

Ivana Vugdelija Tičarić

University of North,
Varaždin,
Croatia

Email: ivticaric@unin.hr

ORCID 0000-0000-0000-0000

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ENTREPRENEURIAL OPPORTUNITY, PRODUCT DEVELOPMENT AND SUSTAINABLE BUSINESS IN THE TEXTILE INDUSTRY: A CASE STUDY OF THE CROTREKKING BRAND

Abstract: *This paper examines the process of entrepreneurial opportunity recognition, product development and market positioning in the textile industry, with particular emphasis on sustainable entrepreneurship. The study is based on a qualitative case study of the Croatian brand Crotrekking, which evolved from a digital outdoor community into a commercial venture. The research theoretically grounds and empirically analyses how the founder's prior experience, accumulated social capital and iterative product development shaped a sustainability-oriented business model. The findings indicate that embedding sustainability into the core business logic, combined with incremental risk management and prototype-based learning, enables differentiation within a highly competitive industry environment. The study contributes to the understanding of entrepreneurial management in micro-enterprises operating under sustainability-driven market conditions.*

Keywords: *Entrepreneurial opportunity; Product development; Sustainable entrepreneurship; Textile industry; Case study.*

JEL Classification: L26; M13; Q56

1. Introduction

Entrepreneurial management focuses on analysing the processes through which individuals identify, evaluate and exploit opportunities under conditions of uncertainty and limited resources. In a contemporary economic environment characterised by digitalisation, changing consumer preferences and increasing environmental awareness, entrepreneurship is increasingly examined through the lens of sustainable development.

The textile industry provides a particularly relevant context for analysing sustainable entrepreneurship. It represents a globally developed and highly competitive sector while simultaneously facing growing regulatory and societal pressures related to environmental impact, labour conditions and supply chain transparency. Such conditions create space for entrepreneurial ventures that develop alternative business models based on quality, local production and sustainability.

The aim of this paper is to analyse the process of entrepreneurial opportunity recognition and product development in the textile industry through the case of the Crotrekking brand. The study is guided by the assumption that the combination of experiential insight, accumulated social capital and a sustainability-oriented strategic

approach may result in a differentiated business model within a niche market segment.

The research addresses the following questions:

- How does personal experience influence entrepreneurial opportunity recognition?
- How does product development unfold in a micro-entrepreneurial context?
- How does sustainability orientationshape market positioning?

2. Entrepreneurial opportunity and sustainable entrepreneurship in theoretical perspective

In order to provide a solid theoretical foundation for the research, this section examines the key concepts of entrepreneurial opportunity, product development and sustainable entrepreneurship. The review of relevant theoretical approaches enables a deeper understanding of how entrepreneurial ideas are formed and operationalised within a market context. Particular attention is devoted to the relationship between individual experience, strategic orientation and the integration of sustainability into the business model, which constitutes the conceptual basis for analysing the Crotrekking case.



2.1. Entrepreneurial opportunity

Bulleys Shane and Venkataraman (2000) define entrepreneurial opportunity as a situation in which new goods, services or organisational forms can be introduced in a way that creates economic value. Opportunity recognition is not evenly distributed among individuals; rather, it depends on prior knowledge, experience and access to information.

Drucker (1985) views innovation as a systematic search for change and the transformation of such change into business opportunities. Dissatisfaction with existing solutions and shifts in consumer preferences frequently serve as sources of entrepreneurial initiatives.

Digital platforms further transform the recognition and exploitation of entrepreneurial opportunities by enabling the accumulation of social capital prior to formal market entry (Nambisan et al., 2019). In such environments, the boundary between community and market becomes increasingly fluid, allowing new forms of experimentation and early validation of business concepts.

2.2. Product development in an entrepreneurial context

McMullen and Shepherd (2006) argue that entrepreneurial action unfolds through the gradual reduction of uncertainty. In micro and small enterprises, product development is typically iterative and based on prototyping, experimentation and continuous adjustment to market feedback.

Such an approach allows entrepreneurs to manage risk incrementally while refining functional and value-related aspects of the offering, particularly in resource-constrained.

2.3. Sustainable entrepreneurship in contemporary theoretical perspective

Shepherd and Patzelt (2018) define sustainable entrepreneurship as the process of creating economic value while simultaneously preserving natural and social capital. Within the institutional context, the European Green Deal (European Commission, 2019) and OECD policy frameworks (OECD, 2021) emphasise the transformation of industries with high environmental impact, including the textile sector.

Recent research highlights the importance of integrating economic, social and environmental objectives within the entrepreneurial process,

where sustainability is not treated as a secondary component but as a constitutive element of the business model (Muñoz & Cohen, 2018). This perspective shifts the focus from reactive compliance with regulatory requirements toward proactive strategic positioning aligned with long-term structural trends.

3. Qualitative research design: a case study of the Crotrekking brand

In line with the research objective, a qualitative research design based on the case study method was applied (Yin, 2018). This approach enables an in-depth analysis of the entrepreneurial process within the real-life context of the Crotrekking brand. The case was selected due to its sustainability orientation, local production model and its development from a digital community into a commercial venture.

Data were collected through multiple sources, including publicly available online materials, social media content, direct communication and a semi-structured interview with the founder, as well as customer feedback and product testing. Additional insights were obtained through personal participation in the process of material and product selection. Such a multi-source approach enabled data triangulation and increased the credibility of the findings.

The interview with the founder focused on the process of opportunity recognition, material selection, product development, production challenges and strategic sustainability decisions.

The empirical analysis focused on three thematic dimensions: the development of entrepreneurial opportunity, iterative product development and sustainability-oriented decision-making. The data were analysed using qualitative content analysis, through which recurring patterns, operational challenges and strategic decisions were identified and interpreted in relation to the theoretical framework presented in the paper.

Although the findings cannot be generalised due to the single-case design, the research provides analytically relevant insights into entrepreneurial management in sustainability-driven micro-enterprises.

4. Results and discussion

This section presents the empirical findings of the qualitative case study and interprets them

in light of the theoretical framework discussed earlier. The findings are analysed through three interrelated dimensions: the development of a digital community as an initial resource, iterative product development, and the integration of sustainability into the core business logic. This structure enables a systematic connection between concrete entrepreneurial decisions and relevant theoretical concepts.

4.1. Community development as an initial resource

Crotrekking originated as a digital community on Instagram in 2019. The gradual development of this community generated social capital that later served as a foundation for product commercialisation. Such a development path can be interpreted through the lens of effectuation theory (Sarasvathy, 2001), according to which entrepreneurs start with available means and gradually shape opportunities through interaction with stakeholders.

The emergence of a digital community prior to formal market entry can also be examined through the concept of social capital in entrepreneurship. Research suggests that networks based on trust and long-term interaction reduce market uncertainty and facilitate product commercialisation (Davidsson & Honig, 2003; Fisher, 2012). In the case of Crotrekking, the pre-existing community functioned as an initial source of legitimacy, feedback and early market validation.

Prior to product launch, the Instagram community had grown to approximately 2,000 followers, while currently exceeding 5,600 followers. Community members actively participated in product testing, feedback generation and early promotion activities, thereby contributing not only to market validation but also to the gradual development of brand legitimacy within the outdoor niche segment.

4.2. Iterative product development

Product development involved the creation of approximately ten prototypes, continuous material testing and repeated adjustments to the production process. The development process followed an iterative logic characterised by experimentation, gradual refinement and continuous feedback integration, which reflects the reduction of uncertainty described by McMullen and Shepherd (2006).

A substantial part of the development process focused on material selection. Multiple variations of merino wool fabrics were tested, including different blends, thicknesses and colour variations provided by suppliers. Despite having similar material compositions, individual fabrics differed considerably in texture, appearance and functionality. Some materials were rejected because they were too thin, excessively synthetic in feel or visually emphasised body imperfections due to their structure and elasticity. Other fabrics were considered too thick, heavy or insufficiently refined in quality.

In parallel with material testing, significant adjustments were made to product design and fit. Particular attention was devoted to determining the optimal shirt length, sleeve dimensions and fit balance. The objective was to achieve a slim-fit silhouette while simultaneously maintaining comfort and wearability for consumers with different body types. Consequently, the final product design emerged through multiple modifications and repeated testing phases.

The production process also revealed several operational challenges associated with local manufacturing. Initial cooperation with the local producer was characterised by scepticism and limited trust, partly due to concerns regarding payment reliability and unfamiliarity with merino wool materials. The products were manufactured in cooperation with the Croatian textile company Kamensko, which further reinforced the local production orientation of the brand.

Furthermore, the producer required extended periods for the development of cutting patterns, sample production and final manufacturing. While some employees expressed strong interest in the project and sustainable materials, others were less motivated to engage in experimentation with unfamiliar fabrics.

Additional challenges emerged from the limited production scale. Small production quantities resulted in relatively high manufacturing costs, which directly affected pricing decisions and profit margins. Although sustainable local production increased overall costs, the decision to manufacture in Croatia remained aligned with the brand's core values and strategic positioning.

Customer feedback also played an important role during product development. Members of the Instagram community participated in product testing and provided reviews and recommendations, which contributed to the refinement of both product functionality and market positioning.



These findings suggest that product development in sustainability-oriented micro-enterprises is shaped not only by technical and financial constraints, but also by the need to reconcile functionality, aesthetics, market expectations and sustainability principles simultaneously.

4.3. Sustainability orientation as a strategic framework

Sustainability was not introduced as an auxiliary marketing element but integrated into the core business model from the outset. The choice of natural materials and local production represents a strategic decision that enables differentiation within a competitive environment.

Merino wool was selected due to its natural origin, breathability, durability and suitability for outdoor activities, which aligned with the sustainability orientation of the brand. In contrast to synthetic alternatives, natural materials were perceived as more compatible with the long-term positioning strategy focused on quality, functionality and environmental responsibility.

The SWOT analysis indicates internal strengths related to sustainability orientation and clear niche positioning, while also identifying limited resources and higher production costs as potential growth constraints. The PESTEL analysis further demonstrates that regulatory and societal pressures toward sustainability, combined with increasing demand for ethically produced textiles, create a context in which sustainability-driven business models may achieve differentiation. Such a macro-environment simultaneously generates risks and opportunities, making strategic alignment between internal capabilities and external trends essential.

The empirical findings indicate alignment with theoretical perspectives emphasising the importance of prior experience in opportunity recognition (Shane & Venkataraman, 2000) and the role of sustainable entrepreneurship in generating market differentiation. Furthermore, integrating sustainability into the core business logic appears to function as a mechanism of competitive posi-

tioning in niche markets. This observation corresponds with research highlighting sustainability as a potential source of competitive advantage in industries facing regulatory and societal pressure (Porter & Kramer, 2011; Schaltegger & Wagner, 2011).

Positioning within a niche outdoor segment enables avoidance of direct price competition with global brands while focusing on clearly defined consumer needs. Such a strategy aligns with differentiation and focus strategies, according to which firms with limited resources may achieve sustainable market positioning through specialisation and a clearly articulated value proposition (Porter, 1985; Johnson et al., 2017).

5. Conclusion

Conclusion This study analysed the process of entrepreneurial opportunity recognition and product development in the textile industry through the case of the Crotrekking brand. The findings demonstrate how personal experience, accumulated social capital derived from a digital community and iterative product development can contribute to the formation of a sustainability-oriented business model in a micro-entrepreneurial context.

The integration of sustainability into the core business logic enabled positioning within a niche segment of the textile industry, where differentiation is achieved through quality, local production and alignment with long-term environmental trends. Although the findings cannot be generalised due to the single-case design, the study provides theoretically grounded insights into entrepreneurial management in sustainability-driven ventures.

The results further underline the importance of integrating sustainability considerations in the early stages of venture development, particularly in industries subject to regulatory and societal pressures. Future research may extend this analysis through comparative or multi-case studies, thereby further advancing theoretical and practical understanding of sustainability-oriented entrepreneurial ventures.



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