



Deposited via The University of York.

White Rose Research Online URL for this paper:

<https://eprints.whiterose.ac.uk/id/eprint/166205/>

---

**Conference or Workshop Item:**

Karimi, Habib and Huaccho Huatuco, Luisa Delfa (2019) Supply Chain Management Strategies for Increasing Productivity and Satisfying Customer Demand in the Fast Fashion Retail Sector in the UK. In: British Academy of Management Conference, 03-05 Sep 2019, Aston University.

---

**Reuse**

Items deposited in White Rose Research Online are protected by copyright, with all rights reserved unless indicated otherwise. They may be downloaded and/or printed for private study, or other acts as permitted by national copyright laws. The publisher or other rights holders may allow further reproduction and re-use of the full text version. This is indicated by the licence information on the White Rose Research Online record for the item.

**Takedown**

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing [eprints@whiterose.ac.uk](mailto:eprints@whiterose.ac.uk) including the URL of the record and the reason for the withdrawal request.

# **Supply Chain Management Strategies for Increasing Productivity and Satisfying Customer Demand in the Fast Fashion Retail Sector in the UK**

Habib Karimi<sup>1</sup> and Luisa Huaccho Huatuco<sup>2\*</sup>

<sup>1</sup>Leeds University Business School, University of Leeds, LS2 9JT, UK

<sup>2</sup>The York Management School, University of York, YO10 5GD, UK,

\* corresponding author: luisa.huatuco@york.ac.uk

## **Summary**

This research study aims to identify the different supply chain strategies within the fast fashion retail sector in the UK to improve the productivity and the customer satisfaction level. For this purpose, in-depth analysis has been conducted in accordance with the relationship of supply chain with productivity and customer satisfaction levels and impact of supply chain strategies has been evaluated with regards to fast fashion retail sector. The research methodology adopted for this research is quantitative analysis of a survey questionnaire among customers of fast fashion, supported by secondary data from fast fashion retail companies' websites and practitioners' publications. The data analysis and discussion show the supply chain strategies that enhance the productivity and customer satisfaction levels within the retail fashion sector. These include being agile to provide weekly new designs and trends.

**Track:** Performance Management.

**Paper type:** Full paper.

**Keywords:** fast fashion retail sector, supply chain, productivity, customer satisfaction.

**Word count:** 5,464 words (excluding tables and references).

## 1. Introduction

According to Lejeune (2016), the UK apparel industry dramatically changed the way they produce and consume fashion due to the short-lived, fast disposable and pleasure of wearing up-to-date fashion (fast fashion retail sector). The UK organisation aiming to differentiate and increase sustainability in terms of efficiency and customer satisfaction.

This research focuses on the importance for businesses of having a supply chain management (SCM) strategy and identifying the efficiency and effectiveness for customer and organisations. Currently, the SCM concept and its related activities continue to progress with new communication technologies to enable organisations to integrate and make improvements (Wisner, 2003). Retailers are integrating their supply chain logistics dealing with the planning and controlling materials from supplier to end user. This approach aims to maximise efficient use of resources and achieving customer service goals (Ellram, 1991).

The concept of supply chain has been widely discussed among researchers showing that businesses are very much concerned about how the raw materials are extracted from the raw materials and converted into finished goods (Kotler and Armstrong, 2010). This process is followed by distribution and delivering the final products to the end customer.

The current study defines the strategy of SCM that is useful in determining the productivity of the firm and to evaluate these strategies that contribute to the customer satisfaction (Diaconu and Alpopi, 2014). The research is specifically based in the UK context and the purpose is to analyse the SCM strategy for fashion retail sector, including Zara's, M&S and Next plc. SCM strategies play a crucial role within retail in general, such improving delivery process, customer service, distribution, manufacturers, and integrating using transportation partners (Ellram, 1991).

Often the companies are engaged in this process by evaluating and working closely with their partners to increase their profitability and to provide customer satisfaction (Cao and Zhang, 2011). The element that makes companies stand out from others is how well they cater for their customers with the right product at right time and at right price. This is the reason companies are competing because of effective supply chain strategy. The strategies convert the operational activity into value added services for the customers. This requires good evaluation and selection of supply chain members (Perez-Franco *et al.*, 2010). If the efficiency of supply chain members is good, then it can help the firms to be active, strong, successful and profitable.

Firms that have a well-maintained record for customer services have advantages over their rivals. These kinds of companies have core competencies, which are difficult to imitate. SCM is one good factor that provides firms with the opportunity to grow in terms of profit and in terms of increasing customers (Raipur, 2012). Customer satisfaction is achieved when companies can provide goods and services at their expected level with prompt responses or deliveries. The companies maintain optimum stock level to avoid any complaints of shortage. This creates positive perceptions among customers.

Consumer preferences all across the UK have changed drastically towards the fashion and fast fashion brands and products with the continuous chain of improvement and development in addition to the technological advancements that have shifted the focus of the customers towards products that form an integral part of the integral supply chain management process (Toivonen, 2016). In the same manner, the increased number of substitutes and alternative products

available in the marketplace, the competition has enhanced that has affected many of the leading brands within the retail fast fashion sector.

The objectives of this paper are:

- To examine the supply chain strategies employed by retailers that operate in the UK fast fashion retail sector.
- To evaluate the effectiveness of SCM strategies used by retailers that operate in the UK fast fashion retail sector in terms of productivity and customer satisfaction.
- To provide recommendations for improvement in strategies used by retailer that operate in the UK fast fashion retail sector.

This paper is structured as follows. Section 2 presents a literature review about the current nature of fast fashion in the UK, SCM, Agility, JIT and Impact of SCM on Fast Fashion SC. Section 3 provides the methodology, mainly survey questionnaire. Section 4 presents the analysis and findings with a summary of the evidence from the results. Section 5 provides some discussion about this research based on the data and a comparison to relevant previous literature. Section 6 draws the conclusions as well as provides some limitations and avenues for future research.

## **2. Literature review**

### ***2.1 The current nature of the UK fast fashion sector***

In the last few years, SCM strategy has become very important within clothing retail sector due to fast-paced variations and company has realised that affordable and on-trend fashion are typically more profitable and suitable for consumer needs (Joy *et al.*, 2012, Future Fashion Factory, 2019). However, low-cost apparel and fast response systems increase disposability which will influence the company's sustainability due to limited product life cycle and consumer behaviours toward luxury product with affordable price (Fletcher, 2008). In order to keep customers coming back, companies, such as Zara's and H&M needs to design most up to date fashion and introduce new item weekly basis (Joy *et al.*, 2012).

Fast fashion cycles are increasing dramatically in recent years, fashion brands such as, Gap, Zara and H&M are designing new styles more regularly to meet customer requirement, the apparel mass-production become more affordable and attracting consumer to buy often (Tan, 2016). Tasha Lewis, a Professor at Cornell University says that "there used to be four seasons in a year, but now we have 11-15 seasons a year in terms of how quickly fashion changes". Overtime, the retailers provide more affordable and trendy clothes available for consumers weeks before similar-looking designs appear on the high street market (Tan, 2016).

The changing pace of fast fashion retailer appears to be enabled by the digital revolution that has changed many things from how to design and produce an item within certain time limit, how to inform consumers, how people shop and of course the role of employees in the retail sector. According to Tokatli (2007), there are two main factors for fast fashion retailers, such as a retailer with its own manufacturer including Gap, H&M and Mango and a retailer without their factory, such as Benetton and Zara who outsource their manufacturer to specific countries in order to satisfy their customers. There are advantages and disadvantages of outsourcing, for example it benefits the company when it is swift and expert and does the job properly and

sharing risks, but the disadvantage would be less control of the business, lack of customer focus and high responsibility taking when somethings goes wrong.

The fashion cycle that changes over time to meet consumer needs and to create competitive advantage. Solomon & Rabolt (2009) explains the fashion cycle include the introduction stage, acceptance stage and regression stage. They show the fast fashion cycle in general, it begins with innovation when the organisation design new product and introduce in the market aiming to accelerate their product in the market in order to compete in the market. However, it continues to maturity level where it remains in the top level and then slowly decline to regression stage when the company need to react and make an incremental change, re-introduce or a radical change to come up with completely new design and trendy.

## ***2.2 Supply chain management***

Supply chain management (SCM) is defined as a framework of different facilities that helps in the production of the raw material to be transformed into the intermediate goods that are then included into the finished products that are delivered to the customers through a proper medium (Wisner *et al.*, 2014). This includes the procurement, manufacturing as well as the distribution processes. The prime objective of the SCM is to enhance the performance of the production cycle that helps in adding maximum value in accordance with the least possible costing (Poluha, 2016). It has been purported Gulyaz *et al.* (2015) that SCM collectively works in maximizing the productivity thereby delivering equal benefits to all the parties.

Supply chain management play a crucial role within apparel industry in terms of efficiency and effectiveness of producing and delivering product in the right place at the right time, which means that the company need to ensure that they make the right strategic decisions in order to fulfil consumer needs. According to Lambert and Cooper (2000) SCM is the integration of fundamental business process from end user through original supplier and its way of managing the business and its relationship with consumer. As a fast-paced industry SCM are changes overtime, a fast fashion retailer aims to collaborate with third parties to reduce costs and provide a product in the right time (Chen and Fung, 2013).

However, due to short-lived product and high demanding customer in fast fashion retail sector, manufacturers and retailer are required to reconsider their SCM strategies in order to meet the customer specification, such as apparel frequently designed in one country, mass-produced in another, and sold in all-over the world (Čiarnienė and Vienažindienė, 2014). Firms are currently experiencing a revolution in terms of implementing new SCM strategies to overcome the challenges of satisfying customers, high quality, trendy and affordable price (Gunasekaran *et al.*, 2008).

Supply chain management responsive conceptual frameworks for fast fashion retail sector have been introduced, such as agile framework (Christopher, 2000), which means readiness to change and ability to be able to meet the customers demand within shorter delivery times (Sher, 2016). Just-In-Time (JIT) is another approach to improve efficiency of the apparel industry originally developed by Taichi Ohno in early 1970s and widely been used by many organisations. (JIT) concept involves having the right product, quality and quantity, in the right place and the right time (Kootanaee *et al.*, 2013).

### **2.3 Agile supply chain**

The concept of agile supply chains is defined as a business-wide capability that holds organisational structures, flexibility and enable rapid change (i.e. reduced set-up times) and the ability to respond to actual real time changes in demand (Christopher and Towill, 2001; Bruce *et al.*, 2004). Several researchers have proposed that agile supply chain is expected to improve the competitiveness of manufacturing processes and integrating with supplier in order to respond quickly and efficiently in terms of marketing, product design and support service (Gunasekaran, 1999). Agility is one of the most important concepts for clothing retail because it allows the business to take control of their business such as inventory within real time using new technologies.

According to Christopher *et al.* (2004) and Bruce *et al.* (2004) agile supply chains constitute a key element to respond quickly, reduce time, being more flexible and react to demand changes compared to traditional approaches which are characterised with high levels of inventory (Barnes and Lea-Greenwood, 2006). Therefore, it allows the business to become more responsive due to real time information sharing using new technologies such as point of sale system (POS). For example, in traditional supply chains, the end market is distant from the actual manufacturer production where it makes more difficult to be efficient. Compared to traditional supply chains, agile actions are more efficient and live data that increase productivity in terms of immediate response from stores using technologies such mobile data, point of sale system and ICT that contribute shortening lead time (Bruce *et al.*, 2004).

Today's businesses not only operate to maximise profits and reduce costs, but they also aim to develop core competencies to differentiate themselves from their competitors. A supply chain strategy such as agile is the key elements for the business meet the customer requirement (Sharma and Bhat, 2014).

However, referring to Agarwal *et al.* (2007), agility is not only focused on flexibility and responsiveness, but it also involves business integration, such as being information-driven e.g. planning and collaborating with all partners and end users to improve productivity. According to those authors, supply chain are influenced by level of collaboration between its trade partners and its ability to use technologies to improve efficiency. For example, those authors show the market sensitive and responsiveness are the interrelation of daily POS feedback and listening to consumers.

### **2.4 Just in time (JIT)**

Just-in-time (JIT) is a common framework aiming to meet customer demands within minimum delay and allow the company to gain more market share and reducing inventory costs (Kootanaee *et al.*, 2013). This framework made possible using pull system concept satisfying consumes needs quickly and efficiently. According to Sakakibara *et al.* (1997), JIT approach becomes an important part of business strategy in terms of creating a strong capability in order to have sustainable competitive advantage. JIT management has a high involvement within different aspects of the organisation, which can be analysed as the following:

- The just in time production techniques using equipment such as containers allow the organisation to identify the part quickly and efficiently. It also allows to reduce inventory of raw material and finished goods, e.g. raw materials can be ordered once the requirement has been made by consumer.
- JIT concept in fast fashion retail sector might not be efficient due to highly disposable product and unexpected demands.

### ***2.5 Impact of supply chain management on fast fashion retail sector***

The supply chain management imparts highest impact upon the fast fashion retail sector in terms of accomplishment of success with respect to the quick adaptation of innovative trends in accordance with the satisfaction of the needs and demands of the consumers of the fast fashion retail sector (Raksawong, 2015). In recent times, the fast fashion retail sector has been revolutionized in terms of rapid as well as volatile changes in the demand of the customers, shorter product lifecycles as well as high demands towards the customized products (Ross, 2013). High pressure from the customers has enabled the fast fashion retail sector with the incorporation of different supply chain strategies to cater to the needs of the customers in terms of both quality and the quantity (Burnes and Towers, 2016). Such pressures have clearly redefined the challenges associated with the logistics and SCM. However, the impact of SCM has been argued by Marsillac and Roh (2014) in terms of the fact that fast fashion retail sector is highly dependent upon four successive factors of the supply chain management. Therefore, this includes the identification of the different characteristic of the product that leads towards product segmentation which is accomplished in accordance with the incorporation of lead time with the accurate implementation of the supply chain strategy to meet the specific demands of the customers.

Marsillac and Roh (2014) provide a clear indication of SCM strategies and its impact within fast fashion retail sector, such as the relationships between four factors, which includes, supply chain strategy, demand characteristics, product segmentation and Lead-time. In order for organisations to be successful following the key element are important for example lead-time is a way of delivery the product in the right place at the right time without any delay to increase consumer satisfaction.

### **3. Methodology**

Quantitative and qualitative methods are commonly used in business research to distinguish both data collection technique and data analysis processes (Saunders *et al.*, 2009). A quantitative research method is used to measure the issues by collecting data and analysing using useable statistics (Wyse, 2011). Gable (1994) clearly indicates that in quantitative research methods “the survey approach refers to a group of methods which emphasize quantitative analysis, where data for a large number of organizations are collected through methods such as mail questionnaires, telephone interviews, or from published statistics, and these data are analysed using statistical techniques”.

The research methodology adopted for this research is quantitative analysis of a survey questionnaire among customers of fast fashion, supported by secondary data from fast fashion retail companies’ websites and practitioners’ publications

The questionnaire used in this paper was developed and distributed by hand in the city centre retail sector in Leeds and York in the UK. The researchers used a team of people to carry out the data collection in Summer 2017. Data from the questionnaires were then input into SPSS software and used to analyse the collected data in this research.

### **4. Analysis of results**

After conducting a survey with the general public of retailer’s customers, 111 responded and 104 counted as valid data. This section mainly focused to identify customer satisfaction within the UK fast fashion retail sector, and to emphasise how customers make a decision of purchasing product from certain brand such as price, quality, brand loyalty and latest fashion.

#### 4.1 Survey Findings

Demographic profile of the survey respondents is presented in Table 1, 60.6% male and female 39.4% respondents. Table 1 indicates the highest number of respondents falls in the 20-30 years old category, which is about 52.9 % followed by 41-50 that is around 16.3%. Furthermore, most of respondents are students 51%, employed 27.9%, followed by self-employed 14.4 %.

**Table 1: Survey overview**

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A. Male	63	60.6	60.6	60.6
	B. Female	41	39.4	39.4	100.0
	Total	104	100.0	100.0	

**What is your age?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A. Under 20	11	10.6	10.6	10.6
	B. 20-30	55	52.9	52.9	63.5
	C. 31-40	13	12.5	12.5	76.0
	D. 41-50	17	16.3	16.3	92.3
	E. Over 50	8	7.7	7.7	100.0
	Total	104	100.0	100.0	

**What is your occupation?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A. Student	53	51.0	51.0	51.0
	B. Working	29	27.9	27.9	78.8
	C. Self-employed	15	14.4	14.4	93.3
	D. Retired	7	6.7	6.7	100.0
	Total	104	100.0	100.0	

In order to identify customer satisfaction in the UK fast fashion sector, **Table 2** identifies consumer's income and how they make their purchase decisions, as this could be related to the price and quality. Table 2 shows that 47.1 % of the people responded earn less than £1,000 a month and 19.2% of participants earn more than £2,000 monthly, therefore, the respond slightly differs due to disposable income and ability to spend in fast fashion.

**Table 2: Monthly income**

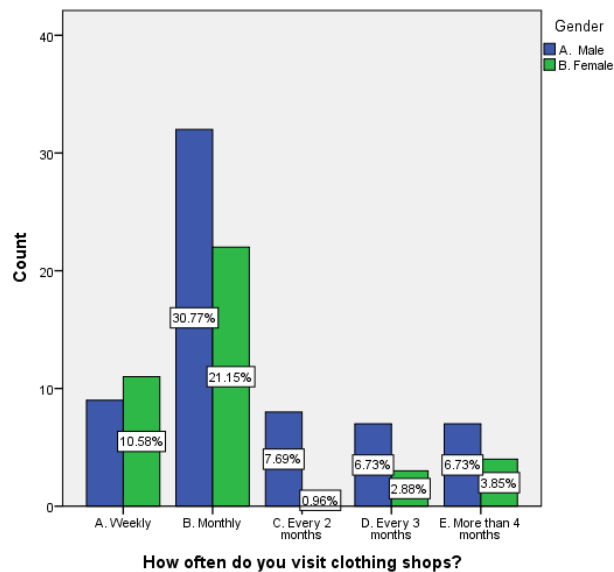
**What is your monthly income?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A. Under £1,000	49	47.1	47.6	47.6
	B. £1,000-£1,499	23	22.1	22.3	69.9
	C. £1500-£1,999	11	10.6	10.7	80.6
	D. More than £2,000	20	19.2	19.4	100.0
	Total	104	99.0	100.0	
Total		104	100.0		

#### 4.2 Purchasing Decisions

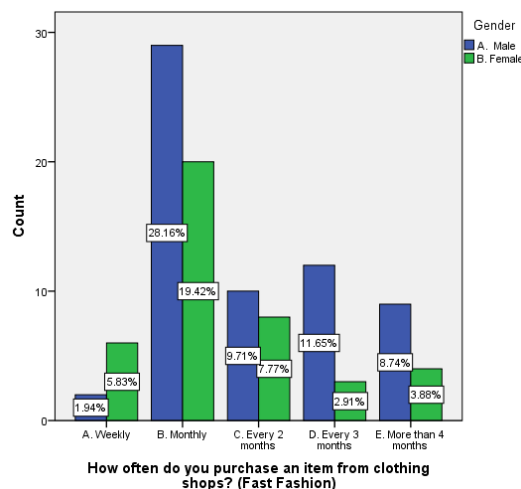
According to Court *et al.* (2009), Consumers purchase decision depends on the marketing strategy as well as the way they research and buy products, for example, three question were designed to identify buying power. As follows.

**Figure 4** indicates the modal attribute of gender and how often they visit for shopping, the results show that 30.77% of monthly visits are from male customers whereas 21.15% female customers.



**Figure 1: Visits frequency**

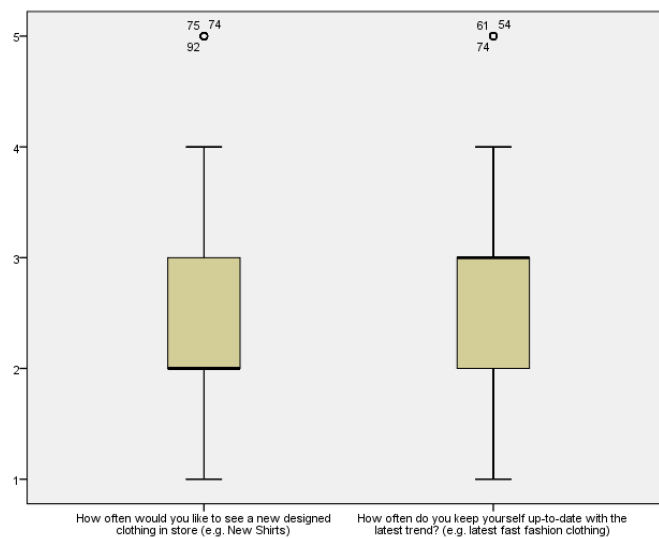
Based on respondents, disposable income, occupation and gender **Figure 2** shows that 28.16% of male and 19.42% female usually purchase a clothing item monthly and about 6% of female are buying an item weekly. This means female customers are more likely to buy an item often compare to male. A quick response and latest fashion are a way of increasing productivity so



that means the retailer should focus more in female fashion rather than male fashion in order to increase sales and compare in the market in terms of productivity and customer satisfaction.

**Figure 2: Purchasing Decision**

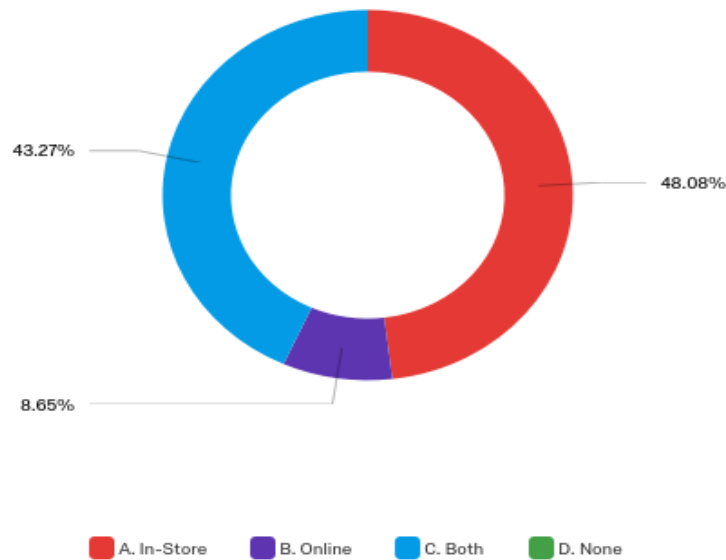
**Figure 3** shows the difference between how consumers would like to see new designs in apparel and how often they keep their self-awareness of latest fashion. Therefore, it shows the length of the box is the range and the bar or dark line at the bottom and top represent the median. However, the line above the box represent the extreme values. The only significant difference is the median due to different response with regards to latest trend for example consumer would like to see a new design clothes weekly, but they are not capable of keeping themselves up-to-date due to being time consuming.



**Figure 3: Significant difference**

For supply chain management strategies, it is important to identify where the consumer buys their products the most including online and stores. **Figure 4** illustrates respondents preferred to buy their products in store 48% and 43% both online and in store.

#	Answer	%	Count
1	A. In-Store	48.08%	50
2	B. Online	8.65%	9
3	C. Both	43.27%	45
4	D. None	0.00%	0
	Total	100%	104



**Figure 4: The majority of purchases**

**Table 3** shows a cross tabulation to identify the feature that attract consumer to make a purchase decision, it depends on the age. Therefore, customers aged 20-30 are making decisions to buy new clothes based on design and style as well as latest fashion trend. Customers aged 50 and over expects a better service from the retailers. Comparing both factors young female and male are potential buyers because they would like to change their fashion quickly, so retailer should implement strategy that to focus on their potential customer.

**Table 3. Cross tabulation age and purchasing decisions**

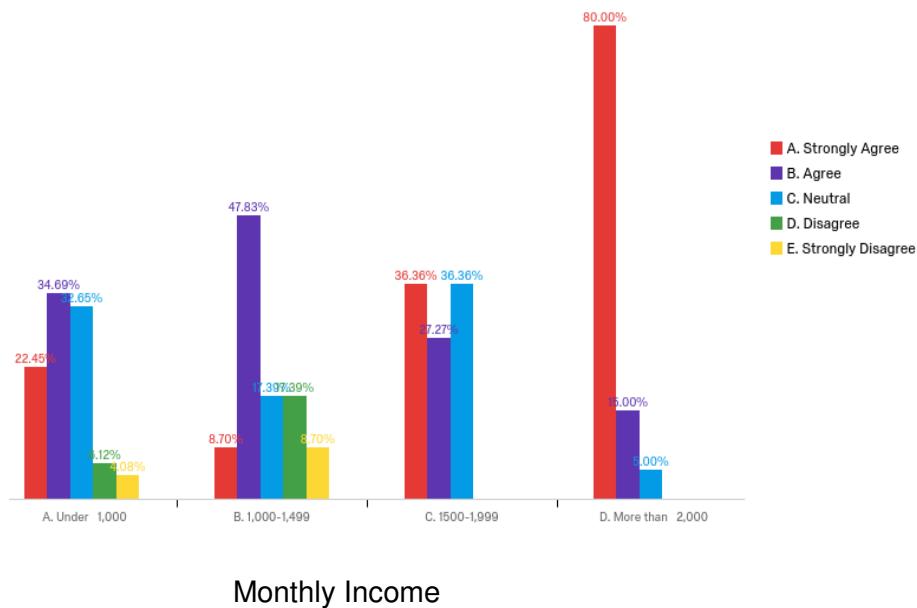
**What is your age \* Please indicate what features attract you the most when you are making a purchase decisions for apparel: Crosstabulation**

Count

		Please indicate what features attract you the most when you are making a purchase decisions for apparel:				Total
		A. Latest Fashion Trend	B. Design and Styles	C. Customer Service	D. Other	
What is your age	A. Under 20	2	8	1	0	11
	B. 20-30	22	31	1	1	55
	C. 31-40	8	2	2	1	13
	D. 41-50	9	3	5	0	17
	E. Over 50	0	1	7	0	8
Total		41	45	16	2	104

According to Sharkey (2014) British women aged 30- 45 spend £1,200 average per month on clothing. **Figure 5** illustrates that customers with higher income willing to pay more in order

to get latest fashionable clothes. Respondents with income more than £2000 a month strongly agreed (80%) to pay more for up-to-date fashion while participant with average income responded neutral (32%).



**Figure 5: Monthly income against pay a higher price for up-to-date fashion items**

Based on primary findings, latest fashion trends is one of the most important factors that needs to be considered by the retailer in order to improve productivity as well as providing good design and styles. Female customers aged 20-30 and with purchasing power lower than £1000 appear to be well catered for. However, customers with higher income are ready to pay higher price for up-to-date fashion items.

Consumers personally would like to visit in store, to look at the latest design, make a purchase; however, they also like to order online. It is important that fast fashion companies develop good supply chain management strategies in order to fulfil consumer needs such as delivery new product in weekly basis and targeting specific consumer.

## 5. Discussion

### 5.1. Research comparison and implications

There are different kinds of supply chain strategies, which are used by companies working in the fast fashion retail sector in the UK. It is one of the fastest growing sectors and hence it is extremely significant for them to be able to cope up with the increasing demand and requirement of the customers in order to compete in the contemporary business environment. For meeting the demands of the customers, it is important to formulate and implement efficient supply chain strategies as well as understanding customer requirement. Therefore, the results show a general understating of how customers make a purchase decision. For example, young people preferred to buy a latest fashion and design rather than better customer service and quality, but it also depends on customer disposable income, such as people with high income prefer a better-quality product and willing to be loyal branded. Some of the UK clothing retailer struggle to cope with fast-paced renewal product where they lose customer to its competitor. According to Daneshkhu and Vandeveld (2016) clothes shopping is decreasing due to

changing customer habits, and people prefers to spend on meals and holidays, they also appear to be switching away from disposable fashion, mainly due to environmental concerns.

However, despite the fact of changing consumer habits it also appears to be how quickly retailer react to provide a fashionable clothing in the UK. As previously discussed that (JIT) approach is one of the key elements to overcome those barriers in order to meet customer demands. Barnes and Lea-Greenwood (2010) pointed that JIT in fast fashion perspective appears to be the delivery of finished goods to meet consumer demand rather than holding costly inventory. Zara's supply chain strategies are likely to work well with the results where 40% of respondents said that they would like to see new item monthly and 23% prefer to see new item weekly. Therefore, the average customer demands to purchase a new designed item is every two weeks, which can be, succeed with good SCM strategies such as quick response.

One of the most used supply chain strategy in the retail fashion sector of UK is to centralise the production of their goods which is widely practised by Zara in order to become more efficient and effective in terms of meeting the demands of the goods (Christopher, 2000). There are various advantages, which are offered to company in terms of efficient production. Another supply chain strategy which is used by most of the fashion retail brands in UK, such as H&M is to keep the production of goods in house which helps them to keep an eye on the production and to make sure that the gap between demand and supply of the products is minimised. However, due to high cost most organisations find difficulty to cope with production in house. According to Isabel *et al.* (2013) and Tang (2006) Zara's parent group Spanish Inditex divides their production into specialised activities, and each activity is located where it can highly contribute to the value of the product (Inditex, 2019).

### ***5.2 Customer satisfaction in fast Fashion retail sector in the UK***

This objective focuses on the impact of supply chain management in terms increasing the productivity and customer satisfaction in the fast fashion retail sector of UK. It is a commonly accepted fact that supply chain management tends to impact the overall performance of an organization. Efficient supply chain management tends to impact the performance of the company and its position in the contemporary business environment (Ahi and Searcy, 2013). Moreover, SCM processes also have an impact on the customer satisfaction, as with efficient procedures the company are able to meet the demands and requirements of the customers in an efficient and effective manner. Based on secondary findings Schlossberg (2016) mentioned that Zara is thriving in the UK apparel industry due to its impressive operating supply chain and managing its inventory so well, creating great value for customers. Therefore, this will build strong capabilities and increase customer satisfaction within the UK apparel industry as well as create competitive advantage.

However, when strategies such as in-house production and agile approach are implemented by a fashion retail company they tend to match the growing demand of their goods with the production in a proficient manner. Furthermore, when the best supply chain strategies are implemented by an organization the resources and inputs are used in an optimal manner, which decreases the cost and increases the profit of the organization. Supply chain management also influences the customer satisfaction because the supply chain process and procedures are designed in an efficient and effective method in order to make sure that the final delivery of goods is ensured. If the SCM processes are carried out and implemented in an efficient way, it fulfils the demands and requirements of the customers, which in turn keep them contented and satisfied.

### ***5.3 Challenges and recommendations***

There are many companies in the fast fashion retail sector in the UK, which have efficiently come up with SCM strategies in order to improve their overall performance and increase their customer satisfaction such companies include: H&M and Zara (Christopher and Lee, 2004).

However, there are some challenges, such as short-lived product and fast disposable items, what would happen to remaining items in M&S clothing inventory could be high due to third party's supplier as they do not own manufacturing facilities, while opposite of Zara's as they manufacture their products as required order and minimising waste. M&S could face those challenges, but this can be tackled via SCM strategies such JIT where they can order required product if they needed more that can be delivered in store quickly.

Furthermore, there is still room for improvement, which can help them with further improvement and efficiency of their performance. With immense growth and increase in the buying power of the consumer, it is important for the fast fashion companies to re-think their supply chain strategies and performance in order to cater the immensely increasing customer base and their demands. This can be done by implementing SCM strategies, such as agile framework and quick response, but this will also require the employer to identify the customer demands by collection information and analysing data in order to increase customer satisfaction and profitability.

The companies should base their supply chain management processes in such a manner that they gain information from the buying trends of the consumers in order to predict the supply of the products in an efficient manner. Moreover, it is recommended that the companies should focus on social media in order to gain information about likes and dislikes of the customers, which further helps them to design their SCM strategies, such that the performance is increased, and customers are satisfied.

## **6. Conclusions**

### ***6.1. Summary of findings***

The findings show that supply chain management is extremely important and significant for the fashion industry in the region of UK as it tends to impact the performance and the overall efficiency of the company. Moreover, different organizations operating in the fast fashion retail sector of UK are striving hard in order to make sure that their cost is minimized, and their profits are increased by timely meeting the demands of the customers.

There are various companies which are focusing on the green supply chain management in order to make sure that they contribute to sustainability of environment and to make sure that they fulfil their environmental duties. Organizations such as Zara and H&M have already been focusing on making sure that their performance is increased and that they are able to maintain a sustainable and secure position in the contemporary market. Zara's business model and SCM strategies are linked together to improve productivity and aiming to provide new product within two weeks in order to compete in the market as well as satisfying customer demand. The primary research indicates that high number of consumer willing to pay more for latest fashion design, so this will allow the organisation to continue develop strategy to offer new product in weekly basis. However, Marks and spencer business strategies are more complex they tend to be customer-focused aiming to identify what the consumer are interested.

Unlike many clothing retailers in the UK, M&S does not have in-house production rather they have different suppliers with which they deal in an efficient way to ensure that they demand of the consumers are met. Therefore, there are some issues with the organisation due to lack of design and production control they might struggle to cope with short-lived product as they won't be efficient as Zara's to deliver product within a week or two. However, this can be developed with strategy to overcome barrier.

### ***6.2. Recommendations for SCM in fashion retail sector in UK***

There are various famous organizations which are a part of the UK fast fashion retail sector and they have a sustainable and secure position in the market as they perform efficiently. Such

companies include Zara, H&M, the Arcadia group and many more, which use efficient supply chain management techniques in order to make sure that their production and other processes are efficient as compared to the competitors in the market. The competition in this sector is intense, which makes it almost necessary for the players in the market to formulate innovative yet efficient supply chain strategies in order to make sure that they are able to increase their performance and to keep their customers satisfied. The respondents selected for the research were customers of the fast fashion retail sector of UK. They indicated that new design and up-to-date fashion are the most important features in current fashion market, so it is important for the organisation to understand consumer behaviours such as providing fashionable clothing within limited time.

However, some of the responses from the top management argued that it is important for the organizations to understand the importance of inspirations such as form of advertising e.g. social media, celebrities and brand loyalty. This will allow the organisation to gain insights about the buying trends in the market, and the buying power of consumers has increased significantly, which means that their demands for fashion products has also increased. Moreover, the current trend shows that people have become much more concerned about the environment and its sustainability, so it is also the responsibility of the organizations to design their supply chain management strategy such that it also complies with the environmental standards. If the organizations will follow with these recommendations, they will be able to maintain a good reputation and position in the market.

While conducting the research there were certain limitations which were faced by the researchers. For example, a small sample size was collected according to the limited resources and time. The geographical boundaries of Leeds and York in the UK also served as a limitation for the study. Irrespective of the limitations, which were faced, still the researcher managed to highlight the significance of SCM strategies with respect to increased performance and customer satisfaction.

For the purpose of future research, there are certain avenues which can be kept in mind. For example, the sample size can be increased for the purpose of conducting the research on a larger scale. Furthermore, it should be noted that the researchers can specify a company for the purpose of analysis and evaluation of its supply chain management. The researchers can use a different research design in order to ensure validity and reliability of the research findings and results. Lastly, the research should emphasize the management point of views with regards to SCM strategies and its impact on customer demands. This can be done via individual managers' interviews and companies' internal profile in order to understand the effectiveness of SCM strategies.

## References

- Agarwal, A., Shankar, R. and Tiwari M.K. (2007). Modeling agility of supply chain, *Industrial Marketing Management*, 36(4), pp. 443–457.
- Ahi, P. and Searcy, C. (2013). A comparative literature analysis of definitions for green and sustainable supply chain management, *Journal of Cleaner Production*, 52, pp. 329-341.
- Barnes, L. and Lea-Greenwood, G. (2006). Fast fashioning the supply chain: shaping the research agenda, *Journal of Fashion Marketing and Management: An International Journal*, 10(3), pp. 259-271.
- Barnes, L. and Lea-Greenwood, G. (2010), Fast fashion in the retail store environment, *International Journal of Retail & Distribution Management*, 38(10), pp. 760-772.
- Bruce, M., Daly, L. and Towers, N. (2004). Lean or agile: A solution for supply chain management in the textiles and clothing industry?, *International Journal of Operations & Production Management*, 24(2), pp. 151-170.
- Burnes, B. and Towers, N. (2016). Consumers, clothing retailers and production planning and control in the smart city, *Production Planning & Control*, 27(6), pp. 490-499.
- Cao, M. and Zhang, Q. (2011). Supply chain collaboration: Impact on collaborative advantage and firm performance, *Journal of Operations Management*, 29(3), pp.163-180.
- Chen, S.N. & Fung, K.O. (2013) Relationship configurations in the apparel supply chain, *Journal of Business & Industrial Marketing*, 28(4), pp. 303-316.
- Christopher, M. (2000). The agile supply chain: competing in volatile markets, *Industrial Marketing Management*, 29(1), pp. 37-44.
- Christopher, M. and Lee, H. (2004). Mitigating supply chain risk through improved confidence. *International Journal of Physical Distribution & Logistics Management*, 34(5), pp. 388-396.
- Christopher, M. and Towill, D. (2001). An Integrated Model for the Design of Agile Supply Chains, *International Journal of Physical Distribution and Logistics Management*, 31(4), pp. 235-246.
- Christopher, M., Lowson, R. and Peck, H. (2004). Creating agile supply chains in the fashion industry, *International Journal of Retail & Distribution Management*, 32(8), pp. 367-376.
- Čiarnienė, R. and Vienažindienė, M. (2014). Agility and Responsiveness Managing Fashion Supply Chain, *Procedia - Social and Behavioral Sciences*, 150, pp.1012 – 1019.
- Court, D. Elzinga, D. Mulder, S. and Vetvik, J. O (2009). The consumer decision journey [online]. Available from: <http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey> [Accessed 25<sup>th</sup> February 2019].

- Daneshkhu, S. and Vandavelde, M. (2016) Clothes buying goes out of fashion in the [online]. Available from: <https://www.ft.com/content/5c274b28-7f3d-11e6-8e50-8ec15fb462f4?mhq5j=e1> [Accessed 25<sup>th</sup> February 2019].
- Diaconu, D.M. and Alpogi, C. (2014). Strengths and Weaknesses of Current Supply Chain Management and Initiatives for the Future, In: *Proceedings of the International Management Conference*, pp. 1165-1172.
- Ellram, M. L. (1991). Supply Chain Management; the Industrial Organization Perspective, *International Journal of Physical Distribution and Logistics Management*, 21(1), pp. 13-22.
- Future Fashion Factory (2019). Available online: <http://futurefashionfactory.org/>
- Fletcher, K. (2008). *Sustainable Fashion & Textiles: Design Journeys*. Oxford: Earthscan.
- Gable, Guy G (1994). Integrating case study and survey research methods: an example in information systems. *European Journal of Information Systems*, 3(2), pp. 112-126.
- Gulyaz, E., van der Veen, J.A., Venugopal, V. and Solaimani, S. (2015). Improving SME Competitiveness Through Lean: Value Creation and Appropriation Perspective. In: *Proceedings of the 26th Annual POMS conference*, Washington DC, pp. 8-11.
- Gunasekaran, A. (1999). Agile manufacturing: A framework for research and development: *International Journal of Production Economics*, 62, pp. 87-105.
- Inditex, (2019). About us [online]. Available at: [https://www.inditex.com/our\\_group](https://www.inditex.com/our_group) [Accessed 25<sup>th</sup> February 2019].
- Isabel, A. Orcao, E. and Pérez, R.D. (2013) Global production chains in the fast fashion sector, transports and logistics: the case of the Spanish retailer Inditex: *Investigaciones Geográficas, Boletín del Instituto de Geografía*, 85, pp. 113-127.
- Joy, A. Sherry, F.J. Alladi, Jr. , Wang, J. & Chan, R. (2012) Fast Fashion, Sustainability, and the Ethical Appeal of Luxury Brands, *Fashion Theory*, 16(3), pp. 273–296.
- Kootanaee, K.A. Babu, K. N. and Talari, H.F. (2013) Just-in-Time Manufacturing System: From Introduction to Implement: *International Journal of Economics, Business and Finance*, 1(2), pp. 07 – 25.
- Kotler, P. and Armstrong, G. (2010). *Principles of Marketing*, New Jersey: Pearson Education Inc.
- Lambert, M. D. and Cooper, C.M. (2000) Issues in Supply Chain Management, *Industrial Marketing Management*, 29(1), pp. 65–83.
- Lejeune, T. (2016). Fast Fashion: Can It Be Sustainable? [online]. Available at: [http://www.huffingtonpost.co.uk/tamsin-lejeune/sustainable-fashion\\_b\\_12136862.html](http://www.huffingtonpost.co.uk/tamsin-lejeune/sustainable-fashion_b_12136862.html) [Accessed 25<sup>th</sup> February 2019].

M&S (2019). Annual Report [online]. Available from: [http://annualreport.marksandspencer.com/M&S\\_AR2017.pdf](http://annualreport.marksandspencer.com/M&S_AR2017.pdf) [Accessed 25<sup>th</sup> February 2019].

Marsillac, E. and Roh, J.J. (2014) Connecting product design, process and supply chain decisions to strengthen global supply chain capabilities. *International Journal of Production Economics*, 147, pp. 317-329.

Perez-Franco, R., Singh, M. and Sheffi, Y. (2010). Expressing a firm's supply chain strategy: a framework and a method. Manuscript draft, Massachusetts Institute of Technology.

Poluha, R.G. (2016). *Strategic Importance of the Supply Chain*. In: *The Quintessence of Supply Chain Management* (pp. 9-54). Springer Berlin Heidelberg.

Raipur, O.I. (2012). Effect of Supply Chain Management on Customer Satisfaction [online]. Available from: <http://opepiimraipur.blogspot.co.uk/2012/08/effect-of-supply-chain-management-on.html> [Accessed 25<sup>th</sup> February 2019].

Raksawong, B.A. (2015). The Effects of Creolisation on Thai Fashion Consumers, Retailers and their Supply Chain (Doctoral dissertation, University of Gloucestershire).

Ross, D.F. (2013). *Competing through supply chain management: creating market-winning strategies through supply chain partnerships*. Springer Science & Business Media.

Sakakibara, S., Flynn, B.B., Schroeder, G.R and Morris, T.W (1997). The Impact of Just-in-Time Manufacturing and Its Infrastructure on Manufacturing Performance, *Management Science*, 43, (9), pp. 1246-1257.

Saunders, M. Lewis, P. & Thornhill, A. (2009). *Research Methods for Business Students*, 5<sup>th</sup> ed. England: Pearson Education Limited.

Schlossberg, M. (2016). While the rest of the industry struggles, this store has created the 'best business model in apparel' — and millennials are flocking to it [online]. Available from: <http://uk.businessinsider.com/why-zara-is-crushing-the-retail-industry-2016-5> [Accessed 25<sup>th</sup> February 2019].

Sharkey, L. (2014) Survey reveals that British women spend more than half a million on clothes, shoes and accessories [online]. Available from: <http://www.independent.co.uk/life-style/fashion/news/the-average-british-woman-spends-500000-on-fashion-over-a-lifetime-9785746.html> [Accessed 25<sup>th</sup> February 2019].

Sharma, K. S. & Bhat, A.(2014), Modelling supply chain agility enablers using ISM, *Journal of Modelling in Management*, 9(2), pp. 200 – 214.

Sher, M. (2016) The Agile Supply Chain Management: What is it and why should you care! Growth [online]. Available at: <https://medium.com/supply-chain-hubspot/the-agile-supply-chain-management-what-is-it-and-why-should-you-care-966ad9829d19> [Accessed 25<sup>th</sup> February 2019].

Solomon, R. M & Rabolt, J.N. (2009). *Consumer Behavior in Fashion*, Michael R. Solomon Fashion Series 2<sup>nd</sup> ed. London: Pearson/Prentice Hall.

Tan, Z.Y. (2016) What Happens When Fashion Becomes Fast, Disposable And Cheap? [online]. Available at: <http://www.npr.org/2016/04/08/473513620/what-happens-when-fashion-becomes-fast-disposable-and-cheap> [Accessed 25<sup>th</sup> February 2019].

Tang, S. T. (2006). Robust strategies for mitigating supply chain disruptions, *International Journal of Logistics Research and Applications*, 9(1), pp. 33-45.

Toivonen, T. (2016) Overview of fashion industry's production networks and possibilities of shorter supply chains: Tampere University of Technology.

Tokatli, N. (2007). Global Sourcing Insights from the Clothing Industry: The Case of Zara, a Fast Fashion Retailer. *Journal of Economic Geography*, 8, 21–38.

Wisner, D.J. (2003). A Structural Equation Model of Supply Chain Management Strategies and Firm Performance, *Journal of Business Logistics*, 24(1), pp 1-26.

Wisner, J.D., Tan, K.C. and Leong, G.K. (2014). *Principles of supply chain management: A balanced approach*. Cengage Learning.

Wyse, E. S. (2011). What is the Difference between Qualitative Research and Quantitative Research? [online]. Available at: <https://www.snapsurveys.com/blog/what-is-the-difference-between-qualitative-research-and-quantitative-research/> [Accessed 25<sup>th</sup> February 2019].