A 2.3 – BULGARIA

Industry Professional Interview Report

HEADING 1 RALEWAY EXTRA BOLD, 20 PT, ALL CAPS

Heading 2 Raleway Semi-Bold, 16 pt

Heading 3 Raleway Semi-bold, regular, 14 pt

Heading 4 Raleway Light, 14 pt

Heading 5 Raleway Extra Light, italic, 14 pt

Body text Barlow Light, 12 pt

1. INTRODUCTION

The textile and clothing industry in Bulgaria accounts for nearly 10% of total exports and creates about 12% of the added value in the industry, which amounts to over 2 billion EURO annually.

The use of AI in the textile and clothing industry in Bulgaria is a relatively new and unknown topic, as this industry is traditionally quite conservative. Although the topic has been known for the last years, a small number of textile innovative companies are starting to use AI in:

- Assistance in e-commerce and online marketing;

Companies use AI to present their own brand on the web and build better relationships with customers. Many brand owners have had websites and online stores set up for years. Using AI enables them to gain real benefits from these online assets and really boost their sales. By using AI, businesses get an assistant that monitors visitors to their site and helps them if they have any questions.

- quality control – detection of errors in the quality of fabric, yarn and finished product;
- 3D dresses in the shops for Made to Measure production;
- Supply chain management;
- Forecasting;
- Fast data analysis;
- In digitizing and prototyping clothing production.

The primary research in Bulgaria has been conducted in May and June 2023. The survey was conducted among owners and managers of 13 leading companies in the textile and apparel business located in Ruse, Gabrovo and Varna, Northern Bulgaria. Ruse has emerged as the fashion capital of the country, with the industry playing a significant role in its economic structure. The companies have been selected to cover the entire chain of production in the textile industry in Bulgaria - from the production of fabrics and knitwear to the final product.

The interviews followed the structure of the interview questionnaire as provided and agreed upon by the project partnership. We have interviewed 13 participants (8 women, 5 men). All of them are active in the sector for more than 10 years.

The participants responded to the questionnaires responsibly and with a view to the future development of the companies.

The research asked questions related to AI, the use of chatbots and environmental sustainability.

The interviewees stated overall medium to high digital literacy.

There is a 100 % percentage of digital technology use and 100 % of the interviewees have heard about AI being used in fashion.
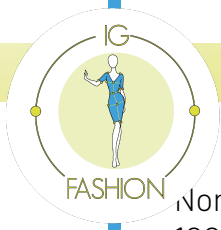
None of the respondents reported any form of chatbot use in their company.

100 % of the interviewees stated that they would consider using AI tools in their companies.

All respondents agree that AI technology can be adapted to meet the needs of fashion companies. All respondents agree that AI will change the way fashion is created and sold in the future.

They think that from design to marketing and sales, AI is affecting everything and offering businesses new opportunities to streamline their operations and reach new heights.

From the answers of the interviewees it seemed that the topic of AI, the use of chatbots is relatively new for the textile industry in Bulgaria, while the topic of circular economy was well known. On the second topic the interviewees gave extensive answers and many examples of implementation of sustainability practices in their enterprises.

2. METHODOLOGY

The methodology of this report is based on qualitative research in the form of interviews with fashion industry experts of Bulgaria. During this process, 13 respondents have been interviewed in a face-to-face modality.

A preset form to record the answer of the respondents was used through Google Forms. The structure of the interview contains three sections: "Demographic questions" (7 questions), "Use of Artificial Intelligence within companies" (20 questions) and "Overall opinion of AI impact on the fashion industry" (6 questions). The target group of this interview is represented by fashion and textile industry professionals, from any point of the supply chain, as well as retail. The scope of the interviews are to identify how AI is currently being used by fashion and textile companies in the market of today, the level of technological readiness and their overall opinion on how AI can impact the industry.

The information received during the interviews is subject to further coding and analysis, in order to structure and conclude all the information received. The coding is created based on selected relevant indicators. The questions with a closed character are analyzed based on numerical data processing through the Google Forms software.

The coding indicator list includes the following topics:
- Company activity
- Digital solutions currently used in companies (and how they are being used)
- Reason to use AI in a company
- Benefits/Advantages of AI use
- Concrete results of AI use
- Concerns/challenges about using AI
- Overall opinion on AI use
- Implementation of sustainability practices in the fashion industry process chain.

3. RESULTS

3.1. Demographics & Company Background

Owners, managers and experts of the following 13 leading companies in the textile and apparel business in Bulgaria have been interviewed:

1. **ANTOAN VILL LTD, RUSE– Antoaneta Antonova – Manager**
2. **SIRIUS G LTD, RUSE – Galina Milanova – Manager**
3. **MILANOV G LTD, RUSE – Zarko Milanov – Manager**
4. **SAXO LTD, RUSE – Vladimir Dimov – Manager**
5. **ET RUMEN KOZHUHAROV, RUSE – Rumen Kozhuharov, Manager**
6. **MIK BG LTD, RUSE – Miglena Hristova – Manager**
7. **ELENA FASHION LTD, RUSE – Radka Yankova, Manager**
8. **MAK, GABROVO – Radina Petrova, Sales Manager**
9. **BTB BULGARIA, RUSE – Veneta Petrova – expert in green technologies**
10. **AREV PREMIER LTD, RUSE - Arthur Horasandzhiyan – Owner**
11. **GEANA LTD, RUSE - Georgi Aleksiev – Owner**
12. **TEXCYCLE, VARNA - Dobromira Vasileva – expert in sustainable development**
13. **MAK AG, GABROVO – Radostina Petrova – Marketing expert**

The companies are located in Ruse – 11, Varna – 1 and Gabrovo - 1, Northern Bulgaria. Ruse has emerged as the fashion capital of Bulgaria, with the industry playing a significant role in its economic structure. We have interviewed 13 participants (8 women, 5 men). The companies have been selected to cover the entire chain of production in the textile industry in Bulgaria - from the production of fabrics and knitwear to the final product. Two of the companies have been chosen for their social commitment and sustainability policies in the sector - Antoan Vill and MIK-BG triumphed in the "Industry and Manufacturing Sector" category at the 11th edition of the National competition "Greenest Companies in Bulgaria," taking first and third place. One of the company – Texcycle is textile recovery company, specialized in collecting, sorting, distributing, and recycling pre-owned clothing, shoes, and other textiles.

Company activities: Bulgarian manufacturers of luxury women's clothing and garments, outerwear, women's jackets. Production of fabrics. Production of textiles, men's and women's underwear and clothing, women's nightgowns, pajamas, robes, beach dresses, casual wear, sportswear, towels, etc. Manufacturing of knitting products. Leader in the production of women's outerwear - coats, jackets, skirts, trousers and dresses. Leading international producers of premium leather seats for the automotive industry. Textile recovery company, specialized in collecting, sorting, distributing, and recycling pre-owned clothing, shoes, and other textiles.

Years of activity in the field: All companies have been sustainably developing for more than 10 years in the market.

3.2.1 Level of digitalization in fashion companies

- How digitally literate is your company?

According to the feedback of the interviewees, the companies are categorized as having
- medium digital index [3] – 7 companies
- high level [4+5] – 4 companies and
- low level [2+1] – 2 companies.

- Do you use digital technologies in your processes?

100 % of the interviewees stated that they use digital technologies in their processes.

- If YES, which digital technologies are you currently using in your processes?

The respondents seem to use:
- specialized software in production and management activities;
- use of 3D design software (CAD),
- printers for textie,
- modern laying machines,
- cutting by robots,
- modern, quality-assured production technologies in sewing,
- modern production equipment (high-speed specialized and automated sewing machines),
- programmable presses and ironing equipment,
- specialized transport system,
- labeling and machine packaging.

- Have you heard about Artificial Intelligence (AI) being used in fashion?

100 % of the interviewees have heard about AI being used in fashion.

- If so, how have you seen it being used?

As the garment industry is relatively conservative not many examples of AI use were given by interviewees. Here are several cases:
- Assistance in e-commerce – small number of textile innovative companies are starting to use AI in online marketing – to present their own brand on the web and build better relationships with customers. Many brand owners have had websites and online stores set up for years. Using AI enables them to gain real benefits from these online assets and really boost their sales. By using AI, businesses get

an assistant that monitors visitors to their site and helps them if they have any questions.
- quality control – detection of errors in the quality of fabric, yarn and finished product
- 3D dresses in the shops for Made to Measure production, there the body of the client is scanned
- Supply chain management;
- Forecasting;
- Fast data analysis;
- In digitizing and prototyping clothing production.

- **To what extent would you integrate AI in your company?**

100 % of the interviewees stated that they would consider using AI tools in their companies.

3.2.2. Use of AI in fashion companies

- **Have you heard about AI Chatbots (in the fashion industry)?**

7 out of 13 respondents stated that they have heard about using chatbots in the marketing in the fashion industry.

- **Have you ever used AI Chatbots in your company?**

None of the respondents reported any form of chatbot use in their company.
70 % of companies that have used AI to some extent consider it a useful technology, but in the fast-paced daily operations, they are concerned about the implementation process and the resources it will require – both human and financial.

- **If yes, then what was your experience like? Is it a helpful technology?**

None of the interviewees had any prior experience in using a chatbot in their own company.
- **To what extent would it be useful for you to integrate AI Chabot in your company?**
- **Do you use any other forms of AI in your company?**
- **If yes, what do you use it for?**

Around 70 % of companies agree that integrating AI Chabot would be beneficial for increasing sales, improving customer satisfaction and increasing profits through

...edicting future sales and making more informed decisions about what to stock and when.

The responders reported that they use other forms of AI in:

- Supply chain management;
- Marketing;
- Design;
- Forecasting;
- Fast data analysis;
- Assistance in e-commerce;
- Recycling;
- Digitizing and prototyping clothing production.

- If no, based on the examples shown, would you consider using such technology in your company?

100 % of the interviewees stated that they would consider using AI tools in their companies.

- Do you think it can be adapted to a fashion company's needs?

All respondents agree that AI technology can be adapted to meet the needs of fashion companies.

3.2.3. Challenges, benefits & concrete results of using AI in fashion companies

- Which challenges could you encounter in using such technology?

The respondents report the following recurring challenges:
- High costs: 12 companies
- Decreased team productivity: 5 companies
- Decreased creativity: 9 companies
- Data quality: 10 companies
- Biased results: 4 companies
- Data security: 7 companies
- Data storage: 7 companies
- Integration of the tool into the business model/system: 8 companies
- Competence of employees who need to work with this technology: 10 companies
- Adaptation to the required computing power: 11 companies
- Finding experts who can work with this technology: 9 companies
- Legal issues: 5 companies
- Understanding and interpreting the results: 6 companies

- Development of the tool to fulfill its purpose: 4 companies
- No real growth/improvements/benefits observed over a longer period of time: 5 companies
- Effects On The Human Workforce; 13 companies

One of the biggest concerns is the potential for AI to replace human labor. With AI algorithms capable of doing the jobs of designers, marketers and other fashion professionals, there is a risk that some jobs will be lost. This could have a significant impact on the fashion industry as a whole, as well as on the broader economy. This is a valid concern, and it's important for businesses to approach AI in a responsible and ethical manner.

- Homogenization; 12 companies

Another challenge is the potential for AI to make fashion more homogenized. With AI algorithms driving design and marketing decisions, there is a risk that fashion will become less individual and less creative. This could lead to a decline in the quality of fashion products, as well as a decline in the popularity of the overall industry. This is a genuine concern, and it's up to the industry as a whole to ensure that AI is used in a way that promotes creativity and diversity.

- Need for investments; 12 companies
- Time for implementation combined with a non-stop production process: 5 companies

- ## What would be the benefits of using such a tool?

- Increased efficiency: 10 companies
- Execution of highly complex tasks: 8 companies
- Continuous operation: 5 companies
- Easier decision-making process: 8 companies
- Increased production efficiency: 8 companies
- Increased revenue from better sales: 8 companies
- Intelligent forecasting: 8 companies
- Better planning and organization: 10 companies
- Process automation: 10 companies
- Collaboration between different parties: 12 companies
- Predictability: 8 companies
- Fewer errors: 10 companies
- Reduction in the need for human resources: 8 companies
- Continuous market and competition analysis: 8 companies
- Improved sustainability: 8 companies
- Increased customer satisfaction: 9 companies
- Better customer service and recommendations: 8 companies
- Easier information retrieval: 10 companies
- Shorter delivery times: 10 companies
- Supply Chain Management: 12 companies - with AI you can predict future sales and make more informed decisions about what to stock and when. This can help the industry to reduce waste, improve customer satisfaction, and increase profits
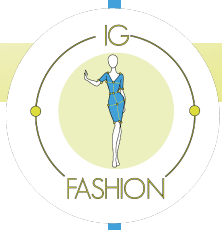
- Marketing: 13 companies - AI is also changing the way fashion businesses market their products. With AI-powered marketing tools, businesses can analyze data to determine the best marketing strategies, target the right customers, and maximize the impact of their advertising. This not only saves time and money but also helps businesses get ahead of the competition by identifying new trends and emerging markets. This is an exciting development for the fashion industry, as it means businesses can now reach new customers and generate more sales.
- Design: 10 companies - with AI the industry can predict trends and analyze customer preferences. The fashion businesses can create designs that are more likely to be popular with their target market and reduce the risk of producing designs that don't sell. This opens up new opportunities for businesses to create innovative and market-driven designs.
- quality control: 11 companies – with the help of AI the industry can detect of errors in the quality of fabric, yarn and finished product

- If yes, what are the associated challenges and benefits of using this technology? Please, list 3 of them
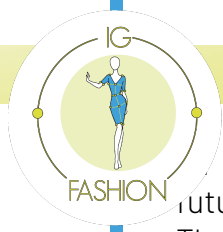
The respondents reported the following benefits:

- Increased efficiency and productivity;
- Boosting profits;
- Process automation;
- Better quality;
- Improved sustainability;
- Better Forecast.

Companies that use artificial intelligence (AI) to some extent consider it to be a valuable tool, but in their busy daily operations, they are concerned about the implementation process and the resources it will require - both human and financial.

3.2.4. Overall opinion of AI impact on the fashion industry

- Do you think AI will change the way fashion is created and sold in the future?
- What are your concerns regarding the use of AI in fashion?

respondents agree that AI will change the way fashion is created and sold in the future.

They think that from design to marketing and sales, AI is affecting everything and offering businesses new opportunities to streamline their operations and reach new heights. But like with any technology, the impact of AI in fashion is not without its challenges.

They express certain concerns about the potential for AI to replace human labor. With AI capable of doing the jobs of designers, marketers and other fashion professionals, there is a risk that some jobs will be lost. This could have a significant impact on the fashion industry as a whole, as well as on the broader economy.

Another challenge seen by the responders is the potential for AI to make fashion more homogenized. With AI driving design and marketing decisions, there is a risk that fashion will become less individual and less creative. This could lead to a decline in the quality of fashion products, as well as a decline in the popularity of the overall industry. This is a genuine concern, and it's up to the industry as a whole to ensure that AI is used in a way that promotes creativity and diversity.

- Do you think an AI Chatbot could be a useful tool for the fashion industry?
- If yes, where could it bring the most usage/benefits for the fashion industry?
- Since chatbots are currently used in the industry for the retail segment, specifically e-commerce advice for clients, do you think these same functions could be adapted to advise the designer/design process?
- Do you think using an AI Chatbot can bring any environmental benefits?

All respondents agree that chatbots can be a useful tool for the fashion industry. It can bring the most usage/benefits in the marketing, supply chain and design.

Using AI Chatbots the industry can be better oriented and predicting trends and analyze customer preferences. As a result fashion businesses can create designs that are more likely to be popular with their target market and reduce the risk of producing designs that don't sell.

Regarding the potential environmental benefits, respondents think that using an AI Chatbot can help the industry to predict future sales and make more informed decisions about what to stock and when. This can help the business to reduce waste.

.3. Implementation of sustainability practices

- What does your company do for environmental sustainability?
- Which technologies do you use to raise the sustainability quality of your processes/products?
- Did you introduce circular economy principles in your company production/business model?

Adhering to and implementing a waste reduction policy is one of the primary policies reported by the respondents regarding environmental sustainability. When waste reduction is not possible, other options include reuse and recycling.

"More efficient production processes and better environmental management systems can significantly reduce pollution and waste and lead to water and resource savings. This is beneficial for businesses as we can cut operational costs and reduce the reliance on raw materials. This is the logic of the green economy—a system that optimizes the flow of goods and services to extract the most value from resources and reduce waste to the absolute minimum," shares Miglena Hristova, manager of MIK-BG.

There are several practices reported by the respondents regarding the protection of environment:

- Establishment of photovoltaic power plants to meet the energy needs of its production facilities and offices; - „Driven by our policy of environmental protection, MAK AG has made a significant investment in the construction of its own photovoltaic power plant. The use of the green energy generated saves 115 tons of carbon dioxide per year, which corresponds to 6218 new trees planted."
- Creation of a "Green Roof" that helps the building stay cooler in the summer and warmer in the winter;
- Waste in the company is collected separately and recycled - "Our company is engaged in clothing production, and the fashion industry is one of the major polluters that generate tons of waste. We collect and recycle them separately, we have optimized our electricity consumption, and we have reduced the amount of discharged consumable water," shared Miglena Hristova, the manager of MIK-BG.
- Reduce of the amount of discharged water, suitable for consumption;
- Optimization of the electricity consumption;
- Use of laser cutting machines;
- Eco-friendly waste management;
- Employees must also be motivated in their care for the environment - "It is important for us that all new employees become familiar with our green policy and are informed about the importance of environmental conservation. Every 6 months, we hold meetings with the team to inform them about the ecological and social issues in the industry. We help them become greener not only in their workplace but also in their daily lives,"
- Environmentally-friendly cultivation of natural plant-based materials;
- Fabrics without heavy chemicals and dyes- „Guided again by our environmental policy, we try to replace conventional dyes with soy-based dyes in the production of our textiles."

- Ecological cultivation of natural plant raw materials:- „Another main raw material in the production of our fabrics is organic cotton. Organic cotton is grown without the use of fertilizers and pesticides, thereby reducing the impact on the environment. According to the latest data, 25% of insecticide use and 10% of pesticide use, worldwide, are used in the cultivation of cotton crops. Fabrics made from organic cotton are softer, hypoallergenic, durable and sustainable. That is why we consider it our responsibility to incorporate more and more cotton of proven organic origin into our production."
- Vegan materials (a variety of raw materials can be used from natural materials. Classic are: organic cotton, hemp and jute...);
- Eco-friendly packaging - „As part of the whole process, the packaging of products also leaves its ecological footprint, so we try to use recycled packaging materials as much as possible, as well as reusable ones."
- Eco-friendly garment care;
- Green marketing to promote the products - „We are aware that business development should not come at the expense of the environment, for this:

- We concentrate our efforts in promoting sustainable production - fabrics and products made from recycled polyester and organic cotton.
- replace disposable promotional materials with recycled materials designed for reusability.
- advertising campaigns are organised in virtual space and social media, and we try to keep them free of physical waste."

- Quality production and certification of the production – „MAK AG has ISO 9001:2015, ISO 14001:2015, AQUAP 2110 quality certificates."
- Raising consumer awareness: - „The MAK web-site continuously publishes materials on the latest developments in the field of textiles, in particular on the benefits for the individual consumer."

In terms of technologies applied to raise the sustainability quality of the processes/products respondents reported:
- Use of machines that leave a smaller carbon footprint;
- Using fabrics made from recycled materials: - „Driven by our environmental policy, we are increasingly orienting our product range towards the use of sustainable raw materials for the production of our fabrics. More and more of our items include recycled polyester in their composition. The use of recycled polyester yarn brings its own advantages related to reduced energy consumption during fibre production, reduced water consumption and CO_2 emissions, excellent fibre durability, excellent safety and comfort in use."
- CAD/CAM systems;
- Use of sustainable materials;
- non-toxic dyes for fabrics, using fabrics without harsh chemicals and dyes- „MAK AG products are certified according to OEKO - TEX 100, STeP by Oeko - Tex standards, which is a guarantee of fabric safety and sustainability in their production."

100% of the responders answer that they try to implement the principles of a circular economy in their business/production model. Two of the interviewed companies Antoan Vill and MIK-BG won two prestigious awards for green production. They triumphed in the "Industry and Manufacturing Sector" category at the 11th edition of the National

...mpetition "Greenest Companies in Bulgaria," taking first and third place, respectively. The "Green Oscars" competition recognized over 50 companies that sustainably develop their businesses in an environmentally responsible manner. "Every industry has its contribution to make, and it should strive to find solutions for minimizing its footprint. The entire team at Antoan Vill believes in this and confidently walks this path because it is no longer just a trend but a norm for every business. Yes, we are green, and yes, we will continue to keep Bulgaria clean," emphasized Antoaneta Antonova, manager of Antoan Vill, "Part of our strategy for implementing green ideas is the launch of our own brand, through which we succeed in creating sustainable fashion and utilizing the production waste from every garment," shared Antoaneta Antonova.

Globally, the sector has taken numerous steps towards the green transformation of the industry, and the members of SCIAT-Danube closely follow and successfully implement these trends.

"There is a growing trend globally and regionally of increasing interest among consumers in sustainable fashion, driven by several reasons. These include the heightened global interest in natural products and greater awareness of the environmental footprint. Consumers are starting to boycott 'fast' mass fashion and transitioning to more eco-friendly alternatives."

Each of the interviewed companies invests in green technologies, guided by the principle that in a highly competitive environment, current environmental problems and economic challenges should have an adequate attitude and position. Therefore, their interest in all components of creating a product that is an intelligent green approach towards to the fashion industry has become a major goal. The challenges do not give them up, on the contrary, they motivate them to borrow from the experience of world leaders in this industry.

4. CONCLUSIONS

Owners, managers and experts of 13 leading companies in the textile and apparel business in Bulgaria have been interviewed. The companies are located in Ruse – 11, Varna – 1 and Gabrovo - 1, Northern Bulgaria. We have interviewed 13 participants (8 women, 5 men). The companies have been selected to cover the entire chain of production in the textile industry in Bulgaria - from the production of fabrics and knitwear to the final product. All companies have been sustainably developing for more than 10 years in the market.

The interviewees stated overall medium to high digital literacy.
There is a 100 % percentage of digital technology use and 100 % of the interviewees have heard about AI being used in fashion. All of the respondents were positive in integrating AI in their companies. None of the respondents reported any form of chatbot use in their company.

70 % of companies that have used AI to some extent consider it a useful technology, but in the fast-paced daily operations, they are concerned about the implementation process and the resources it will require – both human and financial.

The responders, most of them owners and managers of the textile companies are very interested in use of AI and will embracing AI with open arms. The responders appreciate AI with its ability to analyze data and make predictions and think that AI is offering businesses new opportunities to streamline their operations and reach new heights. From improving supply chain management to revolutionizing the design process, AI is transforming the fashion industry and changing the way businesses operate.

The research highlighted that while AI has the potential to revolutionise the fashion industry, it also poses new challenges that businesses will need to address. As with any technology, however, the benefits and drawbacks of AI in fashion are a matter of perspective. And with the right approach, enterprises can use AI to drive growth and improve their bottom line.

On the environmental protection side, the respondents seem to employ several practices: Reduce of the amount of discharged water, suitable for consumption; Optimization of the electricity consumption; Use of laser cutting machines; Eco-friendly waste management; Environmentally-friendly cultivation of natural plant-based materials; Fabrics without heavy chemicals and dyes; Ecological cultivation of natural plant raw materials; Vegan materials;

Eco-friendly packaging; Eco-friendly garment care; Green marketing to promote the products; Quality production and certification of the production. Each of the interviewed companies invests in green technologies, guided by the principle that in a highly competitive environment, current environmental problems and economic challenges should have an adequate attitude and position.
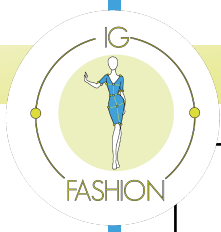
From the answers of the interviewees it seemed that the topic of AI, the use of chatbots is relatively new for the textile industry in Bulgaria, while the topic of circular economy was well known and therefore the interviewees gave extensive answers and many examples of implementation of sustainability practices in their enterprises. In conclusion, it can be said that both topics are of utmost importance for the development of the textile industry in Bulgaria.

ANNEX - CODING TABLE

Indicator Number	Indicator	Indicator color	Associated text
1.	Company activity	Yellow	- production of ladies' garments - trousers, skirts, dresses, light jackets, blouses. Antoan Vill's top priority is delivering a great quality product, meeting our clients' requirements on a very competitive market and building strong partnerships. Our clients include well established and recognized brands in Germany, Belgium, Sweden, Great Britain etc, as well as young designers, starting their careers. Our services include CM, CMT, CMT+Fabric, production of samples and SMS collections. - vertically integrated company that produces raw fabrics, owning production lines for finishing - dyeing and printing of fabrics, with a variety of finishing technologies, including - hydro and oleophobic, lamination, antibacterial, non-flammability, anti-mosquito treatment, etc. The cycle closes with the production of ready-made garments from the fabrics thus produced, intended for military police uniforms, workwear of all kinds, and leisure and sports wear - Production of tailored textile products other than clothing. Wholesale and retail trade of clothing.

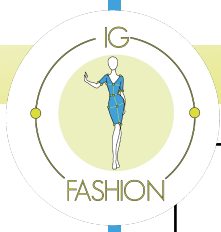|			
			- manufacture of garments and accessories of genuine leather - production of textiles, men's and women's underwear and clothing, women's nightgowns, pajamas, robes, beach dresses, leisurewear, sportswear, towels, and more - Production of men's and women's clothing - manufacturer of luxury women's clothes and confection, with a monthly production capacity of more that 15 000 pcs. Among the names of our clients are leading global brands. To meet their requirements, we are constantly improving our efficiency and competitiveness. We invest in process management and automation technologies in state-of-the-art high performance machines - company specializing in the production of clothing for leading brands on the European and world markets. The team focuses on professionalism and quality, which makes us a sought-after and desired partner. - leading producers of women's apparel - manufacturing of knitting products - leader in the production of women's outerwear - coats, jackets, skirts, trousers and dresses - Textile recovery company, specialized in collecting, sorting, distributing, and recycling pre-owned clothing, shoes, and other textiles.
2.	Digital solutions currently used in companies (and how they are being used)	Green	- specialized software in production and management activities; - use of 3D design software (CAD), - printers for textie, - modern laying machines, - cutting by robots, - modern, quality-assured production technologies in sewing, - modern production equipment (high-speed specialized and automated sewing machines),

				- programmable presses and ironing equipment,
				- specialized transport system,
				- labeling and machine packaging.
3.	Reason to use AI in a company	Blue		- Supply Chain Management: - with AI the companies can predict future sales and make more informed decisions about what to stock and when. This can help the industry to reduce waste, improve customer satisfaction, and increase profits
				- Marketing: - AI is changing the way fashion businesses market their products. With AI-powered marketing tools, businesses can analyze data to determine the best marketing strategies, target the right customers, and maximize the impact of their advertising. This not only saves time and money but also helps businesses get ahead of the competition by identifying new trends and emerging markets. This is an exciting development for the fashion industry, as it means businesses can now reach new customers and generate more sales.
				- Design: - with AI the industry can predict trends and analyze customer preferences. The fashion businesses can create designs that are more likely to be popular with their target market and reduce the risk of producing designs that don't sell. This opens up new opportunities for businesses to create innovative and market-driven designs.
4.	Benefits/Advantages of AI use	Red		- Increased efficiency: 10 companies
				- Execution of highly complex tasks: 8 companies
				- Continuous operation: 5 companies
				- Easier decision-making process: 8 companies
				- Increased production efficiency: 8 companies

			- Increased revenue from better sales: 8 companies
			- Intelligent forecasting: 8 companies
			- Better planning and organization: 10 companies
			- Process automation: 10 companies
			- Collaboration between different parties: 12 companies
			- Predictability: 8 companies
			- Fewer errors: 10 companies
			- Reduction in the need for human resources: 8 companies
			- Continuous market and competition analysis: 8 companies
			- Improved sustainability: 8 companies
			- Increased customer satisfaction: 9 companies
			- Better customer service and recommendations: 8 companies
			- Easier information retrieval: 10 companies
			- Shorter delivery times: 10 companies
			- quality control: 11 companies – with the help of AI the industry can detect of errors in the quality of fabric, yarn and finished product
5.	Concrete results of AI use	Grey	None of the respondents reported any form of chatbot use in their company. 70 % of companies that have used AI to some extent consider it a useful technology, but in the fast-paced daily operations, they are concerned about the implementation process and the resources it will require – both human and financial.
6.	Concerns/challenges about using AI	Pink	- High costs: 12 companies
			- Decreased team productivity: 5 companies
			- Decreased creativity: 9 companies
			- Data quality: 10 companies
			- Biased results: 4 companies
			- Data security: 7 companies
			- Data storage: 7 companies
			- Integration of the tool into the business model/system: 8 companies

			- Competence of employees who need to work with this technology: 10 companies - Adaptation to the required computing power: 11 companies - Finding experts who can work with this technology: 9 companies - Legal issues: 5 companies - Understanding and interpreting the results: 6 companies - Development of the tool to fulfill its purpose: 4 companies - No real growth/improvements/benefits observed over a longer period of time: 5 companies - Effects On The Human Workforce; 13 companies - Homogenization; - Need for investments; 12 companies - Time for implementation combined with a non-stop production process: 5 companies
7.	Overall opinion on AI use	Purple	All respondents agree that AI will change the way fashion is created and sold in the future. They think that from design to marketing and sales, AI is affecting everything and offering businesses new opportunities to streamline their operations and reach new heights. But like with any technology, the impact of AI in fashion is not without its challenges. They express certain concerns about the potential for AI to replace human labor. With AI capable of doing the jobs of designers, marketers and other fashion professionals, there is a risk that some jobs will be lost. This could have a significant impact on the fashion industry as a whole, as well as on the broader economy. Another challenge seen by the responders is the potential for AI to make fashion more homogenized. With AI driving design and marketing decisions, there is a risk that fashion will become less individual and less creative. This could lead to a decline in the quality of fashion products, as well as a decline in the popularity of the overall industry. This is a

			genuine concern, and it's up to the industry as a whole to ensure that AI is used in a way that promotes creativity and diversity.
8.	Implementation of sustainability practices in the fashion industry process chain.	<mark>Orange</mark>	- Establishment of photovoltaic power plants to meet the energy needs of its production facilities and offices; - Creation of a "Green Roof" that helps the building stay cooler in the summer and warmer in the winter; - Waste in the company is collected separately and recycled; - Reduce of the amount of discharged water, suitable for consumption; - Use of laser cutting machines; - Eco-friendly waste management; - Employees must also be motivated in their care for the environment - Use of fabrics made from recycled materials; - Environmentally-friendly cultivation of natural plant-based materials; - Fabrics without heavy chemicals and dyes; - Quality production; - Vegan materials; - Eco-friendly packaging; - Eco-friendly garment care; - Green marketing to promote the products - Use of machines that leave a smaller carbon footprint; - CAD/CAM systems; - Use of sustainable materials; - non-toxic dyes for fabrics - and recycling