Evaluating fast fashion: Fast Fashion and Consumer Behaviour

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Abstract - Fast fashion is a retail strategy where retailers adopt marketing approaches to respond to the latest fashion trends by frequently updating products with short renewal cycles and turning the inventory at a rapid rate. Along with short renewal cycles, fast fashion retailers stock limited quantities of products per style and deliberately manipulate merchandise on the retail floor. They are also known to adopt shorter, more flexible supply chains such as quick response, just-in-time, and agile supply chains. Fast fashion retailers like Zara, H&M, and Forever 21 in recent years have taken the fashion industry by storm. This chapter provides an overview of the fast fashion industry, examining both the micro and macro perspective of this fast rising phenomenon. At the micro level, the chapter examines fast fashion and its effect on consumer, supply chain, and retail environment. At a macro level, the chapter examines the influence of the throwaway culture on environment and society as a whole.

1. Introduction – The Rise of Fast Fashion

Historically, the typical life cycle for a fashion brand has consisted of four stages including introduction and adoption of style by fashion leaders, growth and increased public acceptance, mass conformity, and finally the decline and obsolescence of the fashion. The fashion forecast during this time was primarily dominated by fashion shows and trade shows. Traditional apparel retailers used their capability to forecast consumer demand and fashion trends long before the actual time of consumption (Bhardwaj and Fairhurst, 2010). In order to compete, fashion retailers relied heavily on future trends instead of using real-time data to assess the needs and wants of the consumers. Towards the end of the 1980s, the fashion industry became dominated by several large retailers, intensifying market competition (Barnes and Lea-Greenwood, 2006). In order to survive, fashion retailers changed from product-driven to buyer-driven distribution channels, developed alliances with suppliers from different countries and placed greater emphasis on brand management. The product driven strategies emphasized on forecast driven supply chains (i.e., relying on forecasted future trends instead of using real-time data to access consumers' needs and wants) and low cost mass production of standardized styles that did not change frequently due to design restrictions of the factories. Product driven strategies, prevalent until 1980's, focused more on consumer demands that were less sensitive toward style and fashion, and focused more on basic apparel, for example, Levis 501 jeans and man's white shirt.

On the other hand, buyer driven strategies focused more on satisfying consumers' demand for fashion clothing due to changing lifestyles. Started in 1990s, buyer driven strategies were driven by outsourced manufacturing. Retailers following this strategy were focused on expanding product ranges with updated products and faster responsiveness to the 'newness' of the fashion trends. They tend to provide 'refreshing' products instead of only cost efficiencies for

manufacturing. These strategic changes led to a rise in outsourced manufacturing, resulting in low labor costs and other substantial cost savings. However, this model of product development was protracted; it was typically 18 months before a product was actually sold on the retail floor (Jackson, 2001). By this time, the fashion itself was waning. Outsourcing complicated supply chain management due to challenges produced by geographic dispersion of supply chain partners, inconsistency in delivery times, ineffective communication, forced mark downs, and decreased profitability. For example, Marks & Spencer in 1998/1999 predicted grey as the color of the season one full year in advance and, upon product failure, was not in the position to replace its stock with alternatives, thus leading to major losses for the company due to the excess inventory that could not be moved (Harle *et al*., 2002; BBC, 2008).

The fashion apparel industry evolved significantly in the late 1990's. Industry expansion and intense competition led to a decline in mass production, an increase in the number of fashion seasons, and modified structural characteristics in the supply chain. Further, fashion shows and catwalks became a public phenomenon, resulting in greater fashion awareness among consumers. As fashion-conscious consumers were exposed to exclusive designs and styles inspired from runways, they became far more fashion-savvy and demanding (Sydney, 2008). Socio-cultural factors also created a faster pace of living. Consumer needs and wants were changing at a much more rapid pace as women revised their wardrobes more often than in the past. Popular culture also played an important role in shaping fashion trends and the rise of fast-fashion. Just as music, film, television and other media were exerting greater influence on consumers, fashion trends were also affected. The fashion industry was impacted by cultural expression on the street, in clubs, and in other popular social settings. These socio-cultural phenomena led to the rise of fast fashion where some high fashion retailers compressed their lead times to satisfy market demand by having

the right product in the right place at the right time. Fast fashion is a retail strategy where retailers adopt marketing approaches to respond to the latest fashion trends by frequently updating products with short renewal cycles and turning the inventory at a rapid rate. Along with short renewal cycles, fast fashion retailers stock limited quantities of products per style and deliberately manipulate merchandise on the retail floor. They are also known to adopt shorter, more flexible supply chains such as quick response, just-in-time, and agile supply chains.

Fast fashion originated in the United Kingdom. UK retailers such as New Look and George were facing severe challenges by outsourcing of merchandise from the Far East (Hines and Bruce, 2001). The challenges faced by these retailers forced them to introduce practices such as just-in-time (JIT), computer integrated manufacturing (CIM), and total quality management (TQM) in manufacturing as well as placing more emphasis on shorter merchandise lines and quick response in the market (Bruce *et al.*, 2004). These changes led to increased success for these retailers and the rise of the fast fashion industry. Today, successful fast fashion retailers like Zara, H&M, and Forever 21 have taken the fashion industry by storm. In 2012, Zara, a Spanish-based fashion retailer, sales increased by 18 percent. Some of the milestones of Zara's growing empire include 1925 retail venues in 86 markets, online operations in 21 countries which included the launch of an e-commerce platform across high-potential markets such as China, Russia, and Canada (Joy *et al.*, 2012). Table 1 compares some key characteristics of fast fashion that have made these brands successful and further compares them to the characteristics of a conventional retailer.

Table 1. Characteristics of Fast Fashion Retailer vs. Conventional Retailer

Fast Fashion	Conventional
Develop designs in-house	Develop a mix of designer and in-house brands
Most manufacturers own products	Most manufacturers outsource manufacturing
Centralized distribution	Regional distribution
Coordinate shipping 24-48 hours	Longer lead times
Small batch production	Large batch production
New products twice per week	6 collections per year
Vary prices by location by country	Standardized pricing
Communication upward from stores = Pull System	Communication from corporate = Push System
Avoid markdowns on leftovers	Heavy markdowns throughout season, with 40-50% off
Maintain high profit margins	Lower profit margins than anticipated
Customer identifies brand with store	Just one of many brands
Very little advertising	Heavy advertising
Few or no sales on internet	Heavy use of internet for sales

Source: Mihm (2010)

2. Overview of fast fashion industry- The micro perspective

Fast fashion is often referred to as "McFashion," because of the speed with which gratification is provided. With fast fashion, new styles swiftly supersede the old, thus constantly defining the desires and notions of self. Consumers come browsing the fast fashion stores almost every week looking for new styles. "Multiple selves in evolution" is central to the young generation which these fast fashion brands are able to satisfy very successfully. Fast fashion consumers are typically between 15 and 29 years of age. These young consumers have significant disposable income (or, alternatively, the availability of credit) that allows them to buy fast fashion frequently. Fast-fashion marketers target this segment by offering the latest designs and the immediate gratification of the continually evolving temporary identities (Bauman, 2005; Martin and Bush, 2000). Temporary identity is a postmodern phenomenon where the individual cannot keep his/her identity's shape or stay on course for long. The identity keeps changing with

the fast paced lifestyle. In the context of fashion, with new styles superseding the old ones, there is a constant change in one's notion of self thus leading to a temporary identity.

2.1. Fast fashion and the supply chain

Fast fashion retailers reproduce designs from catwalk to stores in the short run to capture current trends in the market. Unlike conventional brands, they are extremely malleable. For example, fast fashion brands often dye their garments after they are constructed thus allowing them to produce the bestselling colors quickly as compared to their conventional competitors. These retailers are often associated with disposable fashion because they are able to deliver designer products to a mass market at a relatively low price, though the garments often do not survive more than a limited number of wearings. One of the important characteristics of these fast-fashion retailers is that they are known to adopt an agile supply chain (Christopher *et al.*, 2004) to their business model that enhance their responsiveness to changing market trends.

While traditional fashion buyers utilized a fixed calendar of trade fairs, fashion shows, fabric and other events, organized around a two-season approach, the agile supply chain as adopted by fast fashion retailers allows for as many as 20 seasons per year. Fast fashion, accordingly, can respond very quickly to emerging trends and changing demands of fashion consumers. Agile supply chains, unlike conventional supply chains, are shorter and demand-driven. Further, agile supply chains are information-based, as opposed to inventory-based (Christopher, 2000). These key distinctions of an agile supply chain help fast fashion retailers to compete successfully in a fashion market which is considered very volatile and difficult to predict. Agile supply chain is also known to have the following characteristics (Harrison *et al.*, 1999):

- market sensitive –closely connected to end-user trends

- virtual – reliant upon shared information across all supply chain partners

- network-based – gaining flexibility through utilization of the strengths of specialist players

- process aligned – possessing a high degree of process interconnectivity between the network members

2.2. Fast fashion and the retail environment

The retail environment encompasses a number of physical elements - fascia, overall store design, window display, layout, fixtures and fittings, decorations, and signage - that encompass both tangible and intangible attributes (McGoldrick, 2002; Varley and Raffiq, 2004). All these attributes contribute to the overall in-store communication of the product or the retailer in the process of enhancing consumer intentions to purchase. Fast-fashion has given a huge importance to agile supply chains; however, their retail environment as noted by both researchers and industry experts is still considered unresponsive and inflexible. On average, new merchandise is delivered two to three times every week at fast fashion retail stores. Due to the high frequency of deliveries and the volume of merchandise, store managers find it challenging to get the new fast fashion merchandise onto the shop floor. Sales staff often have poor knowledge of the featured garments and are puzzled when consumers come asking for styles that they have seen on TV or magazine.

Further, window displays fail to reflect the fast fashion concept. Most fast fashion retailers have a centralized structure which means there is little flexibility for stores to react to the local changes in the consumer demand driven by fast fashion (Barnes and Lea-Greenwood, 2010). Window displays are considered a key mode of communicating fashion message to target consumers and an initial point of contact; however, the constraints of a centralized structure

hinder efficient communication of the fast fashion concept to the consumer. Window displays of prominent fast fashion brands fail to be as responsive to local consumer demands as their supply chains. Most stores simply do not have enough resources to update the window displays and hence are unable to cope up with the unpredictable nature of fast fashion and tend to rely more on the planned core fashion stories when displaying their windows. Thus, window displays and store communications may fail to keep the same pace with which fast fashion is developed and delivered.

However, irrespective of the different challenges faced by fast fashion brands on the retail floor, they are quite successful in communicating a sense of urgency to their consumers through signage and displays (Barnes and Lea-Greenwood, 2010). Signage like "get it before it goes," "featured in Grazia," or "as seen in Glamour" support the fast fashion concept and aids the consumer in buying into the look by making it more accessible. Moreover, fast fashion stores are known to create a sense of scarcity through their displays. There is a sense of tantalizing exclusivity, since only a few items are on display even though stores are spacious (for example, the average size of Zara store is 1000 square meters). Thus, in a typical fast fashion store, customers can always find new products – but they are available only in limited quantity and for a limited time. A customer thinks, "this green shirt fits me but there is only one on the rack. If I don't buy it now, someone else will, and I will lose my chance" thus creating a notion of "buy it today else it will be gone tomorrow." By strategically using signage and displays, fast fashion retailers are able to create a sense of urgency, immediacy, and exclusivity – all representative of the fast fashion concept.

3. Overview of the fast fashion industry - The macro perspective

Fast fashion retailers, by introducing new merchandise almost weekly and deliberately manipulating the supply of merchandise, treat fashion like food that spoils quickly or as has been said in the popular press, "fast fashion retailers treat fashion as produce." The relatively low prices and the manipulated scarcity of items make these "must have" goods among young, predominantly female consumers, despite the fact that fast fashion garments are expected to be worn fewer than ten times (Birtwhistle and Moore, 2007). Any industry based on a throwaway culture is bound to generate environmental and social concerns. For example, fast fashion develops synthetic fibers which use hazardous chemicals that endanger both employees and the environment. Further, fast fashion brands like Forever 21 are known to pay workers less than minimum wage, with no benefits or overtime pay in its Los Angeles factory, where it produces 40% of its merchandise (Lynch, 2009). The below sections highlight how production, maintenance, and disposal of fast fashion have created environmental and social concerns.

3.1. Production

Textile production requires high resource levels. For example, cotton, found in most clothing, is the most pesticide-dependent crop in the world, using approximately 25% of the world's insecticides. The five percent of cotton-bearing land in India uses 55% of all pesticides in India. The average cotton t-shirt requires 1/3 pound of pesticide (Kennedy, 2016).

Problems associated with textile production have been noted for some time. For example, water usage by the textile mills industry in the US is estimated to have been about 135 billion gallons (O Ecotextiles, 2010). While this was only about 1% of industrial water usage at the time, most of it occurred in four states in the Southeast where the textile industry was concentrated. Given the decline in the US textile industry and improved efficiency in water use (for example, Australia, which has the most efficient cotton industry in the world, has doubled its

water efficiency usage in the last 25 years), it can be expected that textile-related water usage in the US has decreased over the period of time. However, water usage by the textile industry has no doubt increased in the developing world. For example, textile factories in in the developing world use 1.5 billion cubic meters of fresh water each year (Pensupa *et al*., 2017).

Synthetic fibers are developed within factories and do not require water to grow the textile, but the production processes endanger workers and the environment through the use of hazardous chemicals (Lynch, 2009). All textiles create environmental issues during their production process, but the issues are exacerbated when synthetic fibers are involved. Almost all dyes, specialty chemicals, and finishing chemicals are applied to textiles in water baths. The various fabric preparation processes (desizing, scouring, bleaching, and mercerizing) use water and most processes are followed by a thorough washing to remove the chemicals before the next step. Eventually the water used is returned to the ecosystem, usually without any attempt to remove the chemicals used the milling processes. Groundwater is polluted and the health of those who use water downstream are put at increased risk due to the dyestuff, solubalisers and dispersants, leveling agents, soaping and dyeing agents, finishing chemicals, cationic and nonionic softeners, and a few other assorted chemicals in the effluent (O Ecotextiles, 2010).

3.2. Maintenance

Clothes once bought, need also to be maintained; for example, they require dry cleaning or tumble drying. Dry cleaning involves the use of the toxic chemical known as perc, which has been linked to reproductive problems, including miscarriage and male infertility, as well as disorders of the central nervous system (MacEachern, 2008, pp. 241). Tumble drying of clothing accounts for 60% of the use phase energy. It is estimated (Fletcher, 2008, pp. 81) that eliminating

tumble drying and ironing, in combination with a lower washing temperature, would lead to about a 50% energy reduction related to the product.

3.3. Disposal

The US is a throw-away society, and much of what is disposed of is clothing. The planned obsolescence nature of fast fashion further encourages this throw-away culture. Hawley (2006) reported that Americans discard an estimated 68 pounds of clothing a year, with about 1/7 of that being recycled or reused. Most textiles ending up in landfills could have been recycled. Recycling means that the clothing will receive increased use, and will not do damage while underground. However, fast fashion mostly uses synthetic materials that do not decompose. Also, clothes made from natural materials like wool decompose but produce methane, thus contributing to the global warming.

Many consumers also give their clothing to charity stores like Goodwill, Salvation Army, and Oxfam. These stores are able to sort the donations and sell about half of the items they receive at their recycling sites, with the remainder sold to textile dealers and brokers (rag dealers) after baling it. The global recycling industry consists of approximately 3000 businesses that are able to divert over 1.25 million tons of post-consumer textile waste annually (Kennedy, 2016). Sorted garments are compressed into bales of 50 kg, whereas unsorted secondhand clothes can be compressed into bales of 500 to 1000 kg. The better graded used clothing is exported to Central America and the lower graded clothing is shipped to Africa and Asia. On the other hand, most of the recycled clothing from Europe goes to Russia or Eastern Europe. The world's largest importers of used clothing are sub-Saharan countries, receiving over 25% of global secondhand exports. And the volume consists disproportionately of used women's clothing (at least seven times of that of men's). Thus, in street markets in Tanzania, men's clothing costs four to five

times as much as women's. A possible byproduct of these imported cheap clothes is the harm being done to emerging textile industries in developing countries from the cheap competition.

Recognizing the importance of reducing the volume of textile waste sent to landfills, many brands including fast fashion brands have created different programs to raise awareness of textile recycling. For example, Marks & Spencer created a partnership with Oxfam, where for every bag of unwanted Marks & Spencer clothing donated to charity, the consumer receives a £ 5 voucher redeemable against purchases at Marks & Spencer over £ 35 (Marks and Spencer, 2008). Fast fashion brands are also creating public awareness about textile/clothing recovery. For example, H&M has started a famous awareness campaign "garment collecting program," where they ask consumers to bring their old clothing to the local H&M stores which can be further used for various purposes. Some of the purposes include reselling, cleaning rags for the oil or manufacturing companies, selling to 'flocking' firms, where items are shredded for fillers in car insulation, roofing felts, and furniture padding or converting materials like linen, cotton, and viscose into paper pulps. Besides constructive actions taken by brands, these issues have become an important focus for governments worldwide. For example, in the UK the government has implemented effective regional waste strategies. Traditionally, the UK relied on landfills for waste disposal, which created various environmental concerns. As a result, a Landfill Tax was legislated (Keynote, 2007). The government has also started various programs to educate consumers how to minimize their household waste (Waste Aware Scotland, 2007).

These practices have been successful in not only creating mass awareness but also in facilitating efficient waste management. Consumers are becoming well aware of the various unethical issues associated with fast fashion brands (Ertekin and Atik, 2015). They have started demanding more information about sourcing and manufacturing, thus making fast fashion

companies' conscious of their unethical behaviors. Due to these awareness campaigns, some consumers are focusing more on quality and wearing styles rather than purchasing low quality current fashions every week. 'Slow fashion' instead of fast fashion is becoming the new concept where consumers focus on buying high quality styles that can be worn over various seasons.

Given the ubiquitous desire for an attractive appearance, the aesthetics and cheap prices offered by the fast fashion industry may keep the industry viable despite its associated serious environmental and social concerns. This chapter intends to provide an understanding of the fast fashion industry by examining both the micro and the macro perspectives. At a micro level, fast fashion by introducing new merchandise almost weekly give consumers freedom to express themselves. However, when examining fast fashion at the macro level, both industry and consumers need to understand that if fashion consumption keeps increasing, the impacts on the social and ecological environments will pose a threat to the quality of life of future generations. Thus, for fast fashion to succeed in the long term, there is a necessity to develop and market sustainable alternatives.

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