

Innovation in "Low-Tech" Industries: Portuguese Footwear Industry

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Abstract : The Portuguese footwear industry had in the last five years a remarkable performance in the exportation values, the trade balance and others economic indicators. After a long period of difficulties and with a strong reduction of companies and employees since 1994 until 2009, the Portuguese footwear industry changed the strategy and is now a success case between the international players of footwear. Only the Italian industry sells footwear with a higher value than the Portuguese and the distance between them is decreasing year by year. This paper analyses how the Portuguese footwear companies innovate and make innovation, according the classification proposed by the Oslo Manual. Also analyses the strategy follow in the innovation process, as suggested by Freeman and Soete, and shows the linkage between the type of innovation and the strategy of innovation. The research methodology was qualitative and the strategy for data collection was the case study. The qualitative data will be analyzed with the MAXQDA software. The economic results of the footwear companies studied shows differences between all of them and these differences are related with the innovation strategy adopted. The companies focused in product and marketing innovation, oriented to their target market, have higher ratios "turnover per worker" than the companies focused in process innovation. However, all the footwear companies in this "low-tech" industry create value and contribute to a positive foreign trade of 1.310 million euros in 2013. The growth strategies implemented has the participation of the sectorial organizations in several innovative projects. And it's obvious that cooperation between all of them is a critical element to the performance achieved by the companies and the innovation observed. Can conclude that the Portuguese footwear sector has in the last years an excellent performance (economic results, exportation values, trade balance, brands and international image) and his performance is strongly related with the strategy in innovation followed, the type of innovation and the networks in the cluster. A simplified model, called "Ace of Diamonds", is proposed by the authors and explains the way how this performance was reached by the seven companies that participate in the study (two of them are the leaders in the setor), and if this model can be used in others traditional and "low-tech" industries.

Keywords : footwear, innovation, "low-tech" industry, Oslo manual

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