demographics and lifestyles.¹⁵⁹ Clear vision of the concept helps in product development process. Luxaa's vision is to be rather high-end brand than mass-produced fashion line because the garments are made out of a special material

155 Brannon, 2011, 3.
156 Trautwein, 2011.
157 Trautwein, 2011.
158 Brannon, 2011, 113-115.
159 Bubonia, 2012, 178.

that requires lots of technical development. Luxaa's concept represents also luxury. Product categories are not locked too much and there is flexibility in Luxaa's product range. Trautwein says that probably the collections will include garments for daily use but also some dresses to use in other situations. Trautwein wants to design good-looking pieces with special details that people can wear in many kind of situations. The most important thing according to Trautwein is to design a producible and sellable collection that is well-coordinated. She says that at first it is important to make sure that it is possible to produce garments and other products if the aim is to sell the fashion.¹⁶⁰

"You have to focus at first on selling the fashion. So doing fashion, selling the fashion. And not doing fashion, doing accessories, doing whatever and trying to sell everything. Because the quality is then missing in some point"

Really often this kind of strategy is good concerning a new brand. In this case Luxaa is concentrating on Tyvek as the main material and ensuring that the collections are producible. Trautwein thinks that in the end it is just important to start with something.

"From something. Even with just some pieces and then after half an year you can monitoring... this process and saying 'Well, the people were more clicking this than this. And they were more interested in this than this and they were buying this than this and in this colour and this style'..."

By this Trautwein means that it is always important to see people's reactions and analyze which products are most popular and build the collections based on demand of the products.



Picture 9.

Protos of Luxaa's SS13 collection. The aim of apparel design process is to design a well-coordinated and producible collection. (Palomaa, 2012.)

160 Trautwein, 2011.

3.3 PRODUCTION AND SUPPLY CHAIN MANAGEMENT – CHALLENGES AND PROBLEM-SOLVING

“Apparel production is a labor-intensive process by which raw materials are converted into finished saleable garments”, Bubonia says in her book *Apparel Production Terms and Processes*¹⁶¹. Apparel production is a multistep process and global supply chain includes all processes from fiber and textile development, finding manufacturers that can produce garments, finishing, packaging and dealing with distributors, transporters, retailers and end consumers who finally purchase the products¹⁶².

Meadows describes supply chain as a process that includes planning, implementing and controlling the flow and storage of products from the start point to the point of consumption. Managing supply chain effectively is important in order to maximize profit margins and minimize wastage.¹⁶³ When setting up a label the aim is that every step is working from the design process to the production but also when the products are ready they need to be delivered to the retailers and finally to the end customers.

Trautwein is developing the ideas, doing the design, making patterns and producing prototypes by her self at Luxaa’s studio. In the beginning she had some knitters to do the prototypes manually and all the prototypes were hand-knitted. However, this kind of process is time consuming and not cost-effective. Trautwein bought domestic knitting machine in the spring 2012 that she can produce the first prototypes and do sampling by her self at Luxaa’s studio.¹⁶⁴



Picture 10., 11. & 12.
Trautwein developing prototypes for Luxaa’s SS13 collection in the spring 2012.
(Palomaa, 2012.)

161 Bubonia, 2012, 2.
162 Bubonia, 2012, 9.
163 Meadows, 2009, 16.
164 Trautwein, 2011, 2012.

Special material sets own challenges concerning the industrial production. The challenge was to knit “Tyvek-yarn” with industrial knitting machine because as a material it is not that elastic as some other fibers used in knitting. Because of the material manufacturers need to be careful concerning the machines in order to not break them.¹⁶⁵

”And it’s much more difficult to knit this paper stripes, you know. But because of the machine, not because of the stripes.”

The material required lots of development and Trautwein needed to do lots of sampling in order to find a solution to production problem. Trautwein needed to develop the Tyvek-yarn step by step and to test it many times by her self with different machines. She did testing and sampling together with textile research institute that has the industrial knitting machines.¹⁶⁶

”So, we were working with this textile research institute, I think three months ago. And they got one of these machines. I showed you the sample from the machine, this really fine knitted. So this was from the textile research institute because they just got one machine... And this is really fine knitting machine. But at least the material works with this machine. Of course the knitwear is really strong and really, you can say, hard a bit. But, did make sure that it really will work on a bigger machine with bigger needles, you know. And I wanted to have this real fat knitwear, you can say, this big hole knitwear anyway. I don’t want to have this fine one. So, there shouldn’t be any problem.”

The sampling process proved that it is possible to find a solution concerning the industrial production and to knit the material with industrial knitting machine, even with really fine machine. In October 2011 Trautwein told that she had done research and sampling process all together four months in order to solve the manufacturing issue.¹⁶⁷

The process of sourcing manufacturers is essential part when setting up a fashion label. Trautwein was sourcing manufacturers meanwhile when she was developing samples together with textile research institute. According to Trautwein it is useful to know people from the field and share experiences about the manufacturers. It is also necessary to do research and search manufacturers from internet. Sometimes finding the right manufacturer who can produce the wanted products can take time. When setting up a fashion label it is necessary to plan everything carefully concerning the production and to do research regarding to manufacturers and manufacturing costs. Usually it is also necessary to visit manufacturers personally.¹⁶⁸

”So, you need to go there and to ask. And it’s not that simple to just ask one. You have to ask few people and few producers. And they want to know really everything. You need to talk to other persons who got experience, in this case in knitting and who know some manufacturers. And then search from internet, of course.”

165 Trautwein, 2011.

166 Trautwein, 2011.

167 Trautwein, 2011.

168 Trautwein, 2011.

”And then you have to call them and visit them and to show them the material and to say ‘Well, can you imagine producing this material into my fashion and how many development is necessary?’ I mean, you just can take a look on the other things they are doing.”

Normally manufacturers are taking care of scaling, grading and making the CAD-patterns. Manufacturers are also taking care of programming the machines and testing how the material works with the machines.¹⁶⁹

”So, CAD-patterning and scaling of course. But these are things they have to do for every other textiles as well. ...And then they need to see how does it work with this material because it’s not stretchy...”

”And of course if they got machines, you know, and you need. Not everybody got the machines. And if they got everything together because the stuff need to be washed and need to be in the laundry afterwards like every knitwear needs to be washed after producing. So, and some companies got this washing option and some not and all this stuff”

”And then you can decide if you want to do it with them or not.”

To know if the manufacturer is able to produce wanted things designers need to have a look of samples and previous things the manufacturer has been doing. It is also necessary to ask offers from manufacturers and ask them to write assessment of the costs.¹⁷⁰



Picture 13.
Luxaa’s studio in Halle.
(Palomaa, 2011.)

169 Trautwein, 2011.

170 Trautwein, 2011.



Picture 14., 15., 16. & 17.

Development process of Tyvek yarn. Tyvek comes on a big roll that is cutted into slices. When long stripes are twisted Tyvek yarn is ready for the knitting process.

(Palomaa, 2011.)

There are many steps to organize in the production and manufacturing process. Before the manufacturer is ready to start production Trautwein needs to take care of the process of getting the Tyvek sheets into that form that it is possible to knit it with industrial knitting machines. Another company who is specialized in cutting things is doing that for Trautwein.¹⁷¹

”And before, there is this Tyvek-material, it comes on a big roll and it needs to be cut into stripes. And after this you got this slice... So, this long stripe... on this slice. Imagine this roll is cut so we got slices and one slice is a one big long stripe... They gonna bring it on these cones you need for knitting. The knitting industry requires this... And they slice the roll, bring the slices... And they roll the Tyvek stripes on the cones. So, and then it comes to producers and producer try to produce (knitwear)...”

In April 2012 Trautwein was developing fist collection for Luxaa for the season SS13 with the aim of industrial production. At that time the production problem was not solved totally but was really close to a solution. In July 2012 Trautwein told that the solution for the production has found and the first prototype was made with industrial knitting machine. The production problems seemed to be solved. The solution was to twist the Tyvek ribbon that it goes through in knitting machine. Before it was too thick and twisted too much. Solution was to make the yarn softer and not too twisted. The concept was finally ready to implementation and Luxaa was ready to the industrial production process.¹⁷²

171 Trautwein, 2011.

172 Trautwein, 2012.

3.4 MARKETING AND SELLING – GETTING THE BRAND’S MESSAGE OUT

According to Bubonia the apparel and textile industry is one of the most active international trade sectors¹⁷³. Marketing and selling are important actions in the process of setting up a fashion label. Branding is part of the marketing actions and brand communication is the way the brand communicates to its customers and other stakeholders. Brand communication happens for example with lookbooks and other marketing material, via web sites and social media like Facebook and at the fairs where it is possible to meet buyers and other professionals from the field of fashion industry.

Pricing and selling channels are important factors from the marketing and selling point of view. During the first year Luxaa was selling its products directly via own web shop. According to Meadows it is important to know the market where the label wants to settle and get also the pricing right. Pricing structure can consist of entry, mid-range and high-end price points.¹⁷⁴ This means that a label can have basic products that are more affordable pieces and on a side more exclusive pieces in high-end price category. Also Luxaa is having more affordable pieces but also more expensive pieces with special design features on a side. In Luxaa’s case the material is already a special feature and material innovation also adds cost to Luxaa’s products.¹⁷⁵

“So, because if you got an invention then it has to be really expensive because, of course, there need to be further development to come to that certain point that you can say we got a new material, maybe from any technical approach and now we want to do it in fashion. So there is really lot to develop until you can come to this point that you can say ‘Now I can really say it’s fashion’. And so, of course, it’s expensive.”

Luxaa’s products are made in Germany and that adds the production costs. Because of that also the final price is higher. Brand is doing decisions based on its values and in Luxaa’s case the important value is that the brand supports locality and is staying in Germany concerning the production.¹⁷⁶

”And this is the thing because you were asking of pricing, of course it’s much much much more expensive producing in Germany than in Poland or in China or where ever you wanna go... So, of course the things are a bit more expensive but, I mean... “

The most expensive pieces of Luxaa are costing approximately 400€. The prices of Luxaa’s garments are notably higher than for example some high street fashion brands. This is largely based on the higher production costs. The price is based on the calculations of the material costs and production costs.¹⁷⁷

”So, this of course you learn if you start to set up your own business, to learn how to calculate prices. There are different models of course. Then I got this coaching with the network partners who did the pricing together with me and we were talking, well, we got really high producing cost, at least at the moment. May it gonna be less when we’re gonna sell more and produce more, of course. But now it’s actually high.”

173 Bubonia, 2012, 2.

174 Meadows, 2009, 73, 75.

175 Trautwein, 2011.

176 Trautwein, 2011.

177 Trautwein, 2011.

”And in this case I always calculate with the amount of the material, of course. And, in the producing price you can say. This is the most important fact in this case because it depends on how long the knitting machine has to knit and how much material we need. And then it depends on how difficult it is to make. So then if it’s really simple things you don’t have to develop really... because it is pretty easy to do them, to produce them. It’s not that expensive than things with the... I don’t know... More structures and details and so on.”

It is natural that pieces with more complicated details cost more to produce and simpler pieces are cheaper to produce. At first it may be difficult for a new label to make profitable business. In that part it is still important to get the business running step by step and to produce sellable and producible collections.

Taking part for the fashion fairs causes costs for a fashion label but for a new start-up label these events are important marketing channels. Luxaa was launched at Designer’s Open fair in Leipzig in October 2011. During the first year Luxaa was presented also at other fairs and different events. Luxaa for example took part in Berlin Fashion Week in July 2012. Luxaa was exhibitor at Ethical Fashion Show Berlin fair at Ewerk. Luxaa was also presented at Green showroom’s fashion show at Hotel Adlon in Berlin. During the Berlin Fashion Week Luxaa’s knitted wedding dress was also featuring at opening night of Mercedes-Benz Fashion Week Berlin in exclusive Preview Show by Grazia. In September 2012 Luxaa also took part for Ethical Fashion Show in Paris, which is the same fair concept as in Berlin¹⁷⁸. Despite the costs there has been lots of benefits for Luxaa when taking part for the fairs. At the fairs Trautwein has got new contacts, met potential buyers, PR-persons and other stakeholders. Luxaa has got media publicity like TV-interviews, visibility in internet pages and featured for example in Italian Vogue.



Picture 18., 19. & 20.

Designer’s Open Fair. Luxaa was launched at Designer’s Open fair in Leipzig in October 2011. (Designer’s Open 2011; Palomaa, 2011.)

178 Ethical Fashion Show Berlin.

Ethical Fashion Show Berlin



4. – 6.7.2012
ewerk



Picture 21., 22., 23., 24., 25. & 26.

Ethical Fashion Show Berlin at Berlin Fashion Week. Luxaa at Green showroom salon show at Adlon Hotel Berlin and Luxaa's knitted wedding dress featured at opening night of Mercedes-Benz Fashion Week Berlin in exclusive Preview Show by Grazia.

(Ethical Fashion Show Berlin, 2012; Berlin Fashion Week, 2012.)



Picture 27., 28. & 29.

Luxaa at Ethical Fashion Show Berlin fair at ewerk.

(Palomaa, 2012.)



Picture 30.
Mirror TV filming Anne Trautwein at Luxaa's studio in Halle for the document about crowdfunding.
(Palomaa, 2012.)

During the first year Luxaa had also the opportunity to take part in crowdfunding project in April 2012. Visionbakery is a crowdfunding platform that supports different kinds of projects and for example new start-ups. The idea of crowdfunding is to collect donations from supporters.¹⁷⁹ Luxaa was elected for this program through application process. The aim of the project was to collect money for the SS13 collection lookbook shoot and for organizing a fashion show at Ferropolis.

“Any fashion label presses its collections on quality paper and also our “show” should be just as extraordinary and inventive as our ideas. Unfortunately, as a start-up we lack the funds to tour new collection in its true light, to print it on high quality paper in a look-book, and to present it as a professional fashion show to the audience, so to you as well.

Quality is known to have a cost: the cost of a high quality look book print, the individual sealing of each book by hand, and the fashion show - started at the organization of spotlights and music ending at the shoes of the models - causes costs of 3000 €. That's too much to a start-up like us. So we need your support!”¹⁸⁰

The crowdfunding project lasted 30 days and during that time people had the opportunity to support Luxaa with optional amount of money. The objective was to collect 3.057,00 € and Luxaa achieved its objective. Crowdfunding was also free marketing for the new label and through the project Luxaa got media visibility. German Mirror TV came for filming Luxaa for the document about crowdfunding. Crowdfunding was innovative marketing channel and an opportunity to get financial support for the company in order to make

179 VisionBakery.

180 VisionBakery (Luxaa's introduction text in the crowdfunding project).

lookbooks, photoshoot and organize a fashion show. Luxaa's material innovation has helped to gain visibility and media's attention. Publicity and media attention is always good for a new label and also a way to get people's interest and the attention of potential customers.

"Actually it (media attention) is the best way to get customers. Because, how you wanna tell the market that you are now there and that you are now in the game. That you are one player from now on in this big game if there is no possibility to get out and say 'Hello' ."

By this Trautwein means that there are always benefits in media attention. Trautwein says that it is also important to find right sources in order to get brand's message out.

"And to have certain sources who really try to express you and your message."

The unique idea matters at the market. The importance of new offerings and innovative ideas is vital when there is lots of competition and several brands in the market. Unique idea helps the brand to find its own niche at the market.

"Probably yes because, anything and everything else is already there and so you got no...yeah, you got nothing new to offer. So that means there is no space where you can settle, you know. Because, all these things are already settled by that many brands. So you need your own space actually to settle there."

In Luxaa's case this has worked out. Luxaa has found its own space at ecological and ethical fashion market. Luxaa has done also lots of cooperation for example with photographers and editors, has been featured in several magazines and has taken part in several events. Luxaa is having unique idea and innovative brand identity, which helps to maintain the interest of stakeholders. Luxaa has also created good relationships to press and other stakeholders and has invested on professional marketing material. The importance of good contacts and relationships are vital when setting up a business.



Picture 31. & 32.

Lookbook shoot for Luxaa's SS13 collection. Interview of Anne Trautwein at Designer's Open fair in October 2011. (Luxaa, 2012. Palomaa; 2011.)

ANALYSIS

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4. DESIGN, BRANDING AND INNOVATION IN THE PROCESS OF SETTING UP A FASHION LABEL IN THE CASE OF LUXAA



In this chapter operational aspect comes together with theoretical point of view in the form of content analysis. The structure will follow the order of theory chapter. Important is to analyze how design, branding and innovation can be seen in the process of setting up a fashion label in Luxaa's case.

4.1 DESIGN – FOCUS ON THE SPECIAL MATERIAL

4.1.1 Design in Luxaa's case

Design can relate to forms, shapes, cut lines and silhouettes of the products. In fashion design also structures, constructions and material choices are important factors. Design deals with trends, colours, trimmings and other decorative elements. Essence of objects is essential aspect but it is important to remember that design is also a process that is dealing with problems, ideas and outcome of the process. In Luxaa's case especially functionality is important aspect in design.

"Functionality. So it's a kind... You can say it's really a combination of functionality and tradition."

On a side of functionality also traditional manufacturing techniques are meaningful factors in Luxaa's design. When developing a fashion line also stylistic vision is needed. However, the main focus in Luxaa's design lies on a special material.

"...they (garments) shall be trendy but not too trendy. With this approach of trend but really simple anyway."

"I'm gonna keep it really simple, the design. Really simple cut lines, I think. So that the focus really lies on the material."

This means that Tyvek forms the basis for Luxaa's main concept at the moment and special material adds value to Luxaa's design. Luxaa's aim is to produce wearable garments and to keep the style simple and timeless so that the focus of the design lies on the material.

As said before design is more than just dealing with the form, styling and aesthetics of the products. Design is wholly conceptual process when developing a new fashion line and creating identity and concept for the

fashion label. This can be seen also in Luxaa's case. Trautwein has designed the whole concept of Luxaa by herself from the visual identity to the looks and the pieces of the collections. Design is also about dealing with problems that need to be solved and in Luxaa's case problem-solving has been essential part of the design process because the new and unusual material has set the own challenges, especially concerning the production. Also technology, research and design are going hand in hand in Luxaa's case.

“All Luxaa Collections are inspired by diverse progressive areas like technology, research and design. Functional materials from a variety of sources being reinterpreted by traditional processing technologies is our primary focus of work. The design strictly obeys the principle of functionality expressed in esthetic elements of style. National as well as international designers are constantly working on new prospects adopting unconventional methods of reinterpreting the concept Material Vision Into Fashion.”¹⁸¹

Design relates also to the outcome of the process. Design is about turning determinedly ideas into an outcome like tangible products. Outcome of the whole design process in Luxaa's case is a sophisticated and innovative fashion line with unconventional material Tyvek all above. Interesting collections include different elements form knitted pieces, pullovers and dresses to pieces from plain Tyvek sheeting. The whole concept is well-coordinated entity that is matching to brand's identity and ideology.



Picture 33. & 34.
Lookbook pictures of Luxaa's SS13 collection.
(Luxaa, 2012.)

181 VisionBakery (Luxaa's introduction text in the crowdfunding project).

4.1.2 Luxaa's design process and activities

Design process in Luxaa's case includes remarkable amount of research, development and sampling. Basic knowledge on the background was important when Trautwein started to develop her final collection and later a concept for Luxaa.

"I was working there (at Adidas) for one year and actually I got more experience in doing some technical things and working with technical textiles and doing some sport(wear)."

Trautwein is interested of technical materials and she had previous experience working with technical textiles at Adidas. Previous knowledge about technical materials was useful when she started to identify the design process for her final collection.

"This material (Tyvek), we also used it, I think, in a first year of my studies and there are some industrial designers who used it before."

"And because it's like paper and it's foldable like paper and you can work with it like paper but it's much more... It's not so easy to destroy, you know..."

Knowledge about the material and working experience at Adidas was on the background when Trautwein started to work with Tyvek for her final collection. Knowledge about the performance and characteristic of the material was helping in material choices, knowing the possibilities and constraints and being creative with the material. For a designer it is essential to know what she is able to do with material and how the material will work in the use.

Design process usually starts by identifying the task or the problem. In Trautwein's case everything started from her diploma work and from the idea of using Tyvek as a material in her final collection. Later this process led to development of the whole concept of Luxaa. Trautwein decided intentionally to look for some material that is not commonly used in the context of fashion and to avoid typical associations related to materials in apparel design.

"During this diploma work I started working with this material. Originally, I was looking for some material, that is not comparable to any other textiles in fashion and what does not got these associations to some feelings you can say. So, I mean, if you say, it's from wool, then you always expect it's warm and a bit uncomfortable, if it's not even, I don't know, cashmere. And if you say it's silk then you expect that it is really light weighted and really fine. And all these things I wanted to avoid. I wanted really to avoid these associations."

"So I was remembering this material and I was like 'Oh well, may I could try this'. Because in fashion nobody got any associations to it. So I took this. Then I started some tests. And I was like 'Oh well, why not? Seems to be pretty good'"

This means that the problem identification process was material-driven and Trautwein decided to take advantage of familiar but not typical material in fashion. After identifying her design task Trautwein started to do research about the material and to test the use of material in different situations. Lots of testing and

sampling was required when investigating the properties, performance and functionality of the material in the use of clothing. Complex relationship between innovation and R&D (research and development) can be seen clearly in Luxaa's case. Research of new technologies and materials is integrated part of Luxaa's design process that always starts with looking for different materials and new opportunities. The aim is to use innovative and more sustainable materials in fashion and to support traditional manufacturing skills. Technical development and engineering input was also necessary when solving the problems related to production process. It was necessary to test what are the possibilities concerning the material when the aim was to knit the special material industrially. Cooperation with textile research institute made sampling possible and was important aspect of design process when working with technical materials.

"...to work together with textile research institute on new designs, new materials and so on."

Possibility to do co-operation with textile research institute is a huge advantage for Luxaa. It also supports Luxaa's ideology of *Material Vision Into Fashion*. The vision is to continue the co-operation with textile research institute also in the future. This means that Trautwein wants to combine textile research and fashion design in her work. She is interested of innovations related to technical textiles and wants to take advantage of them and to transform them into fashion.

Even though research and development is important part of Luxaa's design process, also stylistic vision is essential when developing a fashion line. On a side of engineering input Trautwein is considering the artistic input. The creative part of the collection development process is important aspect and the designer should think about the products and how the total fashion line should be.

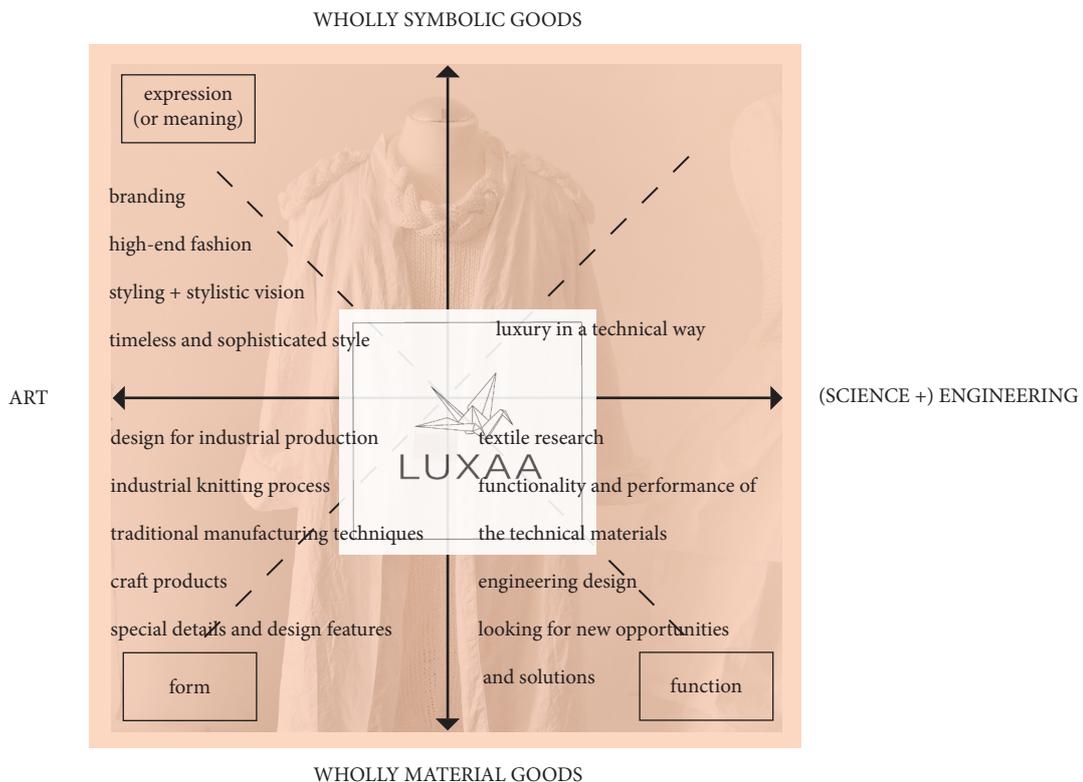


Figure 8. Engineering and artistic input of design activities in Luxaa's case. Luxaa's design process and design activities has especially focused on form and function dimensions. (Palomaa 2013; Utterback, Vedin, Alvarez, Ekman, Sanderson, Tether & Verganti, 2006.)

“I think I’m gonna to develop this while doing the design process. It’s always the same. I never can say so ‘Now I’m gonna design some evening dresses’. And then I say ‘Well, now I’m gonna design some daily wear’. It’s more like this kind of feeling. Yeah, you got, so at least for me it’s always like I got that many pictures in my mind and then I’m just drawing it down. And then you can see ‘Well, this doesn’t fit at all but this maybe and this and this could go together as a collection’. So I need to do it like this probably.”

By this Trautwein means that she will probably develop a design process that would work in Luxaa’s case but on the other hand keep the design process open and let there be space for variation and intuition. It is important that pieces of the collection are matching with each other.

“But in my mind it’s a mixture of both. I think I’m gonna do dresses like this with the fat collar, from the fair. I mean you can wear it daytime and if you want you can wear it with really bright jewellery in the night as well. Pieces like this and then, daily wear as well, I think.”

Trautwein means that she is having ideas for the collection that it is mixture of both more daily wear but also more stylish garments for special occasions. On a side of research within technical materials also trend research is important. It is natural that Trautwein is aware of trends as she wants Luxaa to be innovative fashion label that is producing fashion to the consumers. Luxaa’s design process combines the innovation aspect and trend research.

When developing a collection knowing the constraints is essential part of the design process. Constraints are setting the limits and boundaries in between designer can move but also showing the opportunities concerning for example production.

“I think I got something in my mind already but it’s hard to say because at first I need to know what the manufacturers can do and what they can’t do. And what they are able to do with the material and what they aren’t able to do. I don’t know, what’s about, some certain, patterns, you know? So, not these patterns (sewing patterns), the patterns on this (knitting patterns)... Like structures. If it is possible or... What we can do and what we can’t do.”

“And when I know the limits so I can move in between these limits, you know.”

By this Trautwein means that it is important to be aware of constraints and boundary conditions but also of possibilities concerning the material and production when designing a fashion line. Trautwein means that when the designer knows constraints then it is easier to plan the design process more carefully. It is essential to know what kind of elements it is possible to produce for the fashion line.

As said before design is also having important role in shaping and executing company’s or brand’s strategy¹⁸². This can be seen also in Luxaa’s case when it comes for example to the signature style that Trautwein wants to develop for Luxaa.

182 Roscam Abbing, 2010, 42.



Picture 35. & 36.

Material samples of knitted Tyvek with different knitting techniques. Engineering and artistic input are both visible in Luxaa's case. Design helps to create also signature style for the brand and is having important role in executing label's strategy.

(Palomaa, 2011.)

"I think I need to develop this kind of process because, well, I get this material and now I need to see that I got a... that I develop some kind... or somehow this kind of handwriting of Luxaa, you know? So, means that the look of Luxaa is like a sign. Like a signature, yes. And, so, at least every designer gets this certain style and the certain handwriting."

"This needs to be developed, I think, because we just started so there isn't any signature design that you can apply on every further collection."

This means that certain signature style makes a fashion label more recognizable and helps in identification at the market. Design is having important role in shaping the strategy and brand's identity. Design is in important role when developing identifiable products and design also helps in positioning the label. In Luxaa's case material is creating recognizable look and style for Luxaa. When it comes to positioning it is also important to do market research and identify and analyze competitors.

"But really, to say, this is a brand, but it's based really on this idea, to over take some really newly researched things like new textiles and new structures to fashion. This is, I think that there are really no competitors, I don't know."

By this Trautwein means that Luxaa is having unique idea and innovative idea helps to find own place in the market. Trautwein can also identify Luxaa's strengths. She believes that Luxaa as a label will profile and stand out from the competitors with its own point of view to material research and new technical innovation.

4.1.3 A need for deeper meaning behind the design

Design is having an important role, not only related to performance of the products but in dealing with meanings¹⁸³. Trends and symbols are essential part of fashion design and many times fashion brands create different meanings and associations related to current trends. It is natural that as a fashion designer Trautwein is aware of trends as she is creating a fashion line. However, Trautwein does not want to Luxaa to be concentrated trends only.

“So, it’s like, you are always just moving around this trend, you know? And I don’t want to do this because this is like, as somebody would tell me what the next collection got to be, you know. It’s like at Adidas when marketing is coming for the brief and to say ‘Next year we need some red and some orange combination because it’s gonna be trend’ and I need to do this. So I don’t want to do this like this”

By this Trautwein means that Luxaa’s design process and purpose of the design is not driven by trends. The core values in design lies on innovative material and functionality.

”But these functionality things are really important, because I don’t want to go out just for fashion.”

”Because for me there needs to be something underneath. Some deeper meaning.”

This means that Luxaa does not want to produce fashion only for fashion’s sake. Trautwein wants that there is a deeper meaning in Luxaa’s design. By this Trautwein means that Luxaa’s ideology and focus of the design is concentrated more on functionality and innovation approach than on trends. The aim is to create innovative fashion label that is producing wearable and functional fashion to the consumers in a sustainable matter. This means that Luxaa generates value with functionality and with the special material. Luxaa also created new meaning to the concept of knitwear with the idea of using unusual material. The idea of knitwear made of “paper” is totally new and unconventional proposal. “Slogan” *Material Vision Into Fashion* sums up the label’s ideology. Deeper meaning is driving the design process and Luxaa is moving in the between of the fields of technology, research and design in order to make innovative and inspiring proposals and to solve problems and face challenges in the field of fashion design.

183 Verganti, 2009, 26-27.

4.2 BRANDING – STRONG IDENTITY AND INSPIRING VISION

4.2.1 Luxaa as a brand

Kapferer is talking about brand system and explains that this system consist of three poles; products or services, name and concept. The brand's concept is a set of intangible and tangible attributes that differentiate the brand from the competition. The name and other signs are identifiable part of the brand. The brand does not exist without products or services and they form the basis of the system. Concept sums up what the brand is all about.¹⁸⁴ In Luxaa's case the brand's concept bases on the vision to be innovative brand and to offer innovative products by exploiting technical materials in garments.

“The vision is to set up a business and a brand and with that philosophy of new technical materials that works out in the end, so that the brand is really just working with maybe several new materials and that people buy this stuff really for this price.”

This means that the whole concept of Luxaa bases on the use of new technical materials and having innovative approach to fashion. The vision is to work with technical and innovative materials also in the future. The aim is to transfer this idea and vision into business and to be able to run the business with this focus. The vision is also guiding the product development. Products are tangible assets of the brand and Luxaa has created a whole fashion line by exploiting innovative material. The vision is to deliver tangible value to consumers through innovative products that they would buy these products with innovative material.



Picture 37.

Luxaa's concept, name, logo and other visual elements and products represent brand's vision and identity. (Palomaa, 2012.)

184 Kapferer, 2004, 12.

The brand's name and logo are often the first things people see when they encounter a new brand¹⁸⁵. The brand's name and visual elements represent what is the brand all about and help customers to identify the brand in the market from the competitors. Luxaa's name and other signs are identifiable parts of the brand. Trautwein wanted to keep the name really simple and succinct.¹⁸⁶

“He (the ex-business partner) told it has to be really luxury and so, actually there was no strategy. It was more like ‘Well, may he is right’. So, it should sound like luxury and so, it was like just a first impression what could it be. And so, it was Luxaa, of course like luxury and the A for my name actually. It's pretty simple actually.”

This means that the name Luxaa is coming from the thought that the brand should represent high-end fashion brand and communicate about quality and luxury. The name gives the strong association related to the word luxury. As well as the name also the products are representing the brand and its identity. Products are tangible parts of the brand and Luxaa's philosophy is concentrated especially on functionality.

“The philosophy for the future is to be luxury but in a technical way, you can say.”

This sums up Luxaa's philosophy and represents the brand's essence and core substance. The aim of Luxaa is to apply these standards for the fashion line and as a brand represent these values and vision.

4.2.2 Brand relationship and brand promise of Luxaa

Visions and values together form the core of the brand and they should be visible in everything what the brand does. This is how the brand can establish shared understanding and strong brand relationship inside and outside the company.¹⁸⁷ The relationship between different functions inside and outside the company is well-established in Luxaa's case. As a philosophy *Material Vision Into Fashion* is guiding the company's way to deal with different tasks and actions from the product development to the manufacturing process and to the brand's communication to the outside world. The brand's vision, innovation functions and marketing functions are related to each other. There is a clear vision how Luxaa wants to do the business and what the company believes in. The brand's vision is inspiring both the company but also company's stakeholders. Luxaa as a brand also encourage other fashion labels in the segment of ecological and ethical fashion. Luxaa builds up relationship that bases on the honesty and trust. Communication is important part of the brand relationship and interaction. Shared understanding is created through communication. In order to create shared understanding in October 2011 Trautwein's aim was to write down Luxaa's vision and story¹⁸⁸.

“The next thing is really building this proper image of Luxaa. And really write it down and have it as a proclamation. Like a story, yes.”

When the brand is having own story it is easier for the stakeholders to relate to it. This helps the brand to create shared understanding and to build relationship between different stakeholders and potential customers. The brand's story also helps in forming the brand identity. Luxaa's brand story communicates about Luxaa's values and visions.

185 Meadows, 2009, 39, 46.

186 Trautwein, 2011.

187 Roscam Abbing, 2010, 18-19.

188 Trautwein, 2011.



Picture 38.

Personally hand-sealed lookbook. Luxaa wants to create honesty and establish trust among the customers and other stakeholders. Luxaa's values are visible in everything what the brand and company does.

(Palomaa, 2012.)

“Originating in the heart of central Germany Luxaa operates to the compelling concept Material Vision Into Fashion. Luxaa is a vanguard symbiosis of sophisticated fashion and innovative materials embodying loving attention for details and quality: unique materials become peerless fashion. All products are manufactured under social working conditions by central German companies of great traditions. We assure at least standards of sustainability and recyclability. Both the concept as well as the production stands for highest quality Made in Germany.”¹⁸⁹

Roscam Abbings says that organisations have to demonstrate a clear understanding of people they are reaching for to work with them, what kind of users organisation aspire and what kind of benefit and value they can provide to them. When this is clear, organisations have to capture this value and turn it into actual propositions like products, services, experiences.¹⁹⁰ Luxaa as a brand is promising innovative and sustainable fashion and luxury in a technical way. Luxaa promises to deliver value through functionality and technical materials. Luxaa's brand promise is also to produce ethical and ecological fashion in sustainable matter and to bring *Material Vision Into Fashion*. Environmental things and sustainability, human rights, design, functionality and quality are important values for the label. Though brand promise Luxaa is communicating about these values.

189 Luxaa.

190 Roscam Abbing, 2010, 32.

4.2.3 Luxaa's identity and brand communication

Brand identity is a representation what the brand is all about. Brand identity prism is a way to describe different aspects of the brand identity in Luxaa's case.

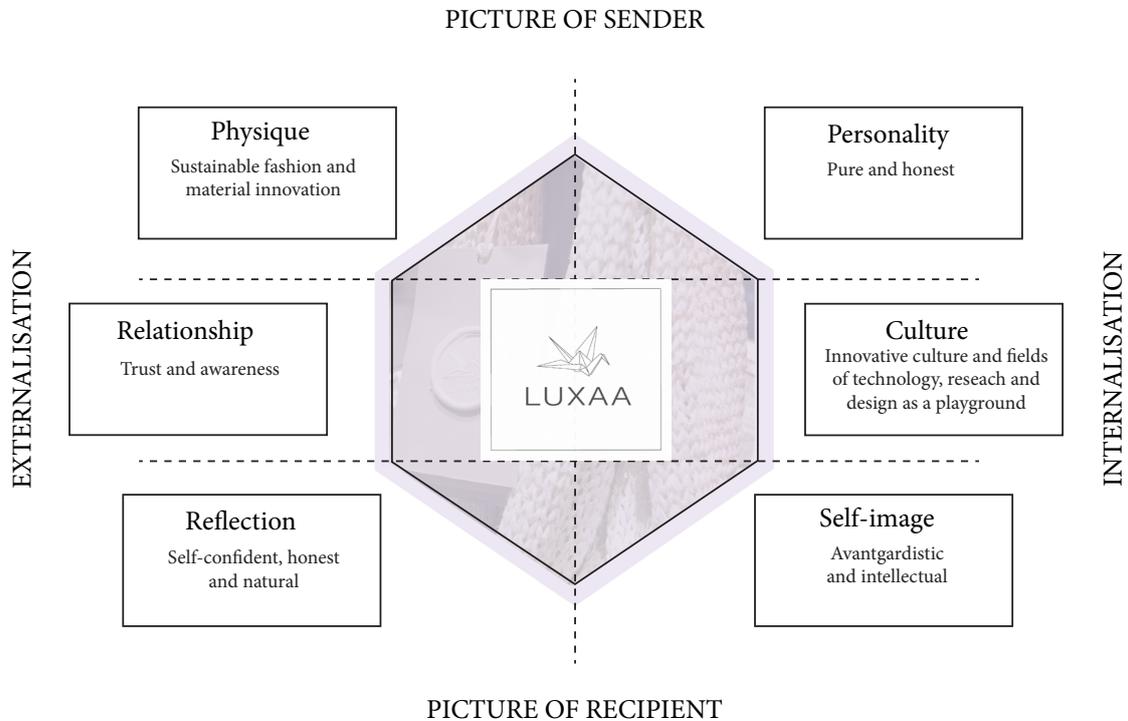


Figure 9.
Luxaa's brand identity.
(Palomaa 2013; Kapferer, 2004.)

1. Physique

As said before brand's physique represents brand's backbone and tangible basis. This facet of the brand identity prism represents the brand's key products, brand attributes, tangible value and material benefits that the brand delivers. Brands has to deliver material benefits in order to fulfil brand promise because brand image alone is not enough to deliver real value to the brand's stakeholders. Brand physique is important aspect in this process and this facet simply sums up what a company does.¹⁹¹

"I see it as a kind of melting pot of traditional features and really innovative ideas regarding to material, and this together combined in really simple but fresh designs, you can say."

This means that Luxaa's key products and core substance is based on the material innovation related to Tyvek. Knitwear and other garments made out of Tyvek are Luxaa's flagship products and its backbone for the whole concept.

191 Kapferer, 2004, 107.

“It’s simple: Unconventional materials. We combine highly functional technical paper with the traditional art of knitting to wearable and inventive fashion - lightweight, washable up to 200°F, with out matting & pilling and above all to 100% recyclable. In contrast, wooden belts accessories that adjust to the body by theirself-equilibrating stress. So we probably will not save the world, but we may provide it with a sustainable and lasting fresh wind.”¹⁹²

Through material innovation Luxaa delivers tangible value to its customers. Innovative products represent what Luxaa does as a company and as a brand. Luxaa works with technical materials in order to create functional and sustainable fashion. Innovation is Luxaa’s core substance and the brand wants to exploit its knowhow in the field on material innovations and fashion. Functional fashion means for example allergy free and antibacterial products that are 100% recyclable.

2. Personality

The brand has a personality and this aspect describes what kind of character the brand is and how the brand communicates about its products or services.¹⁹³ Luxaa as a brand is pure, innovative and honest. Personality traits can be seen in Luxaa’s way to communicate and create the brand image.

”Pure! Pure is the word I was looking for. Pure in the concept and pure in the identity and pure visual identity. Pureness.”

“...to communicate this thing like ‘It’s pure and it’s really honest’”

This means that Luxaa’s personality, visual elements and also visions and values are pure and Luxaa wants to communicate about the purity. Communication happens for example with marketing material. Lookbooks and other visual elements represent pure, young and fresh image. Trautwein tells that for Luxaa’s lookbook shoot she wanted to create natural look and pure image. The aim was to communicate about brand’s personality and represent purity but also honesty. Pureness is part of the values and represents the brand’s ideology and attitude.

“...we really wanted to have pure and really daily make up and also the hair should be really like, a bit like shelf made, to communicate this thing like ‘It’s pure and it’s really honest’...”

3. Culture

Culture is the brand’s aspirational power and a source of inspiration. Culture also represents values and fundamental ideas of the brand. Products and services are tangible representation of the brand’s culture.¹⁹⁴

“Unconventional materials are our passion and the fields technology, research and design are our playground for new ideas. We do not want to re-design the thousandth skirt - by the connection between fashion design and product design, articulated in fresh ideas from unusual materials, we want to meet the design challenges of our time, each and everyday in great dedication.”¹⁹⁵

192 VisionBakery (Luxaa’s introduction text in the crowdfunding project).

193 Kapferer, 2004, 108.

194 Kapferer, 2004, 108.

195 VisionBakery (Luxaa’s introduction text in the crowdfunding project).

In Luxaa's case the culture is innovative and the source of inspiration lies on research, technology and design. Innovation is the power and engine that sets Luxaa's design process in motion. Luxaa's values include aspects of sustainability and social rights. The brand wants to do something better. Luxaa also trust on locality. That can be seen for example in that that Luxaa is based in Halle and not for example in Berlin where the majority of creative professionals and creative industry are located in Germany.

“Of course, everything is developed in a really good way and many creatives are coming and settle there. Berlin is really crowded and Berlin is full of creatives and all of them are really struggling to each other because they are too many.”

Trautwein sees the location near Leipzig-Halle –area as benefit. It can be also the brand's statement that represents the brand's values and vision that it wants to develop own area and locality with other creative professionals.

“And it's kind of statement to tell ‘Well, I'm not gonna go to Berlin like every creative. I'm gonna stay here in the Eastern Germany, and together with all the other creative people I want to develop this area here’. It's a real creative melting pot you can say. And Leipzig definitely got the potential.”

With this statement the brand can communicate about its values and that the aim is to stay as local as possible. Luxaa also wants to keep the production near and support local manufacturers, producers and other workers in the same are in Eastern Germany. This is important aspect in Luxaa's values and can generate value also to the potential customers. People are nowadays more conscious about ethical and environmental things. Luxaa is proud of its origin and this can be seen in Luxaa's culture.

4. Relationship

The brand establishes relationships based on its values. Relationship in the brand identity prism represents mode of conducts that identifies the brand and the way the brand acts, behaves and interacts with its stakeholders.¹⁹⁶ As a brand Luxaa is conscious about environmental aspects and sustainable values. Luxaa is a responsible brand and consciousness and awareness is part of the brand relationship. Luxaa took part for example to Ethical Fashion Show and wants to interact and connect with people on the same field with the same values and interest to ecological and ethical fashion. The brand wants to do cooperation in the field of design, research and technology and to find innovative solutions and to produce functional design. As a brand it wants to be open and transparent and establishes open relationships and trust with its stakeholders.

5. Reflection

The brand is a customer reflection and this aspect represents the image of aspired buyer or user of the brand's products. This facet provides model of identification for the brand.¹⁹⁷ Luxaa's reflection is an image of self-confident, honest and natural young woman. Trautwein wants to avoid too modern and trendy impression.

“Well, modern always means like trendy. I don't want to be that trendy. This is because you have to... If you are a trendy brand, or if you got the trendy brand, I don't know how do you wanna call it... Then you always have to look for what the next trend is”

196 Kapferer, 2004, 110.

197 Kapferer, 2004, 110.

This means that if the brand is trend-driven, then it has to always look for the next trend. More important in Luxaa's case is honesty and self-confidence. Trautwein did not want to create an image of typical luxury brand with perfect styling and perfect make-up. Trautwein wants to keep the lookbooks and other marketing material and brand communication natural. She does not want to Luxaa to be too styled and to send a message of trying too much to be trendy either.

“Not to offer this image of ‘Going to the hairdresser all the time and having this really perfect make up and being perfect’. Not to communicate this image. More to communicate ‘Well, these are the real, honest people who are really self-confident.’ This is really important. So, it goes out to customers who are really self-confident and honest with them self.”

The style and the first impression create the brand's reflection. These are the elements how to communicate about the brand and this is the message what Luxaa want to say to its potential customers. Personality, self-confidence and honesty are important things in Luxaa's reflection and the brand's message. These elements can be seen also for example in Luxaa's collections and lookbook images. The story of the brand is young and fresh and the atmosphere really natural.



Picture 39., 40. & 41

Lookbook pictures of Luxaa's AW13-14 collection. Lookbook pictures represent self-confident, honest and natural young women.
(Luxaa.)

6. Self-image

Self-image is related to the inner relationship and this aspect represents consumer's and the brand's image about them selves. Self-image differs from reflection. If reflection is what the brand wish to be, self-image represents what the brand feels that it is.¹⁹⁸ Trautwein describes Luxaa as an avatgardistic brand.

“Maybe avantgartistic but not too much. Wearable avantgardistic. But avantgardistic because of the material all above.”

By this Trautwein means that self-image of Luxaa is innovative and the material is giving avantgardistic impression of the brand and represents Luxaa's attitude to new technical inventions and it's vision to exploit new innovative materials. This means that as a brand Luxaa aims at thinking and doing things differently and finding new ways of creating sustainable fashion. Luxaa's self-image is not avantgardistic because of the fashion but more in seeing opportunities from innovation point of view.

“This sustainable idea into this idea of, into the message, into the image of being honest, being pure, being of course kind of intellectual because otherwise you wouldn't care about sustainability and about functionality and about this deeper meaning.”

This quote sums up the self-image of Luxaa really well. Luxaa's self image is intellectual and represents a brand who cares about environment, people and sustainability. Luxaa is conscious and aware of the things what is happening and actively wants to affect to its environment by searching for deeper meaning and developing own ideas in a sophisticated way. Luxaa also represent new approach to luxury.

These six facets helps to define the brand's identity as well as the boundaries in between the brand can move, change and develop itself¹⁹⁹. Brand identity is a representation of set of values and the brand's uniqueness. Altogether Luxaa's identity represents pureness and innovative attitude to fashion. Clear brand identity helps the brand to communicate and to create strong and understandable message. Strong vision of the identity also helps to define external signs and visual elements of the brand. Trautwein wants to keep Luxaa's identity pure and visual elements clean, clear and simple.

“Clean. Clean and clear. Because this give me the opportunity to change. To change the material, to change the colors and everything else, what is probably in some day important.”

By this Trautwein means that she wants to leave space for the brand to change and grow in the future. It is not necessary to lock everything down and it is good if there is some flexibility as brands are living systems and may change over the time. Well-defined brand identity helps to define what is the permanent nature of the brand and what parts are free to change. Even though the brand's visual identity and external signs may change over the time the base of the identity and core substance should be resistant for the change. Still brand must have freedom to change to match the ever-changing market and diversity.²⁰⁰

198 Kapferer, 2004, 110-111.

199 Kapferer, 2004, 111.

200 Kapferer, 2004, 97.



Picture 42., 43. & 44.

Visitors at Designer's Open fair in Leipzig in October 2011 having a look of Luxaa's concept, material samples and innovative use of material.

(Palomaa, 2011.)

Communication is essential part of the brand and in communication there is always a sender and a recipient. Sender-recipient dimension in the brand identity prism describe the sender (physique and personality facets) who is the brand that is sending certain message and the communication is addressed to recipient which means audience (reflection and self-image facets), in other words aspired customer.²⁰¹ Trautwein says that there are challenges concerning brand communication when the aim is to communicate about Luxaa's innovative vision and material innovation all above.

"I think it's a bit difficult to communicate these traditional and functional and this inventional material thing just by visuals. This is not so easy, I think. We need to see how we could do this because Johann (boyfriend) said the same. He said that the fair (Designer's Open 2011) was pretty good and the concept was pretty good but he just recognized that the visitors came and took a look but he had to take further or deeper look on a panel, just to realize 'Oh, it's not just fashion. It's fashion and innovation, innovative material'. And this is what we have to communicate a bit more clear from the first view."

This quote states that only visual elements are not always enough in brand communication. After launching Luxaa Trautwein noticed that people were interested of her concept. However, Trautwein needed to consider how to get the brand's message out. In Luxaa's case material samples were important to tell that there is innovative approach on aside of fashion aspect. Textual communication is also one way to tell about Luxaa's values, vision and material innovation.

"Well, I think, we had this text on a opposite side (at the fair)... And I think the text is really explaining it, actually really well, because it's saying that Luxaa is always moving in between these fields of technology and research and design. So, and this is like a triangle in between Luxaa is moving and acting. This says this text actually."

201 Kapferer, 2004, 111.



Picture 45.

Material Vision Into Fashion. Textual explanation of Luxaa's concept and vision at Designer's Open fair in Leipzig in October 2011. (Palomaa, 2011.)

“And we got this claim like ‘Material Vision Into Fashion’. I think this is good as well. As a subtitle, you can say. Or the headline for this text. But we will figure out if the text is just enough, just to place it that everybody can see it from the first view, from the first look... If this is enough then. Because you can't say it with the material when the material isn't known to the customer, you know.”

This means that the verbal communication explains Luxaa's approach to innovation and fashion. Also the "slogan" *Material Vision Into Fashion* is really useful for the brand in order to tell about the vision and ideology behind the concept. The text and the slogan together will direct the attention to material innovation. *Material Vision Into Fashion* is a strong message that challenges the consumer to find out what is Luxaa all about. The brand's message is always addressed to some audience and in the brand identity prism reflection and self-image facets help to define the aspired customer of a brand²⁰².

“Well, I think there are two target groups, as I told before. So this is, the people who are really interested in new things and in new design and new materials and they are really open-minded. And then the other ones who are really, the middle age people who... They are all above interested in new material and then the functionality of the material.”

Trautwein defines two aspired target groups for Luxaa. She is profiling younger target group who are open-minded and interested of new trends and innovations. In other words they can be called fashion innovators and early adopters²⁰³. The other target group represent the customers for whom things like functionality, quality and a good combination of innovative material and nice appearance are important factors. In this case they can be called early majority or late majority²⁰⁴. Material innovation and functionality is in important role when communicating the brand's message for the both target groups. However, the focus of the message can be different if there are two target groups.

202 Kapferer, 2004, 111.

203 Meadows, 2009, 84 according to Rogers, E. 1962.

204 Meadows, 2009, 84 according to Rogers, E. 1962.

“Yeah, the message definitely is different but this is really actually, it is... no, actually it’s not a hard question. Actually I would really try to communicate the whole image of the brand to the early adopters. So, means to the younger audience. And I really would like to focus on them regarding the concept, the visual concept. But it doesn’t mean that I want to be really fancy or so on...”

“It’s more the purity, is really on the top of everything. It has to be on the top. But I think the purity has to be with this detail of innovation and the communication should be really in this way. So, means pure and innovative and... Young. Exactly. And then for the people who are just interested in just of the product and because of the functionality, I think, for them it works out as well because the purity is good for them as well and they gonna feel connection to this, I think.”

This means that the brand communication strategy is to concentrate in creating pure and young image and strong message about material innovation and to communicate about these things to all target groups. These elements can be seen also in the brand’s design where the focus lies on purity and material innovation.

Externalization-internalisation dimension in the brand identity prims describes brand’s outward expression and internal spirit. Physique, relationship and reflection are social facets that are clearly visible aspects of the brand and they represent externalisation dimension. Personality, culture and self-image are the facets that represent internalisation dimension and they are incorporated within the brand itself and its internal spirit.²⁰⁵ The brand communication needs to represent the brand’s internal spirit and to match it with the outward expression. Trautwein says that there are also challenges concerning the brand’s message and identity. She does not want Luxaa to represent typical image of eco fashion brand even though Luxaa has ecological values. Trautwein is concerning that typical eco fashion brand image is not suitable for Luxaa because Luxaa wants to represent luxury and sophisticated style with elegance and for a brand being luxury and eco at the same time is a challenge. The challenge is how to express sustainability and all these ecological values and to keep the brand’s message and the brand’s identity clear for the audience. The danger is that the brand is losing the sharp message if the brand tries to be everything at once

“But to communicate this is a real hard job because if you want to be real pure but high fashion brand, with this deeper meaning and functionality... and responsibility of having sustainable products. How you want to get this together in one visual communication? That is really, you need to be really careful in this.”

“Because if you say, ‘Well, we are sustainable, we are recyclable’... It often gets this look of a bit eco, you know? And you can’t be eco when having a pure and really good, and expensive luxury looking label. This is difficult.”

Even though sustainability is important value for Luxaa Trautwein means that the message has to be clear for the audience. Concerning the brand image Luxaa wants to concentrate on innovation and functionality aspects and to create modern, pure and sophisticated fashion line with a sharp message. The aim is to represent the image of a high-end brand in the field of ecological and sustainable fashion market segment with the message of *Material Vision Into Fashion*.

205 Kapferer, 2004, 111.

4.3 INNOVATION – THE AIM OF DOING SOMETHING BETTER AND SEEING THINGS DIFFERENTLY

4.3.1 Innovation in Luxaa's case

Proactive approach to innovation can be seen in Luxaa's case. This means that the company proactively looks for opportunities for innovation²⁰⁶. As a label Luxaa does not just react events in its environments but it actively wants to change its environment. As mentioned previously Luxaa wants to develop own local areas, solve some problems related to apparel manufacturing process and produce sustainable, ecological and ethical fashion. As a label it makes visionary choices and influences to its environment, attitudes, prevailing practices of the industry and the future.

Innovation combines creativity and implementation. Trautwein has implemented her innovative ideas and created a fashion line based on a new concept. Innovation can mean creation of new offerings and creating new value for customers by offering something that has not been in the market yet. Luxaa is making new proposals for customers by offering sustainable fashion made out of unconventional material. Innovation in Luxaa's case means creation of original and meaningful ideas and turning them into tangible products. In Luxaa's case innovation means seeing things differently. For example Trautwein does not see luxury in a typical way and Luxaa has own approach to luxury.

“Not luxury like silk dresses. And not luxury like Louis Vuitton. Some people call it luxury as well because it's a brand and it's expensive. So, this is more like, in a technical... and new development... that way luxury. So, luxury in forms of or in terms of invention.”

This means that luxury can be seen as a development of new technical solutions and innovative materials. This kind of new offerings can produce new value that can be seen as luxury as well. In Luxaa's case there is lots of development and research behind the new concept and in this case it affects to the prices as well. Trautwein says that innovation and luxury together can be expensive but in Luxaa's case it is the new value that is making it luxury, not the price.

“The luxury in this case is to say, “Well, this is really something new” and this is a real new idea... just to take over something from textile researches or technical researches into a real new idea of fashion. And this is the real luxury to say ‘Okey, I can really spend my money on buying this new idea’.”

In Luxaa's case innovation also means the new conception of luxury. Technical approach and taking advantage of material researches are natural part of Luxaa's innovation process. Luxaa is exploiting knowledge and research when producing new ideas and forms of fashion and transforming them into tangible products, new value and a business concept.

Entrepreneurs innovate and innovation is a specific tool of entrepreneurship. Innovation creates resources and that means that man finds some new use for something and then it becomes a resource.²⁰⁷ Trautwein created new use for Tyvek in the form of clothing and turned it into a recourse for her company.

206 Roscam Abbing, 2010, 24.

207 Druckerm 2985, 27.



Picture 46.

Material innovation. Anne Trautwein invented new purpose of use for Tyvek and turned it into a resource for her company. (Palomaa, 2012.)

Successful entrepreneurs try to create new and different value and to convert “material” into a “resource” or combine existing resources to a new and more profitable way. Successful entrepreneurs look systematically after change because it is change that provides opportunity for new and different possibilities.²⁰⁸ Trautwein consciously wanted to create something new in the field of fashion. Innovation efforts in Luxaa’s case are related to functionality, research of the material, knowledge about the performance and characteristics of the material. In the end innovation is seeing things from different point of view than normally, seeing potential in that new way of seeing things and creating new kind of value to the market and to the customers.

4.3.2 Material innovation on a substantial level

Luxaa is exploiting technical innovations by applying existing technical materials into fashion. Technological innovation can be application of existing technology into new context or purpose of the use²⁰⁹. In Luxaa’s case technological innovation refers to material innovation and Luxaa is intentionally having a look of existing technical materials in order to apply these inventions into fashion design and to develop new products. Trautwein has understood the opportunities related to textile research and innovative materials. As said before co-operation with textile research institute is important part of Luxaa’s design and innovation process.

“...at least I hope the transfer is more easy to really be on the base where the things are developed, in this research institute and then they to see ‘Wow, this is really interesting. May to make it out in fashion.’”

This means that Trautwein’s aim is to exploit textile research and to develop further existing technical materials and transform them into fashion. Trautwein says that exploiting of technical materials does not mean that she should develop all the materials by herself.

“Not by myself, I mean, I can’t develop new materials, of course not. But there, in this research institute they are... They do... I mean, it’s their daily job. It’s their business to develop new textiles, you know. And all above new technical textiles. And, so it’s always important to take a closer look maybe and to say ‘Well, this is really interesting?...and maybe to take it...’”

208 Drucker, 1985, 27.

209 Solatie, 2009, 31.

This means that Trautwein has not developed new materials by her self but has developed new purpose of use for the materials in the context of fashion. This also means that Trautwein thinks that it is important to be aware of new things and what is going on in the field of textile research concerning new materials. Exploiting of existing knowledge and technology is important part of Luxaa's innovation and design process. On a side of material innovation also design innovation can be seen in Luxaa's case. Functionality and technical materials are important factors in Luxaa's design. Luxaa's garments are antibacterial, allergy free and suitable for sensitive skin. Luxaa's products stand out from the crowd with stylish appearance and special material. Luxaa is also exploiting process innovation. Process innovation can relate to for example more sustainable fashion supply chain.

*"All Luxaa products keep the standard of sustainability and recyclability up to 100%. With our choice of materials and processes, we ensure sustainable criteria such as Cradle to Cradle, recyclability, social production standards, resource conservation and environmental sustainability. In order to return them to the material recycling process, Luxaa provides a collection system for its products. The customer can return the piece to be worn to Luxaa, for which he receives a bonus. We send those items back to the material manufacturer, who feeds it to a professional and 100% recycling. All of our paints and adhesives are solvent free or water-based. All Luxaa products are solely manufactured in Germany."*²¹⁰

Luxaa is paying lots of attention to sustainability and environmental things. Material choices are important aspect in Luxaa's case and Tyvek as a material is 100% recyclable. Luxaa also offers a possibility to return worn garments back to Luxaa and is taking care of the recycling process of the material with other stakeholders. This how Luxaa is developing more sustainable fashion supply chain.

Behind the process innovation can be also a process need. In Luxaa's case there was a need for the solution concerning the production of new invention. Trautwein needed to figure out how to produce Luxaa's products industrially and needed to develop a solution for the process need. The problem was that the industrial knitting machines could not knit the Tyvek "yarn". The missing link was also to find a manufacturer who would be able and willing to do this. Trautwein did sourcing and visited several manufacturers and finally found one who was motivated to try out what they could do with Tyvek yarn. There were several samples and tests before knitting process was working out. There was also another company who was developing Tyvek yarn and doing trials and sampling with the yarn. In the end the solution was to twist the yarn and make it a bit softer. However this process took many months and lots of development and sampling were required until the solution was found.

Substantial innovation can be seen in Luxaa's case. Substantial innovation aims at doing something better and creating better products than existing products or services in the market²¹¹. Luxaa wants to improve things in the field of fashion. Substantial innovations have the ability and potential to create new business opportunities and Luxaa created new business based on the use of unconventional material. The importance of unique idea is essential for substantial innovation.

"Probably yes because anything and everything else is already there and so you got nothing new to offer. So that means there is no space where you can settle, you know. Because all these things are already settled by that many brands. So you need your own space actually to settle there."

210 Luxaa.
211 Solatie, 2009, 40.

This means that innovations on substantial level help companies to enter a certain market segment and to find own niche. Substantial innovations also work as a source of growth, create competitive advantage and help the company in positioning. Luxaa introduced new material in the use of fashion and was positioning itself at ethical and ecological fashion market segment by its material innovation. It is providing something new for the market. According to Trautwein unique ideas have nothing to do with unique selling point.

“But the unique selling point is something like, it’s more interesting to the customer, you know, like it is... recyclability. Yeah, recyclability. And things like these. Well, the unique selling point, this could be almost everything, because, I mean, even H&M and Mango got unique selling point. Of course everybody says ‘Oh, this is our unique selling point, that’s why we are different to all the others’ and they aren’t. You know? So, I don’t know if it’s really the USP thing.”

By this Trautwein means that innovation itself should have the value, not that marketing is creating the value based on the image. Marketing use USP (unique selling point) as a tool in order to differentiate brands and products from the competitors at the market but Trautwein thinks it is matter of a good and unique idea that helps in differentiation.

“It’s more having a real good new idea. And actually this is the main content to try to do something better than all the others.”

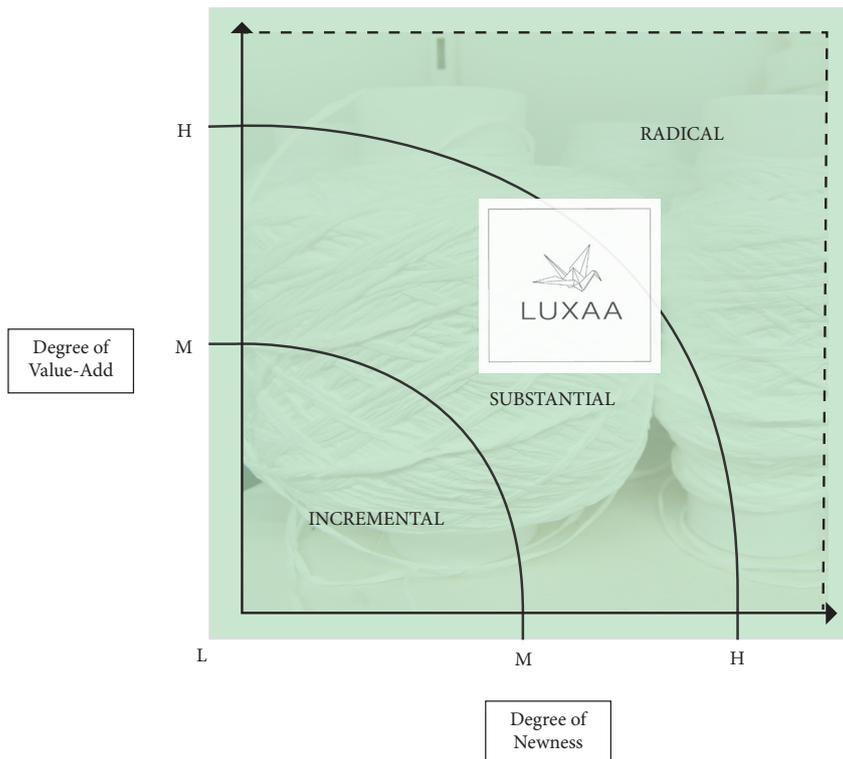


Figure 10.
Substantial innovation can be seen in Luxaa’s case.
(Palomaa 2013; Solatie 2009, Wright.)

“And not regarding your own business and not regarding, having that many...”

“I can tell it in other way. So, it means, you have to be, to do something better, not regarding being better in marketing than anybody else. Or being better in selling or doing something, some different steps to sell your products in a better way. It’s more the meaning of being better, doing it better than the others means, solve some problems or think in this ecological way, or... Not to, for example, support these Chinese industry of doing this mass production. And try to support all these producers and manufacturers in your own country and try to really keep them up. And stuff like this. I think.”

This means that Luxaa’s philosophy is to do something better than others and solve some problems. Trautwein is consciously thinking about the values of the fashion industry, paying attention to problems within the industry and trying actively to solve problems within the industry. Even the smallest improvements are better than nothing and these actions can influence to the attitudes and to the whole industry by degrees.

It is typical that fashion designers are often experimenting with new materials and the amount of ecological and ethical fashion brands are growing. Even though Luxaa’s innovation may not be on the radical level and does not totally change the prevailing habits of the industry, it is still influencing positively to the attitudes towards ethical and ecological fashion. Also the idea behind the use of material supports the aim of doing something better and producing more ecological fashion.

Substantial innovations are not as easy to copy as incremental innovations from competitors’ point of view²¹². Behind Trautwein’s innovation there is lots of research and development regarding for example the production process. Trautwein’s idea is not so easy to copy because investments and development is required also from competitors’ point of view until they could exploit this innovation easily. This also states that Luxaa’s innovation is on a substantial level and it has real value. Market for ecological fashion is smaller and it takes time to grow but still by its own actions Luxaa can influence to industry standards. Luxaa is answering for the growing demand of ecological and ethical fashion. Luxaa is also looking systemically for innovative opportunities and never know when this small label is introducing a radically new innovation.

4.3.3 The unexpected success as a source of innovation

Innovation is necessary for entrepreneurship. According to Drucker common for entrepreneurship is that entrepreneurs consider change as normal and even healthy development and they are systematically searching for change, responding to it, using the opportunity of change and taking advantage of it.²¹³ Luxaa has exploited the unexpected success as a source for innovation opportunity. By the unexpected success Drucker means clear opportunity for innovation and success that is unexpected but clearly visible²¹⁴. Trautwein never planned to set up own label but reacted to the unexpected events.

“Oh, no. Actually, this, well, it was a little bit difficult... No, not really difficult. It came just me from the side, it hits me from the side, you can say. “

“In my case, it never was planned having own fashion label.”

212 Solatie, 2009, 38-39.

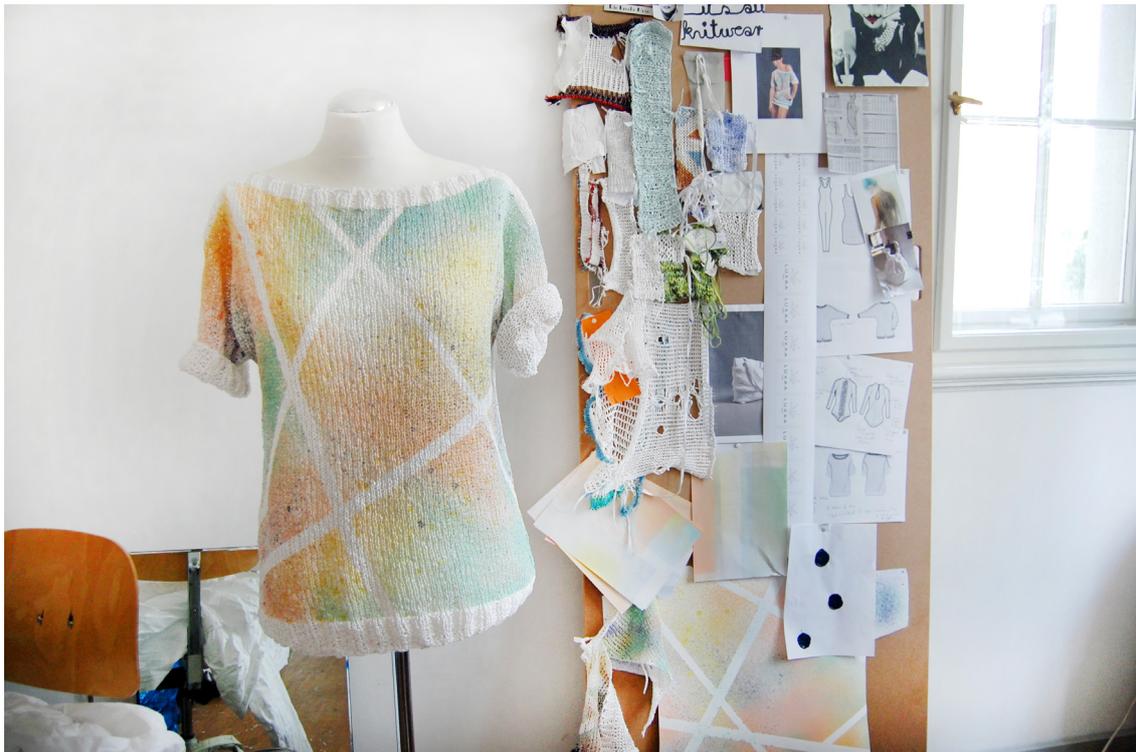
213 Drucker, 1985, 25.

214 Drucker, 1985, 33-41.

Trautwein got lost of good feedback of her final collection. People were interested of her collection and her invention and they were asking why she does not continue with this idea and develop more pieces and fashion line based on her invention.

“I did my diploma work and then the presentation went pretty good. And after this there were many people who asked ‘Well, what you’re gonna do with this stuff?’ and ‘This is really invention’ and ‘You have to go on with that’ and I was like ‘No, I can’t see it anymore’ and I don’t want to work with this material further on’ because I really was obsessed of it, you can say.”

Nevertheless, Trautwein took part to design awards and other awards and they were successful. After the success she met network people and the opportunity to set up own label came to her and she reacted to it. She started to see potential and value in her invention and decided to exploit the unexpected success and started to build a business and concept. If the unexpected success is taken seriously and analyzed then it can be also exploited²¹⁵. Trautwein took this opportunity seriously and wrote a business plan, applied to a start-up program and planned the concept for Luxaa. Drucker says that the unexpected success needs to be seen. The unexpected success is an opportunity but it also demands innovation and analysis.²¹⁶ Trautwein needed to do lots of development in order to start the business and commercialize her innovation. Trautwein exploited her existing expertise, knowledge and previous experience with technical materials at Adidas and converted this idea into a business opportunity. She responded to the unexpected success and created the concept based on her final collection.



Picture 47.
Trautwein developed a whole fashion line based on the unexpected success.
(Palomaa, 2012.)

215 Drucker, 1985, 40-41.
216 Drucker, 1985, 39-40.

4.4 THE RELATIONSHIP BETWEEN DESIGN, BRANDING AND INNOVATION – INNOVATION AS A DRIVER FOR THE PROCESS OF SETTING UP A FASHION LABEL

Design, branding and innovation have important role in the process of setting up a fashion label and all these aspects are visible in Luxaa’s case. Brand is driving innovation but it also needs innovation to fulfil brand promise. Luxaa’s brand promise is to deliver value in the form of sustainable fashion with innovative approach. The brand puts high value on innovation and innovative materials are making Luxaa’s collections and design unique. By *Material Vision Into Fashion* Luxaa means the role of technology, research and design in its working methods and development process of new products. Innovation is the core value of the brand and promise of innovation builds brand equity. *Material Vision Into Fashion* as a proclamation is a sharp message that explains what is Luxaa as a brand all about. It also sums up Luxaa’s brand promise and this is the message Luxaa is sending out to the customers and other stakeholders.



Figure 11. Brand promise and innovation. Luxaa’s brand promise is to bring *Material Vision Into Fashion*. Luxaa needs to fulfil the brand promise by bringing new products to the market that satisfy the expectations and in that process Luxaa needs innovation. (Palomaa 2013; Roscam Abbing, 2010.)

Luxaa as a brand needs innovation to fulfil the brand promise. Brand communication only promises value but alone brand does not deliver value. By using innovation company can create tangible value in the form of concrete products or services. Innovation has to respond to the brand promise and satisfy the expectations that brand promise is creating. Innovation should match to the brand’s values and identity. Products, services and experiences have to tell the same story as the brand and fulfil the brands promise and add value to users.²¹⁷ In order to meet the brand promise Luxaa needs to develop innovative ideas through innovation process and to produce tangible solutions in the form of innovative and meaningful products and experiences. This means that Luxaa’s innovation efforts are related to functionality, research of

217 Roscam Abbing, 2010, 36.

the materials, development of new and innovative use for technical materials in the context of fashion and sustainable solutions in order to produce these ideas. Without innovation brand promise is meaningless. Task of innovation is to search systematically change and create opportunities for growth, guided by the brand's visions and users' expectations. According to Roscam Abbing innovation has to be integrative discipline. By this he means that innovation has to combine the development of technological solutions with human-centered services and embed them in meaningful experiences according to the brand's vision and promise²¹⁸. Innovation helps Luxaa as a brand to differentiate at the market and to create new products that stand out at from the crowd and that people can relate.

Branding was a secondary thing in Luxaa's case. Trautwein did not have much time to think about the brand aspect or new collection before launching Luxaa. She did not even have any name for the brand at first and the name and logo were the last things before launching Luxaa.

"We just started working with this material, doing some garments, not fashion garments and trying to sell them because of the functionality. So this was actually the plan."

"And now it becomes fashion and now I need to do this because it never was planned that it becomes fashion, you know."

This means that the process of setting up a fashion label was not fashion-driven or brand-driven process in Luxaa's case. Innovation, development of the material and business aspect were on the first place. The focus was on the development of the material and the plan was to develop a concept around the material. After that came the development process of the brand. Often branding aspect is leading the process of setting up a fashion label. However, in Luxaa's case everything started from material innovation and the process of setting up a label was innovation-driven. In Luxaa's case innovation has worked as a foundation and guiding the process of setting up a label and building up the brand.

"So, I mean, in my case it was, actually I think, probably it was the other way round in my case, because, normally is saying 'I'm a fashion designer, I want to create a fashion label. So, how should it be, what I wanna do, what fashion I wanna do, what target group I wanna choose' and so on..."

"So, I was just starting with this, to saying 'Well, let's see, what the material is bringing and what the future is bringing.' We will see."

This means that the existence of Luxaa is based on the innovation point of view and looking for new opportunities in the field of fashion. Innovation drivers set the process of innovation in motion. In Luxaa's case innovation is important driver itself. Innovation has driven the process of setting up a label and it is also important factor by setting the design process in motion. Trautwein's vision is to work with technical materials also in the future, to exploit textile research and to use different materials in innovative ways.

"This would be my, really like engine, you can say, to go on. To have the opportunity to work always with new materials. Not just with this Tyvek-material for the rest of my life. I would probably be bored in one and a half year."

218 Roscam Abbing, 2010, 36.

The whole process of setting up a fashion label was driven by material-innovation. Innovation can work also as a driver for branding and in Luxaa's case innovation has significant role in guiding the process of building up a brand. Innovation has been the driver for branding and has defined what kind of brand Luxaa will be. According to Roscam Abbing this kind of process can be called "innovation-driven branding". This means that a company can use innovation as a driver for the brand and innovation can be a tool to increase brand usability.²¹⁹ In Luxaa's case innovation works as a foundation to build up the brand.

Even though in Luxaa's case branding process was a secondary thing the brand is still important factor in the process of setting up a fashion label. The brand helps to represent the message that the company wants to say to its potential customers and to other stakeholders. The brand is a way and a tool to communicate about the company's visions and values. Without a good brand Luxaa would be just innovation for innovation's sake and technical clothing without any meaning. The brand generates the value and gives the meaning for people. The brand and its story are giving a way that people can relate to company's values and visions. The brand Luxaa was created to communicate about the material innovation and visionary fashion line and to spread the message of *Material Vision Into Fashion*. Luxaa as a brand is also guiding the innovation process and the development of new products that they match to Luxaa's identity.

In order to turn Luxaa's visionary and innovative ideas into real life design is needed. Luxaa's design objectives are related to functionality and usability in order to create wearable garments and solutions that create value to users that are conscious about sustainability or want technical solutions from their garments. Appearance and performance of the garments are also important aspect in design process. Design is also creating the meaning. With design Luxaa can stand out from the crowd with good looking products made out of innovative material. Design is also shaping the strategy. In Luxaa's case the strategy is to use Tyvek and make Luxaa well-known and identifiable by this material at first. Luxaa will slowly explore and expand new product categories for example wooden belts but the main focus is on Tyvek garments at the moment. Design also required lots of development until Trautwein was able to develop fist collection that was produced industrially. Also this development work was done before branding. Innovation is driving design development process.

"Yes. I absolutely did other way round. But really it gets something to do with the material and the invention and...the thing that you have to really to plan. Before you can't say 'Now I'm gonna have my own label'. You need to ensure that somebody can produce your invention. Otherwise you gonna need ten years and still... you know. And knit by hand. So, that's why, at first, I had really to figure out how it could work really in a industrial process."

This means that it is necessary and important to do the basic work at first and build the solid foundation for the label. It is also important to ensure that somebody can produce the products, especially when there is some special material or invention as in Luxaa's case.

Material innovation created an opportunity to set up own label and start a business. The leading idea behind the label Luxaa is to do something better. The idea of doing something better can relate for example to production process, to ethical and ecological aspects, to sustainability or to material innovation. Responsibility and sustainability are important values for Luxaa. Luxaa wants to make a difference concerning the prevailing standards of fashion industry that is producing all the time more and more and with fast cycles in seasons encouraging people to consume more and more constantly. This kind of model will produce also big masses

219 Roscam Abbing, 2010, 74.

of waste. Trautwein has been thinking about product life cycles and there is a possibility to recycle Luxaa's products. This ideology communicates about responsibility and sustainability. These are important aspect in the field of fashion nowadays when the problems related to over-consumption are growing. Customers nowadays are luckily more conscious about the problems of fashion industry. They are more aware of ethical and ecological things and they want to know how things are produced as well. Trautwein also looked the changes at the industry. She saw a growing demand for more sustainable fashion and for ethical and ecological solutions. Luxaa is Trautwein's respond to mass production and ethical challenges within the industry. Innovation, design and branding all together can be the engine to do something better and when all these aspects go together hand in hand, the possibility to do something better is bigger. With design, branding and innovation together Luxaa can generate value to customers, do something better in the field of fashion and create the meaning for sustainable and innovative fashion.

Alongside design, branding and innovation it is also necessary to take care of business aspect. The knowledge about the industry and understanding of how to run a business in general is useful in this process but does not guarantee the success. It is also possible to set up own business without any experience from the certain field of business.

"Of course, of course. Otherwise it's going to be pretty hard, I mean, you can do it anyway because there are that many examples of people who weren't in the industry, in textile or fashion industry never before, who haven't been there and who are coming from real other side, I don't know, from what profession or what ever but they have never been into this business and they are successful anyway."

"So. But you need of course this basic knowledge of how to... Not really how to build a brand. This is the same as written in these books. It's... how to build a brand is like 'You have to do this, this and this'. No, it's more like you need to do the basic things of having a business. So, doing your financial things and acting... what's about the taxes and, you know, all these general stuff of having a business. Not especially fashion business but having a business in general."

"...this is actually, everything I did the last year...whole last year."

By this Trautwein means that business aspect is the base for the whole process of setting up a fashion label. Trautwein needed to take care of things like writing a business plan, organising the finance and solving the production problem in order to get the business running and those things were on the first place. The process of building up the brand and developing new collections came after all these tasks in Luxaa's case. It is also hard to predict how the process of setting up a label will be. Knowledge and research is required when setting up a business but it is not possible to say exactly how it is going to be. More important is the role of a good idea behind the concept. Trautwein means that one just need to start from somewhere and to see how it goes and what kind of reactions people are having.

"You can't say. And that's why it's always hard to say 'Well, we are this, our concept is this' and these books you read, how to set up this fashion business, it's like, how can I set up a real mass production and real... good working financial, good working company... And you have all these marketing aspects and all this stuff but I think it's more easy just to see, 'Well, may I got pretty new or good idea' it doesn't matter regarding what. Regarding material, regarding ideology..."

”And then just to see, tell some people and then just to see how they are really reacting and what they are doing with this information and then to see ‘Well, maybe it works in that way better than in that way’. But these books are always saying ‘You have to have a plan, and you have to do this and this and this and this’. This is really my opinion, it’s not like this.”

By this she Trautwein means that many guidebooks are giving image of linear and stable process that is going on forward step by step. There can be some tools to predict future scenarios or tools for planning good strategies for the companies and these can be helpful when doing market research and setting up own business. Guidebooks can provide basic knowledge and understanding about the industry and fashion business in general. However, according to Trautwein it is hard to say in advance how the business will be in the end.

”And this is, I mean, you can have this plan, you can say ‘I want to... my goal is reaching this target group, or this target group’. In the end, you don’t know, you can do all these things people really researched and marketing experts really researched what this target group really likes and what they are spending their money on and so on... But in the end, I mean, all of them are personalities. Everybody of them. So, they are not like animals just eating and buying this stuff and eating buying this stuff, everybody doing the same.”

”And of course the people got habits. But as you know and as I know, I am developing myself, you can say every year. And why all the other people wouldn’t do this? You know? This is fluent. And this is really organic moving. And not like, “This is target group one and this is target group two and they are gonna stay as this for the rest of their lives.”

”I realized you can have concept but things are more like fluid. And you can’t press that into a certain concept. For me, this I really learned, this is not possible. You need to see how it starts and who is interested in what and... So it’s more the outer world who is going to say what is it gonna be in the end.”

By this Trautwein means that in general it is hard to predict people’s behaviour in advance and for example define exact target groups. This means that it is impossible to know for sure in advance how the business will start and how people will react to a new label. There is no one and only right way to set up own business. Trautwein means that it is impossible to plan everything in advance but it is important to have a look of people’s reactions.

The process of setting up a fashion label, building a brand and running a business is a multistep process where different aspects go hand in hand. When setting up a fashion label the aim is that every step is working from the design process to the production in order to be able to deliver products finally to the end-customers. The role of innovative and unique idea is vital. Roscam Abbing says that understanding the relationship between design, branding and innovation can help in identifying the ways of how to find new ideas and new ways to do more with the less, to create business value, new business strategies and to connect with real needs of people in the future²²⁰.

220 Roscam Abbing, 2010, 6-7.

Design, branding and innovation are all present in Luxaa's case. Luxaa is a combination of visionary thinking, meaningful innovation, strong brand vision and high-quality design guided by the philosophy of *Material Vision into Fashion* and the aim of doing something better. Luxaa is having strong beliefs and vision and as a brand it is acting by them. Trautwein has stayed true to her ideology and she believes in the strategy and visions she created for the business. Trautwein also keeps the eyes open for existing opportunities and exploit them in innovative ways. In other words she is systematically looking for opportunities to innovate.

In Luxaa's case the process of setting up a label has been innovation-driven. Innovation is driving both design and branding and is visible in everything what the label does. In the end innovation is about looking things from different point of view and doing things differently than the others. Luxaa intentionally looks for new opportunities and does experimenting open-mindedly with new materials and turns the development process into tangible products and business value.

Maybe it does not matter what is the main driver for the process of setting up a fashion label. In Luxaa's case the main driver was innovation. However, I think all these aspects are important and they are really linked to each other. It is possible to separate these aspects but I believe that the benefit is the greatest when all these aspects are taken into account together and when they go hand in hand. When these aspects are part of the process of setting up a fashion label there is bigger possibility that there will be meaningful offerings and new innovative concepts. I personally think that this kind of development can be a real advantage for new fashion start-up labels in the field of creative industries and fashion. I believe that only with the business skills there will not be meaningful design, products or services. Design, branding and innovation together can drive the process of setting up a fashion label. Case Luxaa is a good example of that.

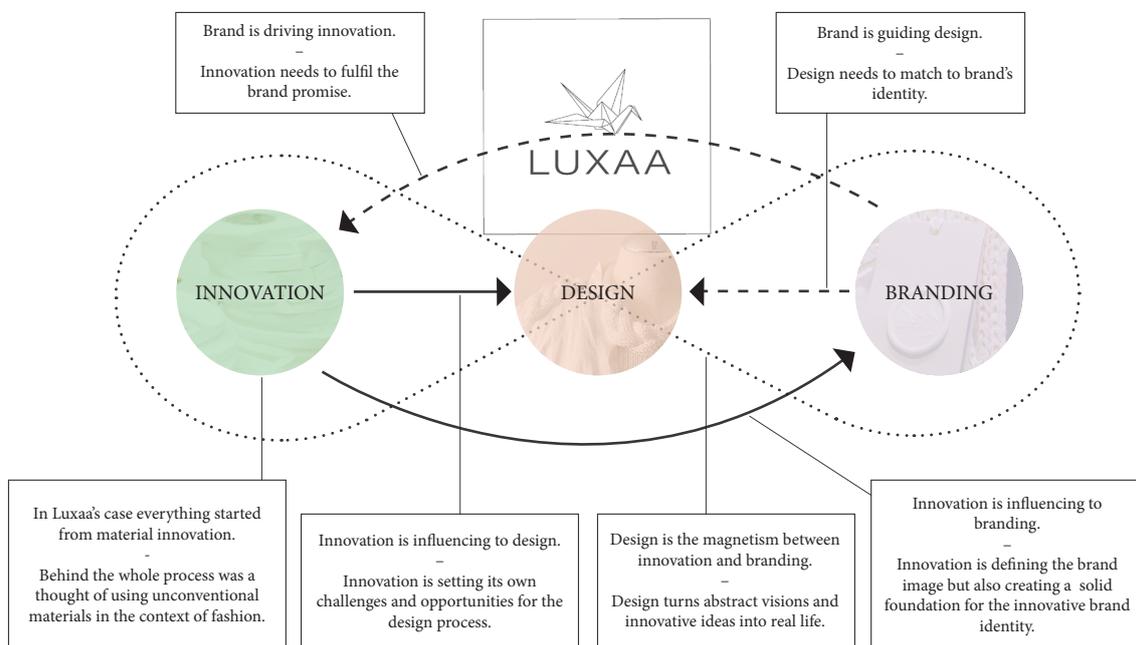


Figure 12. The process of setting up a fashion label was innovation-driven in Luxaa's case. Everything started from material innovation. Innovation is guiding the design process and creating the foundation for branding. The brand is influencing to the design process because design need to match to the brand's identity and vision. The brand is also driving innovation by setting the brand promise. Design keeps the symbiosis moving and turns abstract vision and innovative ideas into real life in the form of tangible products. (Palomaa 2013)

5. CONCLUSIONS

When I started the research process two years ago I did not have a clear image of the process of setting up a fashion label. I just had some assumptions about the process. In the beginning I did not have clear theoretical framework either. First I thought that the branding aspect is the most important in this process but when I got more information about Luxaa the role of innovation became more meaningful in this study. However, innovation aspect alone felt hard to relate. It took a while before my theoretical point of view cleared up. Once I read Roscam Abbing's book I understood that the aspect of the relationship between design, branding and innovation could provide the theoretical framework to my thesis. In Luxaa's case all these aspect were visible and it was interesting to analyze how they affected to each other and how the process of setting up a fashion label started in Luxaa's case. The research process was abductive and made the iteration between the data and the theoretical point of view. The data was still most of the time driving the study and Luxaa was in the most important role in this research.

Case study's weakness is often considered its reliability and lack of rigor. Case study provides little basis for scientific generalization. Yin says that case studies are generalizable to theoretical propositions. The goal of the investigator is rather analytic generalization than statistical generalization. That means that the aim is to generalize theories, not to generalize populations or universes or enumerate frequencies.²²¹

It is natural that researcher's own interpretations occur in the research report²²² In this study the aim was is to analyze how design, branding and innovation can be seen in Luxaa's case and to compare it to the theoretical point of view presented in the study. This individual case cannot generalize the total process of setting up a fashion label but it can still provide interesting information and useful aspects.

Observations and in-depth interview as a data collection tactic were effective. Especially interview produced lots of useful information about the process of setting up a label in Luxaa's case. It also provided lots of useful data concerning the theoretical point of view. The thesis managed to link the theoretical framework and empirical data and Luxaa as a case was interesting example from real life. The thesis provided answers for the research questions and lighted up the role of design, branding and innovation in the process of setting up a fashion label in Luxaa's case.

I learned that it is important to start from basic things concerning the business in general. In Luxaa's case the brand aspect was a secondary thing and I learned that the role of the innovative and unique idea is more important than the brand. Against my assumptions I learned that innovation can drive the process of setting up a label, instead of the brand. My assumption was that often in fashion young designers are setting up their labels because they want to create own brand, express themselves through fashion design and communicate about their taste and visions. In Luxaa's case the starting point was different. Of course Luxaa is about fashion too but Trautwein's original aim was to do something better in the field of fashion design. Luxaa started when Trautwein realized that she had an opportunity and potential innovation in her hands. Starting

221 Yin, 1984/2003, 10.

222 Anttila, 1996/2000, 253.

a company and setting up a label came after her innovation because she needed some concept for the new idea. The idea was so good that there were lots of potential in developing it further and creating a label and a brand that is based on the idea of using innovative materials and ideology of *Material Vision Into Fashion*. Innovation was directing the decision and the process of setting up a label, building a brand and creating a business of that valuable idea.

This case study produced interesting aspect of the process of setting up a label. However, Luxaa is only one example from the field of fashion. Based on the information that the thesis produced it is hard to generalize how this process is normally going. On the other hand the main purpose of the thesis was not even to generalize the process by the case Luxaa. Maybe normally the process of setting up a label is even going on the other way round and everything is starting from the branding aspect. Often in guidebooks it is advised to consider the name and the brand in the beginning. In this case Trautwein did it other way round. In any case this study provided useful insights about the process of setting up a label and pointed out that the role of innovation can be meaningful as a starting point to create own label. The thesis also showed that the understanding of the relationship between design, branding and innovation can be meaningful advantage for the new fashion labels in the future.

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Figure 3.

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Pictures

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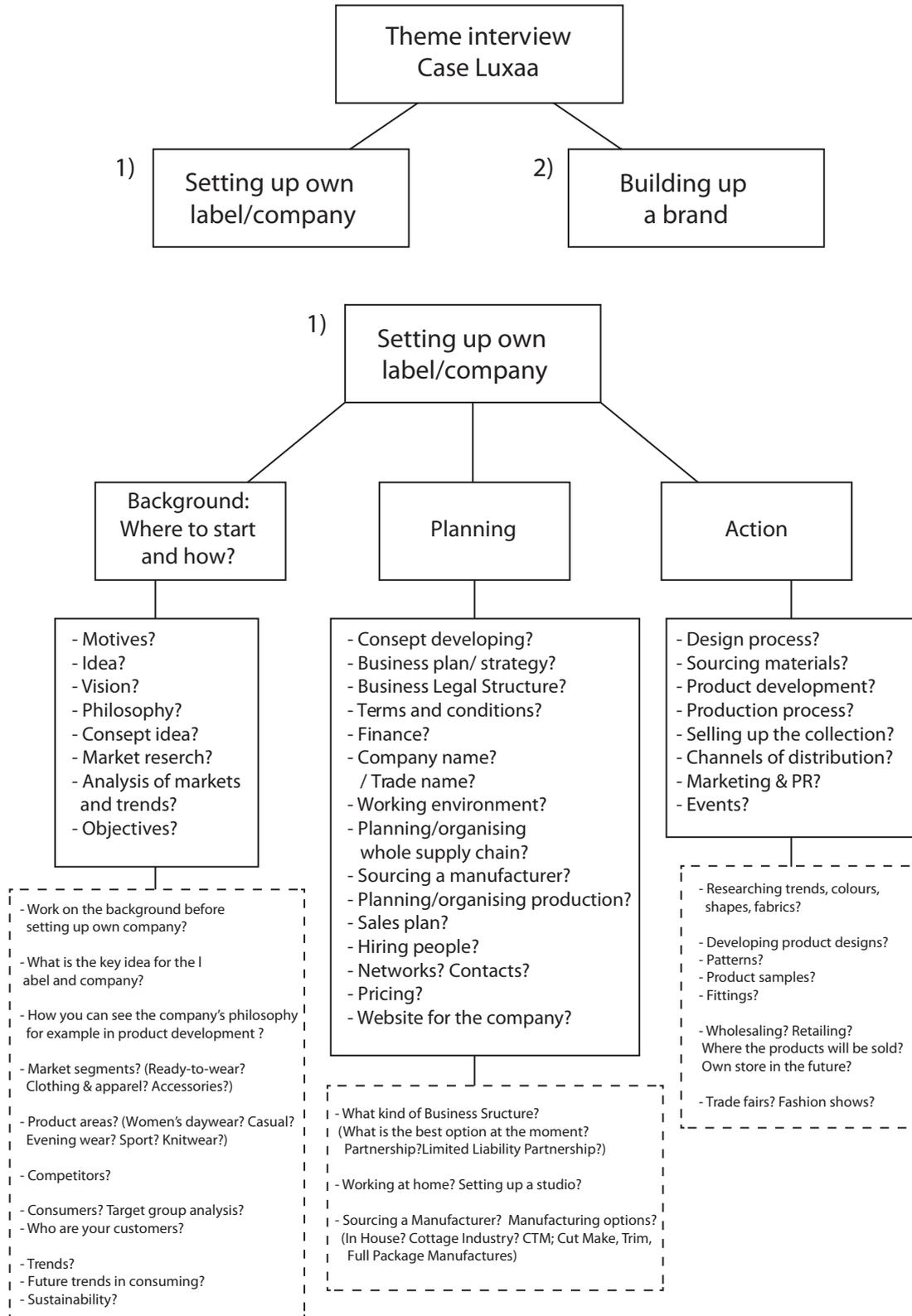
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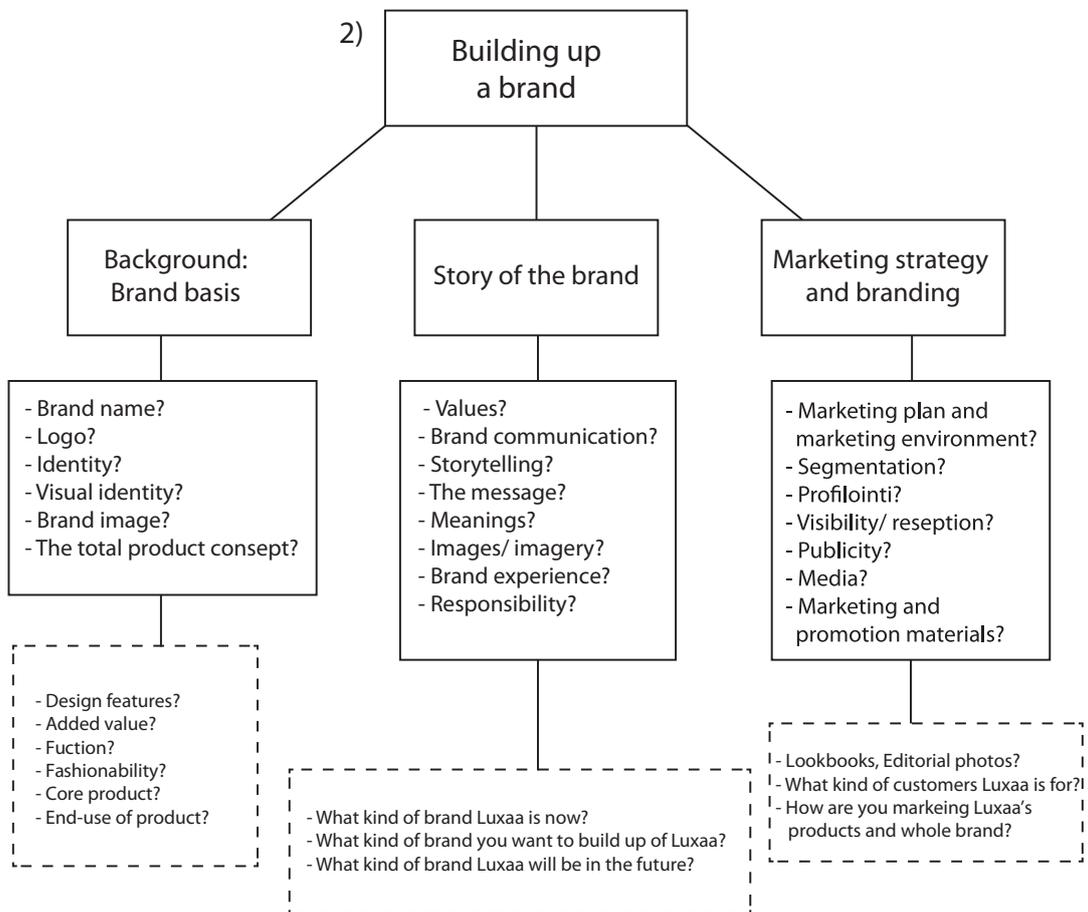
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APPENDIX

1. Frame for the theme interview of Anne Trautwein 31.10.2011





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