A 2.3 – The Netherlands

Industry Professional Interview Report

TABLE OF CONTENTS

1. INTRODUCTION

In June and July 2023, primary research was conducted in The Netherlands, focusing on the fashion sector and exploring the potential impact of AI. The study involved interviews with a diverse group of professionals from various roles, including sales, government, management, production, design, and fashion blogging.

The participants, consisting of 8 women and 2 men, were actively engaged in the fashion sector and generously contributed their valuable insights, drawing from their 17 to 40 years of experience. The interviews were recorded with their consent and adhered to ethical research practices, including GDPR related guidelines.

The structured interviews, designed in collaboration with the project partnership, ensured consistency and provided a systematic examination of AI's implications in the Dutch fashion industry. The 10 interviewees shared diverse perspectives on AI's potential applications, benefits, and challenges in their respective domains.

While some participants had varying levels digital literacy, digital technology played a significant role in their professional activities, with 95% of them integrating it into their work processes. Most respondents had heard about AI in the fashion industry and expressed a positive outlook on integrating it into their companies to enhance various aspects of their operations.

While chatbots were known in general, some interviewees were not familiar with their specific applications in the fashion sector. However, after learning about chatbots and their potential functionalities, the respondents showed enthusiasm for implementing such technology in their companies and professional settings. They appreciated the adaptability of AI-driven solutions to suit their unique business processes.

Despite the excitement for AI adoption, the interviewees recognized challenges that needed addressing. Concerns included potential excessive consumption driven by AI marketing, manipulated consumer behavior, ethical issues related to data sensitivity, plagiarism risks, the cost of sustainable production, and the lack of sufficient AI knowledge among some professionals.

Nevertheless, the benefits of AI implementation were promising, including accurate decision-making, process automation, efficient forecasting, and the potential for increased revenues. Environmental protection was a priority for the interviewees, and they reported employing sustainable practices such as recycling, using eco-friendly materials, and incorporating circular economy patterns to reduce waste.

The interviewees also acknowledged the environmental benefits of AI tools, including chatbot assistants, in the fashion industry. They identified several areas where AI could contribute to environmental protection, spanning from design and production to sales and retail operations.

2. METHODOLOGY

"This report utilizes a qualitative research methodology, involving interviews with experts from the fashion industry in the Netherlands. Ten respondents were interviewed, and their answers were recorded using a preset form through Google Forms. The interview structure consisted of three sections: "Demographic questions" (7 questions), "Use of Artificial Intelligence within companies" (20 questions), and "Overall opinion of AI impact on the fashion industry" (questions).

The target group for these interviews included professionals from the fashion and textile industry, spanning all points of the supply chain, as well as retail. The primary objective of the interviews was to explore the current utilization of AI by fashion and textile companies in today's market, assess their level of technological readiness, and gauge their overall perspective on the impact of AI the industry.

To analyze and structure the information gathered during the interviews, further coding and analysis were performed. Relevant indicators were selected to create the coding system. Numerical data processing through Google Forms software was applied to analyze closed-ended questions.

The coding indicator list covered various topics, including:
1. Company activity
2. Digital solutions currently employed by companies (and their applications)
3. Reasons for adopting AI in a company
4. Benefits and advantages of AI usage
5. Concrete results achieved through AI implementation
6. Concerns and challenges related to AI adoption
7. Overall opinions on AI usage
8. Implementation of sustainability practices in the fashion industry's process chain.

By using this methodology, the report aimed to provide valuable insights into the current state of AI adoption in the fashion and textile sector in The Netherlands, as well as the industry's perception of AI's potential impact. The coding process facilitated the organization and synthesis of the interview data to draw comprehensive conclusions and findings.

3. RESULTS

3.1. Company Background

The interviews covered a diverse range of companies operating within the fashion industry in the Netherlands. Some of these companies were men's fashion stores, specializing in providing tailor-made costumes and casual wear for their clientele. These stores aim to offer stylish and fitting options that cater to the unique tastes and preferences of their customers. Additionally, they partner with high-quality brands to provide a wide array of choices for formal wear needs.

Another group of companies focused on sustainable home decor and styling products. These companies are committed to providing eco-friendly and cheerful products to create environmentally conscious living environments for their valued customers.
Apart from the fashion stores, policymakers from government bodies were also interviewed. These policymakers play a crucial role in finding sustainable solutions for the fashion sector, supporting initiatives that promote ethical and eco-friendly practices within the industry.

One significant fashion company with a store in Rotterdam stood out for its emphasis on sustainability. This company initiated repair workshops in their store, providing customers with essential sewing skills and offering repair services for clothing items. This approach promotes sustainability by extending the lifecycle of clothing and reducing waste.

Overall, the interviewed companies showcased a diverse spectrum of activities within the fashion industry, ranging from men's fashion stores and sustainable home decor to government policymakers and large fashion companies with a focus on repair workshops. Each company demonstrated a unique approach to cater to their customers' needs while aligning with sustainability goals in the fashion sector.

3.2. Use of Artificial Intelligence within fashion companies

3.2.1 Level of digitalization in fashion companies

The interviews shed light on the level of digitalization within fashion companies, revealing a wide range of AI-driven technologies and digital solutions being used. AI and machine learning technologies are being employed for analyzing materials and predicting trends, empowering companies to make data-driven decisions in their design and production processes.

One notable application of AI is personalized product categorization, where AI algorithms tailor product recommendations based on individual customer preferences

...d behavior. This enhances the customer experience and increases the likelihood of making relevant and satisfying purchases.

Chatbots are another prevalent digital solution, providing efficient and automated customer support to address inquiries and concerns promptly. These chatbots streamline communication and improve overall customer service.

Material analysis using AI is instrumental in promoting sustainability within the industry. Companies can assess the environmental impact of different materials, making informed choices to create eco-friendly and ethical products.

Additionally, 3D modeling and digital clothing design tools have become integral to the design process, allowing fashion companies to visualize and iterate on their designs in a virtual environment. This technology fosters creativity and innovation while reducing time and resource consumption.

In terms of digital infrastructure, webshops, digital cash register systems, and social media platforms (such as Facebook and Instagram) are widely utilized by fashion companies. Webshops enable customers to browse and purchase products online, providing a convenient and accessible shopping experience. Digital cash register systems streamline transactions, improving efficiency at the point of sale. Social media platforms are leveraged for marketing, brand promotion, and engaging with the audience, amplifying companies' online presence and customer reach.

3.2.2. Use of AI in fashion companies

While the interviews didn't provide concrete experiences, they did offer valuable perspectives on the expected advantages of AI use, such as improved design and production efficiency, personalized customer experiences, and automated sorting and recycling processes. Interviewees also expressed concerns about AI-driven marketing leading to excessive consumption, potential manipulation of consumer behavior, and ethical considerations regarding data privacy.

Despite the absence of specific experiences, the interviews provided valuable insights into the interest and expectations of industry experts regarding AI's role in the fashion industry. The interviewees showed enthusiasm for the potential of AI to transform various aspects of fashion companies, from design and production to inventory management and customer engagement.

It is worth noting that the lack of specific experiences may be due to the relatively early stages of AI adoption in the fashion industry at the time of the interviews. As AI technologies continue to evolve and become more integrated into fashion company operations, more concrete experiences and case studies are likely to emerge in the future.

is viewed as a powerful tool for optimizing fashion processes, from design to inventory and sales management. By leveraging AI algorithms, companies can streamline their design and production workflows, leading to improved efficiency and faster time-to-market for new collections. Inventory and sales management also benefit from AI-driven predictive analytics, enabling better demand forecasting and inventory optimization, minimizing overstocking and reducing waste.

Moreover, AI plays a crucial role in enhancing customer experiences in the fashion industry. Personalization is a key aspect, and AI-driven systems can tailor product recommendations based on individual preferences, purchase history, and browsing behavior. This level of personalization fosters customer loyalty and engagement, as customers feel more connected to the brand.

In terms of sustainability, AI has the potential to bring significant benefits to the fashion industry. By analyzing material data, AI can aid in sourcing sustainable and eco-friendly materials, contributing to more ethical and environmentally conscious practices. Additionally, AI can support companies in identifying areas where waste can be minimized, promoting a circular economy and reducing the environmental impact of fashion production.

AI is also seen as a valuable tool for designers, assisting in the creative process by generating trend insights and predicting future fashion trends. Trend tracking through AI-driven algorithms helps companies stay ahead in the fast-paced fashion industry, ensuring that they are offering products that align with current and upcoming trends.
Furthermore, AI is instrumental in product promotion and marketing strategies. By analyzing customer data and behavior, AI can determine the most effective marketing channels and personalized promotional content, optimizing marketing efforts and maximizing return on investment.
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3.2.3. Challenges, benefits & concrete results of using AI in fashion companies

Incorporating Artificial Intelligence (AI) into fashion companies has proven to be both beneficial and challenging. The advantages of AI implementation are numerous. Firstly, it significantly improves design and production efficiency, allowing fashion companies to create innovative designs more quickly and effectively. Additionally, AI enables personalized customer experiences, enhancing satisfaction and fostering brand loyalty by offering tailored product recommendations. The integration of AI also contributes to sustainability efforts, as it automates sorting and recycling processes for textiles, promoting eco-friendly practices.

Furthermore, AI's predictive analytics assist in inventory management, optimizing stock levels and minimizing wastage. Online support is bolstered by AI-powered chatbots, which provide efficient and round-the-clock customer assistance. Moreover, AI algorithms can offer product combination suggestions, encouraging multiple purchases and cross-selling.

However, the application of AI in the fashion industry also comes with challenges. One concern is the potential for excessive consumption driven by AI marketing, as personalized recommendations may lead consumers to purchase items they do not genuinely need. Manipulated consumer behavior is another challenge, as AI-driven marketing can influence decisions based on algorithms rather than authentic preferences.

Ethical considerations arise from the collection and use of customer data by AI systems, necessitating responsible data handling practices. Moreover, the capability of AI to generate design ideas and trends raises concerns about potential plagiarism and the protection of intellectual property rights within the fashion industry. Additionally, while sustainable practices offer long-term benefits, their initial implementation may require higher investments, posing cost management challenges for companies. Furthermore, some fashion companies may encounter difficulties in adopting AI due to a lack of expertise and knowledge in understanding AI technologies and integrating them effectively into their operations.

Though specific concrete results were not mentioned in the interviews, the potential outcomes of AI implementation were discussed. Fashion companies can expect faster product development cycles, increased customer satisfaction and retention, reduced waste, and better resource utilization through the implementation of AI technologies. Overall, the integration of AI in the fashion industry presents promising opportunities for growth and improvement. However, fashion companies must be mindful of the challenges and ethical considerations that accompany this technological advancement. With careful implementation and a focus on sustainable practices, AI can play a transformative role in shaping the future of the fashion industry.

3.2.4 Overall opinion of AI impact on the fashion industry

The overall opinion regarding AI's impact on the fashion industry is characterized by a mix of interest and caution. Fashion companies acknowledge the potential of AI to revolutionize various aspects of their operations and customer experiences. There is a genuine interest in exploring AI's capabilities and leveraging its potential for process optimization, trend analysis, and personalized customer engagement.

However, this enthusiasm is accompanied by a cautious approach, particularly concerning the potential impact of AI on consumer behavior and sustainability. Fashion companies recognize the need to carefully consider the ethical implications of AI-driven marketing and personalized recommendations, as there is a concern that it may lead to excessive consumption and manipulation of consumer choices.

Additionally, sustainability is a key consideration in the fashion industry, and companies are conscious of the need to align AI implementation with environmentally responsible practices. While AI can offer valuable insights and solutions for sustainable production and recycling, there is a cautious approach to ensure that AI-driven practices support, rather than hinder, the fashion industry's sustainability goals.

Overall, fashion companies acknowledge that AI's presence in the industry is inevitable, and there are mixed implications regarding its adoption. AI is increasingly seen as a tool that can enhance operational efficiency, customer experiences, and creative design processes. However, limited knowledge and expertise in AI technologies pose a barrier for some fashion companies, who may need to invest in building AI capabilities and understanding its potential fully.

As the fashion industry continues to evolve, AI is expected to play an increasingly significant role, and fashion companies are keen to exploring its potential benefits while being mindful of its impact on consumers and sustainability. Striking a balance between embracing AI's potential and addressing ethical considerations remains a priority for fashion companies as they navigate the dynamic landscape of the fashion industry.

3.2.5. Implementation of sustainability practices

The implementation of sustainability practices in the fashion industry has become a pressing concern for companies aiming to reduce their environmental impact and contribute to a more sustainable future. Throughout the interviews, it became evident that several fashion companies have actively embraced sustainability practices in various ways.

One of the key approaches to sustainability adopted by these companies is the emphasis on recycling and reusing textiles. By promoting circular fashion and encouraging customers to recycle old clothing, these companies contribute to reducing textile waste and minimizing their overall environmental footprint. This focus on circularity not only helps in reducing landfill waste but also conserves valuable resources and energy that would otherwise be used in the production of new textiles.

Moreover, several fashion companies have integrated artificial intelligence (AI) into their processes to optimize resource utilization and reduce waste. AI-driven solutions enable more efficient inventory management, better demand forecasting, and optimized production processes, thereby reducing overproduction and excess inventory. Additionally, AI is being utilized to identify and minimize inefficiencies in the supply chain, further contributing to sustainability efforts.

Collaboration has emerged as another essential aspect of implementing sustainability practices in the fashion industry. Many companies are engaging in collaborations with institutions, businesses, and government bodies to collectively address environmental challenges and promote sustainable practices. These collaborations foster knowledge-sharing, resource pooling, and the development of innovative solutions to tackle sustainability issues effectively.

Extending the lifecycle of clothing is a central goal for sustainable fashion companies. By focusing on durability and high-quality materials, these companies aim to create products that can withstand the test of time, thus reducing the need for frequent replacements. This extension of the clothing lifecycle not only contributes to environmental conservation but also enhances customer satisfaction with longer-lasting products.

herence to national sustainable garment agreements and fair labor practices is another significant aspect of sustainability implementation. By complying with these agreements and codes of conduct, fashion companies demonstrate their commitment to responsible and ethical production practices. This includes fair wages, safe working conditions, and respecting the rights of workers throughout the supply chain. Furthermore, several companies are actively engaging in open dialogues with manufacturers and suppliers to ensure transparency and accountability in their sourcing practices. By maintaining close relationships with suppliers and understanding their production processes, fashion companies can make informed decisions that align with sustainable and ethical values.

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4. CONCLUSIONS

Overall findings

The fashion industry in the Netherlands is witnessing a transformative shift as companies actively embrace the potential of Artificial Intelligence (AI) and sustainability practices. Through qualitative interviews with diverse fashion companies, valuable insights have been gained regarding the current state and impact of AI on the industry, as well as the adoption of sustainability practices.
The companies interviewed represent a diverse spectrum of activities within the fashion sector. From men's fashion stores offering tailor-made costumes and casual wear, to companies focused on sustainable home decor and styling products, each entity demonstrates a unique approach in catering to customer needs while aligning with sustainability goals.

AI is rapidly revolutionizing fashion companies by streamlining operations and enhancing customer experiences. From material analysis and trend predictions to personalized product categorization, AI-driven technologies are empowering companies to make data-driven decisions. Furthermore, chatbots and digital clothing design tools are prevalent, ensuring efficient customer support and creative design processes. The level of digitalization within fashion companies is impressive, as they leverage AI to optimize various aspects of their operations.

The implementation of AI comes with its own set of challenges and advantages. AI-driven improvements in design efficiency, customer experiences, and sustainability practices have been acknowledged. The benefits include improved production efficiency, personalized customer experiences, and automated sorting and recycling processes. Moreover, AI's predictive analytics enable better inventory planning and online support through chatbots. However, concerns related to excessive consumption driven by AI marketing, manipulated consumer behavior, and ethical data handling need to be carefully addressed. Companies must also navigate potential issues of plagiarism, the cost of sustainable production, and the need for greater AI knowledge within their teams.

Despite the challenges, fashion companies have an overall positive opinion about AI's impact on the industry. They acknowledge potential in improving operations and customer experiences, but they approach cautiously to ensure consumer behavior and sustainability are not negatively affected. Limited AI knowledge poses a barrier for some, urging companies to invest in AI education and expertise.

Sustainability practices have become a pressing concern for fashion companies aiming to reduce their environmental impact and promote responsible business operations. Companies emphasize recycling and reusing textiles, integrating AI to optimize processes and reduce waste, and collaborating with stakeholders to collectively address environmental challenges. Extending the lifecycle of clothing, adhering to sustainable agreements, and using renewable energy further contribute to the fashion industry's sustainability efforts.

In conclusion, the Dutch fashion industry is embracing the transformative potential of AI and sustainability practices. The adoption of AI-driven technologies is streamlining operations, enhancing customer experiences, and promoting sustainable practices. While challenges persist, fashion companies recognize AI's positive impact and are mindful of its ethical implications. Sustainability practices are at the core of the industry's focus, fostering eco-friendly initiatives, ethical sourcing, and responsible business operations. The Netherlands' fashion sector is well-positioned to lead the way towards a more socially and environmentally responsible future for the industry, ensuring a sustainable and customer-centric path ahead.

Key aspects of interest for the needs of the IG-Fashion Compendium

The interviews highlighted several key aspects of interest that could be valuable for the needs of the IG-Fashion Compendium:

1. **Multifaceted Applications of AI:** The interviews emphasized the diverse applications of AI in the fashion industry, ranging from design optimization and inventory management to personalized customer experiences and sustainability initiatives. The Compendium can explore these various use cases in-depth, providing practical guidance on how AI can be integrated into different aspects of fashion companies.
2. **Sustainable Practices and Circular Fashion:** Sustainability emerged as a significant concern among interviewees. The Compendium can delve into sustainable practices, such as recycling and reusing textiles, adopting ethical sourcing, and leveraging AI to optimize resource utilization and reduce waste. Highlighting circular fashion principles can encourage fashion companies to adopt more eco-friendly approaches.
3. **Customer Engagement and Personalization:** The potential for AI to enhance customer experiences through personalized product recommendations and efficient customer support is of interest. The Compendium can provide insights

into best practices for leveraging AI to strengthen customer engagement and foster brand loyalty.

4. **Challenges and Ethical Considerations:** The interviews identified challenges and ethical concerns related to AI, such as excessive consumption, manipulated consumer behavior, and data privacy. Addressing these concerns in the Compendium can help fashion companies navigate the ethical implications of AI adoption and implement responsible AI-driven strategies.

5. **Innovation and Design Efficiency:** AI's role in fostering innovation and improving design efficiency was discussed in the interviews. The Compendium can explore how AI-powered tools, such as 3D modelling and trend tracking, can streamline the design process and empower designers to create cutting-edge fashion.

6. **Collaboration and Partnerships:** The interviews highlighted the importance of collaboration among institutions, businesses, and government bodies to promote sustainable practices. The Compendium can emphasize the value of collaborative efforts in driving positive change and provide guidance on effective partnerships.

7. **Integration of AI in Education:** While not explicitly mentioned in the interviews, the Compendium could also address how AI can be integrated into fashion education, offering educators insights on incorporating AI-related topics into their curriculum and preparing future fashion professionals for AI-driven industry trends.
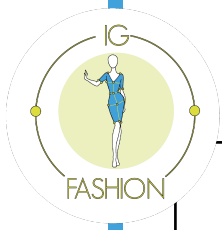
ANNEX - CODING TABLE

Indicator Number	Indicator	Indicator color	Associated text
1.	Company activity	Yellow	• Fashion recycling with digital solutions • Policymaker government • Focus on finding sustainable solutions for fashion. • Repairshop in store in Rotterdam. • Men's fashion store, • Interior design Physical and online store.
2.	Digital solutions currently used in companies (and how they are being used)	Green	• AI and machine learning for analyzing materials and trends. • AI application in personalized product categorization. • Chatbots • Material analysis • 3D modeling, digital clothing design (Inferred from the fashion industry and technology advancements) • Webshop, Digital cash register system, Social media (Facebook, Instagram).
3.	Reason to use AI in a company	Blue	• Optimization of fashion processes and customer experiences. • Potential benefits for sustainability in fashion. • Optimization, sustainability, enhanced customer experiences, fashion industry. • Potential tool for designers. • Inventory and sales management • Product promotion • Trend tracking.
4.	Benefits/Advantages of AI use	Red	• Improved design and production efficiency. • Personalized customer experiences.

			• Automated sorting and recycling processes. • More efficient design process, personalized experiences, automated sorting and recycling. • Better inventory planning, Online support • Product combination suggestions.
5.	Concrete results of AI use	Grey	None of the interviewees had experiences with AI.
6.	Concerns/challenges about using AI	Pink	• Excessive consumption driven by AI marketing. • Manipulated consumer behavior. • Ethical concerns and data sensitivity. • Overconsumption, manipulated behavior, ethical issues, data sensitivity. • Potential for plagiarism • Cost of sustainable production. • Lack of AI knowledge.
7.	Overall opinion on AI use	Purple	• Interest in AI's potential in fashion. • Cautious approach considering consumer behavior and sustainability. • Interest in AI's potential, cautious approach regarding impact on consumer behavior and sustainability. • Inevitable, Mixed implications. • Seen as a tool for improving operations and customer experience, but limited knowledge is a barrier.
8.	Implementation of sustainability practices in the	Orange	• Emphasis on recycling and reusing textiles. • AI integration to optimize processes and reduce waste.

| | fashion industry process chain. | | Suggested collaborations among institutions, businesses, and government. Extending clothing lifecycle, protecting the planet, improving living conditions, collaboration. Adherence to national sustainable garments agreement, Open dialogue with manufacturers, Use of renewable energy hosting, Compliance with fair labor code of conduct. |