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DYNAMIC CAPABILITIES AND THE ENTERPRISE IOT

To succeed in competition, it is imperative for industry incumbents to evolve beyond their traditional product and service business. Embracing the Internet of Things (IoT) paradigm represents an intensively discussed way to achieve this by creating systemic innovations [1-5]. This business transformation is driven by the establishment of digital platforms, building an essential part of the digital infrastructure in IoT [2; 6]. Accordingly, digital platforms have gained increasing relevance since 2015 in the context of IoT [2; 4]. Companies such as Microsoft (Azure IoT), PTC (ThingWorx), or ABB (Ability) enable with their digital platforms other enterprises to interconnect and digitise their products and manufacturing assets, offering opportunities that go beyond mere operational improvement. In particular, digital platforms facilitate the realisation of data-driven and inter-organisational business models, extending the business of industrial incumbent firms through complementary applications for revenue gains [4; 7]. If designed openly, digital platforms for enterprise IoT facilitate the formation of business ecosystems that offer digital solutions to complex business problems across different domains, such as smart manufacturing, buildings, or logistics [1; 8-9]. Yet, the establishment of digital platforms follows different rules than the traditional business fields of incumbents [10].

Industrial incumbents like General Electric, Bosch, or Siemens with traditional product and service businesses must rethink themselves and transform their internal capabilities into dynamic ones to run both pipelines and platform ecosystems, and to orchestrate them successfully [10-14]. Dynamic capabilities have gained increasing relevance across multiple scientific disciplines, such as strategic management [15-17] or information systems [18-20], to explain how organisations can gain and sustain competitive advantage in dynamic environments. Stemming from the resource-based view of the firm (RBV), dynamic capabilities (DCs) were conceptualised as the organisational ability to integrate, build, and reconfigure internal and external

competencies, which are based upon difficult-to-imitate resources [16], and later became the core of the dynamic capabilities view (DCV) – a spin-off theory aiming at introducing dynamism in the relatively static RBV [21].

DCs are recognised as a relevant managerial approach to cope with the inherent environmental dynamism of platform ecosystems [11-12, 22]. However, the state of constant ambidextrous transformation poses a significant challenge for incumbent firms [8; 11; 23-25]. First, by intertwining the physical and digital worlds, IoT unlocks new ways organisations can create added value, causing a paradigm shift [1]. This paradigm shift points to a high magnitude of change – one of the three key indicators for high environmental dynamism [26]. Second, given the market volume and the analysts' growth forecasts of the enterprise IoT domain [27; 28], it is characterised by intense competition between so-called platform natives and industrial incumbents that used to have product-based business models and have to frequently change and adapt organisationally to counter the inter-platform competition [4; 24]. A high frequency of change is the third key indicator of high environmental dynamism [26]. Empirical examples show that platform providers can define the rules of and standards for other ecosystem actors through their own decisions [29]. This dimension of dynamism is enhanced by the ecosystem actors, who are not controlled by platform providers, and may challenge the platform owner's traditional product and service portfolio [30; 31]. Thus, we observe a high irregularity of change, which is the second key indicator for the high environmental dynamism [26].

We conclude that firms need to cope with high ecosystem dynamism [11-13] to establish digital platforms in the enterprise IoT. Consequently, enterprise IoT and platform-mediated domains represent exactly the setting where DCs are needed and should be further investigated. Yet, except for a few empirical studies on incumbents [25; 32-33], little is known about the organisational processes that have enabled them to embrace ambidextrous change and succeed in establishing platforms [4; 13; 15].

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**THE SUSTAINABILITY CHALLENGE IN FASHION BRAND
MANAGEMENT**

In recent years, sustainability has become a central topic in both academic research and managerial practices within the fashion industry. Growing concerns about environmental degradation, labor conditions, and overconsumption have intensified the debate regarding the sustainability of current fashion production and consumption models [8; 13-14; 17]. The expansion of fast fashion has significantly transformed the fashion sector. Brands such as Zara, H&M, and Primark have