DOI 10.2478/sbe-2021-0044
SBE no. 16(3) 2021

INTERNATIONAL RECOGNITION OF OWN BRANDS – THE CASE OF THE PORTUGUESE FOOTWEAR INDUSTRY

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Abstract:

Portugal is one of the world's largest footwear exporters and a leader in the fashion footwear segment. However, these exports are mostly under private level brands, and not own brands. The aim of this work is to analyse strategies for the implementation of own brands within the scope of International Trade, pursuing international recognition. The exploratory investigation is based on a questionnaire to companies, owners of own brands and with international experience. Most of the companies studied are growing, family-based SMEs. The results indicate that Portuguese brands exhibit at European fairs, with little international recognition (contrary to what happens with the footwear industry). With the application of the Principal Component Analysis, it is concluded that the classic means of promotion and the new means of communication via social networks are not seen in an integrated, complementary way. Analysing the interdependence of the main components, it is concluded that when the industry's action is relevant in the business perspective, it appears that there is a significant number of companies that follow these initiatives. Only companies with development/innovation work show motivation to create their own brands. International recognition is explained by the promotion of the sector and the export dynamics of companies.

Key words: *Portuguese footwear industry; own brand; international recognition; analysis of main components*

1. Introduction

The purpose of this exploratory study is to analyse the implementation strategies that companies in the Portuguese footwear industry must have in order to achieve international recognition for their own brands. An attempt will be made to study whether it is preferable for companies to work with their own brands in conjunction with private label brands; understand if development and innovation are boosted by own brands; and, finally, to analyse whether private labels benefit the largest companies in the scope of negotiations with their business partners.

The understanding of the origin of brand recognition, in general, and in the footwear industry in particular, appears as a framework for the problem now studied. Aaker (1996) states that, in order to achieve a high level of brand awareness, it is necessary to have a strong presence in the market, which can be mirrored by the market share and the lifetime of the brand. But in addition to the strong presence in the market, it is also important to create strong associations of products through the elements of the brand's identity (Keller, 2013) and attractive and creative communication (Till and Baack, 2005).

According to the Portuguese Association of Footwear, Components, Leather Goods and Substitute Manufacturers (APICCAPS, 2013) the need to create own brands in the sector stems from the internationalization strategy of companies, through participation in international fairs, creating an image, a logo and a collection of products distinctive from the others. Although Portugal is one of the largest footwear exporters and a leader in the fashion footwear segment, the overwhelming majority of sales continues to be referenced to international private labels. The brand management in the Portuguese footwear industry, although increasingly inserted in marketing strategies in order to achieve brands with international recognition, is still, for most companies in the sector, in a very incipient stage. Indeed, private labels continue to be decisive in the production of Portuguese footwear, allowing the appropriation by Portuguese brands of information within the scope of knowledge of target markets, new trends and techniques, and new materials. The Portuguese footwear industry already has an undisputed international recognition in relation to its know-how and the quality of the footwear produced – but there is still a lack of international recognition for its own brands. For this, it is obviously necessary that companies in the sector understand how brands work, how they should be managed, which marketing strategies must be followed by their managers to be able to implement and activate their brands in the most diverse international markets.

The structure of this article can be broken down in three main points. The first presents the Portuguese footwear industry, its international integration and recent strategies. In the second, the quantitative methodology applied in this study is specified. In the third, the results are analysed and interpreted. Finally, some conclusions are drawn.

2. The Portuguese Footwear Industry

2.1. Recent historical evolution

The Portuguese footwear industry is a pillar of the national economy and, in particular, in the Portuguese industrial structure, with strong regional implantation (north and centre).

The Portuguese footwear industry has shown strong growth rates in the last five decades. But between 1994 and 2004, with the strong relocation of large European companies to Asia (companies that had set up in Portugal in search for cheap labour), and with the extinction of national footwear companies that they were not able to adapt to the new conjuncture, the main indicators of the industry had a vertiginous decline. However, it was also in the period of recession and economic crisis that the sector as a whole (with the support of APICCAPS and the most varied European financial support programs) bet the most on creating and disseminating a very strong and appealing brand image - *The Sexiest Industry in Europe*. The focus on internationalization was also reinforced, through increasingly broad participation in the main footwear and fashion fairs in the world. This strong commitment to internationalization and the dissemination of the brand image, accompanied by the raising of human resources with greater training, came to generate a continuous growth from 2010-2011.

In 2018, footwear production was responsible for the employment of around 40,000 workers, spread over almost 1,500 companies; in addition, the production of footwear components and leather goods is operated in 389 companies, employing 7,000 workers. The sector's production amounted to 2 billion euros. Portugal was the sixth largest exporter of leather footwear in the world and takes a leading position in fashion footwear. In that same year, the footwear sector represented around 3.4% in value of the Portuguese exports as a whole, with an import coverage rate for exports of almost 300%, with a trade surplus of 1.3 million euros (INE, 2019; APICCAPS, 2019a and 2019b).

2.2. Dimension and geographic location

The Portuguese footwear industry is mostly made up of micro and small companies. In 2018, almost half of the 1905 companies employed between 1 and 9 workers and 38% employed between 10 and 49 workers. Only 11 companies (0.6%) employed more than 250 workers. In other words, 87% of footwear companies employ less than 50 workers, with an average of 26 workers; in the component and leather goods segments, the percentages of companies with less than 50 workers correspond to 91% and 97%, with averages of 20 and 14 workers, respectively (APICCAPS, 2019a and 2019b).

A large part of these companies are family businesses (França, 2014), with decision-making power concentrated on the holder of capital (Catanho, 2014).

The Portuguese footwear industry is geographically focused in two centres: one located in Felgueiras and Guimarães (and in some neighbouring counties, extending to Barcelos) and another located in the municipalities of Santa Maria da Feira, Oliveira de Azeméis and São João da Madeira (and other contiguous counties).

Altogether, these 5 counties represent more than 75% of the employment of the footwear sector. There is also a third pole further south of the country, in the Benedita area, but with less weight in terms of employment. In the northern region, 6.7% of employment and 2.8% of the product come from this industrial sector.

Although the Portuguese footwear industry is mainly made up of micro, small and medium-sized companies, this is a feature similar to that of the main European competitors (as is the case of Italy and Spain). Although the dimension issue can make the adoption of some strategies and the execution of some investments more complex, this will not represent a disadvantage compared to main competitors, according to APICCAPS (2013). On the other hand, geographical concentration favours the establishment of partnerships and alliances, the creation, dissemination and sharing of know-how and improving individual and collective competitiveness (Moreira et al., 2019).

2.3. Main trade partners of Portuguese exports and international positioning

In recent years, the Portuguese footwear industry has exported more than 90% of its production, with footwear consumption in Portugal mostly coming from imports.
The fact that Portugal is a European country, the costs of transporting goods and the absence of customs barriers to trade between European Union countries induces the choice of European trading partners. Strategically, the footwear industry has bet more on the European continent also due to the fact that it has a market that is characterized by its high purchasing power and the appetite for shoes with design and fashion traits such as the Portuguese footwear. Portuguese exports from the sector are preferably to countries in the European Union (corresponding to more than 90% of exports), namely France, Germany, the Netherlands, Spain and the former member, United Kingdom (which, taken as a whole, represented almost 70% of the total value of exports in the sector); leather footwear represents 87% of the value of Portuguese footwear exports, with an average price above 28 euros per pair (APICCAPS, 2019a and 2019b). The average price of the pair exported by Europe is 21.57 euros (Portugal is in the second position, after Italy - 23.6 euros compared to 40 euros in Italy), vastly different from the average of exports from Asia (less than 6 euros a pair).

Portugal occupies the 12th place in world for footwear exports, in value, reaching USD 2,213 million in 2017, and the 6th place in exports of the leather footwear segment, with USD 1,931 million, corresponding to more than 3% of the total value of Portuguese exports (APICCAPS, 2019a and 2019b).

It should be noted that in its international positioning, China ranks first in the world in terms of volume and value of production, but in terms of exports, countries like Spain, Italy and even Portugal export more than they produce, reflecting a policy of imports and remarketing of these pairs abroad. Belgium, Germany, the Netherlands or France are, in turn, responsible for an increasing percentage of footwear exports made in Portugal, taking into account activities that focus on logistics, brand management and forms of marketing innovative.

The sustained growth trend was interrupted by the COVID-19 pandemic, with a particularly severe penalty in the footwear sector, with a particular impact on the decrease in consumption by our European partners (estimated decrease in consumption of 27% in Europe, compared to an estimated decrease of 22.5% worldwide – World Footwear Business Condition Survey, 2020).

2.4. Recent strategies of the Portuguese footwear industry

Companies in the Portuguese footwear industry have been increasing their visibility in international markets, betting on innovation and creation and design capabilities, with the upskilling of human resources, as essential competitiveness enhancers (APICCAPS, 2019a and 2019b). These three pillars – internationalization, upskilling of human resources and investment and innovation – allow companies to look at the creation of their own brands, incorporating the creativity and development of the product, as a characteristic of their identity. They have adopted change strategies more oriented by fashion and design, reconverted their structures and reconfigured processes, having the capacity to produce small series combined with high quality standards, flexibility and a better response in terms of delivery times (França, 2014).

In the last two decades, the administrations of most companies in the Portuguese footwear industry have invested in the upskilling of their human resources. In 2016, skilled workers, middle and senior executives and managers represented approximately two thirds of employment, compared to less than one third in 1996 (APICCAPS, 2019). With this growing average qualification, it was possible to implement strategies for valuing their products and the sustainability of business models based on production for internationally recognized brands, and also to implement their own brands, which have been communicated as footwear brands made in Portugal, thus valuing their products.

Although textiles and plastics have achieved some importance in Portuguese footwear productions, leather (the most noble material in the industry) is the raw material that best suits the differentiation strategy that has been implemented as a way to achieve international positioning in high value-added segments (Oliveira, 2014).

As a way of projecting its recognition, the Portuguese footwear industry invested heavily in international promotion, namely in its presence at international footwear and fashion fairs, in promotional campaigns with a clear commitment to image renewal, in content publications and international fashion magazines.

A fair is an event that takes place on a periodic basis where visitors and exhibitors are concentrated in order to be able to establish contacts and possibly commercial relationships (Viegas, 2000); they can be global or platform, regional or niche – namely aimed at design and fashion, or for a type of product (APICCAPS, 2019a and 2019b). Fairs are more than a marketing tool, playing an extremely important role in the execution of the internationalization of companies, since fairs are the only place where an immense diversity of potential customers, suppliers, partners and competitors can meet in a short period of time; the business of the other participants in the fairs is based on a face-to-face, dynamic and interactive model of interests (Silva, 2004).

In the case of the Portuguese footwear industry, there was a committed effort to internationalize, as a way to face the economic crisis of 2008-2010. Until 2008, Portuguese footwear companies participated in about 20 international fairs per year. Following the economic crisis, this internationalization effort has more than doubled, reaching 45 to 55 fairs per year, with some fluctuations from year to year. The maximum level was reached in 2014, with 643 Portuguese companies participating in 57 events. In 2017, there were 523 participations in 46 fairs (APICCAPS, 2019a and 2019b).

A third pillar of the Portuguese footwear industry's strategy is investment and innovation. Clearly, the component industry is the one with the greatest technological intensity; the weight of investment in turnover in the manufacture of footwear was exceeded by that of leather goods. Investment per worker follows the same trend: in 2016, 1,447 euros per capita of investment in the footwear sector, 1,517 euros in leather goods and 3,698 euros in the components industry (APICCAPS, 2019a and 2019b).

A particularly important indicator in a fashion industry, with the need to incorporate innovation in the design of products and incorporated materials, is given by the number of applications for registration of new models and products, as a way of protecting industrial property. Although the effectiveness of these instruments is questioned by companies, the number of registration of new models has stabilized at around 200 over the last five years (data from 2017), having registered 36 new brands in 2017, allowing to conclude for the dynamization of the sector in terms of innovation.

3. Methodological considerations

The main objective of this study is to look into the implementation and activation strategies of own brands to achieve international recognition. As specific objectives, we propose to study and try to understand if it will be more beneficial for companies to work on their own brands together with private label brands; to understand if own brands contribute to increase the development and innovation (R&D) components; to understand if own brands enable companies to negotiate more with their business partners.
Thus, the research question is twofold: do private label implementation and activation strategies have an impact on the international brand recognition perceived by companies? Second: do the efforts made by the industry as a whole (and sector association) to support companies in promotion and communication, particularly at international fairs, have an effect on the international recognition of brands?

This study, of an exploratory nature, was based on a questionnaire survey which took place in October 2016 and on economic and financial data from companies in the Portuguese footwear industry obtained from the SABI database (Bureau Van Djck); 22 companies in the Portuguese footwear industry were involved. The organizations under study manufacture and/or sell footwear of their own brand and/or work for private label brands.

The companies were selected for the following characteristics: Portuguese companies belonging to CAE (Portuguese Classification of Economic Activities) manufacturing footwear and CAE wholesale footwear, offering own brands and having financial data. As a way to centralize the understanding of the problems of this study, a quantitative, deductive research is developed (Sekaran and Bougie, 2019). We will briefly indicate and describe the methods used in the data analysis process.

3.1. Factorial analysis and main components

According to Hair et al. (2010) , factorial analysis is a measurement process capable of identifying variables with the same implicit structure. Factorial analysis considers the presence of a system of implicit factors and a system of identifiable variables; these implicit factors are responsible for the covariation between the variables, that is, factor analysis considers that identifiable variables are linear combinations of some implicit source variables called factors (King and Mueller, 1978) .
According to Tabachnick and Fidell (2007) there are two essential modalities of factor analysis, the exploratory and confirmatory, as follows:

- Exploratory factorial analysis is normally used in the initial phases of research, with the purpose of exploring the data literally. In this phase, the relationships among the set of variables is examined and correlation patterns are identified;

- The confirmatory factor analysis is used in the hypothesis tests, through a theory, it is possible to identify in which measure certain variables are representative of a concept/dimension.

The elaboration of a factorial analysis, according to Hair at al. (2010), consists in the verification of three requirements: (1) verification of data adequacy, (2) determination of extraction technique and number of factors to extract; (3) determination of factor rotation.

In this study, after prior validation of the analysis (by the Kaiser-Meyer-Olkin (KMO) criterion ranging from 0 to 1 and by the Bartlett test), exploratory analysis was used in principal components, with the own value criterion higher or equal to one for retention of the number of relevant components, and varimax rotation was not used because it was not necessary, since the interpretation of the principal components was sufficiently clear. The analysis was carried out in principal components, in relation to the items of two sets of questions formulated in the questionnaire, as they were scales (metrics). The method allows selecting from the initial set the items that are most relevant and therefore are used in later analyses (which constitute the first factor). Also with this objective and in relation to multiple scales of binary items, the analysis of correlation coefficients calculated by Kendall's tau method (given the qualitative nature of the items) was used.

3.2. Instruments and validation of the questionnaire

To evaluate the implementation strategies and activation of own brands of the surveyed companies, the measurement instrument used was the questionnaire. The questionnaire is constructed by eighteen questions. Information was requested regarding the year in which the company started its activity; its size; year of creation of the own brand; year in which the own brand began being used; the motivations or needs inherent to the creation of the own brand were questioned; weight of the own brand in the turnover in relative terms; product exposure at international trade fairs and, if so, how many editions it had already participated in.

Information was also requested regarding the geographical location of international trade fairs where the organization exhibits its products; whether it develops or participates in actions to promote and advertise its own brand, and if so, participants were asked what these actions to promote and advertise its own brand were. On a concordance scale (Likert scale) composed of 5 items in which 1 - is nothing important and 5 - is quite important, the respondents were asked about promotion and dissemination actions implemented in the Portuguese footwear industry, development and innovation and international recognition.

As a form of validation of the questionnaire we requested the assessment and validation of it by the Office of Studies of APICCAPS, that we obtained a positive response, and the comments made were included in the final formulation of the questionnaire.

3.3 Procedures

The sample used is non-probabilistic, for convenience. The criteria for inclusion in the sample were Portuguese companies belonging to the CAE for footwear manufacturing and the CAE for footwear wholesale trade and own brand.

The economic and financial data of the sector was collected through a survey in the SABI database with the criteria of the companies belonging to the CAE of footwear manufacturing and the CAE of footwear wholesale trade, with data as of 31st December 2015.

Subsequently, APICCAPS requested information regarding contact data of its associates, from which only companies belonging to the CAE of footwear manufacturing and CAE of footwear wholesale trade and owning their own brand were selected.

The two data collections were cross-checked and a database of private footwear organisations operating with the CAE of footwear manufacturing and with the CAE of footwear wholesale trade located in the national territory was built. These organizations were contacted by e-mail, requesting cooperation in the study, requesting the completion of the questionnaire under the guarantee of anonymity and confidentiality of data. The organisations were also informed of the objective of the study and that the data processing only serves interests of research and dissemination in scientific circles.

The e-mails requesting collaboration in the study were sent for the first time on 17th October 2016 and sent back on 25th October 2016. The questionnaire was available for response on the Google online platform until 28th October 2016.

We obtained 23 responses, but only 22 were considered valid. Of these 22 responses, we were only able to identify 15 companies, with the remaining 7 companies preferred to remain anonymous. It should be noted that the number of observations is small, so some caution should be taken when evaluating the results produced.

4. Analysis and interpretation of results

The information resulting from the survey of companies in the sector under analysis was treated through descriptive measures, interdependent data analysis methods, namely bivariate analysis and analysis in major components, and causal methods such as multiple linear regression.

This chapter is developed in the following sections. First, descriptive analysis (4.1), followed by principal component analysis (4.2), cross analysis of variables, and, finally, multiple linear regression (4.3).

4.1. Descriptive analysis and characterization of the sample

The analysis of the data, based on the questionnaires, was performed using the Statistical for Social Science for Windows 19 (SPSS) statistical program.

The sample consists of 22 companies from the Portuguese footwear industry, belonging to the manufacturing footwear and wholesale footwear CAEs. The companies are mainly based in the northern and central areas of Portugal, in the districts of Braga, Porto, Aveiro, Leiria and Lisbon. The sampled companies started their activity between 1939 and 2014. On average, 9 years elapsed between the start of activity of the company and the creation of the own brand. Between the creation and the use of the own brand there are no differences, i.e. the brands started to be used in the same period of their creation. Regarding the number of employees that integrate the organizations, 18.2% has between 1 and 5 employees, 18.2% has between 6 and 10 employees, 4.5% has between

11 and 20, 27.3% has between 21 and 50 employees, 18.2% has between 51 and 100 employees and 13.6% has between 101 and 500 employees.

The respondents revealed that on December 31st 2015, the weight of the own brand represented between 0 and 10% of the turnover (VN) for 22.7% of the cases, 11% to 15% of the VN for 36.4% of the cases, 26% to 50% of the VN for 13.6% of the cases, 51% to 75% of the VN for 9.1% of the cases, 76% to 99% of the VN for 9.1% of the cases and 100% of the VN for 9.1% of the cases.

The sample consists of 18.2% of companies that do not participate in international fairs and 81.8% of companies that participate in international fairs. Of the companies that participate in international fairs, at least one participated annually and at most in 10 fairs, with an average of 3 international fairs per year. The data collected reveal that the fairs are mostly located in European territory.

The participants revealed that the main needs or motivations that originated the creation of their own brand were, at 28.9%, to develop their own image with the creation of new products, followed by their own development and innovation with 24.4%, participation in international fairs with 17.8%, the differentiation of the production of new products in terms of quality and design with 15.6% and, finally, the diversification of new markets with 13.3%.

As for the development and/or participation in promotional actions and dissemination of the own brand, 68.2% assumes to develop promotional actions and dissemination of the own brand; of these, 25% of participants participate in fashion shows, 22.5% participate in publications of fashion magazines, 22.5% create and distribute promotional catalogues, 15% participate in specialized footwear magazines, 7.5% participate in advertising campaigns on television and 7.5% promote their dissemination on social networks.

The results show that 27.3% of the participants do not have an R&D department, while 72.7% of the participants have an R&D department in their company. Of those who have an R&D department, we find that the work done is equally divided between private label and own brands. When asked if they could attain a strong R&D component if they only worked with private label brands, i.e. if they consider that their own brand contributed to the development of the R&D department, the results were inconclusive, since 54.5% of the respondents consider that it did not, while 45.5% of respondents consider that they could have a strong R&D component if they only worked with private label brands.

Regarding the degree of international recognition of their own brand, 13.6% consider that their own brand is not at all relevant in the international market, 22.7% consider it to be not very relevant, 18.2% sometimes relevant and 45.5% consider that their own brand is relevant in terms of recognition in the international context.

We also highlight the fact that the 22 responses obtained were from companies considered quite important for the sector and for the country's economy.

Through the analysis of the economic and financial data obtained from the SABI database, we pulled the following average values and indicators as of 31st December 2015 for these 15 companies that identified themselves:

- Total average assets of 4,264,000.00 Euros;
- Average equity of 1,740,000.00 Euros;

- Average financial return of 18.23%;
- Average number of employees of 47 people;
- Average cost per employee/operating income of 22.73%;
- Average cost per employee/year of 17,000.00 Euros;
- Total sales of 2015 on average of 5,903,000.00 Euros;
- Sales in the community market of 2015 on average of 3,490,000.00 Euros;
- Domestic (national) market sales of 2015 on average of 1,850,000.00 Euros

4.2. Analysis of correlations and main components

The Principal Component Analysis (PCA) is carried out to assess whether some of the questions formulated in the business questionnaire should be considered in a single component, or alternatively whether they should be disaggregated, in which case there is a need to identify the various components implied for the variables:

- type of promotion and dissemination actions implemented by the Portuguese footwear industry (variable "Industry – Promotion, Communication");
- development and innovation work of companies related to the own brand (variable "Brands – I&D");

The analysis of correlations was also used (by Kendall's tau coefficient, considering that the items are binary variables Yes / No) to select the most important items of the following variables:

- needs and/or motivations for own branding (variable "Brands Creation – Motivation");
- type of actions to promote and advertise your own brand (variable "Brands – Promotion, Communication");

Based on the results of the analysis of the main components, a study is carried out regarding the processes of activation of own brands and their main players, the companies and the industry as a whole, in which the intervention of the respective Sector Association stands out. Thus, in a first moment, the main components – which are hierarchical and not correlated – are obtained, using as criterion the own value above 1 to define the number of components to include. The explained proportion of each component is evaluated, as well as the cumulative explained proportion of the selected components. In this process we also identify through the coefficients/"loadings" the items that contribute most to each component.

Then, considering the results of ACP and the correlations tau de Kendall, the information of the variables is crossed, intending to verify the efforts of industry, seen in aggregate terms (especially the Business Association, APICCAPS), in promotion and dissemination (variable "Industry- Promotion, Communication") accompany the efforts of companies regarding the needs and motivations for creating their own brand (variable "Brands Creation -Motivation") and regarding the investment in promotion and dissemination of their brands (variable "Brands - Promotion, Communication").

Companies' information in terms of innovation and development activities (variable "Brands – I&D") is also crossed against the needs and motivations for creating their own brand (variable "Brands Creation – Motivation") and the investments made in the promotion and dissemination of their own brand (variable "Brands – Promotion, Communication").

4.2.1. Analysis of correlations and main components – Results

Analysis of correlations

Needs and/or motivations for creation of own brands (variable “Brands Creation – Motivation”)

The analysis of the correlations of the variable "Brands Creation -Motivation" allows us to identify two groups. The first group (higher correlations) incorporates the 3 items: innovation, own image in the creation of products and differentiation of own production in terms of quality and design. The second group is formed by participation in international fairs and diversification into new markets. These two groups point to the distinction between the supply side through production and innovation and the importance of markets.

Actions for Promotion and Promotion of Private Brand (variable "Brands - Promotion, Communication")

The variable type of actions for promotion and dissemination of the own brand is, in turn, broken down into three significant components representing 40.5%, 22.4% and 16.8% of the total variance, making an accumulated variation of 79.6%.

The first group of variables is formed by the items: creation and distribution of promotional catalogues and publications in specialized footwear and fashion magazines. A second group of more related variables is determined by promotion and dissemination in social networks and TV advertising. This separation into two groups of variables shows that the more classic means of promotion and the new media through social networks are not yet seen by companies in an integrated and complementary way.

Factorial analysis

Promotion and dissemination actions implemented by the Portuguese footwear industry (variable "Industry - Promotion, Communication")

Considering the vision that the companies surveyed have of the promotion and dissemination carried out by the Portuguese footwear industry, it should be noted that 5 of the items of the industry's actions (exhibition at fairs, parades, specialized magazines, catalogues, TV advertising) form the first of two relevant components, thus being a general component, complemented by the second, which is associated with social networks and fashion magazines. It should be noted that the first component captures 56.4% of the total variance, which is in line with the fact that it is a holistic and diversified component and the second component represents 16.4%, making up 72.9% as a whole.

Development and innovation work related to the own brand (variable "Brands - I&D");

The underlying question incorporates only 3 items (the minimum required for the analysis in question) and reveals itself as contributing to a single component, presenting similar coefficients/"loadings" and representing 76.5% of the variance of the data of the 3 items.

In conclusion, the analysis of correlations and in main components, with the exception of the last variable analysed which proved to be one-dimensional, reveals that the initial proposal of the survey presented to the companies should be disaggregated, understood and used in analytical terms from subgroups that aggregate the proposed items in a different way with specific meanings and implications, according to the structure operated by the method. These results are dependent on the nature of the sample and the footwear sector, and therefore, in their interpretation, the small sample size and the sector specificity are reserved.

4.2.2. Brands – cross analysis of motivation and promotion according to the industry and brand efforts

We used the main groups of items resulting from correlation analysis and factor analysis, in which the components of the groups are those indicated above. In other words, the items related to innovation, image and differentiation were included in the brand's motivation. Similarly in the actions of the brands the following items were selected: fashion magazines, specialized magazines and catalogues. For the promotion and communication actions of the industry the following items were selected: exhibition of products at trade shows, fashion shows, publications in fashion magazines and specialized footwear, promotional catalogues and TV advertising campaigns.

The relevant statistics of these 3 variables, as well as the information on the respective scales used, plus the information on the 2 variables of International Brand Recognition and Innovation and Development Activities related to own brands, relevant for the following analyses, appear in the table below.

Table 1 – Analysis of main components and their interdependence

***Scales*/Stats**	**Brands Creation - Motivation**	**Brands - Promotion, Communication**	**Industry - Promotion, Communication**	**Brands - I&D**	**Brand Internat. Recognition**
Itens selected	*3 (in 6)*	*3 (in 6)*	*5 (in 7)*	*3 (in 3)*	*1*
Type	*Yes/No*	*Yes/No*	*Degree of Importance*	*Likert*	*Likert*
Mean	1.32	1.14	17.05	11.14	3.00
Median	1.00	1.00	17.00	12.00	3.00
Maximum	3.00	3.00	25.00	15.00	5.00
Minimum	0.00	0.00	5.00	5.00	1.00
Std. Dev.	1.21	1.25	4.28	2.44	1.20
Observs.	22	22	22	22	22

The crossings under analysis are evidenced by the following figures, which relate two variables that form four quadrants constituted from the medians of the variables considered (see table above).

The first set of two graphs presented is related to the distribution of the companies (22 observations) according to the efforts of the industry in the promotion and dissemination of footwear (horizontal axis), crossing this variable, first with the business motivation for the creation of own brands and, secondly, with the promotion and dissemination actions of the companies themselves.

When the action of the industry is relevant from the business perspective (quadrants I and IV), it can be verified that there is a significant number of companies that also follow and enhance these initiatives (table 1). However, there are some companies which do not take advantage of the sectorial effort.

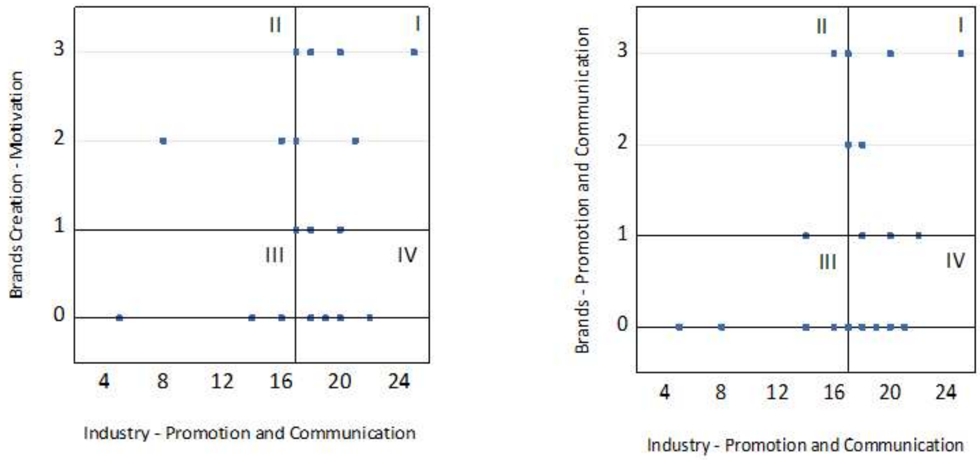

Figure 1 – Distribution of companies according to the industry's efforts in the promotion/dissemination of footwear – crossed with motivation and promotion of own brands

The following two figures study the relationship between Innovation and Development concerning own brands and the motivation to create brands (left) and, in the second graph, that relationship with the promotion and dissemination of brands (right) – Figure 1). Essentially, two types of behaviour are distinguished: companies with more innovation and development work show a greater motivation to create their own brands (quadrant I, left). Conversely, less innovation and development work represents a lack of motivation for brand creation (quadrant III, left).

On the contrary (graph on the right), Innovation and Development concerning own brands and brand promotion and communication actions have not revealed an association in the same sense, but a diversity of situations – there may be a simultaneous bet on both factors, only in one of them and there is a group of companies that does not bet on either. Naturally, the desirable situation is a coherent strategy of investments in both axes – brand and R&D actions. It is also worth mentioning a diversity of companies' attitude towards own brand issues, since a significant number of companies do not reveal any motivation or efforts/actions in relation to their own brands (which can be seen by the values equal to zero on the horizontal axis).

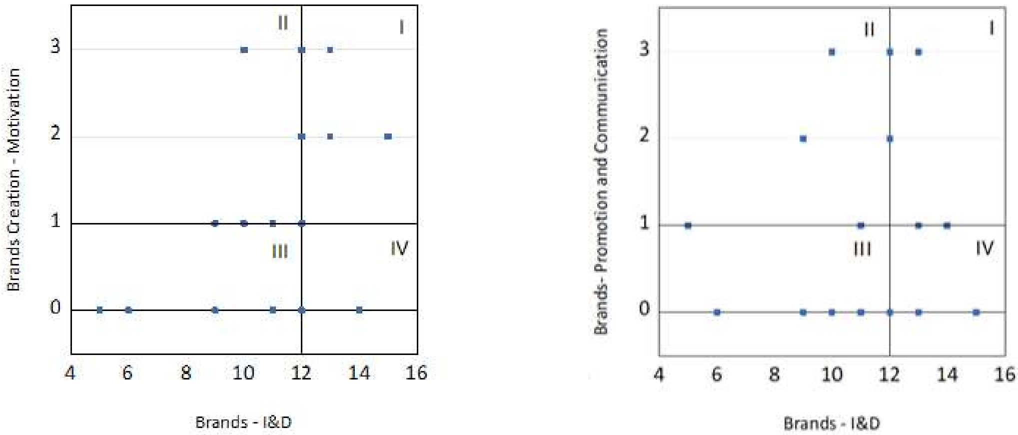

Figure 2 – Relationship between the Innovation and Development of own brands – crossed with motivation and promotion of own brand

4. 3. Explanatory model of reputation of own brands

An explanatory model was used to test the ability of industry actions to influence the international reputation of brands. Thus, to study the brand international recognition, according to advanced hypotheses, we used, in a multiple regression, the 3 variables: Industry – Promotion and Communication, a binary variable relative to the share of exportations of own brands greather than 75% (Exports Share >75%) and experience with international brands (in years). The proposed model takes into account the industry's institutional support, the company's export tendencies, as well as the brand's seniority reflecting its notoriety and reputation.

In a first regression carried out with the 3 explanatory variables, seniority was not revealed with explanatory capacity, so it was removed from the model and a new estimation was made, without this variable.

Table 2 – Own brands – international recognition

Dependent Variable: Brand International Recognition
Method: Least Squares
Sample: 1 22 Included obs.: 22
White (HC0) heteroskedasticity-consistent standard errors & covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.351757	0.644875	2.096152	0.0497
Industry – Promotion, Communic	0.076990	0.033707	2.284104	0.0340
Exports Share >75%	1.477989	0.432202	3.419671	0.0029

R-squared	0.287393	Mean dependent var	3.000000
Adjusted R-squared	0.212382	S.D. dependent var	1.195229
S.E. of regression	1.060740	Akaike info criterion	3.081934
Sum squared resid	21.37821	Schwarz criterion	3.230713
Log likelihood	-30.90127	Hannan-Quinn criter.	3.116982
F-statistic	3.831332	Wald F-statistic	7.372846
Prob(F-statistic)	0.040001	Prob(Wald F-statistic)	0.004267

In the regression presented, estimated considering the hypothesis of heteroscedasticity, since the sample units are sectional (different surveyed firms), OLS estimators with robust White correction were used. The proportion of the dependent variable explained by the model constructed with the two significant explanatory variables is 28.7%, with the model being globally significant at 5%. Some care should be taken in the use of this model, drawing attention to the fact that there may be other factors that can explain the brand international recognition.

In conclusion, the international recognition is explained by the variables promotion of the footwear industry and export dynamics of companies revealing that there is an international acceptance and validation of Portuguese products and brands. It is then important to emphasize that the efforts of promotion and communication of the Portuguese industry and the association of the sector and its support of companies and brands present in international fairs is recognized by international markets.

5. Conclusions

The fundamental objective of this study was to understand which are the best strategies of implementation and activation of own brands that the Portuguese footwear industry uses or should use to achieve an important level of international recognition.

Most of the companies studied are micro, small and medium enterprises, in an active and growing state, with a family nature, mostly from the northern and central areas, which contribute to the country's economy and to the improvement of its GDP through its high exports to the most diverse countries in all continents of the world.

Most of the companies surveyed have an R&D department, promoting private label and own brand work. About half of the companies consider that private label is relevant in terms of international recognition.

From the analysis of the correlations and the main components, the following conclusions are drawn. The motivations behind creating own brands (Brands Creation-Motivation) are segmented into production (innovation, own image in the creation of products and differentiation of own production) and market (participation in international fairs and diversification of markets). The separation of the variable Brands-Promotion, Communication from own brand suggests that the classic means of promotion (promotional catalogues and publications in specialised magazines) and the new media (social networks and TV advertising) are not yet seen in an integrated way by companies. The promotion and dissemination actions implemented by the Portuguese footwear industry (Industry - Promotion, Communication) is segmented in a general component (exhibition in fairs, parades, specialized magazines, catalogues, TV advertising) and complemented, secondarily, by social networks and fashion magazines.

From the cross analysis of the motivation for the creation and promotion of own brands of the companies themselves, according to the effort of the industry in the promotion and dissemination of footwear, it results that most companies follow and enhance these initiatives of the sector. Also, it is concluded that the companies with more innovation and development work are also those which have a greater motivation for the creation of own brands.

It should be noted that a significant number of companies do not reveal motivation or actions in relation to their own brands.

The international recognition is explained by variables such as promotion and communication of the footwear industry, led by the association of the sector (APPICCAPS) and the export dynamics of companies.

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