Turun yliopisto
University of Turku

AGILITY IN INTERNATIONAL FAST FASHION RETAILING

Master´s Thesis
in International Business

Author:
Raisa Räisänen 415698

Supervisors:
D.Sc. Niina Nummela
M.Sc. Anna Karhu

14.5.2013
Turku

Table of contents

List of figures

List of tables

1   INTRODUCTION

"It's a new era in fashion - there are no rules. It's all about the individual and personal style, wearing high-end, low-end, classic labels, and up-and-coming designers all together."

— Alexander McQueen [1]

1.1   The postmodern era of fashion

Reinach (2005, 47) defines that a new fashion culture has appeared in 21st century, which she calls the postmodern era of fashion. This new culture has emerged from globalization of trends and production, and includes quick and easy fast fashion brands that are capable of answering the needs of a consumer. Fast fashion can be described as a business strategy which aims to *shorten the lead times and reduce the processes involved in the buying cycle,* in order to satisfy consumer demand at its peak and for getting the new fashion product into the stores rapidly. Fast fashion has been acknowledged in fashion press and within the industry as being a key strategy for success for modern fashion retailers. (Barnes & Lea-Greenwood 2006, 259.) In the light of this new phenomenon, this study will focus on the two different aspects of fast fashion retailing: distribution and communication channels, which are closely connected to lead times and buying cycles of fashion apparel.

The dynamic environment of fast fashion has imposed a challenge for retailers. They have had to adapt quick response strategies to manage the fast fashion cycle and review the supply base to meet the cost and time demands for fast fashion. (Bruce & Daly 2004, 340.) The example of the changing fashion environment is the increased number of phases (3-5 phases), within sale periods, the Spring/Summer and the Autumn/Winter seasons. On average, these phases last from 8 to 12 weeks. This trend towards multiple phases is changing the traditional "two fashion seasons per year" –approach, which affects the retailer-supplier relationships. (Tyler, Heely & Bhamra 2006, 320.) Unstable and altering markets have become the standard in the fashion industry, as the life cycles

---

[1] McQueen (1970-2010) was a British fashion designer, famous for his controversial work in Givenchy and Gucci Group. He was awarded the coveted Designer of the Year Award at the British Fashion Awards four times. (Milligan 2011.)

of fashion items get shorter and global economic changes create additional insecurity. (Christopher 2000, 37.)

In the point of view of fashion studies, production, distribution and consumption are closely related. These objects form a system that is not only economic, but also cultural; how we dress is a method of communication and expression of our identity. (Reinach 2005, 49.) Retailers like Zara and H&M have become well known for adopting a strategy of constantly renewing their product ranges with fashion-led styles, which attract their customers into their stores frequently (Barnes & Lea-Greenwood 2006, 259). Fast fashion items are purchased regularly, and often the items are worn only for one or two seasons. For that reason, consumers expect to find fast fashion items at reasonable price and do not view clothing as an investment. The case is very different with designer items that consumers do view as fashion investments. (Mihm 2010, 56.)

Christopher, Lowson and Peck (2004, 367-368) have defined fast fashion markets typically exhibiting four characteristics: short life cycles, high volatility, low predictability and high impulse purchasing. Firstly, when it comes to *short life cycles,* the products are designed to capture the mood of the moment and are thus often short-lived. Usually the time period, in which they will be saleable, is very short and seasonal and measured in months or even in weeks. (Christopher et al. 2004, 368.) Secondly, *high volatility* stands for that the demand for fast fashion products is rarely stable. Weather, films, or even pop stars may influence it (Christopher et al. 2004, 368.). Dymond (2007), gives a good example on how demand for fast fashion products can be born: "When Spain's Crown Prince Felipe and Letizia Ortiz Rocasolano announced their engagement in 2003, the bride-to-be wore a stylish white pant suit. Within a few weeks, hundreds of European women were wearing something similar. All thanks to Zara, the pioneer of fast fashion."

Thirdly, when it comes to *low predictability,* it is extremely difficult to forecast with any accuracy the total demand of a fast fashion product within a period, let alone week-by-week or item-by-item demand (Christopher et al. 2004, 368). However, the products should enter the markets at the right time, place and price in order to satisfy the real-time consumer demands (Perry & Sohal 2000, 638). Finally, *high impulse purchasing* stands for the fact that many buying decisions are made at the point of purchase. In other words, when the shopper is confronted with the product that she finds attractive, she will buy it even though there is no critical need for it. (Christopher et al. 2004, 368.) According to Siegle (2011, 21) if a shopper hesitates at the point of the purchase, she

will probably miss her change to buy the product. The fast fashion phenomenon has created a huge hunger within the consumer: "if you pause for thought, the opportunity, to bag that is an affordable version of a catwalk sensation, will be snatched from you forever. (Siegle 2011, 21.)"

In addition, there has been a significant change in the geography of fashion industry since the year 1990. Especially fast fashion retailers are using manufacturers close to their own home markets, to ensure the rapid flows of selling items into their stores. In the past, outsourcing in low-cost labor countries was popular, nowadays it is more important to focus on manufacturers that are flexible and willing to produce quickly small collections. This has resulted, in some cases, in ordering products from Turkey, Morocco and Far East where the production costs might be higher than in China, but the production is extremely fast. (Tokatli & Kizilgün 2009, 146.) The international fashion markets are currently synonymous with rapid change and short life cycles; and as a result, commercial success is largely determined by the organization's flexibility and responsiveness. Responsiveness is characterized by short time-to-market, the rapid incorporation of consumer preferences into a product and the ability to make quick changes in the orders. (Christopher et al. 2004, 367.)

One of the reasons for increased competition between fashion retailers is due to the changes in customer expectations about products both domestically and globally. Additionally, during the first decade of 21st century, the worsening economics forced retailers to rethink their operations. In order to respond to customer expectations and changed economic situation, the retailers are creating value and competitive advantage by providing goods and services through traditional and nontraditional retailing channels. (Ganesan, George, Jap, Palmatier & Weitz 2009, 84, Berry, Bolton, Bridges, Meyer, Parasuraman & Seiders 2010, 155.) A variety of definitions exist for term "retailing channel". Stone, Hobbs and Khaleeli (2002, 40) divide channels to distribution and communication channels. The distribution channels are used to deliver the products and services from suppliers to customers and furthermore, to complete transactions (Berry et al 2010, 155, Stone et al. 2002, 40). On the other hand, the communication channels are used before, during and after distribution (Neslin, Grewal, Leghorn, Shankar, Teerling, Thomas & Verhoef 2006, 96, Stone et al. 2002, 40). Furthermore, the communication channels can be seen as ways to build customer relationships, engage marketing communication and help consumers with their buying choices (Slack, Rowley & Cloes 2008, 48). Selling through multiple channels, also

known as multichannel retailing, is a business strategy where the retailer aims to sell its products or services to consumers through more than one channel (Zhang, Farris, Irvin, Kushwaha, Steenburgh & Weitz 2010, 168).

In the past years there have been many developments that have been influential to fast fashion retailing, but according to Molenaar (2012, XV) the most important development has definitely been the utilization and acknowledgement of the Internet. To a large extent, the rapid growth of Internet, as a new channel for retailers, has challenged the traditional intermediary, given consumers the ability to choose from multiple channels and contributed to the birth of integrated multichannel retailing (Black, Lockett, Ennew, Winklhofer & McKechnie 2002, 161, Zhang et al. 2010, 169). Integrated multichannel retailing means that companies are helping customers to examine the product or service in one channel, buy them at another channel and pick them up in third channel in such a way that they get a seamless experience when they switch channels during their interaction with the retailer (Berman & Thelen 2004, 147, Goersch 2002, 749). From the point of view of the retailers the Internet has reduced barriers to entry in retailing and more specific in multichannel retailing (Dholakia, Zhao & Dholakia 2005, 63).

Based on above, it can be argued that the postmodern era of fashion consists of volatile and competitive markets where fashion retailers are providing their products and services through multiple retailing channels nationally and globally. Furthermore, in order to respond to customers' demand even faster, the fashion companies are moving their production closer to home markets, and are rethinking their operations, production and distribution.

1.2   From electronic commerce towards retail agility

The Internet connects its users beyond national borders. Similarly, electronic commerce (e-commerce) connects business related activities electronically, nationally and globally. E-commerce can be defined as "doing business both in business-to-business and business-to-consumer dimensions on the Internet" (Karagozoglu & Lindell 2004, 290). E-commerce has existed in the business-to-business (B2B) marketplace since the 1970s, in forms of electronic data interchange (EDI) and electronic funds transfer (EFT) (Wang, Head & Archer 2000, 374). However, due to the wide expansion of the Internet, and its users, the business to consumers (B2C) has started to flourish and in that sense e-

commerce has entered a new time and place (Bhatt & Emdad 2001, 78, Wang et al. 2000, 374).

Even though there has been a significant change in how we consume fashion, the rapid development of emerging Internet technologies that allow social networking, have affected consumers' ability to buy and compare products online (Schipul 2006, 23). The term "Web 2.0" means that the Internet and online shopping are moving towards more social networking, where potential customers can add and edit website content and that the information flow between consumers and retailer is both up and downstream (Schipul 2006, 23, Griffiths & Howards 2008, 72). Moreover, Lehdonvirta (2009, 54-56) states that new technologies and new ways of designing online services have led to a situation where the customers are involved in producing web-page content. Technologies and design techniques such as blogs, tags, social networking and web applications (Facebook, YouTube, MySpace, Wikipedia), have changed Internet users from passive consumers to active producer-consumers. The consumer is more powerful, prices are more competitive and electronic intermediaries are playing a significant role in retailing and, at the same time, the consumers are valuing usefulness, accessibility and instant communication (Doherty & Ellis-Chadwick 2010, 943, Griffiths & Howards 2008, 72).

Molenaar (2010, 120) divides the development of e-commerce into two phases: the pre-Internet phase from 1990-2008 and the Internet phase, which started in 2008. The pre-Internet phase symbolizes a change in the buying behavior: consumers could buy their goods whenever they wanted and they enjoyed the accessibility of home delivery. The Internet phase is leading to a structural change in the customer buying process: "The product can be offered digitally, the buying process can be digitalized and the medium can support specialist products and services (Molenaar 2010, 121-122)." According to Organization for Economic Co-operation and Development's statistics (OECD 2001, 7) e-commerce was one percent of all retail sales in the USA in 2000 and its value was 8,75 billion USD. In addition, the study at European e-commerce in 1999, OECD found out that the value of online apparel sales was less than 200 million euros and online penetration of apparel industry was less than one percent.

In contrast, according to U.S. Department of Commerce (2009, 3) in 2009 the US retail e-commerce sales reached 145 billion dollars. Furthermore, retail e-commerce in the USA increased at an average annual growth rate of 18.1 percent and e-commerce sales were 4.0 percent of total retail sales. According to the Wall Street Journal (2011),

the "Clothes and Sports Goods" –category was the most popular B2C e-commerce group in 2010 in Europe. Moreover, the report predicts that the amount of online shoppers in Europe will be over 200 million by the year 2015.

Even though there can be seen a tremendous growth in e-commerce, the Internet is not a separate channel to do shopping; instead it has become a vital part of consumer behavior and more of a facilitating technology (Molenaar 2010, 54-56, Zhang et al. 2010, 169). Consumers are using multiple channels to gather information: mostly the information is first gathered on the Internet and thereafter the consumer decides either to do the purchase online or in the actual store. In other words, today's consumers are really streetwise using multiple channels. (Slack et al. 2007, 46.) Madlberger (2006, 29) says that in order to accommodate consumers' preferences and buying behavior, the retailers should take advantage of the synergies that the multichannel retailing can offer.

What we see today may be the beginning of the new way of doing fashion retailing. The academic and industry specific literature uses new concepts such as multichannel integration, integrated multichannel retailing, digital retailing, omni-channel retailing and agile commerce (Stone et al. 2002, 40, Ganesh 2004, 142, Zhang et al. 2010, 169, Rigby 2011, 65-67, Walker 2011). Despite of the different terms, all the concepts contain the idea of retailers interacting with customers through multiple communication channels. These channels represent the places where the products and services are purchased or sold, such as websites, physical stores, kiosks, direct mail and catalogs, call centers, social media, mobile devices, gaming consoles, televisions, networked appliances and home services. According to Kamel & Kay (2001, 3) the core of future retailing is to serve the customer however, whenever and wherever they wish to purchase the goods. The retailers must be able to fulfill customers' orders quickly, exactly and efficiently no matter what channel the consumer is using or where the consumer is located. In addition, Walker (2011) states that "the customer is now at the center, and delivering relevant content, commerce and service are the keys to delivering on the new reality."

As discussed above, multichannel integration and agility in fashion retailing are rather young and new concepts, both in practice and research. The birth of new fashion culture in the 21st century, the development of fast fashion, Internet technologies, e-commerce and multiple retailing channels are good examples on the changes that the fashion industry has been going through the last decade. Given these different changes and opinions on the future of retailing, one could argue that the retailing industry is

going through massive changes and developments, now and in the future, in order to respond to the consumers' altering demands.

1.3   The key concepts of the study

In order to clarify the essential vocabulary and terminology, the key concepts regarding this thesis are presented below. First and foremost, what do we mean exactly when we are talking about *retailing?* According to Ganesh (2004, 140), one way of defining retailing, is to see the concept as "the delivery of goods and services demanded by consumers at the right time, price and place." Even tough there are variety of approaches to retailing, we could summarize that in general *fashion retailing* is a process of selling goods and services to ultimate consumers. This process includes all the business activities, such as distribution and marketing, which are involved in selling goods and services to the final consumers. Electronic or online retailing, *e-tailing,* is the retailing process where the selling takes place on the Internet (Charlesworth 2007, 107). Mobile commerce refers to shopping that is done on the Internet by a *mobile device*, such as cell phone, personal digital assistants or other handheld computers (iPads etc.). Mobile devices are providing consumers with commercial services on the go with 'anytime-anywhere' access (Khansa et al. 2012, 19). Moreover, *multichannel retailing* is a business strategy where the retailer aims to sell products or services to consumers through more than one channel (Zhang et al. 2010, 168, Berman & Thelen 2004, 147).

Since the point of departure of this study is on the fashion industry, we could define *multichannel apparel retailing* as a process that includes all the business activities from manufacturing, distribution and selling of the *apparel,* clothing, in multiple, different selling channels, to the final consumer. This study has the focus on *multichannel fashion retailers,* who get their revenues from multiple different retailing channels (Zhang et al. 2010, 168). As mentioned before, a variety of definitions exist for a retailing *channel.* The retailing channels can be roughly divided into two types; firstly, *distribution channels* which represents the flow of products and services from suppliers to customers (Stone et al. 2002, 40) and secondly, *communication channels* which are for communication before, during and after distribution and for interaction between the customer and the company (Neslin et al. 2006, 96, Stone et al. 2002, 40). Different channels are traditionally used to reach different market segments and consumers but as well to transport, storage, finance, and communicate through (Berry at al. 2010, 158). In

this thesis the focus will be on both distribution and communication channels within the fashion retailing.

In this thesis, various different communication and distribution channels are presented. *Brick and mortar channel* refers to selling apparel goods in stores, whereas *online channel* refers to selling a fashion product on an Internet shop, and *catalogue* refers to ordering the goods from direct selling catalogue that is usually sent via post mail. The communication can take place through devices such as mobile phones, kiosks, interactive television, gaming consoles, networked appliances, home services, and more (Ganesh 2004, 142; Rigby 2011, 65-67). Examples of new type of communication are *kiosks,* which can be defined as "computer workstations that are located in public concourses, and designed to provide public access to digital information and e-transactions (Rowley & Slack 2003, 329)." They are providing customers a new way to get access to product information, related products, stock levels and special offers online with the help of animation, video, stills, graphics, diagrams, audio and text in in-store environment. (Rowley & Slack 2003, 329-330.)

Multichannel integration or *integrated multichannel retailing* means that companies are helping customers to examine the product or service in one channel, buy them at another channel and pick them up in third channel in such a way that they get a seamless experience when they switch channels during their interaction with the retailer (Berman & Thelen 2004, 147, Goersch 2002, 749). In that sense integrated multichannel retailing refers to *agility in retailing*: apparel companies need to be dynamic and efficient, optimize productivity and resources, quickly build relationships with new suppliers and be first to market in order to satisfy consumer demands while facing competition among other companies (IBM 2012, 4). The term *supply chain* is used to describe the flow of goods from the very first process in the production of a product right through to the final sale to the end customer (Bruce & Daly 2004, 152). The idea of *agility* in the context of supply chain management focuses around responsiveness, which means that *agile supply chains* are shorter than the regular supply chains and seek to be demand-driven and are more likely to be information-based. (Christopher, Lowson & Peck 2004, 370.) In addition, Hines & Bruce (2004, 28) define agile supply chains as dynamic, efficient response networks that deliver customer requirements flexibly and on time. *Fast fashion* can be described as a way of being agile. It is a retailing strategy which aims to shorten the lead times for getting new

fashion product into stores, in order to satisfy consumer demand at its peak (Barnes & Lea-Greenwood 2006, 259.)

1.4   Purpose and structure of the study

Although fashion retailing in general is well represented as a field of academic research, fast fashion retailing is under-researched academically (Barnes & Lea-Greenwood 2006, 259.), even though it has received attention in the fashion and business press. The previous research within fast fashion can be divided into two different approaches; the research concerning agile supply chains, and the studies of integrated multichannel retailing, which are discussed below and summarized in Appendix1.

One of the pioneers in the field of agile supply chains has been Christopher (2000, 2004), who has studied the importance of logistics and agile supply chains in the volatile marketplaces and the fashion organizations, which are embedded within an agile supply chain. Bruce and Daly (2004) and Barnes and Lea-Greenwood (2006) have analyzed fashion retailing by studying the agile supply chains from the point of view of supply chain management. More recently, Spragg (2012) has re-examined the agile supply chain practices in post-recession fashion retailing, and Ahn, Childerhouse, Vossen and Lee (2012) have focused on the electronic integration along the supply chains. The above studies have concentrated on the logistics and production within the fashion supply chain, i.e. the *distribution channels* within fashion retailing.

Simultaneously, fashion retailing has been studied from the point of view integrated multichannel retailing. Multichannel shopping and buying behavior has been studied in integrated multichannel context by Schoenbachler and Gordon (2002). Same year Chu and Pike presented a framework to integrated multichannel retailing. They proposed that in order to maintain competitiveness in the short term and to build competitive advantage over the long term, the integrated multichannel retailing should be seen a strategic path, which retailers must follow. Additionally, Goersch (2002) had a point of departure on integrated multichannel retailing on the Internet and his study proposed several implications, such as integrated branding and integrated information management, for retail web sites. The more recent studies by Berry, Bolton, Bridges, Meyer, Parasuraman and Seiders (2010) and Cho and Workman, (2011) have concentrated on integrated multichannel retailing from the point of view of consumers, stressing the increasing power of consumers, consumers' multichannel choice,

consumer heterogeneity, fashion innovativeness and opinion leadership. These studies refer to the *communication channels* within fashion retailing. Further, Berman & Shawn (2004) and Kamel & Kay (2011) stress the notion of the importance of logistics' infrastructure in each channel in integrated multichannel retailing and the importance of RFID technologies. However, these two studies do not fully accommodate the fast fashion approach or the complex fashion system where agile supply chains and integrated multichannel retailing have important roles.

There seems to be a research gap in the studies of fast fashion from the point of view of *interaction* of agile supply chains (distribution channels) and integrated multichannel retailing (communication channels), and thus the objective of this study is *to explore the ways in which agile supply chains and integrated multichannel retailing influence the international fast fashion retailing.* The three sub-objectives are:

- *to describe how the agile supply chains create the foundation for international fast fashion retailing*
- *to describe how integrated multichannel retailing drives and constrains fast fashion retailers*
- *to study how the different apparel retailing channels are developing due to agile supply chains and integrated multichannel retailing*

After the introduction, *chapter two* provides a literature review. It begins with a discussion on the agile supply chains and multichannel retailing in general. Next the emphasis is shifted to more specific issues, namely the different drivers and constrains for retailers engaging in integrated multichannel. This chapter aims to answer the research objectives from the perspective of the current academic research. The research issues on descriptions of different channels in retailing were left out on purpose from the theoretical approach as the channels were presented already in chapter 1.3. *Chapter three* describes the research design. More precisely the chapter describes the qualitative research as the research strategy, expert interviews, industry specific document, expert video and lectures as a data collection method and qualitative content analysis as data analysis method. Furthermore, the evaluation of the study is presented. The main findings are discussed in *chapter four*, which aims to answer the objectives of this study from the point of view of empirical research. *Chapter five* presents the conclusions of the study and *chapter six* provides the summary of the whole thesis.

2   IMPLICATIONS OF AGILE SUPPLY CHAINS AND INTEGRATED MULTICHANNEL RETAILING FOR FAST FASHION

This chapter discusses the available literature on supply chains and retailing in fast fashion business, in order to provide the background for processing of the empirical evidence.

2.1   From haute couture and ready-to-wear to fast fashion

Until 1970s fashion was constructed like a pyramid, with haute couture at the top, independent designers' ready-to-wear collections just below, and mass retail at the base (Tungate 2005, 40). The highest level of pyramid with haute couture was seen as the concept of luxury and a way of making distinctions between social classes. The second level, ready-to-wear garments, focused on independent designers' collections (Reinach 2005, 48). However, Tungate (2005, 40) states that this structure no longer exists today. Fast fashion items are floating around the structure among haute couture and ready-to-wear garments and consumers are mixing the fashion items from all the sectors. In other words, consumers tend to think that being fashionable does not include wearing just designer brands. Consumers see themselves as their own stylist and combine high- and low-price garments carelessly. Fast fashion items are purchased frequently, and often the items are worn for only one or two seasons. (Mihm 2010, 56.)

According to Aspers (2010, 15) today's garment sellers can be divided into four different groups, namely to *branded retailers*, *privately owned shops, independent designers* and *haute couture.* The focus of this study will be on those branded retailers (BGRs), which are conducting fast fashion principles in their business, due to several reasons. Firstly, their target consumers are virtually everyone, whereas the other groups are focusing on niche markets. Secondly, these retailers keep on growing and opening new stores world-wide (i.e. H&M will open 300 new stores in 2013[2]) and finally, even during the recession these retailers' profits are climbing (i.e. Zara's profit climbed 30%

---

[2] Express and Star (http://www.expressandstar.com/business/city-news/2013/01/30/hm-targets-300-more-new-stores/)

in the first quarter of 2012 and sales grew 15%[3].) Therefore, it can be said that fast fashion retailers within BGRs are representing today's mass fashion industry. Branded garment retailers, or fast fashion retailers, can be defined as retailers that have their own design and marketing departments, but normally they don't own any production units. Therefore they are greatly relying on their suppliers. Examples on BGRs and fast fashion retailers are Zara, H&M, Old Navy, Topshop, Next and Gap. These firms may have hundreds, or even thousands of stores in one or more countries. (Aspers 2010, 2.)

Even though clothing retailers have favored a strategy of increased product variety and fashionability since 1980s, the fast fashion principles have recently strengthened that strategy even further. This is a significant development, essentially because the fast fashion production requirements, such as lead times and minimum production, are different from haute couture and ready-to-wear. (Reinach 2005, 47.) In addition, today's retailers have freed themselves from the seasonal "collection trap." Collection trap means that haute couture and ready-to-wear collections are decided 6-12 months before the manufacturing and it is hard or impossible to make changes in these orders. In comparison, fast fashion retailers order small quantities of different items, throughout the year. (Tokatli & Kizilgün 2009, 150.)

According to Boarawake, Asokan, Vijayaraghavan (2012) and Walker (2011b, 14), the fashion retail industry is at the transition and in the next few years the success for retailers is going to be defined by "Retail Agility". In other words, it means the retailers' ability to take advantage of the emergence of multiple new markets, channels, products and customer segments. Even though the apparel industry is just about to emerge to a new way of doing business few examples of firms conducting retail agility is worth mentioning, namely Zara and Topshop.

Firstly, the Spanish-based retailer Zara has developed a supply chain for affordable fashion (Walker 2011b, 14). From the point of view of agile supply chain, the strategy at Zara is that only those operations, which enhance cost efficiency through economies of scale, are conducted in-house (such as dyeing, cutting, labeling and packaging). All other manufacturing activities, including the labor-intensive finishing stages, are completed by networks of more than 300 small subcontractors, each specializing in one particular part of the production process or garment type. These contractors work

---

[3] Canadian Business (http://www.canadianbusiness.com/investing/zara-escapes-economic-recession-in-spain/)

exclusively for Zara's parent, Inditex S.A. In return, subcontractors receive the necessary technological, financial and logistical support required to achieve time and quality targets. (Christopher et al. 2004, 371.) Zara's supply chain is able to create faster turns and sustainable margins with short lead times to end customer. In addition, from the point of view of integration, Zara is focused on flexibility for its online and mobile presence with the stores in terms of assortment, pricing, and policies to drive this consistency across its fashion retail channels. (Walker 2011b, 14.) As mentioned before, the driving force behind Zara's operations is the consumer demand and the strive to satisfy it at its peak.

Secondly, UK-based fashion retailer Topshop is known for its fashion stores, where the consumers can enjoy nail bars, hair salons and stylists while buying clothes. Due to this retailing strategy, Topshop has had a need to create similar experiences in its online stores by using social media, podcasts, and daily blogs. Furthermore, Topshop's customers can interact with the staff via Facebook or Twitter and have a look on the latest products via Topshop's mobile app. Since Topshop have a strong presence both in traditional and electronic fashion retailing channels, they have had to develop an efficient supply chain, which connects hundreds of suppliers and over thousand factories to 300 stores in the UK and online stores, which are operating in 30 different countries. With such an efficient, and diverse supply chain, it has been vital to have real-time stock availability combined with efficient sharing of information along the chain. (Mouls 2011, 1.)

2.2   Distribution channels - the concept of agile supply chain

The term "supply chain" is used to describe the flow of goods from the very first process in the production of a product right through to the final sale to the end customer (Bruce & Daly 2004, 152). Effective management of the supply chain, and thereafter the gained time savings, has been identified as a key success factor in retailing, to the extent that in modern retailing it is the supply chains that compete rather than companies (Hines 2004, 70). In the 1990s supply chain management gained popularity, because it was seen as an approach to increase efficiencies and lead-times in tightening markets (Ahn, Childerhouse, Vossen & Lee 2012, 17-18). Supply chain management has been associated with lean thinking, which originated from Toyota's Just-In-Time (JIT) production. JIT proposes that by removing non-value adding procedures in the supply

chain, the company can achieve efficiency, time savings and low prices. (Womack & Jones 2003, 37.)

Known for its lean production, the Japanese clothing retailer Uniqlo believes that the quality and value are more important that trendy and changing styles. Instead of introducing new trends and products rapidly, Uniqlo uses long-term partnerships with their material manufacturers and long development cycles in which they test different materials and designs. One could argue that Uniqlo's strategy is similar to that of Toyota's. As the car manufacturers spend long time in product development to create a product that appeals to a range of consumers, Uniqlo tries to do the same. (Petro 2012, 1.)

However, when the market is volatile and characterized with short time windows, practical limits for leanness are set. While lean principles can reduce the delivery time to the final customers to 4 weeks, it is not helping those manufacturers who need to satisfy the consumer need in one week. In order to do so, the manufacturers need to be agile. (Ahn et al. 2012, 18.) The idea of agility, in the context of supply chain management, focuses around responsiveness, which means that agile supply chains are shorter and seek to be (consumer) demand-driven and more information-based than the "normal", functional supply chains (Christopher et al. 2004, 370). Furthermore, Hines & Bruce (2001, 28) define agile supply chain as dynamic, efficient response networks that deliver customer requirements flexibly and extremely rapidly on time. For example, Topshop, has been praised for their quick response times to catwalk trends and celebrity fashion statements, thus selling the latest styles first at a high street price (Strategic Direction 2005, 24). In other words, Topshop has succeeded in fast response times from first identifying fashion statements or trends and thereafter designing and selling the garments in stores. This has created considerable competitive advantages for the retailer. (Newman & Patel 2002, 772.) Table 1 summarizes the differences between functional and fashionable products, and furthermore the need to match supply strategy (lean/agile) to market demand and requirements.

Table 1 Functional vs. fashionable products (Ahn, Childerhouse, Vossen & Lee 2012, 18)

	Functional	Fashionable
Product life cycle	Long: 2-20+ years	Short: 2-6 months (1 season)
Product variety	Low: 1-5	High: 100s+
Forecasting error	Low: 10%	High: 50-200%
End of season markdown	Rare: 1-5%	Commonplace: 10-25%
Major supply chain costs	Physical: production, delivery and storage	Marketability: obsolescence and stock out
Order winner	Price	Availability
Supply chain strategy	Lean	Agile

As mentioned earlier, fashionable products are usually short-lived and often popular only for a season. Since the consumers want to have a choice, customization, and the latest version of the product, it is extremely difficult to forecast, which product will be in fashion on next season. (Ahn et al. 2012, 18.) Therefore, the risk of getting the unstable market wrong is seen to be the biggest risk associated with the agile supply chain by far (Masson, Iosif, MacKerron & Fernie 2007, 251). Nowadays, the agile supply chain is a well-structured concept of production and logistical processes. It represents the move towards mass customization, which aims to combine both standardization and customization within one supply chain. (van Hoek, Harris & Christopher 2001, 126.)

In order to be agile and succeed in unstable markets, supply chains need strategies and practices that can be described by *alignment* and *flexibility* in both physical collaboration and information systems. Firstly, alignment is needed so that a whole supply chain can quickly respond to the changes in the market. (Ahn et al. 2012, 18.) As to physical collaboration in terms of alignment, an agile supply chain is highly responsive to changing market demand by using local sourcing strategies, low inventory management processes and regular merchandise replenishment strategies (Spragg 2012, 3). In turn, information systems play a critical role in this alignment where supply chain-wide information for demand, inventory, and production information, should be shared. By sharing this information, the producers could enable supply chains to

become from forecast-driven to market-driven based upon shared real-time demand. (Ahn et al. 2012, 18.)

Secondly, flexibility is needed so that supply chains can react quickly to changing market demands. On the physical side, manufacturers need the capability to make adjustments between different types of products. Companies should apply postponement activities where the final stage of manufacturing is delayed to meet the latest market demands. (Ahn et al. 2012, 18.) Adopting significant postponement activities can lower this risk, which means that the final product specification is delayed until the latest possible moment. (Masson et al. 2007, 251.) Britwistle, Siddiqui and Fiorito (2003, 118) suggest that the buyers should book the production slot, but should not finalize product specification until closer to the time of delivery. Retailers that can successfully manage the agile supply network will maximize the profits when they meet customer needs and minimize the problems associated with getting the unstable markets wrong. (Masson et al. 2007, 239.) On the other side, information systems play a very important role in flexibility, especially for the creation of electronic networks in conformity with physical reconfigurations (Ahn et al. 2012, 18). Table 2 summarizes the factors that make a supply chain agile. The concepts of process integration, market sensitivity, network based and virtual are presented in detail in the chapter 2.2: "The foundations for agility in fashion business."

Table 2 Factors that make supply chain agile (Ahn, Childerhouse, Vossen & Lee 2012, 18)

Physical Collaboration	**Process Integration**	**Network Based**
	Seamless material flow	Flexible manufacturing systems
	Design for supply chain	Cycle time compression
	Management	Purchased capacity in reserve
	Co-location	
Information Systems	**Market Sensitivity**	**Virtual**
	Shared market information	Multiple links waiting for activation
	Shared inventory information	Quick establishment of IS integration
	Collaborative forecasting and planning	Real time dynamic scheduling
	Alignment	*Flexibility*

It could be argued that the most important feature of the agile supply chain is to be fast and thereafter reduce the lead times of the fashion product to the final customer. As mentioned before, it is rather the supply chains that compete than single companies and therefore it is crucial to find solutions that can enhance the fashion goods' design, production, shipping and selling to the final customer. Good examples of fashion companies, which have managed to lead their supply chains well, shortening their lead times, are Zara and H&M. According to Turconi (2010, 38-39) both Zara's and H&M's lead times are shorter than their rivals and they could be as short as 2 to 3 weeks. The shorter lead times have resulted in more accurate forecasts, better coping with short product life cycles, and smaller and more frequent shipping to the stores.

2.3   The foundations for agility in fashion business

Table 2 summarized the factors that make a supply chain agile in general, however from the point of view of this study, it is necessary to know how the fashion and clothing industry is using agility. In apparel production, sourcing and buying decisions have to be made quickly in order to get the new items to the customers as fast as possible. Fashion consumers expect and thrive on constant change and therefore the new products need to be available on a frequent basis. The retailers can achieve fast production

through having a relationship with existing suppliers who understand the need for alterations on the products along the production and have the capability to do that. (Bruce & Daly 2004 329.) Previously the fashion companies regarded suppliers and distributors as cost centers or even enemies, but nowadays the companies are looking for partners who can work mutually for profitable strategies (Barnes & Lea-Greenwood 2006, 262). To be truly agile and respond to customer demand, a fashion supply chain must possess a number of distinguishing characteristics, as suggested in Figure 1 (Christopher 2000, 38). It should be noticed that sometimes the different approaches can be overlapping and representing same kind of characteristics. These different characteristics will be discussed in the following sub-chapters.
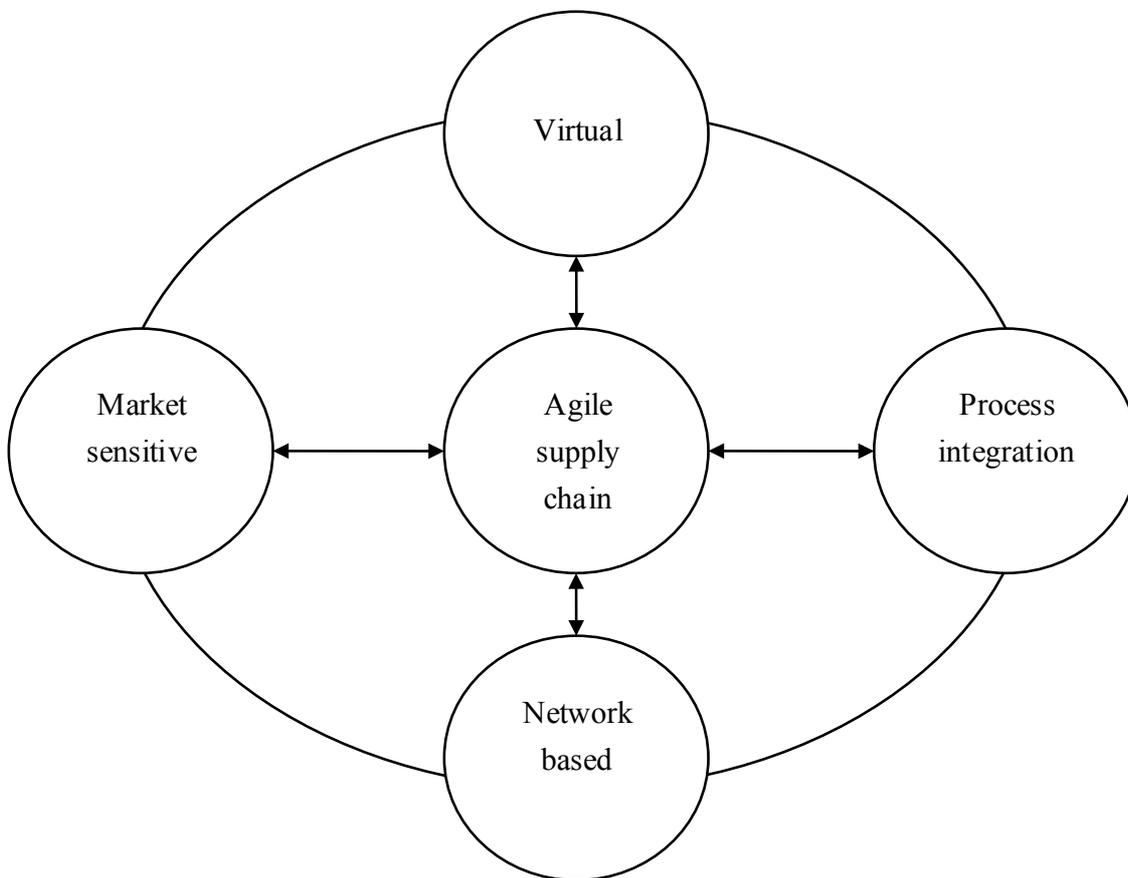

Figure 1 The foundations for agility in a fashion business (Christopher, Lowson & Peck 2004, 370).

2.3.1   Market sensitivity in agile supply chain

Market sensitivity means that the supply chain is capable of reading and responding to the real consumer demand (Christopher 2000, 38). By capturing emerging market trends, listening to customers and monitoring demand through daily point-of-sale data, the identification of potential market needs for new products, and the successive monitoring of market demand for these products, can be achieved (Masson et al. 2007, 240). Furthermore, van Hoek et al. (2001, 129) suggest that market sensitivity includes initiatives such as customization, postponement and rapid response.

Being close to the customer has always been a goal of any market-orientated business, but in fashion retailing it is fundamental. Successful fashion retailers capture trends as they emerge using a variety of means. (Christopher et al. 2004, 370.) For example Zara uses "trend trackers", who are analyzing trends seen in catwalks, streets and art exhibitions (Tokatli 2008, 39). Another way of capturing trends is to use information technology to analyze the demand direct from the point-of-sale (Christopher 2000, 38). Point-of-sale report is analyzed daily and is used to determine replenishment requirements where the intention is to continue to make the product available. Often though, the selling season is only intended to be short and product will not be replenished, in such situations the sales data is used to analyze trends. (Christopher et al. 2004, 370.) By capturing the trends, the organization's ability to notice the demand of the market and to respond directly to it improves (Christopher 2000, 38).

Retailers are no longer carrying a vast amount of stock and therefore they work with manufacturers who can supply them with new products quickly. The ability for retailers to work with fast moving manufacturers enables them to be demand responsive – they can react efficiently, whether sales are good (by ordering more and getting into store quickly at the peak of demand) or bad (by switching to production of poor selling lines to high selling product). (Barnes & Lea-Greenwood 2006, 267.) Another point of view of not having stocks is that it supports the sense of newness and exclusivity of the fashion products in the consumers, with the result that the more of them will became regular store visitors to see what new products are on offer (Masson et al. 2007, 251).

2.3.2   Virtual integration in agile supply chain

The use of information technology to share data between retailers and suppliers is creating a virtual supply chain. Virtual chains are information-based rather that inventory-based and the focus is on the wider supply chain (Christopher 2000, 38, van Hoek, Harris & Christopher 2001, 130). The agile supply chain is virtual in the sense that it is connected and integrated through shared information on real demand so that all the players in the chain, from the fabric manufacturers to the retailer, are all working to the same set of numbers. Retailers have realized that shared information can enable higher levels of on-the-shelf availability to be achieved with fewer inventories. (Christopher et al. 2004, 370-371.) Because the whole concept of fast fashion is centered on response to changing styles, trends and demand, therefore a key component of the agile supply chain must include the drive of information (Barnes & Lea-Greenwood 2006, 264).

Agile supply chains share up-to-date point-of-sale data that can be used across the supply chain for immediate ordering and replenishment decisions. The creation of virtual environments for sharing information not only allows manufacturers greater market visibility and responsiveness, but also other parts of the supply chain, such as designers who can use the up-to-date information and respond extremely quickly to market information. (Barnes & Lea-Greenwood 2006, 264.) In addition, Bruce and Daly (2004, 154) state that shared information between supply chain partners is necessary to support the business where two-way partnerships support the exchange of information. The shared information enables such activities as joint product development and common systems. However, Masson et al. (2007, 251-252) argue that the information sharing seems to thread through the supply chain between some key members, rather than to flow across it as whole. It seems that any information further down the supply chain is less visible and transparent.

More importantly, the virtual agile supply chain means that the suppliers are now able to prepare new collections themselves, even with less information from the retailers. Thanks to Internet sites, which allow the suppliers to see thorough trade show photographs, fashion magazines and catwalk collections, the future trends are easier to predict. (Tokatli & Kizilgün 2009, 151.) In fact, the suppliers are able to copy the most attractive and promising trends spotted at fashion shows and transform them into products that can be put on the market immediately (Reinach 2005, 48). New IT

systems are providing tools to quickly capture information on trends, and share production and shipping data, thus facilitating real-time communication along the supply chain. For example, firms like Zara pride themselves in their ability to pick up on a fashion trend from the catwalk and transform the concept into a Zara product within days from the fashion week. (Mihm 2010, 56.)

2.3.3 Process integration in agile supply chain

Shared information between fashion supply chain partners can only be fully leveraged through process integration. Process integration means collaborative working between buyers and suppliers, joint product development, common systems, shared information and seamless material flows. (Christopher 2000, 39, Ahn et al. 2012, 18.) Furthermore, Christopher et al. (2004, 371-372) mention that it is vital to create integrated processes, which means seamless connections between the different members in the chain. Hence, process integration also relates to mastering change and uncertainty across organizations (van Hoek, Harris & Christopher 2001, 130). This brings not only benefits in agility, but also a more integrated approach to problem solving, which has been associated with supply chain efficiency benefits. However, it also stresses that all parties should be aware of the policies and practices. (Doyle, Moore & Morgan 2006, 278.)

Britwistle et al. (2003, 122) mention that often the more powerful member in a supply chain will use its power to dictate the terms of its relationships with other members. For example, buyers may be assessed with their adherence to buying budgets, their gross margin and remaining stocks. Thus they will try to order in smaller batches. Manufacturers on the other hand, prefer large batches and focus on timing. Barnes et al. (2006, 267) found out that the retailers are pushing increasing responsibilities onto the supplier, for example suppliers are now expected to carry out quality control, packaging and ticketing. In addition, they are encouraged to do creative product development in an attempt to reduce cycle times and be more responsive to consumer demand. This form of integration in the supply chain is becoming even more common, as companies focus on managing their core competencies and outsource all the other activities. (Christopher 2000, 39.)

2.3.4   *Networking in agile supply chain*

The fourth ingredient of agility is an alliance of partners linked together as a network. As mentioned before, there is a growing recognition that individual businesses no longer compete, but rather supply chains do. We are now entering the era of "network competition" where the winners will be those who can better structure, coordinate, and manage the relationships with their partners in a network. These networks are committed to better, closer, and more agile relationships with their final customers. (Christopher 2000, 39.) Doyle et al. (2006, 279) suggest that there has to be a balance between too many or too few suppliers. However, there has been a shift in partnering and networks, Barnes et al. (2006, 267), suggest that a more integrated partner-led approach, where retailers work with smaller numbers of partners, would ensure responsiveness, but evidence suggests that apparel fashion is actually placing pressure on supply chains to increase the variety of styles that are changing more frequently. According to Masson et al. (2007, 251) a key agile practice element is in the use of intermediaries. Intermediaries have access to the large supplier network and have good flexibility in terms of product capability, the rapid identification and utilization of additional finishing manufacturing capacity to enable rapid lead times.

Network-based supply follows from the wide-ranging product variety and the consequent wide supplier base that can often be required to meet these product requirements. Effective management to achieve competitive advantage includes the ability of one of the participants on the supply chain to manage the network as a whole and might of course also include processes and systems across the supply chain. (Masson et al. 2007, 240.) Fashion retailers take advantage of the agile supply chain and networking by bringing new products to their stores as frequently as possible. Typical activity for a non-fast fashion retailer might be a few hundred different fashion products a year. The different size and color variations for these products are each a stock keeping unit (SKU). In typical national chain, with 500 stores, this could amount to about 60 000 SKU a year. (Masson et al. 2007, 239.) However, Zara's designers create around 40 000 new designs annually, from which 10 000 are selected for production. Since most garments come in five to six colors and five to seven sizes, Zara's system has to deal with approximately 300 000 SKUs every year. (Ferdow, Lewis & Machuca 2004, 107.) Customers visit the stores on average 35 times a year, 15 per cent of the items in a store are "new" every week, and product life-cycles – from first offering in a

store to discounting- are on average 6 weeks, but sometimes as short as 3 weeks (Masson et al. 2007, 239).

As mentioned before, the agile supply chains are creating the supply base for fashion retailing and they can be viewed as distribution channels within fast fashion retailing. In this view the different sales channels can be seen as places where the selling of the produced goods takes place or as communication channels. Different channels are traditionally used to reach different market segments and consumers but include transportation, storage, finances, and communication as well (Berry at al. 2010, 158). In that sense, the agile supply chains are a part of the different sales channels. Drivers and constraints to engage in integrated multichannel retailing are presented in the following chapters.

2.4   Communication channels - multichannel integration within fashion retailing

Multichannel integration can be defined as "the simultaneous and consistent employment by a retailing organization of Web sites and physical store-fronts possibly in addition to other channels, such that customers derive a seamless experience when they switch channels during their interaction with the retailer (Goersch 2002, 749)." In other words, it means that companies are helping customers to examine the product or service in one channel, buy them at another channel and pick them up in third channel in such a way that they can switch channels at will during their interaction with the retailer (Berman & Thelen 2004, 147, Goersch 2002, 749). Previously every separate channel had its own managers, products and consumer segments – even measurement of effectiveness was done by basis of channels. However, today's retailers are moving towards integrated multichannel retailing in order to create better communication through their channels, to have similar technologies in every channel, to better serve their customers and reduce consumer migration to other retailers (Stone et al. 2002, 39-40, Pookulangara, Hawley & Xiao 2011, 185).

It is essential for retailers to develop improved channel architecture, instead of concentrating only on benefits and costs associated with each channel. They should try to guide consumers to the optimal channel for each product or service, instead of waiting them to choose one (Madlberger 2006, 32, Myers, Pickersgill & Van Metre 2004, 38). Today's consumers appreciate the flexibility to evaluate the available

products and services, complete their orders and attain customer service across all the channels in a convenient and integrated way. Therefore, the retail industry has begun to use IT widely to integrate business processes across their traditional and electronic channels. (Oh, Teo & Sambamurthy 2012, 268.) For example, H&M has created a well-functioning IT infrastructure, which is key to its success. Each store is connected with logistics and procurement systems and the central H&M warehouse. Furthermore, the IT systems reach to the design and product development teams, so the entire process is visible, from product design to sales. It has been argued that this leads to more effective management across all channels. (Petro 2012b, 1.) The following sub-chapters will present the main drivers and constraints for fashion retailers to engage or not in integrated multichannel retailing.

2.4.1 *Drivers and benefits for multichannel integration*

According to Stone et al. (2002, 41) there are two main reasons why retailers are moving towards integrated multichannel retailing and multichannel customer management, namely developments in new channel technologies and customer requirements and expectations.

Technology: To a large extent, the rapid growth of Internet, as a new channel for retailers, has challenged the traditional intermediary, given consumers the ability to choose from multiple channels and furthermore, contributed to the birth of integrated multichannel retailing (Black et al. 2002, 161, Zhang et al. 2010, 169). The rapid evolution of e-commerce, mobile commerce, gaming commerce and social commerce is putting pressure on retailers to keep up with the evolution. Customers are eager to use new channels to interact, connect and transact with retailers. (Boarawake et al. 2012, 2-3). A good example of technology usage is that some of the retailers are developing new ways to shop in unexpected channels, such as Google TV, where the consumer select and purchase products by pressing a button on a remote control (Boarawake et al. 2012, 2-3).

Both Burke's (2002) and Cho & Workman's (2011) studies have revealed characteristics that will influence consumers' channel choice. Burke (2002, 428) found out in his study that the majority of consumers expressed a preference for using multiple channels when doing shopping. On the other hand, Cho & Workman (2011, 363) found out that consumers' multichannel choice was influenced by product innovativeness and

opinion leadership: the higher the product innovativeness and opinion leadership was among the consumers, the more they tended to use more than one shopping channel. Regardless of gender, those consumers who were high in product innovativeness and opinion leadership used more than one channel, such as TV retailers, catalogs and online stores. (Cho & Workman 2001, 363.) From the point of view of the retailers, their attitude towards multichannel integration should be flexible – they have to have the ability to adjust to changes in the market, technology availability and customer expectations. Furthermore, retailers should concentrate on enhancing the consumer experience through integrating the whole organization and investing in technologies. However, integrated multichannel retailing is not just a technology module you can drop in. On the contrary, it should be viewed as a strategy that retailers must follow in order to maintain their competitiveness both in the short term and the long term. (Chu & Pike 2002, 2.)

Customer demand: Today, making purchases efficiently and pleasurably has become a key factor to consumers. Furthermore, buying behavior among consumers has become unpredictable since buying has become "personal experience, a personal choice with personal motivation. (Molenaar 2010, 9)." This means that the consumers are selecting retailers who can provide the most satisfactory shopping experience and different channels at different stages of their decision-and-shopping cycles (Molenaar 2010, 9; Rangaswamy & van Bruggen 2005, 5). Crawford (2005, 1) is calling this phenomenon "consumer power", which refers to the change in shopping. Therefore, it is important, from the point of view of retailers, to take a consumer-centric approach and try to understand the multichannel consumer and create a seamless, positive customer experience in all channels (Ganesh 2004, 140; Crawford 2004, 2; Schoenbachler & Gordon 2002, 47).

According to Walker (2011b, 2) the consumer behavior mandates that firms respond to their demand. Stone et al. (2002, 42) see that customers' desire for easiness and convenience are the requirements for integrated multichannel retailing. Berry at al. (2010, 156) refer to "power shift" which means that today's consumers have the power and retailers have to emphasize demand-driven innovations in order to attend to all states of customers' interactions. However, these customer expectations have led to a situation where the consumers need to have round-the-clock high-speed accesses to channels and choices in how they interact with a company. (Stone et al. 2002, 42.)

Consumers desire a seamless experience when interacting with multichannel retailers and tend to have strong preferences for using a specific channel for precise interactions (Zhang et al. 2010, 169, Stone et al. 2002, 42). As an example, the apparel shoppers may use online channel for exploring the models and prices or find out if a product offered on the Internet channel is available at a local store, whereas they may use the in-store channel to commit to a buying decision or pick up or return the product. (Stone et al. 2002, 42; Zhang et al. 2010, 169-170). Zhang et al. (2010, 169-170) see that customer satisfaction and loyalty can be reached by using a combination of channels. When the retailer knows how to take advantage of channel benefits and overcome the challenges, it is easier to satisfy the consumers' needs and on the other hand increase sales. In order to know what are the benefits and challenges the retailers "must understand how customers learn, consider, select, use, get help, and share over the life of their interaction with a product or service (Walker 2011b, 6)." Even though the new technology and customer requirements are important reasons for retailers to move towards integrated multichannel retailing, also other reasons have been identified. These include cost savings, increasing sales, gaining competitive advantage and consumer relationship management.

Cost savings: According to Stone (2002, 43) 40 percent of a company's costs comes from maintaining different channels (including marketing, advertising and managing the channels themselves). Usually, these channels are independent of one another, which is limiting the capturing, analyzing and leveraging the business information. It is difficult for the most retailers to accurately determine who are their most loyal and valuable customers because they are having a single-channel view of their customers. (IBM 2005, 4.) However, Stone (2002, 43) suggests that by sharing and reusing processes, technology and human capital, the cost structure of the channels can be improved. Also by integrating channels and adding new virtual channels, such as online store and mobile application, the retailers can exploit economies of scale by expanding to new markets (Zhang et al. 2010, 169). Furthermore, by identifying high-value customers' usage and preferences of specific channels the retailers can define the channels that are over-invested and are not providing their optimum return on investment (Stone 2002, 43). Rangaswamy and van Bruggen (2005, 7) suggest that since 20 % of customers are bringing in 80 % of the profits, the retailers can receive cost savings by diverting their low-value customers to low-cost channels such as web sites.

Increased sales: The multichannel customers are the most valuable customers. They spend more than those who do their shopping through single channels. (Ganesh 2004, 140, Berman & Thelen 2004, 150.) Stone et al. (2002, 43) add that retailers who are integrating their channels will gain market share. However, Neslin (2006, 101) argues that we do know that the multichannel customers are buying more, but the researchers are not sure why. He adds that it may be due to the higher loyalty, self-selection or marketing inputs. Kumar and Venkatesan (2005, 46-47, 58-59) have listed customer characteristics that are driving consumers to multiple channels and therefore increasing sales. Firstly, they found out that the multichannel customers are more likely taking part in cross buying; this means that they might gather information about the product online, but do the actual purchase in a shop. Secondly, these customers are making a medium number of product returns. In addition, these returning situations tend to be good occasions for the store managers to educate the consumers about the different channel options, available for shopping. Thirdly, multichannel customers tend to receive more marketing contacts. Very similar to returns, customer-initiated contacts are providing a way to educate the consumers about the different possible channels. Fourthly, Kumar and Venkatesan found out that these customers are more loyal and, possibly due to that, have been customers for a long time. Finally, they found out that high purchase rate is linked to multichannel shopping. In that sense, one could argue that by integrating the different channels the retailers can increase their sales.

Competitive advantage: As mentioned before, the fast fashion phenomena is providing retailers a plenty of ways to design, manufacture, supply and sell fashion products extremely rapidly. Stone et al. (2002, 143) state that integration of different channels is one of the "few customer-facing differentiators that can deliver true sustainable competitive advantage (Stone et al. 2002, 43)." Zhang et al. (2010, 169-170) add that retailers can create strategic or competitive advantage by developing resources that are not easily identified or replicated by the competitors. These resources include customer information and tacit knowledge, which can create a seamless customer interface, customer loyalty and cost reductions. On the other hand, the consumers are facing an optimizing problem when it comes to choosing between different retailers and their channels. Obviously, every channel has its own strengths and weaknesses, but the retailer with multiple channels is usually the best one to provide information, products and service to its consumers. (Berman & Thelen 2002, 148.) Berry et al. (2010, 158) add that marketing activities can influence consumer behavior and consumers' choice of

channel. Marketing activities in one channel can influence consumer behavior in all channels, which means that retailers can "guide" their consumers to the right direction. Moreover, by integrating marketing actions and all channels, the consumers will view the firm as a single retail entity with supplementary distribution alternatives. Firms can achieve a competitive advantage by having similar characteristics in all of its channels and developing seamless shopping experience regardless of the channel (Berman & Thelen 2002, 150).

Customer relationship management: Today's companies are facing integration between marketing, sales, and customer service and at the same time the organizations are adopting customer driven strategies, programs, tools, and technology in order to intensify customer relationship management (Parvatiyar & Sheth 2002, 1). Academic research has long acknowledged that different customers will value the same product differently. This means that different consumers have dissimilar buying behavior and different acquisition and retention rates. (Berry at al. 2010, 163.) The development of new channels and technologies is significantly altering how companies interact with their customers. In order to build close and lasting relationships with their customers, companies need to integrate their customer knowledge and customer relationship management (CRM). (Parvatiyar & Sheth 2002, 1.) Charlesworth (2007, 56) define CRM as follows: "CRM is based on the assumption that there is a relationship between the business or the brand and the customer. This is a relationship that needs to be managed both through the individual buying stages and in the longer term." It is increasingly important for retailers to collect information about consumers and their preferences in different channels, as well as spread information about product offerings (Berry at al. 2010, 158). On the contrary, badly integrated CRM can result in the company trying to control customers through specific channels and buying cycles (Stone et al. 2002, 43). Companies should take a consumer-centric approach and realize that the customer is being in control. Instead of CRM the companies should conduct customer-managed relationships (CMR). (Stone et al. 2002, 43).

2.4.2 Constraints and challenges for multichannel integration

Integrated multichannel retailing has created challenges to firms to manage the retail environment effectively (Neslin et al. 2006, 96). In the following, the main constraints and challenges for entering integrated multichannel retailing are presented. Neslin et al.

(2006, 95) have identified five major challenges that retailers must address to manage the multichannel environment more effectively. The challenges are: data integration, understanding consumer behavior, channel evaluation, allocation of resources across channels, and coordination of channel strategies.

Data integration: According to Neslin et al. (2006, 97-98) in order to get an integrated, single view of the customers across multiple channels, it is important for companies to gather customer data. The ultimate customer database would have information regarding which channels (including competitors' channels) each customer is using during his or her decision and buying process. He states: "data integration is a prerequisite for successful multichannel customer management." However, it is difficult for retailers to achieve an exact single view, especially through brick-and-mortar stores. In these stores, for example, many customers purchase without providing any identifying information (e.g., they pay cash) and therefore it is costly and difficult to match each purchase to the customer database (Neslin et al. 2006, 98). Also Stone et al. (2002, 42) have defined that the biggest challenges for retailer is to bring together and standardize data about customers and unify different systems which may have very different data models.

According to Ganesh (2004, 141) effective buyer behavior management through different channels will affect the customer-decision process and create competitive edge for the retailer. The ORCA model (orientation, research, communication and action) shows a typical pattern for buying behavior in multichannel environment: "how do we buy –from searching information, to contemplating where and what to buy, examining the items, then buying in the shop or back home on the Internet? The customer has more choices than ever before." (Molenaar 2010, 142.) From this point of view, Neslin et al. (2006) have it right: how to integrate and gather all this data regarding the customer's buying decision? Figure 2 presents the ORCA-model.
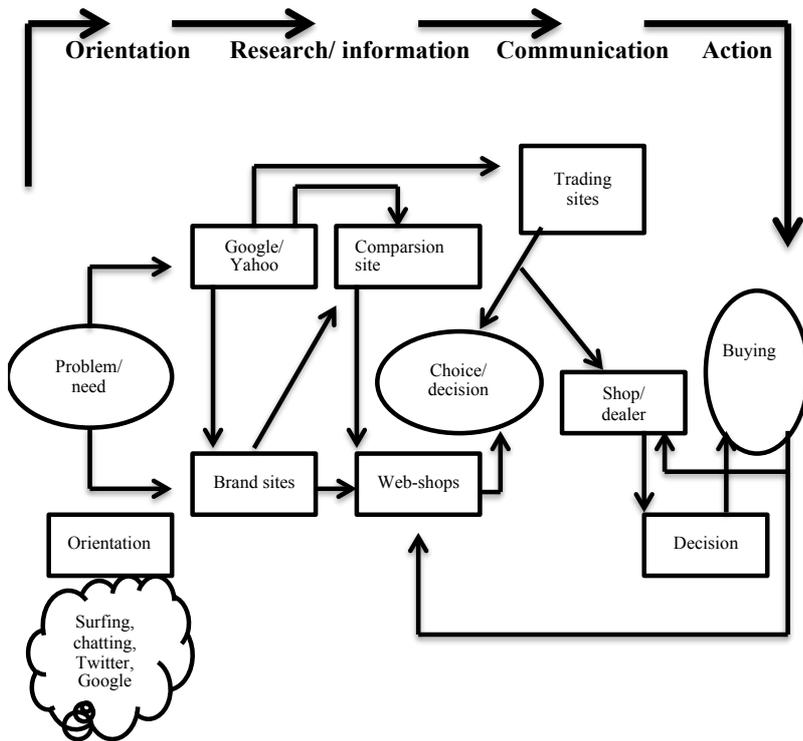
Figure 2 The ORCA buying model: Orientation, Research,
Communication/Contemplating, Action (Molenaar 2010, 14)

Dixon and Marston (2004, 101) emphasize that different database systems do exists and are used to gather consumer information. However, they concentrate on the electronic information that can be gathered on retailers' websites. For example, by placing promotions or campaigns on the company's website, the companies can gather personal information about the shoppers who register for the discounts. Also, if the shopper decides to order his or hers clothing online, the retailer can register that. By collecting information and knowledge about consumers the retailers can make specific decisions regarding the demographic profiles at their own marketplace. (Dixon & Martson 2004, 101.)

Understanding consumer behavior: According to Berry et al. (2010, 158) retailers tend to fail to notice how synergies among channels affect consumer behavior. One reason to this is that the managers lack in collecting and tracking individual consumer-level metrics. Huges (2005, 113) adds that new channels create new ways for customers to contact with the retailer, but at the same time the new channels also generate changes in staff roles and existing processes for interacting with the consumer. In that sense, Huges suggests that channel integration should be seen as a strategic issue, which

requires changes in the organization. Neslin et al. (2006, 97) adds that managers must understand how customers choose channels and what impact that choice has on their overall buying patterns especially when it comes to channel choice and buying decisions. Albesa (2007, 502) states that companies must investigate consumer channel preferences and the motives that encourage them to use a particular channel or not – in other words the knowledge of the consumer is as necessary as the technology that provides multiple channels.

Schoenbachler and Gordon (2002, 47) have developed a framework of multichannel buying behavior. They propose that perceived risk, past direct marketing experience, motivation to buy through a channel, product category and web site design will *influence* the probability that a customer will purchase from a single channel (online, retail or catalog) or from multiple channels. The framework provides a broad perspective to multichannel choice: what features influence whether the consumer buys from a single channel or multiple channels? In addition, this framework takes into account demographic factors. The framework is illustrated in Figure 3.
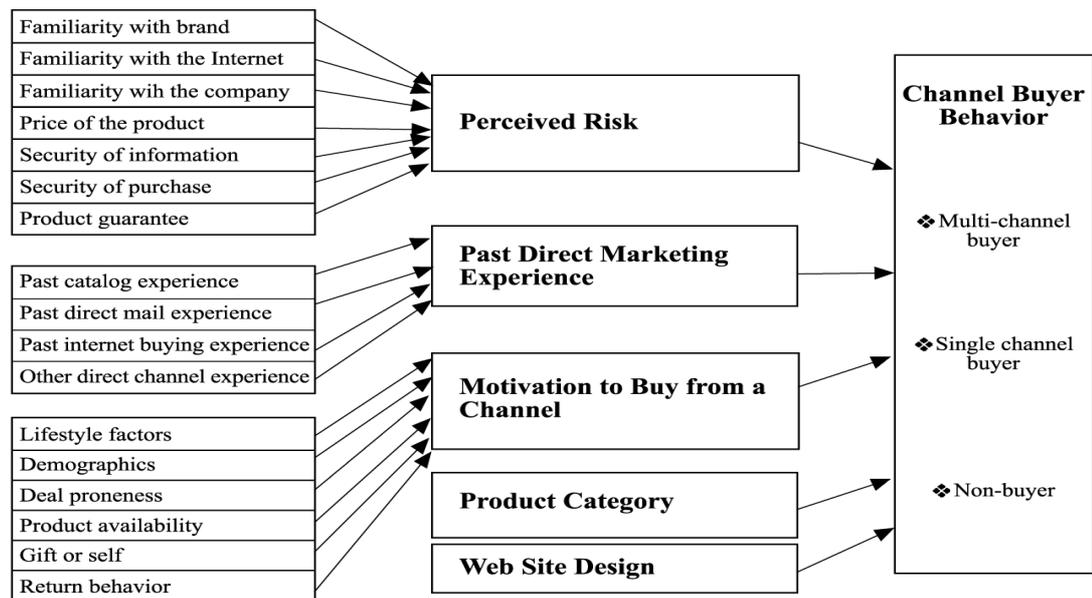
Figure 3 Multichannel shopping behavior (Schoenbachler & Gordon 2002, 47)

Black et al. (2002, 161) argue that the current models of consumer behavior may be helpful, but "given their focus on the purchase of product, it is not clear that they will fully accommodate the influence on the choice of channel." Arguably then, further conceptual work is needed to understand which factors directly affect choice of channel. Slack et al. (2008, 46) agree with Black: they state that the use of different channels

varies during the decision-making process, and the Internet and word-of-mouth have significant roles in supporting the process.

Channel evaluation: According to Neslin et al. (2006, 97-98) the main task in channel evaluation is to value the channel performance. Questions such as "what is the contribution of an additional channel to the firm? What is the contribution of each existing channel? What channels synergize best with others?", should be answered. As mentioned in chapter 2.3, e-commerce and the Internet as a new channel has led to the assumption that the amount of online shoppers in Europe will be over 200 million by the year 2015 (Wall Street Journal 2011). In that sense, it is worthwhile to understand what contribution this channel is giving and has given to retailers. Molenaar (2012, 105) states that the Internet is providing limitless commercial possibilities for retailers. The Internet has a worldwide coverage, it has a high penetration of users in different countries and it creates the possibility for direct communication.

Neslin et al. (2006, 103) point out the possibility that a new channel, the Internet in this case, could cannibalize sale from existing channels. However, he states that generally it does not cannibalize the existing business. Also Doherty and Ellis-Chadwick (2010, 943) are for this opinion by stating that retailers are not cannibalizing their own custom and virtual merchants are not dominating the market place. Also Porter (2002, 63) sees the Internet as an opportunity for retailers. He mentions that the Internet should not be seen as a cannibal of traditional way of competing. Zhang et al. (2010, 170) point out that in the early beginning of the Internet development, the benefit for adding an online channel was debatable, because so few consumers had a broadband access. For example, in a research about broadband penetration and gross domestic product conducted by OECD (2011) the penetration was around 11 % in Turkey and Mexico, whereas in Finland it was around 30 %.

Allocation of resources across channels: For decisions regarding allocation, the main problems are not only how to invest marketing and other resources across channels but also which channels to employ (Neslin et al. 2006, 104). Zhang et al. (2010, 171) state that for some Internet channel retailers, it is not profitable to open stores. This is due to the lack of experience and knowledge in evaluating locations, negotiating leases, maintaining stores etc. On the other hand, retailers that are providing personal services may also be uninspired to add a non-store channel. They mention a good example from Tiffany's, which offers inexpensive jewelry through their online store, but sells the

expensive diamond engagement rings only in the brick-and-mortar stores. As they say it, this is the way for Tiffany's to guide the consumers to the actual store.

Coordination of channel strategies: Neslin et al. (2006, 106) suggest that channel coordination can take two forms; firstly coordinating across channels at a specific time in the customer decision process (should the prices be the same in all the channels?) and secondly, coordinating across channels where the coordination degree can vary from full coordination to complete separation. For example, some companies may consider their Internet operations as a separate company, whereas others might coordinate their Internet and bricks-and-mortar store operations fully by using the Internet as a device to funnel customers into the store. Stone et al. (2002, 42) argues that big investments in multichannel strategies and technologies have and will result in a poor return of investment. Porter (2002, 72) adds that many companies that conduct Internet business have competed in ways that violate a good strategy. Rather than focusing on profits, delivering real value to consumer and making trade-offs, they have instead sought to maximize revenue and market share at all cost, pursued indirect revenues and rushed to offer conceivable products and services. Berman and Thelen (2004, 151) argue that highly integrated promotions across channels, a well thought-out strategy and an integrated information system are characteristics of a well-developed multichannel strategy. Table 3 summarizes the drivers and constrains, which arose from the literature, for retailers to engage in integrated multichannel retailing. Due to the complex nature of retailing, some of the presented concepts are overlapping.

Table 3. The drivers and constraints for retailers to engage in integrated multichannel
retailing

	Driver	Constraint
Technology	Internet as a new channel: e- , mobile- , gaming - and social commerce	How to use the new technology, costs
Customer demand	"Power shift", seamless experience, attend to all customer interaction	Hard to predict
Cost savings	Sharing and reusing processes, technology and human capital, economies of scope	Companies might need to do big investments in technology and hire and educate co-workers
Increased sales	Cross buying, medium number of product returns, more marketing contacts, loyalty, high purchase rate	Adjusting the marketing, production, workforce etc. to the increased sales and demand
Competitive advantage	Resources that are not easily identified or replicated, "guiding" the consumers to right channel, seamless shopping experience	The company competing against others in mutliple channels
Customer relationship management	Consumer-centric approach, information about the consumers	How to collect the consumer data
Data integration	Coherent picture of the customers	Collection of customer data from multiple sources
Understanding consumer behavior	How customers choose channels, overall buying patterns	How to collect the consumer data
Channel evaluation	Better understanding about the channels and customer across the channels	Contribution of existing and new channels, cannibalize the existing business
Allocation of resources across channels	How to allocate the resources across the channels, which channels are most profitable	Which channels to employ, is it profitable to have multiple channels
Coordination of channel strategies	Profits, delivering real value to consumer, trade-offs, promotions across channels	Maximizing revenues and market share at all cost, indirect revenues, rush to offer products and services in all channels

From the above, it is obvious that the fashion companies need to evaluate in detail
which channels are worth the investment.

2.5   Synthesis

Today's information society has gone through remarkable changes – all the information we need is provided within few seconds via the Internet. One could argue that the fashion consumption has gone through a similar transition. The new postmodern fashion culture has emerged from consumer demand that created pressure for modern retailers to be more efficient in their production and supply systems and multiple sales channels. Today's consumers want the newest trends and fashion items as soon as possible, preferably at a low cost. This underlying change in society and in consumer culture have had huge effects on today's fashion retailing. With shortening life cycles, highly volatile markets, low predictability of fashion trends, and in high impulse buying, the whole fashion industry is in transition to become more agile and responsive to customers' needs. This new approach, agility in retail, can be seen as a combination of agile supply chains and integrated multichannel retailing. The first research sub-objective was: *to describe how the agile supply chains create the foundation for international fast fashion retailing.* In a summary, it can be said that the agile supply chains are playing a crucial role. They are shorter than normal supply chains and they tend to be demand-driven. This means that the focus is more on consumer and satisfying her demands at the right time, place and price than previously. In order to work profitably, retailers must manage the supply chain and integrate and share information with other chain members in order to be sufficiently responsive. The foundations for agility in fashion business are built on four essential parts of the *distribution channel*: market sensitivity, networks, virtual work and process integration.

From the point of view of market sensitivity, the agile supply chains should share all the market and inventory information, in order to capture new trends and monitor the demand for products. The virtual aspect of the agile supply chain connects and integrates all the different actors in the chain. With the help of information technology all the shared information is available and usable, and in that sense everyone from manufacturer to retailer are working together to enhance the processes. The process integration is a term used to describe the seamless flow of products through the whole supply chain. It requires collaborative working between all the actors along the chain and joint product development. The networks, in agile supply chain context, refer to keeping all the actors closely linked together. By doing so, the fashion companies can

better coordinate and manage the relationships with their partners and thereafter guarantee the flexible production of fashion garments.

The second sub-objective of the study was *to describe how integrated multichannel retailing drives and constrains fast fashion retailers.* Today's consumers are provided with multiple ways and places of doing shopping and communicating with retailers. The most common fashion retailing channels are brick-and-mortar stores, online stores, catalogues, and mobile devices. The integrated multichannel retailing is used to integrate all the different communication channels within fashion retailing in order to create a seamless shopping experience for the customers, to communicate with them and to reduce the migration of consumers to other retailers. In other words, integrated multichannel retailing creates the *communication* side of the chain. When it comes to *drivers and constrains,* most of the retailers engage in integrated multichannel retailing due to the demand of consumers. Also, the commonness of different information technologies and the Internet are creating a need for retailers to be seen in all the different channels. Other drivers to engage in integrated multichannel retailing are cost savings, increased sales and competitive advantage. The main constraints of integrated multichannel retailing are such as: how to use the new technology, how to evaluate the different channels, how to coordinate the different channel strategies and how to allocate the resources across the channels.

According to the theoretical discussion above, agility in international fast fashion retailing can be seen to consist of two different types of channels: distribution and communication. Firstly, distribution via the agile supply chains provides agility with flexible manufacturing in order to produce garments in fast pace to meet the known consumers' needs at their peak. Secondly, communication through the integrated multichannel retailing enhances agility by creating a seamless retailing experience across all the channels by providing products and information to consumers. Furthermore, distribution and communication channels are overlapping by sharing the information across the whole chain, creating a complex fashion retailing system where everything is connected. The central feature in international fast fashion retailing is the final customer who can buy the available products through the channels of her preference. In fact, it could be argued that these two parts of fast fashion retailing, distribution and communication, are actually being integrated, which produces retail agility across the whole chain, from production to the final customer. The integration is driven by the consumer demand, and the shorter lifecycles of fashion than before. As

summary of the above, a framework for agility in international fast fashion retailing was created from the available literature for the empirical part of this study. It is presented in figure 4.
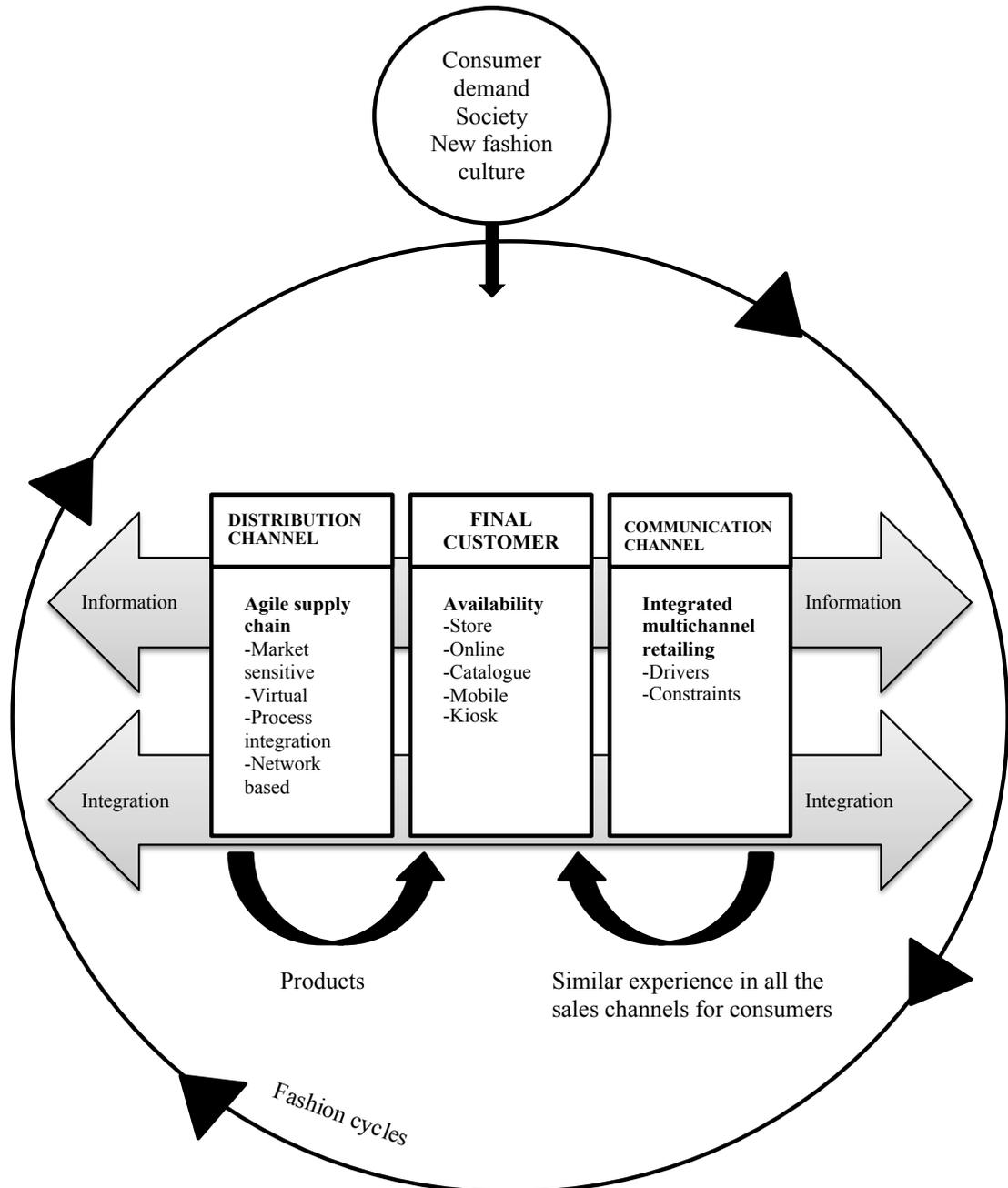
Figure 4 A framework for agility in international fast fashion retailing based on theoretical considerations of this study

The global fashion industry is known for its complexity. Therefore, the previous research, findings and the theoretical discussion are in many different senses overlapping. It is hard to define a pervasive model or framework to clarify all the different approaches since all the different aspects and theories are, in some extent, linked to each other and interacting. The theoretical framework presented above provides the approaches used in this study and it is based on the interpretation of the theoretical discussion of this study. The framework is based on theoretical discussion, and the results obtained from the expert interviews, industry specific documents and expert lectures will be examined against it. The research design of this thesis is presented and discussed on the following chapter.

3   RESEARCH DESIGN

Bechhofer and Paterson (2010, vii) state that the when doing empirical social research, the researcher has to choose a set of maneuvers in order to realize the aims and objectives in practice. In other words, research design can be seen as a guiding plan for collecting, measuring and analyzing data as well as assisting in relation to the research problem with empirical research (Sontakki 2010, 65, Ghauri & Grønhaug 2002, 56). Designing empirical research means that the researcher decides on the best ways of collecting data and addresses the different methods that have built the knowledge in the study (Bechhofer & Paterson 2010, vii). More precisely, the researcher should describe all the decisions and procedures taken during the research in a concise way, so that the readers understand that the methods used for data collection and analysis are indeed most suitable (Rubin & Rubin 1995, 42, Bechhofer & Paterson 2010, vii). In addition Marshall and Rossman (2006, 58) say that research design is to validate that the researcher is qualified of conducting qualitative research.

3.1   Research approach and strategy

The research approach or method should be chosen so that it will help to answer the research objectives (Eriksson & Kovalainen 2008, 27) that for this thesis have been formulated in chapter 1.4. Ghauri and Grønhaug (2002, 34) state that research methods can be seen as ”tools or ways of proceeding to solve problems.” Furthermore, the method should show the logical reasons to solutions explain how the researcher has achieved findings and make sure that the outsiders can evaluate the findings (Ghauri and Grønhaug 2002, 34.)

In order to both demonstrate and guarantee the logic of the study, operationalization chart is taken advantage of. The operationalization chart can be seen as a way to exploit the results of theoretical discussion in the empirical study and data analysis (Eskola & Suoranta 1998, 78). The operationalization chart is described in Table 4.

Table 4 Operationalization chart of this study

Purpose of the study		
To explore the ways in which agile supply chains and integrated multichannel retailing influence the international fast fashion retailing		
Sub-objectives	**Theoretical framework**	**Content analysis themes**
To describe how the agile supply chains create the foundation for international fast fashion retailing	Agile supply chain: market sensitivity, virtual, process integration, network based Chapters: 2.2, 2.3	Theme 1: Foundations for agility in fashion business
To describe how integrated multichannel retailing drives and constrains fast fashion retailers	Drivers: consumer demand, technology, cost savings, increased sales, competitive advantage, CRM Constrains: data integration, consumer behavior, channel evaluation, resources, allocation of strategies Chapter 2.4	Theme 2: Multichannel integration within fast fashion retailing
To study how the different apparel retailing channels are developing due to agile supply chains and integrated multichannel retailing	Empirical evidence from expert interviews, expert lectures and industry specific documents Chapters: 4.1, 4.2, 4.3, 4.4	Theme 3: Different fashion retailing channels Theme 4: Future prospects for fashion retailing

This study is applying *qualitative research methods* because the purpose is to understand how agility is influencing international apparel retailers in their retailing. Qualitative research aims to describe and examine objectives comprehensively and the main point is to gain "deeper" understanding about the objectives or social phenomena (Hirsjärvi, Remes & Sajavaara 1997, 152, Eriksson & Kovalainen 2008, 5, Silverman 2000, 8). Denzin and Lincoln (1994, 5−8) state that qualitative researchers aim at to understand the construction of reality and the relationships we have with it. Furthermore, qualitative research is used when researcher is interested in the human aspects of specific, isolated cases (Berg 2004, 7). It is typical for qualitative research that the research data is collected in real-life situations. The main point, however, is not to test different hypothesis but to view the data in detail from multiple angles (Hirsjärvi, Remes & Sajavaara 1997, 155).

This research is regarded both as *exploratory and descriptive study* by nature. Exploratory research aims to understand a broad phenomenon and seek after new

insights – as new information comes up the picture of the whole phenomenon becomes clearer (Ghauri and Grønhaug 2002, 48). Sontakki (2010, 68) and Marshall & Rossman (2006, 34) add that exploratory research is appropriate when not enough is know about the phenomenon. They also state that exploratory research is used to increase researcher's knowledge with the problem, discover new relationships and meanings and help to generate hypothesis for future research. Descriptive research then again tries to document and describe the phenomenon of interest by revealing the salient actions, beliefs and processes and document the central characteristics of the phenomenon (Marshall & Rossman 2006, 34, Hirsjärvi et al. 1997, 130). The theoretical drive of this study is *inductive*, as the conclusions of this study are drawn from empirical evidence. In addition, the main purpose is to observe facts based on empirical evidence so that propositions for future research and specific hypothesis can be done (Ghauri and Grønhaug 2002, 13-14.)

3.2 Data collection

Triangulation can be defined as the use of different data collection methods within one study or the use of different research approaches, methods and techniques in the same study (Saunders, Lewis & Thornhill 1997, 99, Hussey & Hussey 1997, 74). Denzin (1978, 295) has suggested that there are four types of triangulation: data, investigator, theory and methodological triangulation, of which *data and methodological triangulation* were used in this study. Data triangulation means that the data, used in a study, are collected at different times from different sources where as methodological triangulation refers to using more than one method for gathering data (Hussey & Hussey 1997, 74). According to Marshall and Rossman (2006, 97) qualitative researchers can use four different methods to collect data; firstly, to participate in the setting; secondly, to observe directly; thirdly, to interview; and finally, to analyze documents and material. In this research two different methods are being used in order to gather data, namely interviews and analyzing different documents. By using multiple sets to collect data, the researcher is able to investigate the same phenomenon from different angles and obtain a more fundamental picture of reality (Berg 2004, 4-5). Furthermore, by collecting data from multiple sources the researcher can improve the accuracy of the study and obtain a more holistic view of the study (Jick 1979, 602-603). By using triangulation the

researcher can provide greater confidence in her conclusions, gain a richer picture and crosscheck the findings of a social phenomenon (Saunders et al. 1997, 100, Hussey & Hussey 1997, 74, Bryman & Bell 2003, 575). Since this study is both exploratory and descriptive by nature, and the aim is to view a broad phenomenon, triangulation both in data and methods is useful.

The data for this research was collected from eight different sources. Firstly, four expert interviewees were selected from specific industries in order to get a greater understanding to the research topic and questions. Secondly, an industry-supporting document was analyzed in order to understand the industry. Thirdly, an industry related video was analyzed and finally, two different expert lectures were taken into account. These four different sources of data were chosen in order to be able to see the phenomenon from different angles and to gain deeper understanding. Table 5 summarizes the different data sources used in this research.

Table 5 Overview of the data sources of this study

Data source	What/Who	When	Why
Semi-structured interviews	Interviews with the four experts	7.2. - 30.3.2012	To explore how the fashion retailing experts see the research objectives and gain a deeper understanding of the fashion industry.
Written, industry specific document	Drapers' Technology in Fashion –report (2012)	May 2012	To explore how the fashion industry can be characterized from the point of view of organization that is non-retailer.
Media coverage	Expert video of Jarno Vanhatapio (2011), the founder of Nelly.com in Nordic eCommerce Summit	April 2012	To hear how a pioneer in Nordic fashion e-commerce describes online fashion retailing.
Expert lectures	Hanna Schramm-Klein and Jonathan Reynolds giving their lectures on the Finnish Retail Research Day in Turku School of Economics (2012)	12.4.2012	To understand more thoroughly how the retail experts within academia see the retailing.

3.2.1 Expert interviews

In this research, the first part of the data collection was conducted by doing *expert interviews*. This collected data can be considered as *primary data,* since it was collected especially for this research and it didn't exist before (Saunders et al. 1997, 188; Eriksson & Kovalainen 2008, 77). Shaw and Gould (2002, 145) state that usually, in the expert interviews, the interviewee is representative of expertise in a specific field. Furthermore, Marshall and Rossman (2006, 105) add that expert individuals are usually selected to interviews on the basis of their expertise in areas relevant to the research.

Welch, Marschan-Piekkari, Penttinen and Tahvainen (2002, 612) state that the expert [4] interviewee is usually a person who is working in a senior or middle management, has a lot of industry experience and enjoys high status in corporate hierarchy. The selected interviewees were chosen because they can be seen as professionals within fashion industry and they all have diverse areas of expertise, as Puusa (2011b, 76) suggests.

The interview type utilized in this study is called *semi-structured interview,* which can be situated between completely structured and unstructured interviews (Berg 2004, 80). In this research it meant that the sample size, people to be interviewed and the themes and questions were formed beforehand. Although the questions were formed beforehand, the interviewees were giving long and comprehensive answers. As Puusa (2011b, 81) suggests, most the questions arose from the theoretical literature and all the interview questions were asked in the same order in every interview. The interview questions were structured as follows: the first theme included background information about the interviewees, themes 2 and 3 arose from the theoretical part of this study and the final theme included questions about the future. This structure was found to be useful, since it follows the overall structure of the study. Furthermore, it was logical to start from the present moment and thereafter move towards future related questions. The interview questions can be seen in Appendix 2.

The questions were pre-tested in Turku School of Economics' methodology course (YSM) by sending them to course supervisor before the interviews as Ghauri & Grønhaug (2002, 105) suggest. Before the interviews the questions were sent to interviewees few days earlier. In addition, the researcher also familiarized herself with the company's history and rehearsed the research objectives and checked how to use the recorder. During the interviews the researcher introduced the study and tried to develop a positive atmosphere and relationship with the interviewee. It was also important to give space for interviewees' own thoughts: they spoke freely about the questions and gave good examples.

The expert interviews were chosen as data collection method due to several factors: firstly, the main purpose of the interview phase was to gain deeper and comprehensive view of the research objectives, and in that sense the experts can provide a broad, overall picture to it (Rubin & Rubin 1995, 76, Marshall & Rossman 2006, 105).

---

[4] Welch et al. (2002, 611) prefer the term "elite." The elites are synonymous with top management. However, in order to make this study is correspondence only the term "expert" is used.

Secondly, this type of semi-structured interview was chosen because it suits the explorative nature of this study where the maximum information is sought (Eskola & Suoranta 1998, 85, Sontakki 2010, 159). Finally, since the topic of this study is under-researched, the expert interviews allowed flexibility in making clarifying and additional questions in order to see the overall picture (Hirsjärvi et al. 1997, 194, Marshall & Rossman 2006, 105).

According to Rubin & Rubin (1995, 66) the interviewees should be selected so that they would represent different points of departures. The goal in this thesis was to find experts within the fashion industry who could provide in-depth information to the research topic. Each of the selected interviewees is working in a high position in their own organization and has been doing business in this field for many years. Especially the interviewees were chosen because they were the persons who could provide information that could be most useful for this specific study. In addition, the experts were chosen by using *quota sample.* This means that subgroups, such as small, medium and large companies are represented in the sample (Ghauri & Grønhaug 2002, 113). This approach was favorable in order to gain a deeper view for the topic from different point of views.

Table 6 summarizes the expert interviews carried out in this research. Four expert interviews were done during the 7th of February and 30th of March 2012. The interview language was Finnish with Ms. Säilä, Mr. Pasila and Ms. Alahuhta-Kasko, since it was the native language of the interviewees and the interviewer, and English with Mr. Hagstedt who is from Sweden.

Table 6 Information about the expert interviews

Expert	Company	Responsibilities	Place	Date	Duration
Ms. Jessica Säilä	Nordic ID	Business Development Director	Nordic ID branch office, Turku	7.2.2012	1 h 4 min
Mr. Antti Pasila	Kiosked Oy	COO and co-founder	Skype	1.3.2012	36 min
Ms. Tiina Alahuhta-Kasko	Marimekko Oyj	Acting Marketing Director, Head of PR	Marimekko Headquarters, Helsinki	23.3.2012	41 min
Mr. Kristian Hagstedt	Nordic eCommerce Knowledge	CEO	Skype	30.3.2012	34 min

The first expert interview was carried out with Ms. Jessica Säilä, who works as the Business Development Director in Nordic ID. Ms. Säilä has a master's degree in economics and business administration from Turku School of Economics and she has a strong background in Auto ID business, especially in the field of retail. She has been working for the company since 2002. Nordic ID was grounded 25 years ago, and their mission today is to provide data capture tools, such as handheld barcode and RFID computers, for professionals. (Nordic ID 2012.) In this research Nordic ID represents a small, industry specific company that is providing the technology for retailers in brick-and-mortar stores and as well in logistics and warehousing. The second expert interview was carried out with Mr. Antti Pasila, who is the chief operating officer and co-founder of the Finnish company called Kiosked. Mr. Pasila has a master's degree in economics and business administration from Hanken School of Economics, and he has been working within the online content business since his graduation in 2006. Pasila and Micke Paqvalen founded Kiosked in 2010 and their aim is to provide relevant kiosks to the consumers, so that the consumers can purchase or receive further information on anything they see online (Kiosked 2012). In this research Kiosked is representing a start up –company, which is providing tools for retailers to catch the buying impulse of a consumer on the Internet.

Ms. Tiina Alahuhta-Kasko was the third expert interviewed in this research. She has a master's degree in economics and business administration from Helsinki School of Economics and furthermore a CEMS master degree in international management. Today

she is the acting marketing director and head of PR in Marimekko and has worked for the company since 2002. Finnish textile and clothing design company Marimekko was established in 1951 and the company designs and manufactures high-quality clothing, interior decoration textiles, bags and other accessories (Marimekko 2012). In this research, Marimekko is presenting the brick-and-mortar point of view, since their online shop was launched in the end of 2012. Furthermore, Marimekko can be considered the most successful Finnish retail brand worldwide. The fourth interview was done with Mr. Kristian Hagstedt who has a master's degree in economics, leadership and marketing. Mr. Hagstedt has worked for Nordic eCommerce Knowledge since 1999, and today he is the CEO for this Swedish company. The aim of the company is to gather and spread knowledge about e-commerce to everyone having an interest in it, and to organize e-commerce specific summits, meetings and conferences. (Nordic eCommerce Knowledge 2012.) In this research, Nordic eCommerce Knowledge is representing online retailing and giving an international aspect to retailing.

3.2.2 Documents

The second part of the data collection was done by extracting information from multiple documents. The term "documents" covers a very wide range of different sources. The main point with documents is that the emphasis placed on them have not been produced at the request of the researcher, on the contrary the documents are "out there" waiting to be collected and analyzed (Byrman & Bell 2003, 404). Such data can be described as *secondary data,* since the data was created and collected initially for other than this research's purposes (Saunders et al. 1997, 188).

The documents used in this research were collected from three different sources. Firstly, Drapers' "Technology in Fashion -report" and secondly, expert video of Jarno Vanhatapio were taken under consideration. Both the Drapers' document and the video can be characterized with words "virtual outputs", which means that the documents appear on the Internet. Thirdly, a part of the data was collected during the Finnish Retail Research Day in Turku School of Economics. The researcher participated in the seminar, listened the presentations of Ms. Hanna Schramm-Klein and Mr. Jonathan Reynolds, received the presentations slides and wrote down her own notes about the seminar. Saunders et al. (1997, 190) are calling these documents "documentary secondary data" and they add that these types of documents are often used in a research

that also use primary collected data. Furthermore, they divide the documentary secondary data into sub-groups; written documents (such as Drapers' report) and non-written documents (such as the expert video and expert lectures).

The multiple documents were chosen as data collection method due to several factors: firstly, the main purpose of the documents was to gain deeper and comprehensive view of the topic especially from the industry and research perspective (Rubin & Rubin 1995, 76). Secondly, the purpose of this study was to gain a deeper view to a specific phenomenon by seeking the maximum information. It was easy to get an access to secondary data that provided more information to the research topic. Thirdly, it was important to have information that has not been produced at the request of the researcher (Byrman & Bell 2003, 404). Fourthly, by using secondary data the researcher had more time to think about the theoretical aims of the study and analyze the data in more detail (Saunders et al. 1997, 200). Finally, the secondary data provided the researcher to place own findings in a more general context and triangulate the findings (Saunders et al. 1997, 201). The method in this thesis was to use multiple documents within the fashion industry, which could provide in-depth information to the research topic. Each of the selected documents provided a unique perspective to this thesis. The documents were chosen by using *convenience sample,* often called as accidental sample. This means that documents that the researcher found convenient were used in this study. (Ghauri & Grønhaug 2002, 146.)

The Drapers' "Technology in Fashion –report (2012)" document was selected to this research because the organization behind the report, namely Drapers, is concentrating in the UK fashion business by reaching out to over 100 000 key decision makers within the industry. In this study, this was considered to be advantage when the purpose was to gain a deeper understanding to this specific industry and phenomenon, especially from international point of view. The purpose was to interview Mr. Vanhatapio, but since he did not reply to enquire the video was taken into account. Mr. Vanhatapio is the founder of Nelly.com, which is an e-commerce website with a focus on fashion and beauty. The company started its business 2004 in Sweden and today there are over 750 different brands in the company's product range. (Nelly.com 2012.) In this research, the video material was considered important and comprehensive regarding online retailing in various countries. As mentioned before, the researcher participated in the Finnish Retail Research Day in Turku School of Economics in 12th of April 2012. The first speaker was Ms. Hanna Schramm-Klein who is working as the Professor of Marketing at the

University of Siegen, Germany. She has worked as an editor of numerous books and articles on retail strategy, multichannel retailing and online retailing. The second speaker was Mr. Jonathan Reynolds who is Academic Director of the Oxford Institute of Retail Management and teacher and researcher in the areas of retailing and technology, retail and services marketing and retail planning and development. He has published and spoken widely on all these subjects. (Finnish Retail Day 2012.) These to researchers provided new, international insights to this study, and it could have been considered that they had the latest academic knowledge of retailing. Therefore, their lectures were considered important and helpful for this study.

3.3   Data analysis

According to Sontakki (2010, 188) the data analysis in qualitative research "signifies a set of methods and techniques that are used to obtain information and insights from the data." Hirsjärvi et al. (1997, 212) and Welman & Kruger (2001, 194) add that the purpose is to select an appropriate way to analyze the data in order to find a solution to the research objectives, whereas Marshall and Rossman (2006, 151) propose that the data analysis should discuss how the researcher has managed and analyzed the collected data.

The use of multiple documents in this research, as a data collecting method, required an analytic approach called *content analysis* (Marshall & Rossman 2006, 108). Krippendorff (2004, 18) define content analysis as a research technique for making valid conclusions of texts to the contexts of their use. Bryman & Bell (2003, 572-573) bring the focus to *qualitative content analysis* (QCA) as an approach to documents, which allows different categories to emerge out of the data and furthermore, an allowance to describe and generalize the studied phenomenon. According to Schreier (2012, 6) and Puusa (2011, 117) the QCA process consist of different steps, which are: deciding your research objectives, selecting your material, building a coding frame, dividing your material into units of coding, main analysis and interpreting and presenting your findings. Furthermore, the analysis process includes three different phases: preparation, organizing and reporting phases (Elo & Kyngäs 2007, 109). The content analysis was chosen for the data analysis method due to several reasons. Firstly, the content analysis provided the researcher for new insights and increased researcher's understanding of a specific phenomenon of retailing (Krippendorff 2004, 18). Secondly,

the content analysis was seen as a modest way of analyzing data, because it was conducted without disturbing the setting in any way (Marshall & Rossman 2006, 108). Finally, the results of QCA provided a valid and coherent framework to further analyze and present the main findings of this study. In this study, the three different approaches of QCA, presented by Puusa, Schreier, Elo and Kyngäs, were taken advantage of and developed further for the purposes of this study. These different phases and steps are presented in more detail in the following sub-chapters. The QCA process in this study can be seen in Figure 5.
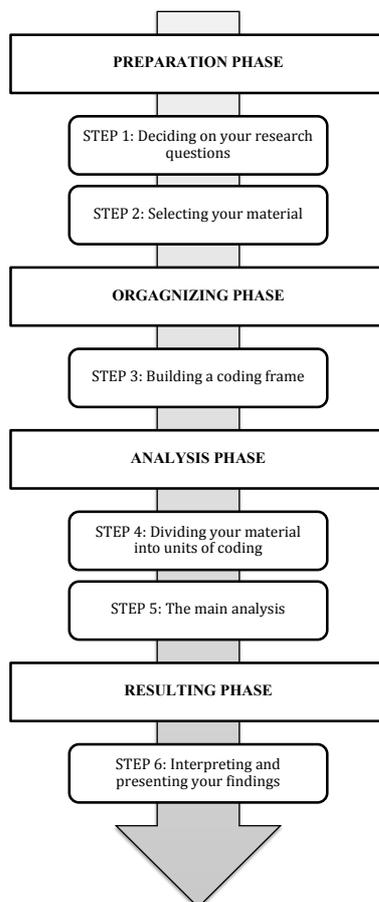
Figure 5. Qualitative content analysis process in this study (adapted from Elo & Kyngäs (2007, 110), Schreier (2012) and Puusa (2011))

Preparation phase: According to Schreier (2012, 6) the first step in QCA is to decide on research objectives, which were discussed in sub-chapter 1.4. The second step is to select the material that is used in the study, which was presented in in the sub-chapter 3.2. Hussey and Hussey (1997, 251) propose that before the actual analysis the researcher have to do *sampling* of the data. This means that the researcher has to decide

what to analyze in what detail, depending on the amount of data (Hussey & Hussey 1997, 251). The material for content analysis may vary from written material to any form of communication that are turned into transcriptions and then classified into various units (Marshall & Rossman 2006, 108, Berg 2004, 240, Hussey & Hussey 1997, 250). In this study, there were four types of material: transcribed interviews, a written industry specific document, a video and two lectures, including the lecture slides. Therefore, the most prevalent approach to qualitative analysis of different documents was the content analysis, because it provided the researcher to analyze the underlying themes in different materials (Bryman & Bell 2003, 417).

In this research the amount of data was considered to be quite small, which led to the decision to go through all the data in detail. Berg (2004, 240-241) is calling these procedure *criteria of selection,* which must be done before the actual analysis of the data. Criteria of selection means that the data should be presented and analyzed in such a way that other researchers or readers would obtain the same or comparable results if they were doing the same research (Berg 2004, 240). The next procedure in preparation phase is to understand the data as a whole, which is usually done by reading the data material through several times (Puusa 2011, 120; Elo & Kyngäs 2007, 109). In this thesis, the transcribed interviews, the Drapers' report and expert lecture slides and notes were read through several times and the video of Jarno Vanhatapio was watched multiple times. By doing this, the researcher understood the different points of departures and got a coherent picture of the data in general.

Organizing phase: In the organizing phase the researcher creates an analyze matrix or a categorizing matrix (Elo & Kyngäs 2007, 109). Hussey and Hussey (1997, 251) are calling the matrix a *coding frame,* which lists the different categories, units of analysis and units of coding in the study. The coding frame for this study can be seen in appendix 3. According to Schreier (2012, 6) the third step in QCA is to build this coding frame. Berg (2004, 253) adds that coding frames are used to organize or reduce the data in order to identify the findings. Since the data in this study have been categorized by themes, the type of matrix is called a *structured matrix of analysis*, which means that only the data that fit the categorization was taken under consideration (Berg 2004, 253). In this research the coding frame was firstly build upon the main themes that arose from the literature review (themes 1&2) and themes that arose from interviews with the experts about the different retailing channels and the future of retailing (themes 3&4). These four different themes are presenting arrangements for

agility in fashion business, multichannel integration, different channels and future prospects.

Themes 1 and 2 that arose from literature review (chapter 2) can be seen as part of a deductive strategy to build the coding frame. In that sense, the coding frame was built upon themes, which were familiar to the researcher from the theoretical part of this study. On the other hand, themes 3 and 4 that arose from the interviews can be seen as an inductive way of building the coding frame. These categories emerged from the material that was collected by interviewing the experts. (Schreier 2012, 84.) From the point of view of this study, it was essential to use both deductive and inductive approaches in order to create the coding frame. Deductive strategy represents the literature review in this study whereas the inductive strategy is characterizing the empirical part of the study. By combining these two approaches the researcher was able to relate the collected data and academic research, and thereafter analyze the collected data. After the coding frame was built, additional sub-categories or sub-themes were added in order to code the data more precisely. (Puusa 2011, 122; Elo & Kyngäs 2007, 112.) These sub-categories arose from the theoretical discussion (themes 1&2) and from the expert interviews (themes 3&4). These categories represent the themes in more detail. By dividing the four themes into sub-themes the collected data was categorized more accurately and different nuances were easier to recognize.

An important part of the QCA and coding frame is to define the different categories. ”Category definitions are the rules for assigning data segments to categories, i.e. the rules you use for coding your material (Schreier 2012, 94-95).” In this study, the definitions were preceded in three different steps, as Schreier (2012, 95-97) suggests. Firstly, the category definition started by naming the different categories in a concise way. Thereafter the different categories were described in detail in order to provide the readers the insight what was meant by the category itself. Finally, different category examples were added to categories in order to illustrate the category more thoroughly for the readers. The definitions for the different categories can be seen in the appendix 4. After the different categories were defined, it was time to revise the coding frame, as Schreier (2012, 104) suggests. This meant that the coding frame was double-checked to cover all the variation in the collected data.

Analysis phase: The fourth step in QCA is to divide and segment the collected data, the units of analysis, into units of coding (Schreier 2012, 126). The units of analysis can be described as all the collected data, in which an interview or a document is

representing a unit of analysis. Furthermore, the units of coding can be characterized as parts of units of analysis, which are interpreted with respect to the categories. (Schreier 2012, 130-131.) Segmentation can be defined as "dividing it [the material] into units such that each segment/unit fits into one category of the coding frame (Schreier 2012, 127)." According to Boeije (2010, 94) the segmentation or coding is a tool with which to create order. Boeije adds that units of coding or codes are summarizing phrases "for a piece of text which expresses the meaning of the fragment (Boeije 2010, 96)." In this thesis the segmentation of the data was conducted with *open coding,* which is the most suitable approach in thematic categories since its purpose is to break down the collected data into pieces and thereafter assign them to groups that present the same theme (Boeije 2010, 96.) After the coding frame was done, the relevant parts of the collected data were marked, as Schreier (2012, 139) suggests. This meant that while reading the materials the researcher marked the most important parts of the texts with alphabets (a-l), which represented the different categories and themes that were decided earlier. In other words, the researcher made the preliminary marks on which parts of the texts belongs to the different categories. Thereafter the researcher decided on her criterion of segmentation, as Schreier (2012, 139) suggests. In this procedure the researched decided which phrases within the marked texts of units of coding would be the central phrases and would represent the whole marked text best. Since the researcher had defined the different categories by themes and sub-themes (a-l) it was logical to choose the main phrases of units of the coding according to these different themes. The segmentation and coding was done due to several reasons, as Schreier (2012, 127) proposes; firstly, it helped the researcher to take all the collected data into account, and secondly, it helped to implement the research focus.

Thereafter the main phrases and words were placed in the coding frame. This can be seen as the fifth step of QCA process. The coding frame, the different themes, sub-themes, units of analysis, units of coding and the categorized data (by codes) of this thesis can be seen in the appendix 3. As Elo and Kyngäs (2007, 108) say it: "-- the outcome of the analysis is concepts or categories describing the phenomenon. Usually the purpose of those concepts or categories is to build up a model, conceptual system, conceptual map or categories." In the final *resulting phase* of QCA, the researcher presents the conceptual systems or categories describing the phenomenon (Puusa 2011, 123; Elo & Kyngäs 2007, 110). In this thesis the results of the content analysis can be seen in the chapter 4.

3.4 Evaluation of the study

There are plenty of different qualitative research approaches and therefore the most appropriate evaluation criteria for trustworthiness in qualitative research are under the debate (Eriksson & Kovalainen 2008, 291; Lincoln & Guba 1985, 290). According to Lincoln and Guba (1985, 300) credibility, transferability, dependability, and confirmability are the four elements for the evaluation of a qualitative study's trustworthiness where the data is collected from primary sources. Scott (1990) suggests that authenticity, credibility, representativeness and meaning are the four different criteria to assessing the quality of documents that can be considered as secondary data. Furthermore, Schreier (2012, 166) points out that the coding frame, used for the content analysis, should be evaluated from the point of view of reliability and validity. The evaluation on expert interviews are discussed more detail in chapter 3.4.1 the evaluation of the documents is discussed in chapter 3.4.2 and the evaluation of the coding frame in the chapter 3.4.3.

3.4.1 Expert interviews

Credibility measures how well the study describes reality as it really is (Lincoln & Guba 1985, 296). According to Lincoln and Guba (1985, 301) one way to improve the credibility is to use *prolonged engagement,* which refers to the amount of time that is used to achieve the research goals. The data collection in this study was carried out in several months, which constitutes a long engagement to the research. The interview questions were sent to the expert interviewees in good time, so that they all had the possibility to familiarize themselves with the research objectives. This procedure guaranteed that the actual interview time could be exploited as well as possible. Second way of enhancing credibility is to use *triangulation* (Lincoln & Guba 1985, 301-304). This research utilized data and method triangulation, which means that the data was collected from multiple sources with different methods. The benefits of triangulation were discussed in more detail in chapter 3.2. The third way of enhancing credibility is called *referential adequacy*, which refers to recording and transcribing the interviews and other documents (Lincoln & Guba 1985, 313). All the interviews were recorded with the permission of the interviewees and the researcher wrote down notes during the interview in order to be able to describe the interview situation as precisely as possible.

All the recorded interviews were transcribed word for word to make sure that all the information could be taken into account. Few interruptions came up while interviewing Mr. Pasila and Mr. Hagstedt, otherwise the quality of recordings were good. The actual interview –materials can be considered to be trustworthy, since the interviewees were speaking from their own experience.

Fourthly, the *semi-structured interview questions* enhanced credibility. The researcher asked the questions without leading the interviewees to answer in a certain way and in that sense interviewees could answer spontaneously from their own point of view. By using semi-structured interview questions, the objectives of this study were linked to interview questions and the researcher could prove that the final results from interviews weren´t affected by her views. In addition, after every interview all the interviewees were asked if they would like to add something that they think has not come up during the interview. The fifth way to enable credibility is to do *member checks,* which means that the interviewees check the collected data afterwards in order to check the correctness of it (Lincoln & Guba 1985, 314). The final work was sent to all interviewees and Mr Pasila, Ms Säilä and Ms Alahuhto-Kasko agreed with the presented results of this study. However, Mr Hagstedt could not be reached and therefore the straight quotations presented by him were taken away. Finally, the usage of *content analysis,* as a data analyzing method, enabled to credibility. The advantages of content analysis are discussed more detail in the chapter 3.3.

Transferability discusses how well the research findings can be generalized to other empirical or theoretical backgrounds. It is first and foremost the researcher's duty to provide the reader with tools to evaluate the research by describing the research process, collection of the data, and the surroundings to which the findings apply. (Lincoln & Guba 1985, 297, 316; Hirsjärvi et al. 1997, 217.) The foundations for evaluation of transferability are described in detail in chapters 3.1, 3.2 and 3.3.The chapter 3.1 has the focus on research approach and strategy, the chapter 3.2 focuses on the criteria for data selection and the chapter 3.3 presents the data analysis process.

The third way to evaluate the qualitative study is to concentrate on *dependability.* According to Tynjälä (1991, 391) dependability includes evaluation of the research situation, considerations about the researcher, the research surroundings and the research subject. The research situations in expert interviews have been described in chapter 3.2. During all the interviews the atmosphere was open and the interviewees were motivated and prepared to participate in this study. When it comes to

considerations about the researcher, she had familiarized herself with the companies' history and background and asked the questions in a not leading way without affecting the answers.

The fourth way to evaluate the study is to concentrate on *confirmability,* which refers to the evaluation to what extent findings, results, and recommendations are based on the collected and used data. In other words, if another researcher could repeat this research, based on the given information in this study, the confirmability would be considered high. (Lincoln & Guba 1985, 300, 318-319.) In this study the whole research process was done in a very organized manner and described in detail, which contributes to good quality of research. The data collection and analysis processes are described in more detail in chapters 3.2 and 3.3.

3.4.2   Documents

Authenticity refers to the truthfulness of the evidence and collected data. In this study, the data from expert/research lectures was collected in an organized manner; during the research day the researcher made notes about the lectures and afterwards combined her notes with the lecture slides. Furthermore, there was no need to consider if the origin of the data wouldn't be authentic since the researchers were presenting their academic views on a professional conference at Turku School of Economics. However, a part of the data, used for this study, was collected on the Internet. Bryman and Bell (2003, 415) raises questions about the authenticity of the websites, since anyone could set up a site and provide false information. In this study, this aspect was taken under consideration and the information was collected from authorized web pages. The Drapers' document was downloaded on their homepage and the expert video of Jarno Vanhatapio was found on YouTube under Nordic E-commerce's own channel. Since the data, in both the Drapers document and Jarno Vanhatapio's video, was found on authorized sites the data was considered to be trustworthy. The evaluation of the documents was discussed more detail in chapter 3.2.2.

Second approach to evaluate the secondary data is to concentrate on *credibility*, which refers to errors and distortion of the data. In this study there was no need to think that the data would be manipulated in any kind of way. Thirdly, *representativeness* discusses weather the evidence is typical of its kind. Byrman and Bell (2003, 415-416) states that it is impossible to evaluate how representative web sites are on a certain

topic. However, the Drapers' web site is famous and respected within the fashion industry, so there was no need to worry that they wouldn't be enough representative. When it comes to YouTube and the video of Jarno Vanhatapio, one could argue that Nordic E-commerce has posted all the videos from their summits to their channel. In that sense, the video was considered to be a representative. Finally, *meaning* refers to how clear and comprehensible the evidence is. Byrman and Bell (2003, 416) speak about "webspeak", which refers to a special language used on the Internet, where only the insiders can understand the true meanings. However, in this study the collected data consisted of a video and a report, which didn't demand specific insider role to understand the true meaning.

3.4.3   *The coding frame*

The content analysis process, and especially the creation of the coding frame were discussed in more detail in chapter 3.3. However, Schreier (2012, 166) suggests that even though the different steps and phases were presented, it is vital to evaluate the whole coding frame from the points of view of reliability and validity. When it comes to *reliability*, the coding frame should be reliable to the extent that it yields data that is free of error. She points out that extra attention should be paid to consistency of the coding. (Schreier 2012, 166-167.) In this study, all the collected data was investigated with greatest accuracy and the coding frame was build upon themes that arose from the theoretical background and expert interviews. The different categories were presented in appendix 4 and the actual coding frame was presented in appendix 3. The coding process was time consuming, because it required reading through the transcribed texts and other documents and making marks according to the categories. Thereafter the relevant parts of the data were set in he coding frame. In that sense, one could argue that the coding and the coding frame was built in most accurate way and only data that fitted the different categories was taken into account.

    The second approach, *validity,* concentrates on whether the different categories adequately represent the concepts of the study (Schreier 2012, 175). As mentioned in chapter 3.3 the coding frame was built upon deductive and inductive strategies. From the point of view of the deductive strategy, the different categories arose from the theoretical background (themes 1&2) whereas inductive categories arose from the expert interviews (themes 3&4). These different categories can be considered to be

valid, since they capture what they are said to capture. Furthermore, the different categories represent the research objectives, which means that with the help of the coding frame the researcher was able to answer the objectives of this study.

4   AGILITY IN INTERNATIONAL FAST FASHION RETAILING

This chapter discusses the general findings of this study on foundations for agility in fashion business, the different drivers and constrains for fast fashion retailers to engage in integrated multichannel retailing, the different retailing channels and the future prospects for retailers. The purpose of this section is to answer the research objectives from the point of view of collected empirical material. The findings are drawn from the content analysis and examples from the interviews with four experts and additional data from the documents are used to highlight and further explain the results of the content analysis. Additionally, this chapter can be seen as the final step of the content analysis, since the purpose is to present the findings and interpretations by using the coding frame that is presented in appendix 3.

4.1   Agile supply chains as the foundation for fast fashion retailing

This chapter presents the findings regarding the first sub-objective, *how the agile supply chains create the foundation for international fast fashion retailing*, analyzed in theme 1 in the coding frame (appendix 3). The discussion started from the "distribution channel" part of the theoretical framework (figure 4), which consisted of the foundations for agility in fashion business. Market sensitivity, virtual integration, process integration and networking all are seen as vital parts of the agile supply chain and they will be analyzed in the following sub-chapters.

4.1.1   Market sensitivity

According to Christopher (2000), one of the core concepts of market sensitivity within fast fashion retailing is to read and respond to real consumer demand. In this study, all the collected data indicated the same opinion that today's fashion retailers are trying to find the most convenient ways and innovations to satisfy the consumer demand. As Jarno Vanhatapio pointed out, it is important to have fast decision processes and keep the focus on the customer. Furthermore, today's fashion consumers are seen as impulsive buyers, who are facing a lot of different buying impulses daily and who make the purchase decisions extremely fast. Therefore the key success for retailers is to find a

way to *catch the buying impulses* at the earliest buying stage and link it to the actual purchase (cf. Christopher 2000; Masson 2007). The fashion consumers are expecting the products, the best experience and buying satisfaction as soon as possible. As Drapers' report showed, it is vital to work hard and keep up with the fashion consumers' need for newness and to listen to the consumers and provide a good shopping experience. In fact, it is the customer *experience* that matters the most: the customers' opinions on different channels and retailers are depending on the shopping experience the fashion company is providing (cf. Christopher et al. 2004).

When it comes to identifying potential market needs for new products and forecasting planning, some fashion retailers are conducting *color management* when producing undyed products or buying undyed fabrics. This means that when a new trend color pops up, it is easier and faster to color the ready, undyed product with the trendiest color or pattern. As a result, the fashion retailer can react faster and more flexibly to color trends mid-season and thereafter meet the consumer demand. In other words, this can be seen as an innovation that enables fashion companies to respond to consumer demand immediately.

4.1.2   *Virtual integration*

According to the theoretical discussion (Christopher 2000; van Hoek et al. 2001; Barnes & Lea-Greenwood 2006), virtual integration within agile supply chain includes the usage of information technology to share data between retailers and suppliers, sharing up-to-date point-of-sale data for immediate ordering and replenishment decisions, and crating of virtual environments for sharing information. Firstly, according to Jonathan Reynolds, the sharing of data between fashion retailers and suppliers can be seen as a good way of getting a better sense of the *customer journey.* It is important to know what and in witch channel the customers are buying, in which colors, sizes etc. By integrating all the sales information to the supply chain, with the help of customer relationship management (CRM)-, enterprise resource planning (ERP)-systems, the fashion companies tend to know better their customers, which give them a competitive advantage on the markets. An example of current views, Jonathan Reynolds' lecture stresses the above:

> *All the online channels are very transparent ... and all the marketing activity is equally transparent, we can attribute where customers are coming from, we can attribute where our costs are in the business, and the cost of campaigns and the cost of manpower ... as well as looking at cost per order and cost per new customer and seeing if things are profitable or not profitable, and adjusting efficiency based on that.*

Secondly, the collected information is shared along the supply chain in order to create seamless material flows. The virtual integration can especially be seen as a way of creating *time savings* along the agile supply chain, as Jessica Säilä stressed. With the help of RFID technology the fashion companies know exactly how many garments have been produced, when they have been packed, shipped and in which warehouse the products are and when the products are arriving in the store. When the fashion retailers have the access to this sort of information, they can plan and build the store floors and organize the inventory. In addition, when the store workers know when the shipments are arriving they can arrange their shifts more accurately, so that there is enough staff to unload the cargo and serve the customers (cf. Barnes & Lea-Greenwood 2006).

Thirdly, virtual integration includes creation of virtual environments to share information along the agile supply chain. The collected data provided two different approaches to this matter. Firstly, from the point of view of fashion production, different virtual platforms are used to fasten the product development. For example within pattern making, virtual platforms are providing time- and cost-savings when all the different patterns are available in virtual form. This means, that by doing small alterations, such as adding a new collar to jacket or changing of a pocket to existing patterns, the new product is ready to be produced faster (cf. Tokatli & Kizilgün 2009). Furthermore, a piece of garment needs to be designed only once and thereafter the pattern can be used as long as it is considered trendy, as Draper's report suggests:

> *I make hand paper patterns for my first draft. However, after a while you build up a library of patterns, which are instantly accessible with computer-aided design, so there's no traipsing off to another floor searching through rows of card patterns, just to trace off and amend, so minor adjustments are relatively fast.*

Secondly, different virtual platforms are providing information to the *customers*. As Jarno Vanhatapio stressed, the fashion consumers can look up product information, sizes, materials, colors, different views, videos of products and stock balances on the

Internet. The key is to provide the customer all the possible information about the products online. One could argue, that by doing so the fashion retailers are providing customers enough information to do shopping online or enough product information to come and have a look of the product at the store. Furthermore, this sharing of information has led to social shopping and combining virtual and real lives.

4.1.3   Process integration

According to Christopher (2000) and Ahn et al. (2012), process integration within agile supply chain can be seen as collaboration between buyers and suppliers, joint product development, common systems, shared information between different members along the supply chain and seamless material flows. Firstly, when it came to collaboration between buyers and suppliers, the collected empirical data showed evidence that within fashion retailing it represents the communication within product development process, between design teams and suppliers. Furthermore, it included collaboration between different teams, including merchandising, retail and production. Sharing of the data within the *internal processes* along the agile supply chain was seen to be more flexible, when all the different actors had access to the data. That led to faster decision-making within the chain, which contributed to faster response to the customer demand and reduced the risk of working with out-of-date or wrong information. Drapers' report stresses the above:

> *Every detail of a particular product – from a button to a pocket lining – is stored in one place that can be accessed by everyone involved in the creation of that garment, be it the designer, supply chain manager or the manufacturer.*

Secondly, from the point of view of RFID technology, process integration can be seen in several ways, as Jessica Säilä pointed out. Firstly, the new technology is providing faster data transformation when all the fashion product information (we need these t-shirts with these price- and wash tags) can be delivered electronically. This leads to seamless product information with wanted products (cf. Barnes 2006). Secondly, the fashion companies could reduce unwanted production with the help of RFID technology. If all the ordered products have a RFID tag, and a fake copy of the garment doesn't have the tag it is easy to point out if the same factory is producing pirate

garments. In other words, the apparel retail chains know exactly how many branded garments they have ordered. Virtual integration also creates security; when the RFID tags are read along the way from production to stores, the fashion companies can see where along the way some of the products have gone missing. Furthermore, an interesting point of view arose from the collected data: from the point of view of fashion consumers, process integration can be seen as a way of providing them similar buying experiences in all the different fashion retailing channels. In addition, it includes fast deliveries and logistics from to supplier to the end customer.

4.1.4   Networking

According to Christopher (2000) and Doyle et al. (2006) partners and intermediaries should be linked together as a network in an agile supply chain. Some views were found in the empirical data. It was found that within fashion retailing, the subsidiaries are usually taking care of dyeing, patterning and finishing the undyed fabrics, which are then sent to manufacturers, who continue to process the garments. Furthermore, it was found that it is important to have flexible production possibilities with intermediaries. For example when Nelly.com launched a "design you own bikinis" –campaign, the well-functioning intermediary in Hong Kong was responsible to handle the production and shipment of customers' self-designed garments (cf. Barnes 2006). For well-functioning chains it is important to find reliable partners abroad, however sometimes finding of a perfect partner might take years while the demand for the products is there at the moment, as Tiina Alahuhto-Kasko pointed out.

Regarding bringing new fashion products to the stores as frequently as possible, RFID technology was found to provide new possibilities. Firstly, RFID technology can be seen as a way to enable accurate stock balances, which means that the fashion retailers know exactly what sizes they have in stock available for customers. When products are shipped to stores, the stock balance is automatically updated to respond the real amount of products. Secondly, the RFID devices tell where the item is located (in the stores' stock) or whether it is available in chains' other stores. This means that the salespersons doesn't need to scan in the barcode or product name in a system in order to see the stock balance and product's availability, the RFID device sends a "message" to a radio field where the product tags respond to the message providing the sales person and thereafter the customers with location information. In that sense, all the fashion

chains are connected together as a network. Thirdly, the products can be sent faster to the stores when there is no need to open the boxes (used for transportation) in order to scan the bar codes of every item. In other words, the RFID device enables shorter lead times from production to storage and to the customers (cf. Masson et al. 2007).

4.2 Drivers and constraints for integrated fashion multichannel retailing

This chapter presents the findings regarding the second sub-objective, *how integrated multichannel retailing drives and constrains fast fashion retailers*, analyzed in the second theme on the coding frame (appendix 3). The analysis concentrated on the "communication channel" part of the theoretical framework, which consisted of drivers and constraints to engage in integrated multichannel retailing. The purpose of this chapter is to understand what drives and constraints fashion retailers engaging in integrated multichannel retailing.

4.2.1 Drivers

According to Stone et al. (2002), the biggest drivers to engage in integrated multichannel retailing are technology and customer demand. Firstly, regarding *technology,* the collected data suggested that the Internet has affected the fashion retailers, which can be seen as a rise of online-shops, as Black et al. (2002) and Zhang et al. (2010) likewise suggested. The Internet, as a selling channel for fashion, has been growing annually, for example Nelly-online shop grew 2075% between 2007 and 2010. The Internet is seen as an important channel or as a way of integrating brick-and-mortar stores to the online environment. Furthermore, it is important for fashion companies to have a presence in the digital world, especially in the areas where they do not have any physical visibility, in order to reach out to all the potential customers. It is important to be accessible for new fashion consumers and create additional sales on the Internet. Additionally, the Internet was seen as a good tool to enhance brand communication and brand experiences, which support stronger customer relationships. Furthermore, another technology related driver was that brick-and- mortar stores and online stores have been integrated, and that new channels are arising within fashion retailing, such as mobile

commerce, which is also using the Internet as a way to communicate with the customers.

Secondly, when it comes to *customer demand and buying behavior*, one could argue that the importance of Internet, as a selling and information channel within fashion retailing, is due to the customer demand and changed consumer behavior, since the web shop is seen as a prerequisite for modern fashion retailers. The customers are expecting that all the big fashion retailers have a web-shop. The customers are known to consult their mobile devices in the brick-and-mortar stores in order to find more information about the products online. In other words, fashion consumers want to have more options to browse and buy retailers' collections and products online. They value the possibility to combine various shopping applications. In that sense, the fashion consumers are demanding "everywhere commerce", because they may need the information at any time in order to make the buying decision. The fashion retailers have understood that their consumers can be anywhere and that they need to have information to be available all the time and they want to be surprised. Furthermore, customers would not tolerate large apparel retailers that don't have a working, multichannel strategy. "Fix it, we want it now!" –mentality is characterizing today's consumer culture, which is a totally different approach that it was 5 years ago.

Further driver in fashion retailing was *competitive advantage*, especially in the situations where the competitors are integrating Internet and new channels as a part of their business. In order to keep up with the competitors, the fashion companies strive to excel in diverse areas of retailing and provide better service, products and price to its customers. Competitiveness relates also to innovation and skills, and fashion firms are finding new ways to do existing things more efficiently in order to compete and be more productive. Furthermore, by integrating all the channels fashion companies can create *customer trust*, and diminish their consumers' orientation to the rivals' channels. Integration of all the fashion retailing channels is needed because:

> *Integration of retail channels in a multichannel system positively influences customer trust, the image of the retailer as well as the channel portfolio, which increases customer loyalty and leads to differentiated use of individual channels of a retailer's multichannel system.*
> *(Hanna Schramm-Klein)*

Furthermore, Jonathan Reynolds mentioned that integration of different channels would result in *increased sales* and *cost savings,* when productivity, competitiveness and innovations are created in an efficient way. It was found that the drivers of integrated multichannel retailing within fashion seem to be similar in the literature and in the empirical discussions of this study. However, in contrast to the theoretical discussion, the customer relationship management as a driver was not emphasized in the empirical data.

4.2.2   *Constraints*

According to Neslin et al. (2006), the biggest constraints to engage in integrated multichannel retailing are data integration, understanding consumer behavior, channel evaluation, allocation of resources across channels and coordination of channel strategies. The collected data provided evidence that fashion retailers are facing multiple constraints in their integrated multichannel retailing. The first theme that arose from the data was *data integration* within all the different fashion retailing channels. The modern fashion retailers have their own systems to monitor customer relationship management, point-of-sales data, warehousing and internal systems. However, the difficulty is to integrate all the different, complex systems in order to create a coherent system that can be used and exploited in all the different fashion retailing channels, as the ORCA-model in the theoretical discussion as well presented. Furthermore, the data integration was seen as a time consuming and costly part of the move towards integrated multichannel retailing.

The second theme, *understanding consumer behavior,* was seen as well complex. As mentioned in the previous chapter, there has been a change in consumer demand and behavior, which are creating challenges for fashion companies in knowing what the consumers want. Some of the data provided evidence that customer demands are altering, which makes it hard to predict what they want. If the customer experiences bad service or not-functioning site, she is most likely to go to somewhere else, with better service. Furthermore, situational factors (such as the website, easiness to browse pages) have an impact on use of a specific fashion retailing channel or customers' switching behavior between channels, as Schoenbachler and Gordon (2002) suggested in their framework for multichannel shopping behavior. Therefore, it is extremely important for fashion retailers to know customers and provide good service.

Surprisingly, a totally opposite approach to understanding consumer behavior arose as well: there can be seen an adversary reaction to high-tech, which means that the fashion consumers are longing for touching the products, human contact, music, smells and inspiration. This is creating even more challenges for the fashion companies: how to respond to this kind of consumer behavior and provide holistic experience across all the channels? On the other hand, consumer behavior can be described with longing to newness and individualism. Fashion consumers want to create their own style and personality that represents them best: the clothes are not seen just as clothes, but goods that customers have emotional attachments to. Also, values of fashion customers are changing. The acting marketing director and head of PR of Marimekko highlights that there is, in fact, a new, rising trend among fashion consumers and within consumer behavior, which will have an effect on fashion industry in the future.

> *Existing, fast moving fashion brands offer solutions for consumers who want to be at the crest of trends. However, fast fashion is not able to meet the claims of sustainable development, in relation to which consumers have become more and more critical. Is it ok that the trendy products are in one day and out the second day?*

The third theme, *technology,* which arose from the collected data, created a lot of opinions. As new technologies are emerging all the time, it is hard for fashion companies to keep up and to update their technology. For smaller companies it is easier to respond to new technologies and innovations, whereas for bigger, multinational fashion companies it takes time, money and professionals to execute the necessary changes. Another issue that came up was the use of web platforms. Since the fashion consumers are demanding information about the products (size, color, materials etc.), multiple views (zoom in, rotation, videos, multiple angles of the product) it exerts a pressure to programs and development tools to be extremely flexible. Furthermore, applications such as "match this bag with these shoes, trousers, blouse and accessories" are hard to implement with the existing web platforms. New digital channels are also creating pressure to open new stores; if the fashion company's web shop becomes popular i.e. in Brazil it creates a pressure to create physical presence in that area in order to answer the demand. Another concern was how to maintain the existing technology. On the other hand, the technological innovations are creating a new atmosphere for competition and possibility to compare the prices. The next example, the using of bar

code scanner within a store, gives a good point of view for understanding, which kind of technological innovations there might be within the fashion retailing in the near future:

> *To give you an example, Amazon has a bar cod scanner app that people are using especially in the USA and in England. These people go to a DVD store and scan the product, which they are interested in, and realize that they can get the same DVD much cheaper at Amazon's online store. Thereafter they do the purchase on the phone and walk out of the store. Next day the half-priced DVD arrives to their front door. (Antti Pasila)*

The fourth theme, *channel evaluation,* dealt with constraints such as cost effectiveness, different productivity metrics in different fashion retailing channels and separate channels instead of a integrated system. Fast growing business requires continual business development, but at the same time the fashion companies can't forget the customer experience. By concentrating on an integrated multichannel strategy the channel evaluation will be easier. Other constraints that came up from the collected data were especially concerns about logistics along the agile supply chain. In other words, how to provide fast deliveries in the countries where the fashion company does not have any physical stores or how to find the best partner to take care of the logistical processes abroad. Another point of view was to understand that the market place is developing all the time. Therefore it is important to observe the development and analyze fashion brand's position in the market.

To sum it up, one could argue that themes "allocation of resources across the channels" and "coordination of channels strategies", which were presented in the theoretical discussion did not arise from the empirical evidence. Otherwise, all the different constraints were named and technology was mentioned as a further constrain.

4.3   Different fashion retailing channels

This chapter presents the findings regarding the third sub-objective, *how the different apparel retailing channels are developing due to agile supply chains and integrated multichannel retailing*, analyzed in the third theme on the coding frame. The analysis concentrated on the "final customer" part of the theoretical framework, which consisted of supply related channels, such as storage and transport and availability channels,

which includes stores, online stores, mobile devices and social media. The purpose of this chapter is to view how the different fashion retailing channels are developing due to agile supply chains and integrated multichannel retailing. It should be kept in mind that some of the approaches are overlapping and therefore complex.

4.3.1   Brick-and-mortar store

The first theme that arose among different fashion retailing channels was *brick-and-mortar stores*. Most of the data showed evidence for click-and-collect shopping, which means that the fashion consumer can click and purchase products online and collect the purchased products at the local clothing store. Furthermore, click-and-collect means that the consumers can return their purchases to the local store. This way of shopping can be seen as a convenient way for fashion consumer to order, try and return the products in the same place. From the point of view of fashion retailers, they can receive the ordered products with their replenishment shipping and sell the returned goods immediately in their store. In addition, by combining brick-and-click, the fashion companies can communicate easier with their consumers. As the Marketing Director and head of PR, Tiina Alahuhta-Kasko, from Marimekko says it:

> *The interface of brick-and-click is providing possibilities to create exciting and surprising things for the customer. It enables the brand phenomenon, communication in a new and inspiring way and introduction of new dimensions of brand experience.*

In addition, despite of the rise of Internet and online shops, the brick-and-mortar stores are becoming more important. Mobile applications with location attributes are used to invite the fashion customers into store. In other words, there is a lot of potential in traditional stores. Furthermore, the fashion consumers are eager to find a surprising store instead of malls and shopping centers. The location of the store can be seen as a part of the fashion company's brand and phenomenon, and it tells a story to its customers. The rise of a new sort of individualism is affecting the stores; how and where the fashion consumers are shopping is telling something about their values and identity. In that sense, it is important to have a clear strategy on what is the purpose of the store and where it should be located.

On the other hand, the collected data provided evidence that the fashion stores are changing due to the new technologies. Quite a few fashion retailers have brought online devices to the shop floor to improve customer engagement. iPads, PCs and screens showing catwalk shows are integrated to the store environment for the use of customers and employees. The quote from Drapers' document summarize well the use of new technologies in the store environment:

> *The store welcomes shoppers with a large screen, which streams runway shows four times a year, and has more than 100 screens and 160 iPads distributed on its four levels. Staff is equipped with iPads and can check ranges, colours and sizes. Also technology inside the fitting rooms displays additional details on items, so that when a consumer brings in an item to try on, its tags trigger information on the mirror.*

Since the introduction of technology in the fashion stores, the retailers have seen uplift in the sales. There should not be boundaries between the online content and the store, on the contrary by providing information on the online devices the store and online information is integrating. Furthermore, some fashion retailers are providing their staff and consumers a free Wi-Fi, so they can connect online. The new technologies enable retailers to enhance the in-store environment with more options for shoppers to browse and buy, giving consumers more reasons to go in store and shop.

4.3.2   Online store

One of the most important concerns for fashion retailers is how to get your customers to your site and how to inspire and educate them. Fashion shoppers' biggest fears are that the clothes do not fit or the material is not what they expected. Therefore, it is extremely important to provide the fashion customers all the available information about the products and give "and wear this with that" -recommendations. Furthermore, it is important to catch the buying impulse on the Internet and guide the consumer to the right web-shop. Their purpose is to cut out middleman (such as Google) on the Internet buying, especially when potential fashion customers are online reading blogs and finding inspiration to their clothing.

Instead of using Google to find the product the consumer saw on a blog, the kiosks guide the consumer to the nearest shop where she can find the wanted product. In that sense, the earlier you can provide the right product in the customers' buying impulse the less price critical the consumers are.
(Antti Pasila)

As mentioned before, the Internet, as a selling channel, has been growing annually and the year 2011 was seen as a "golden year" for online retailers. The data provided evidence that it is important for fashion companies to have a presence in the digital world, especially in the areas where they have not any physical visibility in order to reach out to all the potential customers. It is important to be accessible for new consumers and create additional sales on the online store. Furthermore, the online store is seen as a good tool to enhance brand communication and brand experiences, which are affecting on stronger customer relationships. The importance of Internet as a selling and information channel within fashion retailing is due to the customer demand and changed consumer behavior; the web shop is seen as a perquisite for modern retailers. The fashion customers are expecting that all the big retailers have a web-shop.

4.3.3 Mobile device

According to the most of the collected data, the *mobile devices* are being increasingly used to find information about the fashion products. The customers carry mobile devices, such as smart phones and tablet computers, are around all the time. These devices are providing customers the ability to check and find information online anytime and everywhere about fashion retailers' products or competitors prices. Smartphones will be used to research a purchase for more than £15bn (6%) of in-store sales in all retail sectors across the UK in 2012, rising to £30bn a year by 2016. Couple units of analysis pointed out that mobile devices could be seen as "the missing link" in the integrated multichannel retailing, which will bind the different channels together. As mentioned before, the mobile devices are also used in brick-and-mortar stores in order to give fashion consumers the access to all information and create interactivity. Due to mobile devices with mobile apps for shopping the location-based campaigns and ads have gained popularity. This means that fashion consumers are being lured to the stores with instant messages to the smartphones. For example, a potential customer is walking

around the city center with her mobile phone adjusted with a fashion firm's shopping app. When she passes by the retailer's store she might get a location-based, instant message to her phone or app providing her news about the fashion products or campaign codes to shop with.

Since mobile shopping is gaining popularity, the importance of mobile optimized sites are becoming more and more usual and important for fashion retailers. All mobile access modes have a positive impact on mobile shopping intention. The mobile optimized sites can provide fashion customers easier ways to shop especially on their phones. Third important theme that arose from the collected data was the increase in mobile paying. The mobile payment technology allows fashion consumers to pay for purchases in store, online, and other points of sale with their smartphone via an app. According to Drapers' report Visa Europe predicts that 50% of all its sales will be via mobile by 2020.

> *Aurora Fashions' women's wear chains Oasis, Warehouse, Coast and Karen Millen allow customers to pay for items via PayPal in store using their mobile phones. The PayPal inStore app gives customers a unique barcode and transaction number that works like a voucher, which is scanned to take payment from the customer's PayPal account.*

Collected data expressed the same kind of opinion about mobile paying. They predicted that electronic paying, and especially near filed paying (NFC) and automatized cash registers will provide ways of which the fashion consumer can use her mobile device for paying the purchases.

4.3.4   Social media

Regarding to *social media,* as a fashion-retailing channel, it was found that presence in that channel is important for retailers. It was seen as a good way to interact with customers, build the customer relationship management and to support advertising. The social media can be a way of getting "a stamp of approval" from the fashion consumers. The individual consumers are interested in what the others are saying about the fashion company and its products. They are conducting social shopping: shoppers' friends or other users of the social media become involved in the buying decision. As mentioned

before, the fashion consumers are looking for information online and on the social medias where they can read peer-to-peer recommendations. In that sense, if a shopper's friend is sharing her newest purchases on social platforms, her friends are more likely to be interested in same kind of fashion products. However, it should be kept in mind that every social platform is different, as Drapers' report points out:

> *On Twitter: I am buying a shirt from #Topman; on Facebook: I like shirts from Topman; on Foursquare: this is the Topman outlet I buy shirts from; on Instagram: here is a vintage photo of a shirt from Topman; and on Pinterest: here's a picture of a shirt from Topman I like.*

Another theme that arose from the collected data was the identity that the consumer or brand is building via social medias. From the point of view of fashion consumers, they have a need to present their identity online. This means that by showing off their newest apparel purchases they can communicate something about their identity to others. Furthermore, this can be seen as a good way for firms to expand word of mouth about their products among the fashion consumers that most likely belong to the same demographic segment. From the point of view of fashion brand's identity, social media can be seen as something that it is hard to control. Some fashion brands are starting discussion (both positive and negative), and it may be that the brands that can communicate most open benefits. It is important to support open dialogue and listen to the consumer, whether or not she is giving positive or negative feedback. On the social media the fashion brand's honesty is put under a magnifying class. Furthermore, social media can be seen as a good way to build impression management, brand communication and good will.

4.4   Experts' view of the future fashion retailing

This chapter presents the findings from the fourth theme of the coding frame, concerning different future prospects for international fast fashion retailers. The most common theme that arose from the collected data was the future of *click and collect.* When click-and-collect way of doing fashion business becomes more common, the customer service and easiness to shop will be maximized. The fashion customers will have the opportunity to order the purchased product to the most convenient store for

them and pick it up there. Furthermore, the key is to find ways to surprise the customer by providing a combination of technology and human contact in the different fashion retailing channels. Therefore, it will be important to analyze how the fashion brand will communicate with its customers and how to deepen the customer relationship. When it comes to the future of brick-and-mortar store, two different opinions arose. Firstly, some of the data showed evidence that the range of fashion products will grow i.e. in Finland and Sweden, where the population is spread. On the other hand, the evidence suggested that brick-and-mortar stores within fashion retailing will be smaller, and the stores are presenting only one example of each size in the store, since the customers are doing all their shopping online. However, the focus is still on the customer and how to respond to the buying impulses faster.

The second theme in future prospects focused on *consumers*. Due to the Internet technologies, shopping online on the mobile device or laptop, the fashion consumer tells something about herself and leaves a footstep, such as how she paid, what did she buy etc., behind her. This information will be taken into account next time when the customer is browsing on the same site; the site will remember the customer and can provide intelligent recommendations about new fashion products to the customer. The fashion customers are still in the core, and the retailers are finding ways to create additional value to the consumers. Since the consumer is always on the center, the fashion companies need to find ways to enhance their businesses in order to be even better in the marketplace. Furthermore, the fashion firms are finding ways to create new customer experiences, inspiration and create an atmosphere for storytelling about their brand.

The third theme that arose from the collected data concentrated on *technology in the fitting rooms*. Even though the chapter 4.3.1 presented some findings regarding this approach, one could argue that technology in the fitting rooms is still a quite new phenomenon, and it is not considered to be common yet. In that sense, in the future the fitting rooms, within a brick-and-mortar store, will be provided with tablets where the customer can look up for product information, available sizes or even receive advertising. With the help of the tablet, the customer can order other sizes straight to the fitting room. The salesperson will receive a message saying which product is needed in which fitting room. This leads to a situation, where there are fewer products in the fitting room, which on the other hand, are then available for other customers. Furthermore, the future fitting rooms might even provide customers to take a picture of

one and share it on the social media. In that sense, the customer can ask her friends, weather or not she should buy the product.

The fourth theme that arose from the collected data focused on *branding* in the future. The evidence showed that traditional branding and advertising wouldn't work as well as it has in the past in the fashion retailing. If the fashion companies want to surprise their customers, the traditional brand communication and advertising won't be the right way to cope. On the other hand, branding is still seen as something important; the brand message should be pushed to the customers in an innovative way. The key is to know one's customers and really understand what kind of things the fashion customers value and how they are thinking. The fifth theme focused on *environmental issues.* Sifting interest towards environmental shopping has been increasing and resulted in changes in consumer buying behavior. In the future, the fashion consumers will be able to see the carbon footprint -tracking of a fashion product. Furthermore, sustainable development in general will become even more important to the fashion customers.

The sixth future theme was *near field communication (NFC)-buying.* In the near future 50% of sales will be via mobile. It is vital to provide the customers easy ways to purchase and take advantage of the new paying methods. Furthermore, the market will keep on growing and fashion customers probably keep on spending more money. *Cloud services* can be seen as the seventh future related theme. In the future the fashion distribution channels and agile supply chains will transfer all the information to cloud, where everyone along the supply can have access. Furthermore, all the information from the cloud will be integrated and linked to the different retailing channels. When the different stores accept that the cloud will provide them with information, a transition towards shared information along the chain will take place.

Other themes that arose from the collected data are linked to *multichannel retailing in general.* One of the units of analysis suggested that the integrated multichannel retailing couldn't be flexible before the RFID technology is integrated to the whole supply chain. Furthermore, by 2015 the ten biggest verticals are engaged in RFID technology. Despite that multichannel retailing will keep on growing, there are new innovations and ways of doing fashion business that we can't see or predict today. One interesting factor is parcel services; if a new system to receive orders from online stores emerges the whole way of doing fashion business will change. In other words, today the fashion customers need to be home in order to receive the package. In the future there might be bigger post boxes, where the products can be distributed or the customers are

provided multiple different places where to collect their ordered goods. The competition will increase, and the newcomers in the fashion industry will know directly how to deliver a full experience to the customers. In the production process, 3 D digital simulations on fabrics and patterns will be used to preview new designs. Furthermore, the use of avatars for previewing the new garments will gain popularity.

4.5 Synthesis

The main research findings of the empirical research were discussed for four related views on agility: agile supply chains as the foundation for fast fashion retailing, the drivers and constraints for integrated fashion multichannel retailing, the fashion retailing channels and future fashion retailing. Regarding the first sub-objective of this study, *to describe how the agile supply chains create the foundation for international fast fashion retailing,* it has become evident that fashion companies are indeed consumer demand-driven and all the decisions along the agile supply chains are made in order to be fast and first on the market. Regarding *market sensitivity*, the main findings were that it is important to catch the customers' buying impulses at the very beginning of the buying process. Furthermore, it is important to answer to the customer demand but also to create good customer experience across all fashion retailing channels. New trends that are rising among fashion consumers are sustainability and environmental issues. Additionally, RFID technology is a good tool for managing inventory and responding promptly to the fashion consumers' demand. Regarding *virtual integration*, one could argue that the companies can get better understanding of customer journey through purchases and achieve time savings with the help of RFID technology. Also, the customers can have an access to product and inventory information. Furthermore, sharing of information along the supply chain increases the speed of the clothing design processes.

When it comes to *process integration,* all the members along the agile supply chain, such as design, suppliers and production, share data for internal use. In addition, RFID technology provides tools to integrate product information, reduce unwanted production and create security along the agile supply chain, all the way from production to the final customers. Furthermore, with the help of process integration the fashion companies can provide customers the same buying experience in different fashion retailing channels. Finally, *networking* is needed by fashion companies to manage subsidiaries of the

supply chain, such as dyeing the fabrics. However, there is some difficulty in finding reliable partners. The results speak for integrating all relevant information along the supply chain.

When it comes to the second sub-objective, *to describe how integrated multichannel retailing drives and constrains fast fashion retailers*, it has become evident that the biggest drivers for fast fashion retailers in integrated multichannel retailing are the new Internet technologies and customer demand. A web shop is a perquisite for modern fashion retailers. It is important to provide all the relevant information to the customers, and to catch the buying impulse of consumers who want to shop everywhere at any time. Other reasons for conducting integrated multichannel retailing were found to be competitive advantage and creating customer trust. Constraints were found in integration of all the data along the distribution and communication chains, in responding to altering consumer behavior, in providing holistic experience across all the fashion retailing channels and in keeping up with the technology. Surprisingly, one could argue that the same themes, such as technology and customer demand, seem to be the biggest drivers and constraints at the same time.

Regarding the third sub-objective, *to study how the different apparel retailing channels are developing due to agile supply chains and integrated multichannel retailing*, it could be argued that the Internet and especially mobile devices are making constant information seeking possible, and have changed the traditional fashion retailing. *Brick-and-mortar stores* are integrating technology to their in-store-environment and click-and-collect way of shopping is gaining popularity. When it comes to *online store*, it was found important to have presence in the digital world, especially in the areas where fashion retailers don't have any physical visibility. Furthermore, it is important to be accessible for new consumers and to create additional sales on the online store. Finally, the *social medias* are a good way to communicate with the fashion customers and communicate the brand identity. Regarding *the future of fashion retailers*, it has become evident that there will be developments in multiple areas. Firstly, click-and collect approach to buying and selling will gain popularity within fashion retailing. Secondly, the clothing stores and fitting rooms will be equipped with technology. Thirdly, environmental issues and sustainability will be more important to consumers and for retailers as well. Fourthly, mobile phone payments will be more common among fashion consumers and, finally, 3 D digital simulations on fabrics and patterns will be popular in the fashion production. It is very likely that

integrated multichannel fashion retailing will keep on growing and there will be new innovations and ways of doing fashion business.

Based on the discussion above the main research findings are presented in table 7.

Table 7 The main findings of the empirical research

The foundations for agility in fashion business	
Market sensitivity: • Catch the consumers' buying impulse • Consumer buying experience in different channels • New trend among consumers: sustainability • RFID as a tool to respond to demand	**Virtual integration:** • Better sense of customer journey • RFID: time savings • Virtual environments (Production/Customers)
Process integration: • Sharing data within internal processes • RFID: product information, reduce unwanted production, security • Similar buying experience for customers	**Networking:** • Subsidiaries has an important role • Flexible production possibilities • How to find reliable partners?

Drivers and constraints for integrated fashion multichannel retailing
Drivers: • Internet technologies and customer demand the biggest drivers • The web shop is seen as a perquisite for modern retailers • Retailers' need to provide information to the customers • Catch the buying impulse of consumers who want to shop everywhere at any time • Competitive advantage • Customer trust Constraints: • How to integrate all the data along the supply chain • How to respond to consumer behavior and provide holistic experience across all the channels • How to update and take care of technology and how to keep up with new innovations • Pressure to have a physical presence, if a company is providing its products abroad in new markets

Different fashion retailing channels
• Brick-and-mortar stores, online stores and mobile devices are integrating and creating a seamless experience for the consumers to browse, find information and buy everywhere • In store technology and click-and-collect approach • Mobile buying • Social media: important to have a presence, used for brand communication, seen as a part of customer's identity building

Experts' view of future fashion retailing
• Click-and collect approach to buying and selling • In store technology and NFC-buying • New ways to do fashion branding • Importance of environmental issues • 3 D digital simulations on fabrics and patterns in the fashion production • Multichannel retailing will keep on growing and there are new innovations and ways of doing fashion business that we can't see or predict today

In a summary, according to the empirical information of this study, agility in retail consists of multiple different layers, which are overlapping and affecting one and other. In order to be agile the fashion companies need to integrate the whole supply chain, all the way from production to the purchase. The framework for agility in international fast fashion retailing (figure 4), which was developed based on the theoretical considerations of this study, was updated with empirical findings the following way:

instead of looking at the integration of distribution channels and the integration of communication channels separately, *the focus should be on the whole supply chain.* Even though the integration of the distribution channels and the integration of communication channels have been mostly separate in theoretical discussion, empirical evidence of this study indicated that these two approaches are linked together in a complex system where all the decisions, information, technologies etc. are used to enhance both the distribution and communication channels. By integrating the whole chain the retailers can respond to customer demand better than before, can produce fashion products rapidly and can create a seamless experience across the fashion retailing channels. The whole supply chain can be seen as evolving system which is mostly driven by customer demand and technology. Figure 6 presents the updated framework for agility in retailing.
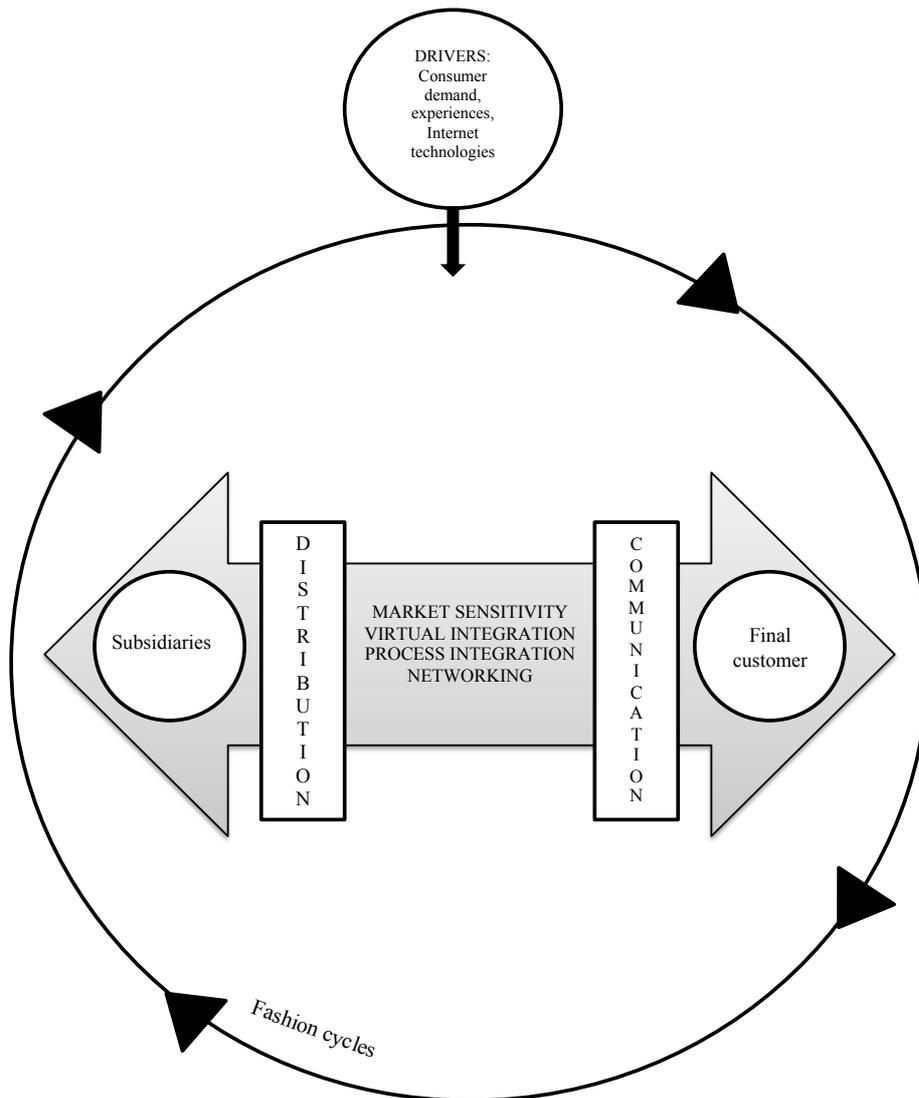
Figure 6 The updated framework for agility in fast fashion retailing

It can be argued that agility in international fast fashion retailing is the product of well-functioning distribution channels and multiple subsidiaries, which are producing new fashion garments extremely fast. Furthermore, market sensitivity, virtual integration, process integration and networking are providing tools to enhance production and information sharing. Therefore, it could be further said that in fact distribution and communication channels are integrating and forming a complex supply chain, where the fashion garments are produced and sold while the fashion cycles are altering. The updated framework for agility in fast fashion retailing presents a view of the current fast fashion retailing: agile supply chains and integrated multichannel retailing are the two approaches that are providing agility in international fast fashion retailing. However, these two approaches should not be seen as separate business functions, but on the contrary, as an integrated system.

5   CONCLUSIONS

This chapter concludes the discussion of theory and empirical findings. The study has identified that agility in fast fashion retailing consists of distribution and communication channels, which are complex and are affecting each other. Agility in retailing can be seen as a way to integrate the whole supply chain all the way from production to the final consumer, in such way that the final consumer's buying impulses are satisfied extremely fast and that the customer is provided with similar shopping experiences in the different sales and information channels. The purpose of this study has been *to explore the ways in which agile supply chains and integrated multichannel retailing influence the international fast fashion retailing*, and by that, to enhance the knowledge and understanding within academia. Although retailing in general is a well-researched topic, this study provided a focused approach to agile supply chains and integrated multichannel retailing, which can be seen as the new, general and agile way of doing apparel retailing. In addition, a framework for agility in retail was developed in he study using both theoretical discussion and empirical evidence.

Regarding *how the agile supply chains create the foundation for international fast fashion retailing,* it was noted that there were differences in points of view in literature and empirical evidence. In the theoretical discussion it was stressed that agile supply chains should predict the customer demand and produce the wanted garments as soon as possible. It was further pointed out that agile supply chains should distinguish certain characteristics, such as *market sensitivity, virtual integration, process integration and networking* in order to satisfy the customer demand at its peak. The agile supply chain was seen as a tool to produce goods fast with the help of partners and intermediaries. However, it was found in the empirical data that these characteristics were not limited to the distribution channel; on the contrary, they were found to overlap all the way to the final customer. In fact, the above four characteristics were seen as a way to create similar experiences and catch the customers' buying impulses across the communication channels in addition to fast production and satisfying customer demand. Also, it was found that sustainability is a new trend that will probably grow among consumers, which will affect the retailing industry in the future.

Based on the above, it could be argued that this study has described the current agile fashion retailing in a novel way, and has showed evidence that the current theoretical

approach, referring to separate distribution and communication channels, can be improved.

Further, both literature and empirical evidence were found to describe similarly *how integrated multichannel retailing drives and constrains fast fashion retailers*. The biggest drivers were the new Internet technologies and consumer demand. The presence in the digital world was seen mandatory. Furthermore, it was noted that the consumers are demanding new innovations and ways to shop. It was concluded that the fashion companies should be able to provide same shopping experience in its all different sales and communication channels. It was further pointed out, that the aim is to catch the consumer's buying impulse as soon as possible, regardless of the fashion retailing channel. The biggest constraints in integrated multichannel retailing were, surprisingly, quite the same as the drivers. Questions, such as how to respond to consumer behavior, how to update and keep up with technology and how to integrate all the data, were mentioned.

Regarding *how the different apparel retailing channels are developing due to agile supply chains and integrated multichannel retailing,* it was noted that the most common retailing channels within fast fashion were brick-and-mortar store, online store, mobile device and social media. It could be further argued, that these channels are integrating due to the prevalence and commonness of Internet technologies and customers' demand to do shopping everywhere at any time. Typical examples were presented in integration of store technology, mobile buying and brand communication on social medias. The driving force behind different channels was found to be in linking the consumers' real and digital worlds, and giving the customers new experiences both in in-store environment and on the Internet. In the future, these channels will be even more connected when click-and-collect shopping, in-store technology and mobile buying become more common. Furthermore, it was noticed that there probably will be new innovations and ways of doing fashion business.

Retail agility can be seen as a future strategy for fashion companies because it enables rapid product development, production and distribution, which in turn bring customers to the different fashion retailing channels and increase the revenue. It can be further said that retail agility provides fashion companies new ways to interact with customers and offer the fashion garments in multiple different fashion retailing channels. Retail agility is especially important for the new actors within the fashion market, since the customers are asking and demanding for it. A key question is how to

integrate all the information, processes, production and sales into a functioning environment where the customer is inspired in shopping. Yet it could be further argued, that currently there are fashion companies that are only partially utilizing agility in their in retail activities; either they are focusing on interacting with their customers in multiple different communication channels, or they are focusing on distribution channels by concentrating on fast and demand-driven production when they could do both. The greatest development potential seems to be in different communication channels where the fashion companies can interact with the customer, enhance their brand communication and give the customers new experiences and ways to shop.

Therefore, it is recommended based on this study that fashion companies wishing to compete in the volatile markets should have a strategy on how to integrate both the distribution and communication channels into a well-functioning environment, with the focus on market sensitivity, virtual integration, process integration and networking. Furthermore, the strategy should have a focal point on the customers and on finding new ways to catch the altering buying impulses, satisfying the consumer demand for trendy products, and providing new and innovative experiences for the customers to shop and interact.

Regarding theoretical contribution for the academia, this study has provided new insights for the concept of agility in fast fashion retailing. As stated earlier, agility in retail is rather new and young concept and therefore there was a need to gain more knowledge about the concept itself and the future of it. One of this study's most important findings and developments is the updated framework of agility. It was found that instead of researching the distribution and communication channels separately, as has been the tradition, the business practices have changed so that they should be treated as one environment instead. The study has provided new insight to international fast fashion retailing in the identified research gap. Further, the study has provided tangible and systematic research findings to a complex and altering environment of retailing, and brought new insights and arguments. Some limitations of the study leave room for further work, though. More empirical data could be gathered. The study was based on four interviews, one industry specific document, expert video and two expert lectures, the amount of collected data could have been larger, in order to get a deeper understanding and broader view on the objectives. However, the main objective was not to generalize the agility in fashion retail but to explore and deepen the understanding of the specific concept. Furthermore, all the interviewees and documents were from

Europe, which is narrowing down the implications and generalization on the global level.

Consequently, there are several options for future research. Firstly, it would be interesting to get a even deeper understanding of agility in retail by doing case studies on companies that are focusing on agile supply chains, integrated multichannel retailing, or both of them, and thereafter test and further develop the framework presented in this study. Secondly, another interesting option for future research would be to investigate how the customers' conduct research online, how it affects the purchase offline (research online, purchase offline, ROPO) and how the information seeking on the Internet can be linked to the real buying in the store. Furthermore, it would be interesting to gain a deeper understanding how this type of consumer behavior can be linked to the supply chain and how the fashion companies could benefit from this information.

6   SUMMARY

The fashion industry and environment have gone through remarkable changes in the past 10 years. The birth of Internet technologies, the developments of fast fashion and multiple retailing channels have created a need for a new, more integrated way for doing retailing. Agility in fast fashion retailing could be seen as a significant way of responding to these changes and furthermore, as a way to respond to consumers' altering demands. The purpose of this study has been *to explore the ways in which agile supply chains and integrated multichannel retailing influence the international fast fashion retailing.* This topic was chosen due to several reasons; firstly, it was important to define agility in retail from the perspectives of distribution and communication channels and gain deeper understanding how these two approaches are integrating now and especially in the future. Secondly, it was noted that the current literature did not stress the implications of agile supply chains and integrated multichannel retailing from the fast fashion perspective. Therefore, the selected approach was is to explore the ways in which agile supply chains and integrated multichannel retailing influence the international fast fashion retailing. Three sub-objectives were selected:

- to describe how the agile supply chains create the foundation for international fast fashion retailing
- to describe how integrated multichannel retailing drives and constrains fast fashion retailers
- to study how the different apparel retailing channels are developing due to agile supply chains and integrated multichannel retailing

A framework for agility in retail was developed based on theoretical considerations in order to create a coherent picture and approach to a complex and altering fashion environment. The framework was based on the concept of unified distribution and communication channels, which have previously mostly been discussed separately in the academic literature. In the distribution channel, the agile supply chains are providing fashion companies with fast production possibilities in order to respond to the customer demand. In the communication channel, integrated multichannel retailing provides firms new ways to sell and interact with their customers in multiple different channels.

The research objectives were studied by using qualitative research methods and qualitative content analysis. First, four expert interviews were carried out to gain new perspectives to the objectives. Thereafter data was collected from an industry specific

document, expert video and two expert lectures. After the data collection the research material was analyzed with qualitative content analysis, which consisted of several phases; firstly, a coding frame for analysis was created, secondly the collected data was divided into units of coding, and finally, the codes were placed in the coding frame. Thereafter the empirical findings on agility in retail were presented, based on the coding frame.

The main empirical findings of this thesis are:

1. Agility in retail consists of distribution and communication channels, which are overlapping and affecting one and other.

2. Instead of looking at the integration of the distribution channels and integration of communication channels separately, the focus should be on the integration of these two channels simultaneously.

3. The most common drivers and constrains in integrated multichannel retailing were the new Internet technologies and customer demand, which are overlapping concepts which affect each another.

4. Brick-and-mortar store, online store, mobile devices and social media were seen to be the most common retailing channels.

5. In-store technology, click-and-collect approach, mobile buying, RFID-technology and 3D- digital simulations on fabrics and patterns were seen as ways in which the different channels will integrate even more in the future.

6. Environmental issues, customer experiences and communication were seen as important factors within the different channels.

Therefore, it is recommended based on this study that fashion companies should have a strategy on how to integrate both the distribution and communication channels into a well-functioning environment. Furthermore, the strategy should have a focal point on the customers and finding new ways to catch the altering buying impulses, satisfy the consumer demand for trendy products and provide new and innovative experiences for the customers to shop and interact.

The presented results and framework agree quite well with the previous academic research and knowledge of the practitioners. Further, the study has not only contributed to academic concepts of agility in retail but also provided new practical insights for the future of retailing.

REFERENCES

Ahn, Hyung, Jun – Childerhouse, Paul – Vossen, Gottfired – Lee, Habin (2012) Rethinking XML-enabled agile supply chains. *International Journal of Information Management,* Vol. 32 (1), 17-23.

Albesa, Jaume, Gené (2007) Interaction channel choice in a multichannel environment, an empirical study. *International Journal of Bank Marketing,* Vol. 25 (7), 490-506.

Aspers, P. (2010) *Orderly Fashion. A Sociology of Markets.* Princeton University Press, Princeton, New Jersey.

Barnes, Liz –Lea-Greenwood, Gaynor (2006) Fast fashioning the supply chain: shaping the research agenda. *Journal of Fashion marketing and Management,* Vol. 30 (3), 259-271.

Bechhofer, Frank – Paterson, Lindsay (2000) *Principles of research design in social sciences.* Routledge, New York, NY.

Berg, Bruce, L. (2004) *Qualitative research methods for the social sciences – fifth edition.* Pearson Education, Inc, Boston, MA.

Berman, Barry – Thelen, Shawn (2004) A guide to developing a well-integrated multichannel retail strategy. *International Journal of Retail & Distribution Management,* Vol. 32 (3), 147-156.

Berry, Leonard, L – Bolton, Ruth, N – Bridges, Cheryl, H – Meyer, Jeffrey – Parasuraman, A – Seiders, Kathleen (2010) Opportunities for Innovation in the Delivery of Interactive Retail Services. *Journal of Interactive Marketing,* Vol. 24 (2), 155-167.

Bhatt, Ganesh D. – Emdad, Ali F. (2001) An analysis of the virtual value chain in electronic commerce. *Logistics Information Management,* Vol. 14 (1/2), 78-84.

Black, Nancy, Jo – Lockett, Andy – Ennew, Christine – Winklhofer, Heidi – McKechnie, Sally (2002) Modeling consumer choice of distribution channels: an illustration from financial services. *International Journal of Bank Marketing,* Vol. 20 (4/5), 161- 173.

Boeije, Hennie (2010) *Analysis in Qualitative Research.* Sage, Los Angeles, USA.

Boarawake, Akshay – Asokan, Siddharth – Vijayaraghavan, Sat (2012) *Retail Agility: Catalyst to Successful Retailing in the 21st Century.* Thought Works, Inc. Retail Industry Practice, Chicago.

Britwistle, Grete – Siddiqui, Noreen – Fiorito, Susan (2003) Quick response: perceptions of UK fashion retailers. *International Journal of Retail & Distribution Management,* Vol. 31(2), 118-128.

Bruce, Margaret – Daly, Lucy (2004) Lean or agile: A solution for supply chain management in the textiles and clothing industry? *International Journal of Operations & Production Management,* Vol.24 (2), 151-170.

Bryman, Alan – Bell, Emma (2003) *Business research methods.* Oxford University Press, Oxford.

Burke, Raymond, R (2002) Technology and the customer interface: what consumer want in the physical and virtual store. *Journal of the Academy of Marketing Science,* Vol. 30 (4), 411-432.

Charlesworth, Alan (2007) *Key concepts in e-commerce.* Palagrave Macmillian, New York, NY.

Cho, Siwon – Workman, Jane (2011) Gender, fashion innovativeness and opinion leadership, and need for touch: Effects of multichannel choice and touch/nontouch preference in clothing shopping. *Journal of Fashion Marketing and Management,* Vol. 15 (3), 363-382.

Christopher, Martin (2000) The Agile Supply Chain: Competing in Volatile Markets. *Industrial Marketing Management,* Vol. 29 (1), 37-44.

Christopher, Martin – Lowson, Robert – Peck, Helen (2004) Creating agile supply chains in the fashion industry. *International Journal of Retail & Distribution Management,* Vol. 32 (8), 367-376.

Chu, Julian – Pike, Troy (2002) Integrated multichannel-retailing (IMCR): A roadmap to the future. *IBM Institute for Business Value,* IBM Global Services, Somers, NY.

Crawford, James (2005) Are you really measuring your multichannel customer experience? *Apparel,* Vol. 47 (4), 1-8.

Denzin, Norman K. (1978) *The research act: a theoretical introduction to sociological methods*. McGraw-Hill, New York, NY.

Denzin, Norman K. – Lincoln, Yvonna S. (1994) *Handbook of qualitative research*. Sage Publications, Thousand Oaks, CA.

Dholakia, Ruby, Roy – Zhao, Miao – Dholokia Nikihilesh (2005) Multichannel Retailing: A Case Study of Early Experiences. *Journal of Interactive Marketing,* Vol. 19 (2), 63-74.

Dixon, Timothy – Marston, Andrew (2004) Taking the shopping center online: new models in e-commerce. *Property Management,* Vol. 23, (2), 97-109.

Doherty, Neil F. – Ellis-Chadwick, Fiona (2010) Internet retailing: the past, the present and the future. *International Journal of Retail & Distribution Management,* Vol. 38 (11/12), 943-965.

Doyle, Stephen A – Moore, Christopher M – Morgan, Louise (2006) Supplier management in fast moving fashion retailing. *Journal of Fashion Marketing and Management,* Vol. 10(3), 272-281.

Drapers (2011) *Technology in Fashion Report: How fashion retailers are using technology to get ahead in business.* Emap Publishing Limited, London.

Drapers (2012) *Technology in Fashion Report.* Emap Publishing Limited, London.

Dymond, Robin (2007) Four Weeks. The Lean Agile Executive Blog. < http://www.innovel.net/?p=26 >, retrieved 30.1.2012.

Elo, Satu – Kyngäs, Helvi (2007) The qualitative content analysis process. *Journal of Advanced Nursing*, Vol.62 (1), 107–115.

Eriksson, P. – Kovalainen, A. (2008) *Qualitative Methods in Business Research.* Sage Publications, UK.

Eskola, Jari – Suoranta, Juha (1998) *Johdatus laadulliseen tutkimukseen.* Vastapaino, Tampere.

Ferdow, Kasra – Lewis, Michael, A. – Machuca, Jose, A.D. (2004) Rapid-Fire Fulfillment. *Harvard Business Review,* 106-110.

Finnish Retail Research Day (2012) <http://www.tse.fi/FI/yksikot/laitoksetjaaineet/tm/tutkimus/Pages/frrd2012.aspx>, retrieved 18.9.2012.

Ganesan, Shankar – George, Morris – Jap, Sandy – Palmatier, Robert, W – Weitz, Barton (2009) Supply Chain Management and Retail Performance: Emerging Trends, Issues, and Implications for Research and Practice. *Journal of Retailing,* Vol. 85, 84-94.

Ganesh, Jai (2004) Managing customer preferences in a multichannel environment using Web services. *International Journal of Retail & Distribution Management,* Vol. 32 (3), 140-146.

Ghauri, Pervez – Grønhaug, Kjell (2002) *Research methods in business studies: A practical guide.* 3rd ed. Pearson Education, Edinburg Gate, UK.

Goersch, Daniel (2002) Multichannel integration and its implications for retail web sites. <http://is2.lse.ac.uk/asp/aspecis/20020015.pdf>, retrieved 23.7.2012.

Griffiths, G, H – Howard, A (2008) Balancing clicks and bricks – strategies for multichannel retailers. *Journal of Global Business Issues,* Vol. 2 (1), 69-75.

Hines, Tony (2004) *Supply Chain Strategies: customer-driven and customer-focused.* Elsevier Butterworth-Heinemann: Burlington, UK.

Hirsjärvi, Sirkka – Remes, Pirkko - Sajavaara, Paula (1997) *Tutki ja kirjoita.* Kustannusosakeyhtiö Tammi / Kirjayhtymä, Helsinki.

van Hoek, Remko I – Harrison, Allan – Christopher, Martin (2001) Measuring agile capabilities in the supply chain. *International Journal of Operations & Production Management,* Vol. 21(1/2), 126-147.

94

Huges, Tim (2005) New channels/old channels: Customer management and multichannels. *European Journal of Marketing,* Vol. 40 (1/2), 113-129.

Hussey, Jill – Hussey, Roger (1997) *Business Research: A practical guide for undergraduate and postgraduate students.* Macmillan Press Ltd, London, UK.

IBM (2005) Best practices in multichannel retailing, <ftp://public.dhe.ibm.com/software/websphere/pdf/G507-1704-00.pdf>, retrieved 28.7.2012.

IBM (2012) A Proven Roadmap to Business Agility in Retail. <http://public.dhe.ibm.com/common/ssi/ecm/en/wsm14011usen/WSM140 11USEN.PDF>, retrieved 24.1.2012

Jick, Todd (1979) Mixing qualitative and quantitative methods: triangulation in action. *Administrative Science Quarterly,* Vol. 24(4), 602–611.

Kamel, John-Pierre – Kay, Marshall (2011) RFID: Opening the Door to Omni-Channel Retailing. *An Apparel Exclusive Report.*

Karagozoglu, Necmi – Lindell, Martin (2004) Electronic commerce strategy, operations, and performance in small and medium-sized enterprises. *Journal of Small Business and Enterprise Development,* Vol. 11 (3), 290-301.

Khansa, Lara – Zobel, Christopher, W. – Goicochea, Guillermo (2012) Creating Taxonomy for Mobile Commerce Innovations Using Social Network and Cluster Analyses. *International Journal of Electronic Commerce,* Vol. 16 (4), 19-51.

Kiosked < http://www.kiosked.com/about-kiosked/>, retrieved 3.4.2012

Krippendorff, Klaus (2004) *Content Analysis: An Introduction to its Methodology.* Sage Publications, Thousand Oaks, CA.

Kumar, V – Venkatesan, Rajkumar (2005) Who are the multichannel shoppers and how do they perform? Correlates of multichannel shopping behavior. *Journal of Interactive Marketing,* Vol. 19 (2), 44-62.

Lehdonvirta, Vili (2009) *Virtual Consumption.* Turun kauppakorkeakoulun julkaisuja A-11/2009, Turku.

Lincoln, Yvonna S. – Guba, Egon G. (1985) *Naturalistic Inquiry*. Sage Publications, Beverly Hills, CA.

Madlberger, Maria (2006) Exogenous and endogenous antecedents of online shopping in a multichannel environment: evidence from a catalogue retailer in the German-speaking world. *Journal of Electronic Commerce in Organizations,* Vol. 4 (4), 29-51.

Marimekko (2012) < http://company.marimekko.com/about-marimekko>, retrieved 18.9.2012.

Marshall, Cathrine – Rossmann, Gretchen, B (2006) *Designing Qualitative Research.* Sage Publications, Thousand Oaks, CA.

Masson, Ron – Iosif, Laura – MacKerron Grant – Fernie, June (2007) Managing complexity in agile global fashion industry supply chains. *The International Journal of Logistics Management,* Vol. 18(2), 238-254.

Mihm, Barbara (2010) Fast Fashion In A Flat World: Global Sourcing Strategies. *The International Business & Research Journal,* Vol. 9(6), 55-64.

Milligan, Lauren (2011) Alexander McQueen <http://www.vogue.co.uk/spy/biographies/alexander-mcqueen-biography>, retrieved 20.7. 2012

Molenaar, Cor (2010) *Shopping 3.0: shopping, the Internet or both?* Gower Publishing Limited, Surrey, UK.

Molenaar, Cor (2012) *e-Marketing.* Routledge, New York, NY.

Moulds, Jo (2011) Meeting supply chain challenges in fashion retail. <http://theraconteur.co.uk/meeting-supply-chain-challenges-in-fashion-retail/>, retrieved 2.5.2013.

Myers, J.B. – Pickersgill, A.D. – Van Metre, E.S. (2004) Steering customers to the right channels. *The McKinsey Quarterly,* No. 4, 36-47.

Nelly.com (2012) < http://nelly.com/uk/about-nelly/>, retrieved 18.9.2012.

Neslin, Scott, A – Grewal, Dhruv – Leghorn, Robert – Shankar, Venkatesh – Teerling, Marije, L – Thomas, Jacquelyn, S – Verhoef, Peter, C (2006) Challenges and Opportunities in Multichannel Customer Management. *Journal of Service Research,* Vol.9 (2), 95-112.

Newman, Andrew, J – Patel, Darshika (2002) The marketing directions of two fashion retailers. *European Jouranl of Marketing,* Vol. 38 (7), 770-789.

Nordic eCommerce Knowledge (2012) <http://www.nordicecommerceknowledge.com/about-us/>, retrieved 18.9.2012.

Nordic ID (2012) < http://www.nordicid.com/eng/vertical_solutions/specialty_retail/>, retrieved 18.9.2012.

OECD (2001) Business-to-consumer E-commerce statistics for 2001. Organization for Economic Co-operation and Development (OECD) <http://www.oecd.org/dataoecd/34/36/1864439.pdf>, retrieved 29.1.2012.

OECD (2011) Broadband penetration and GDP. <www.oecd.org/internet/broadbandandtelecom/1k-BBPenetration-GDPperCap-2011-12-(NL)_Ver1.xls>, retrieved 10.9.2012.

Oh, Lih-Bin – Teo, Hock-Hai – Sambamurthy, Vallabh (2012) The effects of retail channel integration through the use of information technologies on firm performance. *Journal of Operations Management,* Vol. 30 (1), 368-381.

Parvatiyar, Atul – Sneth, Jagdish, N. (2002) Customer Relationship Management: Emerging Practice, Process and Discipline. *Journal of Economic and Social Research,* Vol. 3(2), 1-34.

Perry, Marcia – Sohal, Amrik S (2000) Quick response practices and technologies in developing supply chains: A case study. *International Journal of Physical Distribution & Logistics Management,* Vol. 30(7/8), 627-639.

Petro, Greg (2012) The Future of Fashion Retailing: Part 1 – Uniqlo. <http://www.forbes.com/sites/gregpetro/2012/10/23/the-future-of-fashion-retailing-part-1-uniqlo/>, retrieved 8.5.2013.

Petro, Greg (2012b) The Future of Fashion Retailing – The H&M Approach. <http://www.forbes.com/sites/gregpetro/2012/11/05/the-future-of-fashion-retailing-the-hm-approach-part-3-of-3/>, retrieved 8.5.2013.

Porter, Michael (2002) Strategy and the Internet. *Harvard Business Review*, 62-79.

Pookulangara, Sanjukta – Hawley, Jana – Xiao, Ge (2011) Explaining multichannel consumer's channel-migration intention using theory of reasoned action. *International Journal of Retail & Distribution Management,* Vol. 39, (3), 183-202.

Puusa, Anu (2011) *Laadullisen aineiston analysointi.* In: *Menetelmäviidakon raivaajat. Perusteita laadullisen tutkimuslähestymistavan valintaan,* eds. Puusa, Anu – Juuti, Pauli, 114-125. Johtamistaidon opisto, Helsinki.

Puusa, Anu (2011b) *Haastattelu laadullisen tutkimuksen menetelmänä.* In: *Menetelmäviidakon raivaajat. Perusteita laadullisen tutkimuslähestymistavan valintaan,* eds. Puusa, Anu – Juuti, Pauli, 114-125. Johtamistaidon opisto, Helsinki.

Rangaswamy, Arvind – van Bruggen, Gerrit, H (2005) Opportunities and Challenges in Multichannel Marketing: an Introduction to the Special Issue. *Journal of Interactive Marketing,* Vol. 19 (2), 5-11.

Reinach, Simona Segere (2005) China and Italy: Fast fashion versus Prêt à Porter. Towards a New Culture of Fashion. *Fashion Theory*, Vol. 9(1), 43-56.

Rigby, Darrel (2011) The Future of Shopping. *Harvard Business review,* Vol. 89 (12), 64-75.

Rowley, Jennifer – Slack, Frances (2003) Kiosks in retailing: the quiet revolution. *International Journal of Retail and Distribution Management,* Vol. 31 (6), 329-339.

Rubin, Herbert J. – Rubin, Irene S. (1995) *Qualitative interviewing: the art of hearing data*. Sage Publications, Inc., Thousand Oaks, CA.

Saunders, Mark – Lewis, Philip – Thornhill, Adrian (1997) *Research Methods for Business Students.* Pitman Publishing, London.

Schreier, Margrit (2012) Qualitative Content Analysis in Practice. SAGE Publications Ltd, London.

Schipul, E. (2006) The Web's next generation: Web 2.0. *Public Relations Tactics,* Vol. 13 (3), 23.

Schoenbachler, Denise D. – Gordon, Geoffrey L. (2002) Multichannel shopping: understanding what drives channel choice. *Journal of Consumer Marketing,* Vol. 19 (1), 42-53.

Scott, J.(1990) *A Matter of Record, Documentary Sources in Social Research.* Polity Press, Cambridge.

Shaw, Ian – Gould, Nick (2002) *Qualitative Research in Social Work.* SAGE Publications Ltd, London.

Siegle, Lucy (2011) *To Die For: Is Fashion Wearing Out The World?* Fourth Estate, London.

Silverman, David (2000) *Doing qualitative research: a practical handbook.* SAGE Publications Ltd, London.

Slack, Frances – Rowley, Jennifer – Coles, Sue (2008) Consumer behavior in multichannel contexts: the case of a theatre festival. *Internet Research,* Vol. 18 (1), 46-59.

Sontakki, C.N. (2010) *Marketing research.* Global Media, Mumbai.

Spragg, Jon (2012) Re-examining Agile Supply Chain Practices in Post Recession Fashion Retail. *The Chartered Institute of Logistics and Transport.* Department of Clothing Design and Technology Manchester University, UK, 1-47.

Stone, Merlin – Hobbs, Matt – Khaleeli, Mahnaz (2002) Multichannel customer management: The benefits and challenges. *Journal of Database Marketing,* Vol. 10 (1), 39-52.

Strategic Direction (2005) Topshop on top – gaps in Gap: The differences in marketing orientation of two leading fashion retailers. *Strategic Direction,* Vol. 21 (2), 24-26.

The Wall Street Journal (2012) Europe B2C E-Commerce Report 2011. Market Watch. <http://www.marketwatch.com/story/europe-b2c-e-commerce-report-2011-2011-12-12>, retrieved 29.1.2012.

Tokatli, Nebahat (2008) Global sourcing: insights from the global clothing industry – the case of Zara, a fast fashion retailer. *Journal of Economic Geography,* Vol. 8 (1), 21-38.

Tokatli, Nebahat – Kizilgün, Ömür (2009) From manufacturing garments for ready-to-wear to designing collections for fast fashion: evidence from Turkey. *Environment and Planning,* Vol. 41 (1), 146-162.

Tungate, Mark (2005) Fashion brands: Branding Style from Armani to Zara. Kogan Page Ltd, London.

Turconi, Stefano (2010) *Achieving Strategic Agility – on the Fast Track to Superior Performance in Fashion retail.* GRIN Verlag, Norderstedt.

Tyler, David – Heely, Jo – Bhamra, Tracy (2006) Supply chain influences on new product development in fashion clothing. *Journal of Fashion Marketing and Management,* Vol. 10(3), 316-328.

Tynjälä, Päivi (1991) Kvalitatiivisten tutkimusmenetelmien luotettavuudesta. *Kasvatus,* No: 5−6, 387−398.

Vanhatapio, Jarno (2011) <http://www.youtube.com/watch?v=pH_3GgP2OAM>, retrieved 13.4.2012.

U.S. Department of Commerce, Economics and Statistics Administration (2009) E-sats for 2009. < http://www.census.gov/econ/estats/2009/2009reportfinal.pdf>, retrieved 29.1.2012.

Walker, Brian (2011) Why Multichannel Retail Is Obsolete. <http://www.forbes.com/2011/03/11/multichannel-touchpoint-leadership-sales-leadership-obsolete.html >, retrieved 19.7.2012.

Walker, Brian (2011b) Welcome To The Era of Agile Commerce. Forrester Research Inc, Cambridge.

Wang, Fang – Head, Milena – Archer, Norm (2000) A relationship-building model for the Web retail marketplace. *Internet Research: Electronic Networking Applications and Policy,* Vol. 10 (5), 374-384.

Welch, Catherine – Marschan-Piekkari, Rebecca – Penttinen, Heli – Tahvanainen, Marja (2002) Corporate elites as informants in qualitative international business research. *International Business Review,* Vol. 11 (5), 611-628.

Welman, JC – Kruger, SJ (2001) *Research Methodology*. Oxford University Press, Oxford.

Womack, James, P. – Jones, Daniel, T. (2003) *Lean Thinking: Banish Waste and Create Wealth in Your Corporation.* Free Press, New York, NY.

Zhang, Jie – Farris, Paul, W. – Irvin, John, W. – Kushwaha, Tarun – Steenburgh, Thomas, J. – Weitz, Barton, A. (2010) Crafting Integrated Multichannel Retailing Strategies. *Journal of Interactive Marketing,* Vol. 24 (2), 168-180.

APPENDICES

Appendix 1: Review on previous studies

Author(s)	Research objective	Focus	Key findings
Ahn, Childerhouse, Vossen & Lee (2012)	Rethinking XML-enabled agile supply chains.	The electronic supply chain integration	The integration efforts need to first focus on the industries that need agility; stringent business process standards are necessary; and implementation should be made much easier and more affordable for small and medium enterprises (SMEs)
Barnes, Liz & Lea-Greenwood (2006)	Fast fashioning the supply chain: shaping the research agenda	Agile supply chain	The research provides additional complexity on the existing model of supply chain management for the fashion industry.
Berman & Shawn (2004)	Developing a well-integrated multichannel retail strategy	Integrated multichannel retailing	Each new channel have different strategic partners, capabilities, strengths, and weaknesses; channel strategy is not something easily accomplished by all retailers. A retailer also needs a logistics infrastructure that can accommodate each channel.
Berry, Bolton, Bridges, Meyer, Parasuraman & Seiders (2010)	Opportunities for Innovation in the Delivery of Interactive Retail Services.	Interactive retail services	The increasing power of consumers, channel synergies, pre- and post-transaction service, optimal use of resources, and consumer heterogeneity.

Boarawake, Asokan & Vijayaraghavan (2012)	Retail Agility: Catalyst to Successful Retailing in the 21st Century.	Integrated multichannel retailing	Achieving retail agility: business intelligence, infrastructure, technology, supporting systems, multiple channels
Bruce & Daly (2004)	Lean or agile: A solution for supply chain management in the textiles and clothing industry?	Agile supply chain	Through case studies of textile and apparel companies, different approaches to supply chain management are illustrated.
Cho & Workman, (2011)	Effects of multichannel choice and touch/non-touch preference in clothing shopping.	Multichannel choice	Multi-channel choice is influenced by fashion innovativeness and opinion leadership such that consumers high in fashion innovativeness and opinion leadership tend to use more than one shopping channel.
Christopher (2000)	The Agile Supply Chain: Competing in Volatile Markets.	Agile supply chain	The importance of logistics and supply chain management is a key element in gaining advantage in the marketplace.
Christopher, Lowson & Peck (2004)	Creating agile supply chains in the fashion industry.	Agile supply chain	The creation of an agile organization embedded within an agile supply chain.
Chu & Pike (2002)	Application of a Protect, Evolve, Transform (PET) framework to integrated multichannel retailing	Integrated multichannel retailing	Integrated multichannel retailing it is a strategic, path that retailers must follow to maintain their competitiveness in the short term and build defensible competitive advantage over the long term.

Goersch (2002)	Multichannel integration and its implications for retail web sites	Integrated multichannel retailing on the Internet	Integrated branding, channel cross-promotion, consistency, integrated logistics, exploiting channel-specific capabilities, integrated information management
Kamel & Kay (2011)	RFID: Opening the Door to Omni-Channel Retailing.	Omni-channel retailing	RFID technology as a key to integrated multichannel retailing
Schoenbachler & Gordon (2002)	Multichannel shopping: understanding what drives channel choice.	Buyer behavior in integrated multichannel context	A model of multi-channel buyer behavior
Spragg (2012)	Re-examining Agile Supply Chain Practices in Post Recession Fashion Retail.	Agile supply chain	Agile supply chain practices are a reflection of buying power

Appendix 2: Interview frame

THEME 1: Background information

- Could you please tell a bit about yourself and your background?

- Age, education, experience

- How would you define multichannel retailing? From which parts does it consist?

- What are your goals in the clothing markets?

THEME 2: Multichannel choice and arrangements for agility

- How has the multichannel retailing changed in the past five years?

- Are there new emerging trends in multichannel retailing?

- What kind of elements should a fashion company have in order to be agile?

THEME 3: Processes and different channels / why to conduct in integrated retailing?

- How do you see the competition in this business field? How about the overall market?

- What factors do you think makes multichannel retailing demanding/ encouraging?

- What kind of opportunities and threats do you see in multichannel operating environment?

THEME 4: Growth orientation/Future prospects

- How multichannel retailing is affecting in the future in

- Supply chain?

- Warehousing?

- From the point of view of consumers, shopping in online/offline –store?

- Smartphones?

- Digital marketing and social media?

- Other important issues?

Appendix 3: QCA – The coding frame

UNITS OF ANALYSIS / CATEGORIES		Expert interview with Ms. Säilä	Expert interview with Mr. Pasila	Expert interview with Ms. Alahuhto-Kasko	Expert interview with Mr. Hagstet	Document Drpaers' industry specific report	Document Video of Jarno Vanhatapio	Document Expert Lecture by Hanna Schramm-Klein	Document Expert Lecture by Jonathan Reynolds
THEMES from the literature review and interviews	Sub-theme	UNITS OF CODES							
THEME 1: The foundations for agility in fashion business	Market sensitivity (a)	RFID: provides a accurate stock balance, ability to sell exactly what the consumer wants	Customers' buying impulse, how to link buying impulse and the actual purchase?	Change in consumer behavior: individualism, fast fashion, sustainable development, green values, emotional attachments, own style and personality, change of values	High impulse buying	Need to work hard and fast in order to keep up with the customers, growing need for newness, color management, undyed fabrics, consumers want the products faster,	Focus on the customer, fast decision processes, the customer doesn't care how well we cope internally, the consumer's shopping experience, sell the right clothes at the right price and place, important to listen the customer	Customer evaluation of individual retail channels is highest relevance in multichannel retailing	Customer experience matters the most, customer satisfaction,

		Expert interview with Ms. Säilä	Expert interview with Mr. Pasila	Expert interview with Ms. Alahuhto-Kasko	Expert interview with Mr. Hagstet	Document Drpaers' industry specific report	Document Video of Jarno Vanhatapio	Document Expert Lecture by Hanna Schramm-Klein	Document Expert Lecture by Jonathan Reynolds
	Virtual integration (b)	RFID: Where to ordered products are and when are they arriving at the store, how to build up the store floor	Internet providing information to the customers	Social shopping, combination of virtual and real lives	E-mails, instant buying	Product innovation: virtual patterns, visibility: access by everyone enabling faster and higher quality decision-making, status of orders, shipments, inventory, integrating all the sales information to the supply chain (CRM, ERP, SCM),	Provide the customer with all the possible information about the products (sizes, colors, views, videos)		A better sense of the customer journey
	Process integration (c)	RFID: production, reduce unwanted production, security: diminishing losses and fake products		Similar buying experience in all channels, complex supply chains, logistics, fast pace	Strategy how to use all channels, transparency, speed	Communication at the product development process, communication between design teams and suppliers, integrated and open collaboration, real-time product information	Strategies how the be the number one in all the different core business areas		

	Network integration (d)			When opening new stores, it is important to find reliable partners		Subsidiaries take care of dyeing, patterning and finishing of the fabric, supplies the it manufacturer, products stitched together through a network of local partners,	In order to go through different campaigns (in this case "design your own bikinis") it is important to have fast production possibilities with intermediaries		
THEME 2: Multichannel integration in fashion retailing	*Drivers (e)*	Web shops, multiform channels, consumer demand, a web shop is a prerequisite, additional sales,	Change in buying behavior, online and brick-and-mortar stores have integrated,	Accessibility to consumers, digital world, customers can be anywhere, online presence is a consumer demand, technology, consumers want to be surprised, brand communication, stronger customer relationships, brand experience	Consumer need, information at any time at any place, change in consumer behavior and demand	Competitors doing the same, consumer need and demand, more options for shoppers to browse and buy,	Internet as a selling channel has been growing (at Nelly's growth of 2075% between 2007 and 2010),	Positively influences customer trust, the image of the retailer as well as the channel portfolio, increases customer loyalty and leads to differentiated use of individual channels, consumers value the possibility to combine shopping applications	The links between retail productivity, competitiveness, innovation and skills, firms are doing new and better things, firms can do existing things more efficiently, growing internet sales,
	Constraints (f)	Web platforms, how to update and take care of the technology	Technology, how to keep up, competition	Adversary reaction to high-tech, need for touch, logistics, resources, pressure to open new stores when there is a digital presence, need to know your customers	Loyalty programs, CRM, PoS data, warehousing, internal systems, costs, complexity, bad customer experiences, customers changing their demands		Fast growing business requires continual recruitments, business development, you can't forget that the customer is in the center	Consumer behavior: situational factors have an impact on use of a specific channel or customers' switching behavior between channels	Cost effectiveness, different productivity metrics in different channels, thinking of separate channels instead of a integrated system, retail skills shortages: poor alignment between the
THEME 3: Different fashion retailing channels	*Brick-and-mortar (g)*	Click and collect	Click and collect	Location, branding, the rise of brick-and-mortar stores, need to touch, brick-and-click	Clear strategy	Bringing online to the shopfloor to improve customer engagement: iPads, PCs, screens, e-learning, click-and-collect, impacts on the store: stock availability online, apps, ranges, colors, sizes, technology inside fitting rooms, Wi-Fi,		Retail location, consumer store choice, internationalization of retailers	Free Wi-Fi, in-store integration, digitally experienced staff, click-and-collect, other shared services,

	Online (h)	Information about the products	Kiosks, information, high impulse buying	Online presence is a requirement not a value-adding, need to be surprised	Clear strategy	Online innovations have affected the industry and staff	Marketing and traffic: how the get the consumers to your site? Web shop and conversion: inspiration, education, "and wear this with that" - recommendations. Fears: the clothes don't fit, want to touch the product	E-commerce: mobile internet, stationary internet, Internet-enabled TV, usage of online channels to search for information,	How to take care of the customer service? More coherent digital marketing strategies, eWOM, integrated umbrella branding,
	Mobile commerce (i)	Shopping apps, information	Paying, information, location based ads	Information, applications, location based ads, Information	24/7, information, make channels work together "the missing link", price checking	Mobile payment via PayPal in the stores, mobile optimized sites, apps,		Mobile shopping; standard websites, mobile websites, mobile apps, all mobile access modes have positive impact on mobile shopping intention, privacy constraints do not impact perceived usefulness	Barcodes used for shopping (Tesco -app), "the glue that binds channels together"
	Social media (j)		Consumers' need to present their identity, word of mouth, location attributions	Word of mouth, openness, the brands that can honestly communicate with consumers will be winners, the brand is under observation, stamp of approval	Important to have presence	Customer interaction, CRM, support advertising, part of a larger marketing campaign, every social platform is different, good will, peer-to-peer recommendations, harmful: consumer complaint on different medias	Social shopping, Facebook ads, viral shopping	Impression management, brand communication, usage of avatars	Consumers prompting action/drive to store, GPS alerts,
THEME 4: **Future prospects** **in general**	*(k)*	2015 the 10 biggest verticals are engaged in RFID technology, technology in fitting rooms (tablets providing product information, available sizes, advertising), the carbon footprint – tracking, social media in fitting rooms, NFC-buying, click and collect, cloud services, branding	Smaller brick-and-mortar stores, high fashion brands still offline, mobile buying, monetizing impulses, internet everywhere, location based services for shopping, changes in buying behavior, logistics (where to pick up your delivery), NFC-buying, parcel services	How to create additional value to the consumers? PR, click-and-collect, traditional ads wont work anymore, surprising the customer, combination of technology and human contact, authenticity in brands, sustainable development	Customer service on social media, blogs, product news, build the image, easier ways to purchase, newcomers in the industry: full experience directly, paying: a hygiene factor, market is growing, customers spending more money, customer experience, storytelling	3 D digital simulations on fabrics and patterns can be used to preview new silhouette, previewing of garments on the avatar, 50% of sales will be via mobile,	The consumer is always in the center: how can we be even better?		Consultants: produce free papers vs. academia, less brick-and-mortar stores, multi-level/multi-use environments (pick up the delivery),

Appendix 4: QCA – The definitions for different categories

THEME 1: Foundations for agility in fashion business

Name: Market sensitivity (a)

Description in detail: This category applies if the collected data expresses the opinion that arrangements for agility in fashion business can be characterized by capability of reading and responding to the real consumer demand by capturing emerging market trends, listening to customers and monitoring demand through daily point-of-sale data, identifying potential market needs for new products, sharing market and inventory information and forecasting planning.

Example: "We'll enter the buying process at the very beginning. It is extremely important to provide the product the consumer is demanding in the earliest stage. The earlier you can catch the buying impulse and satisfy it, the more likely she is to buy the product."

Name: Virtual integration (b)

Description in detail: This category applies if the collected data expresses the opinion that arrangements for agility in fashion business can be characterized by using information technology to share data between retailers and suppliers, sharing up-to-date point-of-sale data for immediate ordering and replenishment decisions, and crating of virtual environments for sharing information.

Example: "I believe that with the help of the internet, the retailers can provide sales information even to their customers. In other words, all the information including prices, storage, sizes, similar products, and places to shop and so on are available to the consumer."

Name: Process integration (c)

Description in detail: This category applies if the collected data expresses the opinion that arrangements for agility in fashion business can be characterized by collaborating between buyers and suppliers, joint product development, common systems, shared information between different members along the supply chain and seamless material flows.

Example: "To give an example, our business is concentrating on guiding the consumer to the right online store or nearest offline store. In that sense, we are collaborating with different actors in the retail environment in order to catch the buying impulse most convenient way, from the point of consumer."

Name: Networking (d)

Description in detail: This category applies if the collected data expresses the opinion that arrangements for agility in fashion business can be characterized by partners linked together as a network, intermediaries, wide supply bases or structuring, coordinating, and managing the relationships with their partners in a network.

Example: "Of course the different actors along the supply chain need to be in contact and share all the available information. We need to have fast databases and use the technology simultaneously."

THEME 2: Multichannel integration within fast fashion retailing

Name: Drivers (e)

Description in detail: This category applies if the collected data expresses the opinion, which can be interpreted as a driver to engage in integrated multichannel retailing.

Example: "As I see it, the technology is the biggest opportunity within retailing. As we know, the electronic buying has been growing everywhere. On the other hand, consumers are demanding for shopping in the physical environment. So, by combining both online and offline shopping the retailers have the opportunity to grow their sales."

Name: Constraints (f)

Description in detail: This category applies if the collected data expresses the opinion, which can be interpreted as a constraint to engage in integrated multichannel retailing.

Example: "If there are many similar actors competing for the same customers, usually the best one wins the competition over the customers. So in that sense, if you open your own web-shop, you need to be ready to work for it – it can't be just a nice, extra channel."

THEME 3: Different fashion retailing channels

Name: Brick-and-mortar (f)

Description in detail: This category applies if the collected data refers to communicating with the consumers or selling apparel goods in stores.

Example: "Especially high end brands, such as Louis Vuitton, want to continue selling in the brick-and-mortar store, because for them it is crucial to provide a luxury shopping experience. It is quite hard to provide that experience online."

Name: Online (h)

Description in detail: This category applies if the collected data refers to communicating with the consumers or selling apparel goods on the internet.

Example: "With the help of flash sales sites the retailers can easily sell out their old collections or inventories. For example if the retailer notices that there are 20 000 extra pair of jeans, which don't fit into stores, it is easy to sell them online."

Name: Mobile commerce (i)

Description in detail: This category applies if the collected data refers to communicating with the consumers or shopping that is done on the Internet by a mobile device, such as cell phone, personal digital assistants or other handheld computers (iPads etc.).

Example: "If the customer is walking around a city center wondering where she could buy a pair of Diesel jeans, she can look up a store with her phone. Or before she is making her buying decision in the store, she can look up the prices on online-stores and thereafter decide where she want's to shop the products."

Name: Social media (j)

Description in detail: This category applies if the collected data refers to communicating with the consumers or selling apparel goods on Facebook, Instagram, Polyvore, Twitter, Pinterest or on other social medias.

Example: "Quite often the consumers are showing off their new products on social medias, in order to enhance their identities. So in that sense, the word of mouth around the products grows and on the other hand, the buyer is giving shopping inspiration to her friends (who share the same identity)."

THEME 4: Future prospects for fashion retailing

Name: (k)

Description in detail: This category applies if the collected data refers to retailing in the future, future innovations, buying or technology.

Example: "I would estimate that after 10 years the brick-and-mortar stores will be much smaller and their purpose has changed: the consumers come in, in order to try on sample sizes and make the actual purchase at home. The next day the product will be delivered on customer's door."