A Comprehensive Research of the Supply Chain of Uniqlo

A Report for Uniqlo Scholarship Winter Program (Supply Chain Reform Direction)

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February 11th, 2020

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Abstract

With the improvement of living standards, the demand of consumers for new clothing has become "fast fashion". Both clothing varieties and new styles require apparel companies to respond quickly to market demands. However, Chinese companies' apparel industry supply chains are facing slow problems. Since 2002, many international fast fashion brands have begun to enter the Chinese apparel market, and these fast fashion apparel brands have taken a unique marketing strategy and brought different experiences to their customers, which is putting our apparel brand at a disadvantage. As an excellent fast fashion apparel brand, Uniqlo, which is the largest fast fashion brand in China, has made great progress in China, achieving considerable economic benefits and relying on unique marketing strategies.

One of the major advantages that differentiate Uniqlo from other apparel companies is its proficient supply chain management. and the quick response strategy is also an important supply chain management strategy. In this essay, after a comprehensive analysis of the Uniqlo company, we come to the conclusion that an excellent supply chain can bring vitality to the company and make the entire company dynamic. I have also given some personal insights about what other companies can learn from the strategies which are adopted by Uniqlo and how these strategies can be enhanced to have a better result.

Keywords

Supply Chain Management; Quick Response; Uniqlo

Contents

1 Introduction

With the economic globalization, production and design competition has intensified and enterprise supply chain competition has gradually shifted. Apparel industry is a traditional industry with short cycle and many characteristics of demand. In the face of supply and demand uncertainty and high inventory, apparel enterprise customers are demanding on diversification and market response speed, while they also want market demand forecast to be accurate. The rapid change of modern garment industry has shortened the order time, resulting in more and more product varieties, overstocking and other problems, which has brought great pressure to the supply chain management of China's garment industry. At the same time, economic growth and rising living standards make customer demand very diverse and personalized, which is increasingly complex and unpredictable. In 2014, China's 87 garment and textile enterprises had 73.2 billion inventories, 83% of which were small and medium-sized garment enterprises. The situation is serious due to overstocking and a sharp decline in orders and a shortage of sales channels. It will be very realistic to establish an efficient supply chain for customer demand, for the purpose of avoiding risks and improving inventory.

Uniqlo, a business of Fast Retailing Company, will serve as a case study to answer these questions. Fast Retailing is a specialty retailer of private label apparel (SPA). It is engaged in the design, production and sale of clothing. Fast retailing has two advantages. Most of the "global birth" companies are high-tech industries. Fast Retailing, as a clothing retailer, is a low-tech industry. By researching low-tech industries, we can contribute to the research of "global" enterprises. Fast retailing is not manufactured in Japan. They are produced abroad without the advantage of domestic production. What's more, as the main part of this research, we will dig deeper into the supply chain of Uniqlo.

This essay is divided into seven chapters. The first chapter, Introduction, gives an overall description of the topics involved in this essay. The second chapter, The Concepts of Supply Chain and Specialty Store Retailer of Private Label Apparel, introduces the generic concepts that will be discussed more specifically later in this essay. The third chapter, The Growth of Uniqlo Business of Fast Retailing Co. Ltd., gives generic description of the development process and the current situation of Uniqlo company. The fourth chapter, General Analysis of Uniqlo of the Supply Chain of Uniqlo, analyzes the supply chain model of Uniqlo company. To make analysis more specific, the fifth chapter, Comparative Case Analysis Between Uniqlo and Giordano, gives a comparative analysis between Uniqlo and another typical company in the aspects of supply chain. The sixth chapter, Analysis of Quick Response Based Supply Chain Management in Uniqlo, selects a specific strategy as the interest point to present a more in-depth analysis of the supply chain model of Uniqlo. The seventh chapter, Conclusion, gives a brief conclusion of the characteristics of the supply chain model of Uniqlo and indicates what we can learn from the current supply chain model of Uniqlo.

2 The Concepts of Supply Chain and Specialty Store Retailer of Private Label Apparel

In this chapter, the specialty retailers of private label apparel (SPA), which is a form of chain store and supply chain system (SCS) chain store, are the focus of our research. We will explore the approaches that "born-global" companies use to take advantage of overseas markets. The Fast Retailing Co., Ltd. is used as a case. The advantage of a competitive SPA lies in the ability of the organization to operate the SCS, in that it first summarizes the existing research on the SCS, necessitates a strategic perspective, and then the SCS is characterized by the benefits of SPA.

2.1 Existing research on SCS and strategic perspective

The supply method known as the "just-in-time" system, and the parts procurement network used by Toyota, allow companies to develop their own SCS. Of particular importance to the rules of thumb used by Toyota is that "the company result depends on the quality of operation that uses external management resources, including the out-sourcing business."

From the viewpoint of lean operation, Cox (Cox, 1999, pp.167-168) has 8 features:

(1) We aim for perfection to provide value to customers.

(2) Only for actions that produce what is extracted from customers just-in-time and create a focused value flow.

(3) Focus on waste removal in all in-house operational processes and externally, overproduction, standby, transportation, improper processing, defects, unnecessary inventory and movement.

(4) All participants in the supply chain are stakeholders and need to add value to everyone in the business.

(5) Closer, collaborative, reciprocal, not trustworthy (win-win), arm length and adversary (win or lose), supplier relationships.

(6) Work with suppliers to create a lean, demand-driven logistics process.

(7) A desirable long-term relationship that reduces the number of suppliers and works more intensively with a given supplier.

(8) Create a network of suppliers and build a common understanding and learning products and services on waste reduction and operational efficiency in existing deliveries.

In general, Cox's research is based on a company and its suppliers. Later, he defined SCS as the following pattern of operations: Avoid waste and add value to your customers. Cox introduces a strategy-level concept that highlights the unique nature of the operational supply chain (Cox, 1999, p.168). He underestimated the importance of vertical relationships between companies that systematically criticized existing strategic research. He referred to the concept

of core competence as existing work. The success of the technology and resources business owned and managed by companies that regard the concept of cockscore competence as an internally defined concept. Therefore, Cox could not explain the supply chain in which the core conceptual capabilities existed between some companies beyond the boundaries of the company. Finally, he has strategic management. In other words, Cox discussed SCS at the strategic level.

2.2   Characteristics of chain store SCS

"In the case of a chain store, each product is just a part, a material." This description is a description based recognition for chain store SCS.

A manufacturer's end product is made up of many parts and materials. Therefore, customer satisfaction is achieved by connecting the procurement system parts and materials in the production system. But from a chain store perspective, a manufacturer's finished product is simply an intermediate in the parts, materials, and marketing process. The finished product chain store is a variety of products that customers demand. For this reason, assortment is an important word. The meaning of "assortment" is defined as a result of commercialization by retailers. That is, to achieve customer satisfaction, retailers need to determine the goods they sell, and the price and quality of the goods. It is determined by this choice as it appears in the merchant retail store. We have selected this product group as assortment.

In summary, the chain store's production system is complete. Chain store results by the quality of the procurement system. Manufacturers examine the quality and price of product parts and materials while avoiding waste. At the same time, as a manufacturer, chain stores examine quality and price. Each product functions as a part and material and wants to avoid waste. This means that unsold products are removed from the shop floor. The tendency to avoid waste in this chain store is that the products that customers demand are perfect. Customer demand by providing a complete assortment of goods that chain stores meet.

Usually, the sales system is a production system for retailers. Therefore, sales capacity is considered a criterion for judging the results of the retailer. However, adaptation and modification of the procurement system to the production system, merchandise procurement system, and chain store chain store sales system. For example, some mottos are "high quality, low price", "daily low price", etc., sales system. Rather, the motto requires a customer. This is the result of the sourcing system starting from trying to meet the requirements of the client. These mottoes reflect the assortment that the chain store offers, or tries to offer.

The main activity of SCS of the chain store is "assortment" (Yoshida, 2001). This edition is an activity that retailers will consider a combination of products assorted in shop flowers. In other words, edition is an activity that retailers consider an assortment to meet customer satisfaction. Therefore, the edition activity is to resolve any discrepancies at the end of the marketing process, creating and delivering customer satisfaction. In the other words, to completely remove the discrepancy on the final stage of the marketing process means the creation and offering of the customer satisfaction. The assortment offered by the retailer

makes it possible to remove the discrepancy to the customers. Therefore, assortment is a starting point for the marketing process.

To put it concretely, to completely eliminate the divergence that the chain of stores intends is embodied by the assortment presented to end customers. The making of this assortment depends on the editing activity of the assortment. Therefore, editing the assortment is a ground-based design for realizing the actual chain store assortment, and also a strategic subject. If the chain of stores cannot match the goods along the edition of the assortment, the edition does not make sense. Namely, SCS that the activity to really supply the product is a main role is of strategic importance. Thus, the quality of the ability to organize the SCS decides the company's competitive advantages. Therefore, SCS is not just a supply chain for a product. Rather, it is a type of organizational behavior that can eliminate the gaps that may arise in the final stages of the marketing process. And the ability to organize organizational behavior becomes the specific advantage of the company.

2.3   SPA's competitive advantages

Chain prices alone have no competitive advantage at low prices. It's easy to use low prices as a basic tactic, but it's just one aspect of SCS procurement activities. In short, this tactic arises from non-price competition. Therefore, after defining the feasible range of the assortment, the practical ability to procure within that range is the ability to organize SCS (Yoshida, 2001).

The smaller the feasible range of the assortment, the narrower the scope of the procurement activities of the product: Therefore, solutions that require removal of ranges and discrepancies are deepened. Conversely, the greater the feasible range of assortment, the lower the density of product procurement activities. The easy-to-use chain has 50,000 items that image the qualitative differences between the activities stored, and the assortment of goods and the chain store with only 10 items edit the assortment. It is a general store (GMS) chain store, SCS. GMS overcomes the strategic subject of editing the assortment in the store floor, and it is impossible to achieve an assortment of goods along the edition. This indicates that GMS intends a high assortment of customers that could cause inconsistencies with chain stores.

Chain stores are trying to reveal their unique competitive advantage by infusing each product with its own strategic intent. In other words, if the chain store establishes a competitive advantage, it will edit the assortment by removing the inconsistency between the store and the customer, and the goods in line with this edition that will practice the actual assortment behavior, The intentions that make will be natural The unique strategic intentions will penetrate to each stage of production functioning goods. This will affect the assortment, even if the product is a national brand. For example, vegetables are cultivated, production is not only aimed at securing the supply of vegetables, but with large seasonal price fluctuations. The contract is part of a procurement activity along a proprietary edition of the assortment. That is, the contract contains not only a negative intent to secure supply, but also an aggressive intent to realize an assortment of editions. This is an important element of SCS. Also, if a national branded product is inconsistent or does not fit its own edition of the

assortment, it is natural that the product has been destroyed from the assortment. As a result, private brands are created by chain stores.

SPA is a type of chain store that specializes in clothing, and a company that edits its own assortment using private brands. The private brand assortment is the key to SPA achieving its unique strategy. SPA will consider an assortment of editions using a private brand assortment, building commodities, and security SCS to source commodities according to their own intent. This gives SPA an advantage over other chain stores.

3   The Growth of Uniqlo Business of Fast Retailing Co. Ltd.

This chapter describes the Fast Retailing (FR) Uniqlo business. First, an overview. Second, the history of Fast Retailing is shown. Third, I will discuss the "all better change" (ABC) activities that have had a significant impact on FR's management style. Finally, the current status of FR is displayed.

3.1   Overview of Fast Retailing's UNIQLO business

FR is responsible for the entire business process from planning to sales. The casual wear product brand is UNIQLO. FR operates a UNIQLO chain store.

UNIQLO is a casual wear brand and the name of a chain owned by FR. FR considers casual wear widely. The company does not sell formal wear, such as swallow tail coats or evening dresses. We sell underwear, belts, caps, bags and other products. In this sense, the range of items that FR sells is casual wear and the items needed to wear casual wear.

FR's total sales and stores have grown significantly since it opened in 1984. Total sales in 2001 were 418,500,000,000 yen. There are 519 stores. Ordinary profit was 103,200,000,000 yen and the ordinary profit ratio was 24.7%. In 2002, gross sales are expected to decline due to rapid growth in 2001. Total sales in 2002 were 204,800,000,000 yen. The expected ordinary profit is 38,500,000,000 yen. The estimated number of shops is 555. FR has recorded sales and profits for 11 consecutive years. The shares were listed on the second section of the Tokyo Stock Exchange in 1997 and on the first section of the Tokyo Stock Exchange in 1999 (Togawa et al., 2000, P.26). In August 2001, the company employed 1,598 full-time and 10,674 part-time workers.

FR's corporate philosophy and management principles were developed by Tadashi Yanai, the founder of FR. Much of this philosophy involves universal and simple content, applies to every company in every industry, and then internalizes the founder's belief in "naturally customs" (Togawa et al., 2000, p. 127)., "FR lists the following three points as key guidelines for the Uniqlo business."

(1) Always improve the product

(2) Strengthen low-cost operations

(3) First to place customers

To prioritize customers, Uniqlo maintains a clean shop and full inventory, and allows returns for three months from the date of purchase. Through strictly maintaining these principles of the UNIQLO business, FR plays a key role in managing that customer satisfaction is at its highest position, playing with the belief that customers can achieve their management.

The operational characteristics of FR are implied by company name. First of all, fast means instantly generating the demands that customers have on a commercial basis. The phrase also reflects the founder's strong desire to become a retailer with a "fast food concept". The idea is, some restaurants, such as McDonald's was to transfer the concept of de company in the clothing industry. First of all, fast food can be eaten anytime, anywhere. Similarly, UNIQLO branded garments are produced with the goal of allowing anyone to wear them anytime, anywhere. FR products are popular and basic because they target "anybody, anywhere, anytime".

Low prices are affordable products for everyone. In addition, FR is sold in unisex style for all ages. Second, fast food stores offer the same items and services all over the world. UNIQLO, a FR shop, aims to provide the same items and the same services at all shops throughout Japan. For Uniqlo, each store uses standard layouts and operating procedures (Chikae, 2000, pp. 110-111). Third, companies that operate fast food chains have their own systems of planning, development and sales. Similarly, FR designs, plans and sells its products. FR organizes production networks in China and Southeast Asia. FR sells its products in its own sales network, the Uniqlo shop. A fast food restaurant and the same way, FR for large-scale 1 to produce a single product, offers at a low price in all stores. This idea is supported by the fact that inventory is limited to 200 items (Hatano, 2000, p.34). Finally, fast food companies prioritize reducing labor costs. FR will build a store of the same size as possible (approximately 495 square meters) and place it in the suburbs (Wol, 2000, p. 25). The name UNIQLO is meant to imply "a unique clothing warehouse." UNIQLO is a store similar to a warehouse. This style prevents waste. Uniqlo uses a "help yourself" system modeled after a supermarket. The cost of starting a new store is between 60,000,000 and 70,000,000 yen (Chikae, 2000, p.110). FR practices labor-saving and low-cost construction.

3.2   Establishment of UNIQLO

FR started with men's clothing store Ogori Trading. The company, 1949 in Ube City, Yamaguchi Prefecture in years, FR of the CEO was founded by Hitoshi Yanai is Tadashi Yanai of the father is. Shoji Ogori was run by Hitoshi Yanai. The main seller was high-quality formal wear for gentlemen (Okamoto, 2000, p.87). The company purchased goods from Gifu and Nagoya, which are involved in the textile industry. The current FR of CEO is a positive Yanai is a 1972 joined years. He graduated from Waseda University in 1971 and later worked at JASCO, a major Japanese chain. Ogori Shoji sold well-known Japanese casual wear brands, including formal wear for gentlemen, foreign brands of high-quality women's dresses, and VAN. In 1984, when Tadashi Yanai assumed office as a director of Ogori Shoji, he established

UNIQLO. The first store opened in Hiroshima near Ube City. The bubble economy started around 1985. At this time, expensive designers and "character brand" fashion were popular in Japan. Under these circumstances, UNIQLO started its business using the concept of selling casual wear at low prices. The concept is represented as follows: "In the store you can buy clothes like a magazine." Shop 10 decided to target a boy of generations. At this time, the Uniqlo concept has not yet been fully developed. The store inventory did not include the Uniqlo brand. However, it was characterized by low prices. The "help-yourself" system has been adopted. This system was started by Yanai who believed that high-quality shops must serve their customers, but that casual wear customers can help themselves. In 1984, Ogori Syoji became the chairman of Chuchu Yanai.

In June 1985, UNIQLO opened on the outskirts of Shimonoseki. 10 May, similar Uniqlo shops in Okayama 2 was hotels open. The store was built to look like a warehouse to save construction costs. This style has saved overhead. Most of the Uniqlo inventory has been imported. In 1985, the yen exchange rate increased significantly in Japan. Still, the cost of goods purchased by FR did not decrease. Therefore, FR needed to reduce overhead costs to achieve lower prices at the point of sale. In 1988, the franchisee was adopted to reduce costs by purchasing large quantities.

On the other hand, the opening of new stores has made it difficult to steadily find sources of high-quality, low-priced products.

In 1987, Yanai went on a Hong Kong tour, visiting a company called Jelldarno, which had a brand name of the same name. This brand was sold in the United States and Europe. The company had a SPA format. This brand has a reputation for high quality and low price. Yanai has decided to outsource the production of Uniqlo branded items to a factory that manufactures Jelldarno products. This was the first step towards developing a SPA that controls planning, production, distribution and sales. This system is modeled on GAP. In 1988, the Point of Sale (POS) system was introduced. POS systems use computers to quickly track inventory in stores and make that information available to headquarters. With the introduction of this system, management from planning to sales has become possible. In the same year, FR began full-scale development of the Uniqlo brand (Okamoto, 2000, p.111). In February 1989, FR established an Osaka office to enhance product development. The office involved a supplier in the development of a specialty product. In 1989, FR also built a distribution center. In 1990, the computer system was updated to handle internal merchandise and sales information. In 1991, the company name was changed from Ogori Shoji to Fast Retailing. Total sales were 7,179,000,000 yen and there were 29 stores.

In 1992, Ogori Trading, which specializes in formal wear, was changed to UNIQLO, and all FR shops became UNIQLO. New computer systems have been introduced to grow the business and implement management strategies. In 1994, the number of FR shops exceeded 100. In July 1994, FR shares were listed on the Hiroshima Stock Exchange. List FRs released from financial issues such as bank loans. FR moved quickly to open more Uniqlo shops. In 1996 there were more than 200 stores and in 1997 there were 300 stores. Then, FR shares of the Tokyo Stock Exchange 2 was listed on the second section. On the other hand, to strengthen the Uniqlo brand in, FR is 1994 years 12 founded the design subsidiary in New York in May. This subsidiary FR is 100 owned%, was aimed at enhancement of the design

and information collection. In order to strengthen the production, FR is 1996 founded the production subsidiary in China of Sandton in years. The subsidiary was a joint venture between five companies, including Nichimen, a general trading company, and a Chinese company. FR's investment ratio was 28.7%.

In 1997, FR launched Spoqlo, a casual sportswear shop and Famqlo, with 9 new types of shopping and shops as children and women as new businesses. But these businesses were not very successful. Under these circumstances, the total sales of existing UNIQLO stores were below the level of the previous year. As a result, the increase in revenue and profit from all shops was achieved by the sales generated by the construction of the new shop. 1997 to the year, Sawada Takashi, FR original COO is, Itochu left Syoji of (a comprehensive company Syosya a) FR took part in the management of. Sawada, in response to a request of Yanai, FR in order to improve the sales results of 4 made a single proposal. He first suggested closing the Spokro and Famcro stores. The problem was that entering a new business dispersed the vector of employees. In 1998, FR closed its Spocro and Famcro shops. His 2nd proposal, was to review the UNIQLO business. Third was to simplify the business. Until 1997, UNIQLO Shops sold other brands. The brand was sold at a low price to attract customers. UNIQLO's marketing goals were not clear to its staff and customers. Therefore, the FR clarified its purpose. UNIQLO has launched sales of its own brand of casual wear. His 4th proposal, was to close the New York design office. The offices in Osaka, New York, and Tokyo each had separate design facilities until 1997, but the overall approach was inconsistent. These offices were merged in 1998 and a new office was established in Tokyo.

In 1998, a new FR board was appointed. FR's management was young and under the guidance of Yanai and Sawada. The above improvements are currently being carried over as "All better change (ABC)" activities.

3.3   ABC activity

Yanai is, 1998 years 6 began in May ABC the nature of the activity was defined as follows: (iro incarnation, 2000 years 1 month, 36 pages).

"So far, headquarters have been thinkers and stores have practiced. We will change this style to a new style of thinking and practicing in all workplaces, including shops. Change to a style that meets the needs of the customer, that is, how to produce marketable products. ABC activities are literally everything that changes."

The first part shows that the headquarters will take the initiative and change the store operation to a store operation that is autonomous by the store manager. A management manual was used at UNIQLO shops to standardize operating procedures in Japan. It was good management to practice the manual in the store. On the other hand, reliance on manual, or take away the thinking ability of the manager, the store did not use the idea of the length. Gradually, the negative effects of the manual exacerbated the FR problem. To change the situation, FR has changed its organization and HR policies. At this point, the FR manager was not responsible for the sale. They were evaluated based on cleanliness, inventory management and human resources management. Since July 1998, sales have been

added to the list of responsibilities. In February 1999, the Superstar Manager system was introduced. The Superstar Manager was a full-time FR staff member, whose annual income depended on shop performance. The system has changed management by linking performance to rewards. 2001 In the year, 520 in the person of the manager 30 there was a person of superstar (Weekly Toyo Keizai, 2001-year 11 March 3 days, P.34). In addition, a supervisory position was created and promoted. Supervisors were responsible for several shops in defined areas and served as sales coaches. A supervisor location was set up to identify problem areas within the store and work with headquarters and store staff to resolve the problem.

Later in the statement on ABC's activities, Yanai mentioned the shift from selling products to manufacturing marketable products. This change is a matter of restructuring the supply chain system (SCS). FR's design office has been integrated into Tokyo, strengthening the unification of the UNIQLO brand. FR narrowed down the items from 200 to 300. FR, instead of increasing the number of items, in order to reduce the cost 1 was creating a lot of one item.

FR is to introduce a system with a sales strategy with the weekly demand forecast, 1998 years 10 has been changed a production plan to match the sales of the May plan. In 1998, 90 % of FR products came from factories that contracted production in China. FR has reduced the number of factories from 140 to 40 (Guisen, 2000, p.24). FR is 2001 in year 85 of the plant (60 commissioned the production of clothing company). Most Japanese SPA companies have consigned production contracts with factories in China via general trading companies. SPA companies have turned production management and quality control into the hands of a general trading company. In opposition to this position, FR is 1999 years 4 a Shanghai office in May, the same year 9 founded the Guangzhou office in May. The China office has 90 local staff members who visit the factory every Tuesday to Thursday to work directly on quality control. Also, since 2001, FR has organized a skilled team called Takumi. The team members are experienced Japanese engineers. They are a group of people who have worked for a Japanese textile company for a long time and have experience as factory managers.

This team consists of 14 people. In one month, one person visited 10 factories in China and transferred factory management and sewing technology. In addition, in May 2001, FR established an online system between these Chinese contract factories and the Japanese headquarters. Factory production data is sent online to headquarters. In addition, orders can be immediately delivered to the factory based on sales data. FR has established a production system that produces 50% of the production plan at the beginning of the season and produces the remaining products according to the sales volume in stores. FR shares production information with several material companies that are responsible for the production of cotton, yarn, textiles and dyes. FR links production and sourcing of materials.

To manage distribution, FR staff reviews products delivered to a Chinese trading warehouse. FR has distribution centers in Tokyo and Osaka. Distribution centers classify primary products by size and color. Products are delivered to the shop three times a week. Delivery is to an external company.

In November 1998, FR opened a new shop in Harajuku, Tokyo. FR has changed its advertising strategy from using house-to-house flyers to a multimedia approach that uses newspapers, magazines, and television. As a result, the Harajuku store was successful and the UNIQLO

brand was strengthened. At the same time, the possibility of developing a store outside the suburbs was shown. In addition, FR was listed on the first section of the Tokyo Stock Exchange in November 1999. A new computer system, introduced in October 2000, allowed inventory control by color and size with sales demand defined as sales information management. Minimum number of units. By introducing this system, it is possible to practice adjustment for production in a smaller unit than the current unit. In 1999, some shops could be ordered directly from the factory instead of relying on headquarters. By 2001, 100 out of 520 stores could be ordered directly in items, colors and sizes. This system will be introduced in all shops in 2002.

3.4 New subjects

ABC activities continue today. ABC activities meetings are held every Monday morning (about 70 people in total) by managers such as section managers. At these meetings, we were able to discuss company issues. These meetings and the sales meeting held on Monday afternoon were important for making decisions about the normal operation of the FR. The sales meeting was used to discuss sales between sales representatives, supervisors, and store managers. The results of ABC activities have had a significant impact on the establishment of FR business processes.

FR is involved in too many projects. FR continues to make progress after establishing business processes. In 1999, FR launched a mail order business using brochures. In January 2000, FR collaborated with Simree in the mail order business. Simree is a company with mail order experience. In October, a mail-order system via the Internet was launched. In addition, some existing suburban stores have been closed, and FR is building new luxury stores.

In June 2000, Fast Retailing (UK), Ltd. was established as a preparatory stage for developing UNIQLO overseas. In September 2001, four UNIQLO shops opened. The locations were Knightsbridge, Wimbledon, Axbridge, and Romford. The conditions for finding a store were different from those used in Japan. Knightsbridge is a downtown shop. The Wimbledon shop is on High Street in this town. Uxbridge and Rom ford shops are located in suburban shopping malls with large parking lots. Due to legal differences between Japan and the UK, it was not possible to use locations along roads outside the UK. Building space is limited, so finding a store for the FR is an important issue. UNIQLO inventory is generated in China. The UK has a quota for imports from China. Thus, as the number of shops grows, maintaining the source of the product becomes an issue. It emphasizes the importance of partnerships that form operational and production contracts. FR is, in order to achieve the product quality is desire, looking for a partner that can build a cooperative relationship. And if such a partner owns a factory in a country where the UK does not charge quotas, FR must resolve the issue of suppliers in the UK market. FR is required to establish a supply mechanism that emphasizes meeting customer demand in the UK. In addition, in order to enter the Chinese casual wear market, 2001 years 8 to China in May Fast Retailing (Jiangsu) Apparel Co. to determine the success of the future in overseas markets.

4 General Analysis of Uniqlo of the Supply Chain of Uniqlo

The point of our discussion is to consider the meaning of a company starting an international business without advantages. FR is analyzed from two perspectives. First, I will explain FR's relationship with international business. This includes considering whether FR is a "born" company. Next, we analyze FR's location advantages in China. We will also consider why other SPAs cannot mimic the FR model. After these discussions, we analyze the implications of businesses without advantages engaging in international business.

4.1 Is FR a "born-global" company?

We borrow the concept of the definition of "global company" from Oviatt and McDougall (1994). They argued that it was essential for "global" companies to have an international origin. In other words, "global" companies need to invest resources in multiple countries. Therefore, the explanation is (Oviatt and McDougall, 1994, p. 49):

"They do not necessarily own foreign assets; foreign direct investment is not mandatory; they can arrange strategic alliances to use foreign resources such as manufacturing capabilities and marketing."

You need to determine if Fast Retailing (FR) is inherently global. The criterion is whether the company uses foreign resources from the beginning.

In the case of FR, the origin was 1949. It was Shoji Ogori started by the father of FR CEO. Ogori began selling formal wear for men. Later, the company expanded dress and casual wear and sold it to women. In this sense, Tadashi Yanai joined the company in 1972. When he served as Managing Director in June 1984, he launched a casual wear shop, UNIQLO. After UNIQLO was established, Yanai became the chairman of Ogori September 1984 Shoji decided that he would operate UNIQLO as a business of Ogori Syoji. Therefore, 1984 can be considered the year of establishment of UNIQLO in FR.

UNIQLO was initially a competitive clothing store focused on casual clothing for teenagers at low prices. The competitive strategy was supported through the procurement of low-priced products. FR inventory was from foreign countries, including Hong Kong. When prices for foreign goods did not drop, warehouse-style stores were devised. Since the beginning of UNIQLO, business relationships with foreign companies have been a key factor in the competition to make products cheaper than Japanese companies. In other words, for FR to grow, it had to use foreign sources to keep prices low. In 1984, the only aspect of the business managed by FR was sales.

In summary, FR used foreign resources from the beginning. To determine if this company is a "global company", you need to determine whether it used foreign resources from the beginning. FR did; therefore, we can conclude that FR was a "global company".

4.2 Location advantages and organizational capabilities

FR has adopted SPA foam. The ability to organize a supply chain system (SCS) has been shown to be a significant advantage for SPA companies. SCS is a system that realizes an ideal product lineup. To achieve an assortment, some activities of SCS have to find some countries. The season of this place is to integrate the advantages of the places that exist in each country into the SCS. In other words, location benefits add value to each product. In addition, organizational capabilities increase the value of the store to the customer and achieve the company's intended lineup. In summary, the goal of SPA internationalization is to combine attractiveness of places with organizational capabilities to form an attractive assortment.

In the case of FR, when UNIQLO was established in 1984, FR management was limited to sales functions. The only way to turn a foreign location advantage into a FR advantage itself was to procure products produced by foreign manufacturers by trading in international markets. Although FR's strategy was to target teenagers in the casual wear market, the company had limited ability to get the products its customers wanted. Assortment editions and sourcing activities are related to each other. Due to the limited procurement capacity of the goods, the assortment is compiled from the goods that can be procured. The inability to edit the assortment as a strategy drives the establishment of a system for procuring products. In 1987, FR began producing commissions in the chain, and the number of factories that contacted for commission production increased. In 1988, FR began to enhance product planning and design. A design office was established in Osaka in 1989. In 1988, FR introduced a computer system to manage the sales of individual stores. As a result, FR was able to control product planning, part of production, and sales.

When FR procured only foreign brands through market transactions, location advantages were incorporated into the products purchased. However, by starting commission production with a partner, the advantages of the place are factors that determine the attractiveness of the product. Most of the factories FR uses to manufacture products are made in China. The next factor is the advantage of using factories in China (Weekly Toyo Keizai, November 3, 2001, p. 44). First, the labor is cheap. China's wages are 1 / 30th of Japan's. For the 700 million people that make up the working population, those working in the agriculture and fisheries industries move to urban areas to become factory workers and return to agricultural areas within three years. This means that labor costs do not increase because of the use of unskilled workers. Second, China's main industry is the textile industry. In Shanghai, you can easily source the materials you need to make garments, such as buttons, zippers, and fabrics. The price of the material is very low. To integrate the benefits of using a Chinese facility into SCS, it is important to strengthen cooperation between FR and Chinese factories. In other words, strengthening relationships with foreign factories will enhance SCS's organizational capabilities.

After commissioning commenced, FR's targeted assortment of editions increased the likelihood of being realized by FR's subjective intent without being affected by market conditions. However, FR could control very few parts of the entire business. Most products are foreign-made. However, if each activity in the FR business process is not enhanced, it makes less

sense for the FR to control all business processes. A design subsidiary, founded in New York in 1994, aims to enhance product planning. The design subsidiary assumes that FR wanted to integrate the benefits of location into business processes.

When the design firm was reorganized in 1998, the design subsidiary in New York was closed. The reasons for reorganizing the design offices in Osaka (established in 1989), New York, and Tokyo (established in 1996) have been described earlier. The Uniqlo brand did not have the uniformity of three independent offices. In other words, the assortment version that FR doses is not clear as FR strategy. It was the effect of procurement on products that FR could actually procure. This was the result of confusing the lineup that FR envisioned as a strategy and the lineup that FR could actually procure. In the restructuring of the UNIQLO business that started in 1998, FR decided that the FR should aim for the assortment of its confirmation, only the UNIQLO brand, and basically assorted products at UNIQLO stores. Therefore, the business process of FR was simple.

FR was a real SPA form with a selection of UNIQLO branded products at the UNIQLO shop. By using SCS and realizing an ideal assortment, it becomes a real SPA form, and FR has an advantage over other forms of commerce. In short, FR can ensure an assortment that will satisfy its customers. On the other hand, the FR has to bear the cost of maintaining the SCS. For FR, SCS rust means loss of competitiveness. Since 1998, FR has used the system to forecast customer demand and change its production plans weekly accordingly. To maintain these benefits, FR needs to continually improve and invest in SCS.

This is an enhancement of the well-functioning SCS organizational capabilities. Each part of the SCS has been improved by enhancing the quality control system at the factory in China and promoting the transfer of technology by the artisan team. Through these activities, FR's production activities are taking advantage of the location advantages of China and increasing the value of the entire SCS. As noted above, as growth has grown, the FR has expanded the activities they can control. To achieve the ideal lineup, FR needed SCS to procure products. FR's SCS has been enhanced with a commission agreement with a Chinese plant. In order to integrate China's location advantages into organizational capabilities, FR has practiced many effort devices, such as implementing a quality management system.

4.3 The meaning of internationalization without benefits: internationalization to build benefits

Global non-market globalization has no benefits. The answer is given in the analysis above. When UNIQLO was founded in 1984, sourcing low-priced products by engaging in business with foreign companies provided FR with certain benefits. As growth grew, FR expanded the activities it could control with SCS. At the same time, the capacity level of each SCS activity has been enhanced. Finally, all activities of the SCS have been brought under FR control. Behind this was the reason FR had to build an SCS to achieve the ideal lineup. The SCS needs to be built as a device that allows the company to procure the necessary products. In other words, through the procurement process, SCS must have the ability to add products to the elements that the company wants. Being part of an SCS activity in a foreign country

means that the SCS can add extra factors to the product by integrating the locational benefits of the country where the activity is taking place. In the case of FR, FR's SCS was produced in China, so we can offer high quality products at low prices. Owning and operating such an SCS is an advantage of FR. As understood in the case of FR, internationalization of non-global markets is to integrate location benefits into their own business processes. By integrating the benefits of location into business processes, companies can compete with other companies. Building and capturing the benefits of the business process itself is why non-market born global companies engage in international business.

5   Comparative Case Analysis Between Uniqlo and Giordano

5.1   Introduction of the Case Analysis

While the Asian apparel industry continues to grow in the global market, the global apparel indus tri becomes very unstable as the world is internationalized (Lopez & Fan 2009). One of the notable trends in the industry is the aggressive international expansion of Asian apparel brands. The case is two major Asian brands: Giordano in Hong Kong and Uniqlo in Japan. They attracted early attention by the Western media compared to other Asian retailers. For example, Giordano's story is being discussed as an independent chapter in a Western marketing textbook (Wirtz 2007), and UNIQLO's flagship opening is on Fifth Avenue in New York City, where U.S. news (e.g., I received a writing in Dickler 2011). Giordano achieved about 70% of its total overseas sales in the recent period (Giordano Interim Report 2013), but the company's total sales now show stability after 25 years of business. Sales of Fast Retailing (Uniqlo owners) have increased significantly, and UNIQLO International's sales account for about twice that of UNIQLO JAPAN (UNIQLO Annual Report 2013). It is clear that these Asian apparel brands are becoming global now.

Despite Asia's rapid presence in the global market, Asia has simply been considered a supply chain producer or manufacturer offering cheap labor. The debate on the internationalization of Asian apparel brands is quite lacking in literature. Most of the research on the internationalization of apparel brands is for specific Western apparel brands focused on marketing strategies such as Levi's and Zara (Bhardwaj et al. 2011; 2005; Lopez & Fan 2009; These brands may have a higher brand awareness and a more stable brand position in the global market for internationalization for Asian brands. How did Asian brands become internationalized in the global market? What are the specific strategies that promoted their internationalization? Are these strategies similar or different to Western competitors that have already been studied?

To answer these questions, the study aims to apply existing internationalization theories, identify strategies to promote them, and analyze the internationalization patterns of two pioneering Asian brands, Giordano and Uniqlo. International. For this reason, the current study has previous internationalized case studies (e.g., Childs & Jin 2014; Lopez & Fan 2009;

Vrontis & Vronti 2004). The results of this study not only bridge the theoretical gap in internationalization in the literature of Asian brands, but also provide a useful information infrastructure for branding practitioners of the internationalization case of Asian brands.

This study first reviews the internationalization theory as a framework for internationalization in apparel brand literature and past case studies. Next, we analyze the internationalization patterns from the onset of Giordano and Uniqlo, and apply the internationalization theory. The common strategy of the two brands for internationalization is identified and contrasted with major competitors such as global fast fashion brands. Discussions and implications are also included.

5.2 The Comparative Analysis between Uniqlo and Giordano in the Perspective of Supply Chain: A major strategy facilitating both company's internationalization

Giordano and UNIQLO exhibit an integrated supply chain system that company plans and manages the production of its products and sells it to its specialty stores. Since Giordano started as a manufacturer in the 1970s, it has operated its own manufacturing system, inventory system and specialty store. Currently, about 95% of its products are outsourced, but we offer another 5% of Giordano's product needs (Kandelwal & Saxena 2010) and maintain the main manufacturing operations that control it through Hong Kong's headquarters. The company operates as a platform to procure from suppliers in mainland China, South Korea and Singapore, and can price its value by manufacturing most of its products in China, where labor costs and factory costs are low. In this way, Giordano combines the advantages of the low-cost regional environment of the brand's "value of money" concept with the advantages of Hong Kong's just-in-time logistics system and its outstanding international marketing network.

UNIQLO represents a more integrated supply chain system that encompasses every stage of the supply chain, from design and production to final sales to consumers. This system lowers it to ensure high quality products at a reasonable price. For example, the company has exclusive partner manufacturing plants such as Kaihara Corporation for denim and Toray Industry for textiles, and supplies stable quality products to stores. The brand has its own R&D center and outsources production of about 85% of Chinese products (UNIQLO Annual Report 2010).

Previous studies (e.g., Bhardwaj et al., 2011; Lopez & Fan 2009) have found that the enterprise's integrated supply chain contributes to rapid internationalization. In the previous Zara case, by controlling the entire production chain, the company uses marketing mix elements that are standardized across the store, as well as foreign market entries in the form of franchise stores, it has shown that it has made it possible to have faster turnarounds (Lopez & Fan 2009). By managing the various stage in the supply chain by yourself, you can safely supply eligible products at a reasonable price (Kim 2010). In addition, corporate control across the supply chain promoted internationalization based on the benefits of internalization of the OLI model. Managing the entire system makes it easy to transfer organizational assets

quickly and consistently through international operations within your organization (Zhao & Decker 2004), like in a franchise retail store format.

5.3 Discussions for the Comparative Analysis Between Uniqlo and Giordano

Asian apparel brands are globalized, but research on internationalization lacked literature. The analysis of the internationalization of Giordano and Uniqlo in this study showed a similar pattern of entry into foreign markets. They first start in a relatively close country, then expand to a farer country aggressively with specifically different strategies. Giordano opened a store in a duty-free shop and focused on expanding into the Middle East, while UNIQLO focused on launching a global flagship store in fashion capital. In recent years, the two companies have focused on developing countries with high market potential. The application of the theory of internationalization can explain the internationalization patterns of the two Asian brands: the Uppsala model explains the second and third patterns; while the Locational advantage of OLI model describes the second and third patterns. In internationalization, the brand concept, which focuses on the integrated supply chain and basic apparel of the brand, accelerated entry into foreign markets by taking advantage of internalization from OLI models and reducing design localization time. This is clearly in contrast to global fast fashion retailers, which focus on the rapid turning of fashion products, despite sharing the commonalities of the integrated supply chain. In conclusion, it was necessary to apply not only one theory, but also multiple theories to explain the internationalization of Giordano and Uniqlo.

Theoretically, the findings of this study add an empirical case of Asian brands to internationalizing literature that applies existing theories to the case of a particular brand (e.g., children and Gin 2014; & Lopez Fan 2009). Previous case studies on global fashion brands such as Zara (Lopez & Fan 2009), H&M, and New Look (Child & Gin 2014) showed similar entry patterns for brands in relatively close countries, International lowering Uppsala model. However, regardless of geographical and cultural proximity, the "born-global" movement, which describes the aggressive expansion into foreign markets, was once again demonstrated (Bell et al., 2001; "Child & Gin 2014" depicts a distribution scattered across markets around the world. Due to this move, the existing Uppsala model alone does not provide a description perfect description (Children & Gin 2014). The case of Giordano and Uniqlo also supported the literature that internationalization theory alone is not enough to explain the pattern of entry into foreign markets, but some theories like the Uppsala model and the OLI model are necessary for their explanation international. Current research has shown that two Asian brands return to the neighboring Asian market, as the Uppsala model suggests, due to the potential for growth in emerging Asian countries. This difference may be interpreted by the high brand assets of global fast fashion brands compared to Asian retailers. Global fast fashion brands have begun internationalization early and have more stable positions in global markets than Asian brands, so they have more experience, brand awareness, and brand equity. Stable brand position in the market. As the Uppsala model explained that knowledge and experience are an important resource for internationalization, this may now allow us to enter

more actively and diverse markets compared to Asian brands (Forsgren 2002). If so, the question of the future is, will Asian brands follow an "born-global" movement similar to global fast fashion brands as they grow more?

In fact, the findings affect global brands of Western origin in particular. The developing market in Asia is one of the fastest growing markets with high potential, and the Asian brand (Giordano and UNIQLO) was focused on this market with the benefits of empirical knowledge, geographical and cultural proximity. Previously, when global brands tried to enter developing countries, they were less competitive because it was a problem competing with other brands of Western origin. But now the brand has to compete with Asian players who have a competitive advantage in the Asian market. To support this, there are additional cases of Asian brands getting significant smoking cessation in Asian countries: Korean apparel retailer ELand operates nine fashion brands in China (Park 2007) and 182 of 2, Sales volume of more than 400 stores in Chinese cities have increased by about 30% each year over the past decade (Yong 2012). Japan's unsigned two, which distributes its own minimal design apparel and lifestyle products (Curry 2008) and appeals to consumers, is rapidly expanding in several countries, including new entries to eight Asian countries, 11 European countries and United. State (Unmarked Road Website). What is the best positive factor for a global brand with Western origin in Asia's emerging markets? Based on the benefits of empirical knowledge in Asia, it is necessary to observe what strategies our Competitors are pursuing in the Asian market. In this sense, this study was an early attempt to show the current progress of internationalization of Asian brands. Now, Western brands need to consider how their differential competitive advantage kind can beat the empirical knowledge of Asian competitors in emerging markets in Asia. For example, Giordano and Uniqlo concentrated on the basic causal wear concept by avoiding the same concept of global fast fashion.

6 Analysis of Quick Response Based Supply Chain Management in Uniqlo

6.1 Introduction to the Supply Chain Management Analysis in Uniqlo Based on Quick Response

With the globalization of the global economy, competition in production and design has intensified, and competition in the corporate supply chain gradually shifts. The clothing industry is a traditional industry with short cycles, various demands and other characteristics. Diversification of customer demand, speed of market responsiveness, and accuracy of market demand forecasts are among clothing companies facing supply and demand uncertainty and high inventory problems. The rapid changes in the modern clothing industry have already reduced order times, caused more and more product varieties and excess inventory, putting great pressure on the supply chain management of our clothing industry. Economic growth and improved living standards make customer demand very diversified and personalized, increasingly complex and unpredictable. In 2014, China's 87 clothing and textile companies

accounted for 73.2 billion in inventories, 83 percent of which were small and medium-smaller clothing companies. The situation is very serious due to a shortage of sales channels due to overstocking and a sharp decline in orders. Establishing a highly efficient supply chain of customer demand, avoiding risks, and improving inventory problems will be very realistic.

6.2   Key Influencing Factors of Quick Response

Quick Response (QR) refers to a supply chain management method that uses POS (POS), Electronic Data Exchange (EDI), and other information technology to exchange information when replenishing or continuously replenishing a particular product. To achieve common goals such as shortening delivery cycles, reducing inventory, improving customer service levels, and competitiveness of companies at a small number of multiple frequencies.

6.2.1   The type of supply chain

Depending on different classification criteria, the supply chain can be divided into different types. Depending on the requirements of different types of products and customers, the supply chain can be divided into four types: functional supply chain, innovative supply chain, push supply chain, pull supply chain, and so on. When innovative products are in short lifecycle and faced with uncertain market demand, companies need to respond quickly to changing market needs. The pull supply chain is based on customer requirements. Therefore, innovative products are best suited to use rapid response strategies to respond quickly to customer requirements.

6.2.2   Partnerships between companies

The partnership between each member in the supply chain, for short, the supplier relationship is the relationship between the supplier and the manufacturer, or the seller and the buyer. The relationship with the supplier is a strategic partnership that shares risks and pursues common interests between suppliers and manufacturers over a specific period of time. After that, information sharing and unified decision-making of each member of the supply chain greatly improved the ability of the supply chain to respond quickly.

6.2.3   Sharing information

The supply chain is a chain of downstream companies, and if information cannot be communicated to downstream companies in time, the ability to respond quickly throughout the supply chain system will be greatly reduced, causing supply chain flexibility. Each member of the supply chain coordinates changes in the internal and external environment, and the speed of market demand determines supply chain flexibility. Therefore, the level of information sharing is one of the key factors that affect suing quickly.

6.3 Model Abstraction of Uniqlo's Supply Chain

The founder of UNIQLO, named Tadashi Yanai, develops and manufactures all products under its own brand, a retail model for clothing specialty stores, namely its own brand spa (private label apparel specialty store retail store) The model was founded companies with integrated operations and unified distribution. While traditional management models have so many brokerage agents, the SPA model actually associates direct sales and production, with 100% full control to save costs and increase operational efficiency. Supply.

6.3.1 SPA model

UNIQLO applies its own brand of advanced SPA (specialty retail store for private label apparel) models, namely clothing specialty stores. This model connects production and sales directly, and customers and producers are directly connected by canceling intermediate links, enabling them to respond to customer needs in a timely manner, as well as consuming products at the fastest speed. The UNIQLO SPA model consists of clothing material procurement, product planning, development and manufacturing, distribution and retail inventory management throughout the clothing manufacturing process. This model breaks the traditional model of planning, production, and sales separation, while consolidating planning, production, and sales as a whole. By canceling traditional models of intermediaries and other links, this model significantly reduces the cost of distribution and the cost of production and sales. In addition, sales information for each store can be delivered to the factory in a timely manner, and production adjustment can be made quickly according to the sales information. The SPA model has reduced the average inventory rotation days to 80 days and is building a leading position in the clothing industry.

6.3.2 The TCM(Total Chain Management) system

Uniqlo TCM system has been developed based on conventional supply chain management (SCM). Compared to SCM, the TCM system improves the overall capabilities of product management, focusing on the collection and analysis of store sales data and market information, and basically realizes centralized management and information sharing. Management and store managers from the Marketing and Sales Planning Department participate in weekly management meetings. Analyze all store sales data provided by the POS system, forecast market demand, and determine production capacity and inventory. The store simply determines the required orders according to a specific situation and enters the delivery date and time, and the order information is sent to the head office. Then, the head office arranges shipping instructions, and the distribution center arranges delivery. Each week, the head office tracks inventory for all stores, and if the store requires additional orders, the head office immediately transfers the relevant sales information to the factory to check the color size and other information for the order product. The factory then quickly adjusts with the information it receives and receives additional orders within 10 days.

6.4 Main Advantages of Uniqlo's Supply Chain

6.4.1 Source control of the supply chain

The application of spa models can cancel a series of links between agents and connect directly from production to sales to achieve the production of raw materials from development, distribution and sales to overall control. The entire process of supply chain management consists of five parts: material planning, product planning, sales planning, production planning, and sales process. Each part contains many specific links, and the design of each particular link is very detailed and delicate. Taking the product design process as an example, there are six aspects: data analysis, trend analysis, sales planning development, material planning, product development planning, and design. The source control of UNIQLO's supply chain is very important for material development and quality. Material determination is determined by a group member consisting of a single person, not a designer, a product planning staff, materials and people in product development. After the discussion, the president makes a final decision to ensure the quality of the material. Uniqlo has also established a long-term strategic cooperation partnership to secure a source of raw materials. Therefore, when market demand changes, raw materials can be supplied in a timely manner, avoiding the risk of market changes.

6.4.2 Win-win model

There are two types of UNIQLO production models produced at our own factory, and the other is production outsourcing. Uniqlo reduces production costs and improves efficiency through outsourcing production. At the same time, you will face the problem of choosing a manufacturer. To effectively solve this problem, we set strict screening criteria for selecting about 70 manufacturers in more than 100 manufacturers. UNIQLO also has established a production management company that tightly controls the quality and production of its products. In addition, the craftsman system is applied to UNIQLO. The craftsman system refers to the technical guidance of a group of craftsmen sent from the head office. The Artisan Group consists of 30 technical staff with decades of production experience, each of whom is responsible for coaching 5-10 outsourcing companies. These experienced craftsmen provide technical guidance at outsourced clothing factories over the long term to ensure that the products of other manufacturers and their factories do not differ in terms of quality.

6.4.3 Sound operation based on information analysis

Uniqlo's core competitiveness is its rapid supply chain, and its strong ability to analyze information is key to the rapid response of the supply chain. Unlike traditional operational mechanisms, UNIQLO's store operations are directly managed by the head office. Through information systems, the head office tracks inventory management for each store on a daily basis, so it collects all the sales data for each store to form a vast database of internal

information integration. Forecast and inventory management based on the analysis of the data that companies can sell.

6.5   Inspirations to the Apparel Industry

6.5.1   Establishment of QR information systems

The ability of supply chain information systems to respond at high speed plays an important role in the enterprise. Companies can promote collaboration between members to improve the level of supply chain information sharing through information technology and to improve operational efficiency in the supply chain. Without information system support, UNIQLO will significantly reduce the rate of collection and analysis of sales data and not be able to respond quickly to market changes. Compared to UNIQLO's SPA models and TCM systems, many apparel companies today generally pay less attention to the construction of information systems and information technology that have responded to customer needs at a lower level and caused a lack of supply chain. Flexibility. When clothing companies are trying to establish a fast supply chain like UNIQLO, they can build a perfect information system combined with their business, improve supply chain information sharing levels, reduce lead times, apply POS systems, Improve industry chains that meet the unique competitiveness of the entire supply chain, such as rapid improvement of sales data, market information collection and analysis, and centralized management and information sharing, further improving the operational efficiency and economic benefits of companies.

6.5.2   Improve inventory management levels

UNIQLO abandoned its traditional inventory management model through weekly TCM business meetings. During this meeting, the management group analyzes sales data, forecasts market demand, and determines production capacity and inventory. Based on this information system, UNIQLO can track unit inventory products daily and determine product activities such as additional orders, discount sales, and inventory clearing. With effective inventory management, UNIQLO can solve corporate problems to meet market demands, reduce inventory costs, and respond to market changes. Superior inventory management reduces inventory costs and improves the operational efficiency of supply chain inventory management. Due to inadequate management, most clothing companies need to face overstock ingress problems, along with increased inventory costs and a significant decline in supply chain capacity. Clothing companies need to learn about the entire supply chain management system from UNIQLO, promote cooperation between upstream and downstream companies in the supply chain, and improve the level of inventory management and information levels. Share. Therefore, clothing companies should pay attention to the effectiveness of information in the process of information transfer and timeliness in the process of establishing a marketing channel. At the same time, you should consider how to avoid high-quality inventory risks and make planned promotions in sales terminals.

6.5.3　Strengthen supplier management

Supplier management is a very important link to supply chain management. Partnerships with suppliers are beneficial to companies to improve the overall ability to respond in the supply chain and reduce manufacturing costs. UNIQLO has developed strict selection criteria for supplier selection and evaluation on consistency between aspects of supplier production level screening standards and unique goals. Uniqlo's TCM model is a typical example. Under this system, we have established a production management company that strictly controls production and quality. In addition, a group of artisans was sent to the manufacturer's factory to lead long-term production with selected suppliers already forming Win-Win models. This not only reduces production costs, but also provides effective control of production and quality. In comparison with UNIQLO Supplier Management, there are many issues for other clothing companies, including explicit screening standards for supplier selection and lack of awareness of cooperation. To establish a rapid response supply chain, you need to make the most of UNIQLO's supplier management practices, including establishing scientific metrics, choosing the best strategic partner, and establishing supplier quality.

7　Conclusion

From the analysis above, we know that for apparel industry, the supply chain management play an important role in making the company obtain more profit. As we have analyzed Uniqlo as our analysis case, we find out that Uniqlo adopts the SPA model and the Total Chain Management system to make its supply chain run in a very high efficiency. What's more, the Quick Response concept developed by Uniqlo very well serve the reforming process of Uniqlo's supply chain, as well as its attention paid to source control, win-win model and sound operation. In conclusion, we can get some inspiration from Uniqlo's supply chain model. That is, a corporate needs to establishes its Quick Response information system for better reformation of supply chain. Also, it needs to improve the inventory management levels. Besides these, another key influencing factor is that it needs to strengthen the supplier management system. Other companies can learn from these major points to enhance the supply chain system and the Uniqlo company, as well, can improve its supply chain system from the aspects above.

About the author

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