

Need for Supply Chain Collaboration in the Fashion Industry in India

By Ms. Simrit Mann.

The fashion industry in India has undergone a transition in its nature, owing to the continuous government policy restructuring, changing socio-economic scenarios, changing values and lifestyles and implementation of new technologies. One of the significant drivers of the boom in the fashion industry is increased consumerism. With consumerism comes the emergence of brand conscious young consumers who have increased expectations with regards to the variety of products, shopping ambience, global quality standards ...so on and so forth.

Due to the globalized nature of the fashion industry there is increased pressure on the fashion houses with regards to the cost element. Given that the fashion industry is extremely volatile and highly complex in nature, retail supply chain are naturally required to be adaptive and anticipative. Thus supply chain collaboration is viewed as a strategy to ensure efficiency in the competitive fashion industry.

Increasingly fashion brands are following the 'fast fashion' strategy which requires the fashion house and thus the retailers to replenish their stock with new products within a few weeks versus the industry average of 6 months. This has led to the fashion industry being characterized as a time sensitive industry, thereby requiring a supply chain which supports them at an operational level in order to control the cost variables. For example, the total order cycle time refers to the time elapsed in between the receipt of customer orders until the delivery of finished goods to the customer, is considered an important measure as well as a major source of competitive advantage which directly influences the level of customer satisfaction.

One of the main issues faced by many fashion companies is the time it takes to source raw materials, convert them into finished products and move them to the market place on time. This difference between what might be called the logistics pipeline and the customer's order cycle time is termed as the logistics pipeline. In response to this issue, Quick Response

strategy originated in the United States and today is being used as an operations strategy. Quick Response has a number of strategic implications for the supply chain of the organization such as alignment of organizational activity to demand, linkages between demand and supply, demand relationships, resource configuration, time, primacy of information and partnerships and alliances.

Since supply chain collaboration is seen as a factor for successful fashion supply chains, collaboration is often positively correlated with the overall organizational performance. Given that the fashion industry is characterized as being dynamic and volatile, logistics alliance can help the fashion brands to be more responsive. Thus there exists an urgent need for further research to be conducted on the benefit and barriers that exist in forming such a logistics alliance in the fashion industry.