

**UNI
QLO**

Supply Chain Analysis

**SCM532
Global Logistics
MSCM 25 '**

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The Uniqlo logo, featuring the brand name in its signature white sans-serif font, is displayed prominently against a solid red background.

- 1. Uniqlo's Evolution, Strategy, and Position in the Global Market**
- 2. Explore Uniqlo's Design, Production, Sales**
- 3. Comprehensive Comparison: Uniqlo vs. Zara – Strategy, Logistics, and Profitability**
- 4. Efficient supply chain integration enables leveraging strengths while effectively mitigating risks.**
- 5. Sustainability Through Circular Practices: The Re.Uniqlo Initiative**



Part 1

**Uniqlo's Evolution,
Strategy, and Position
in the Global Market**

BRAND HISTORY

1949: Founded in Yamaguchi, Japan as a textiles manufacturer

1984: First store opens under the name “Unique Clothing Warehouse” in Hiroshima, Japan.

1988: Unique Clothing Warehouse becomes Uniqlo

1997: Shifts to private-label model

2002: Opens 1st overseas outlet in Shanghai & 4 outlets in **England**

2005: New outlets open in the **US**, Hong Kong, and South Korea

2007: Sales reach \$4 billion

Today: Over 3,100 locations!





UNIQUE
CLOTHING
WAREHOUSE

1984 - 1998



1991 - 1998



1998 - 2009



2006 - now

LOGO DESIGN

- Original font consisted of a wine-red sans serif font onto a grey background
- **The logo changed to match the GAP brand with its square shape**
- Having the red and white color scheme is to resemble the Japanese flag
- Currently uses the Katakana style of Japanese characters
- Tadashi Yanai chose red for its bold and passionate characteristics

Industry Ranking

Last Updated: 2024.11.29
[to Japanese page](#)

Major Global Apparel Manufacturer and Retailer

Company Name (Flagship Brand)	Country and Region	End of Fiscal Year	Sales (Trillion of yen)	Sales (Billions of dollar)	Change (%) (local base)
Inditex, S.A. (ZARA)	Spain	Jan. 2024	5.99	39.0	+10.4
H & M Hennes & Mauritz AB	Sweden	Nov. 2023	3.39	22.1	+5.6
FAST RETAILING CO., LTD. (UNIQLO)	Japan	Aug. 2024	3.10	20.2	+12.2
Gap Inc.	USA	Feb. 2024	2.29	14.9	-4.7
lululemon athletica inc.	USA	Jan. 2024	1.39	9.1	+18.6
PVH Corp. (Calvin Klein, Tommy Hilfiger)	USA	Feb. 2024	1.34	8.7	+2.1
Next plc	UK	Jan. 2024	1.05	6.8	+9.1
Ralph Lauren Corporation	USA	Mar. 2024	0.96	6.3	+2.9
Victoria's Secret & Co.	USA	Feb. 2024	0.90	5.8	-2.6
American Eagle Outfitters Inc	USA	Feb. 2024	0.76	5.0	+5.4

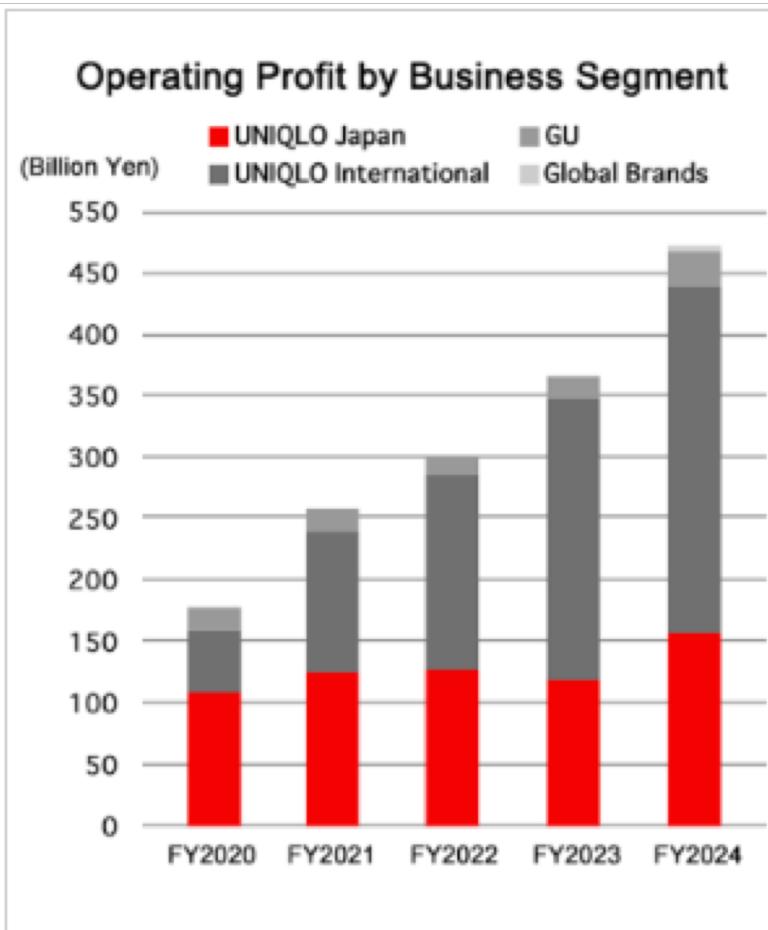
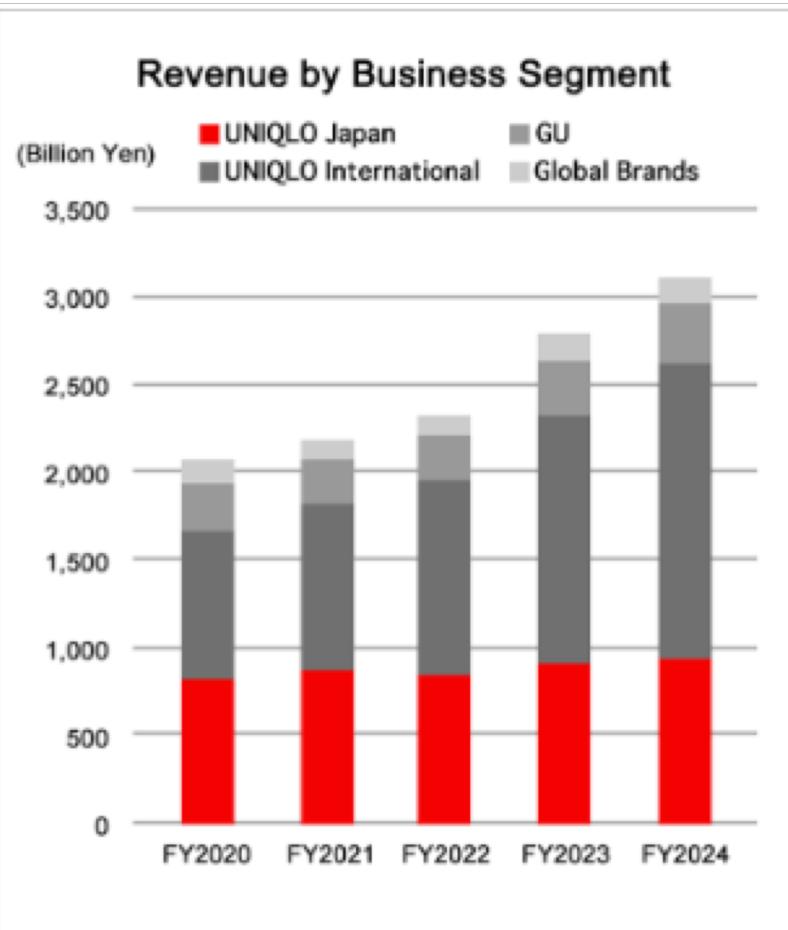
Notes: Compiled from the annual reports of the companies listed above.

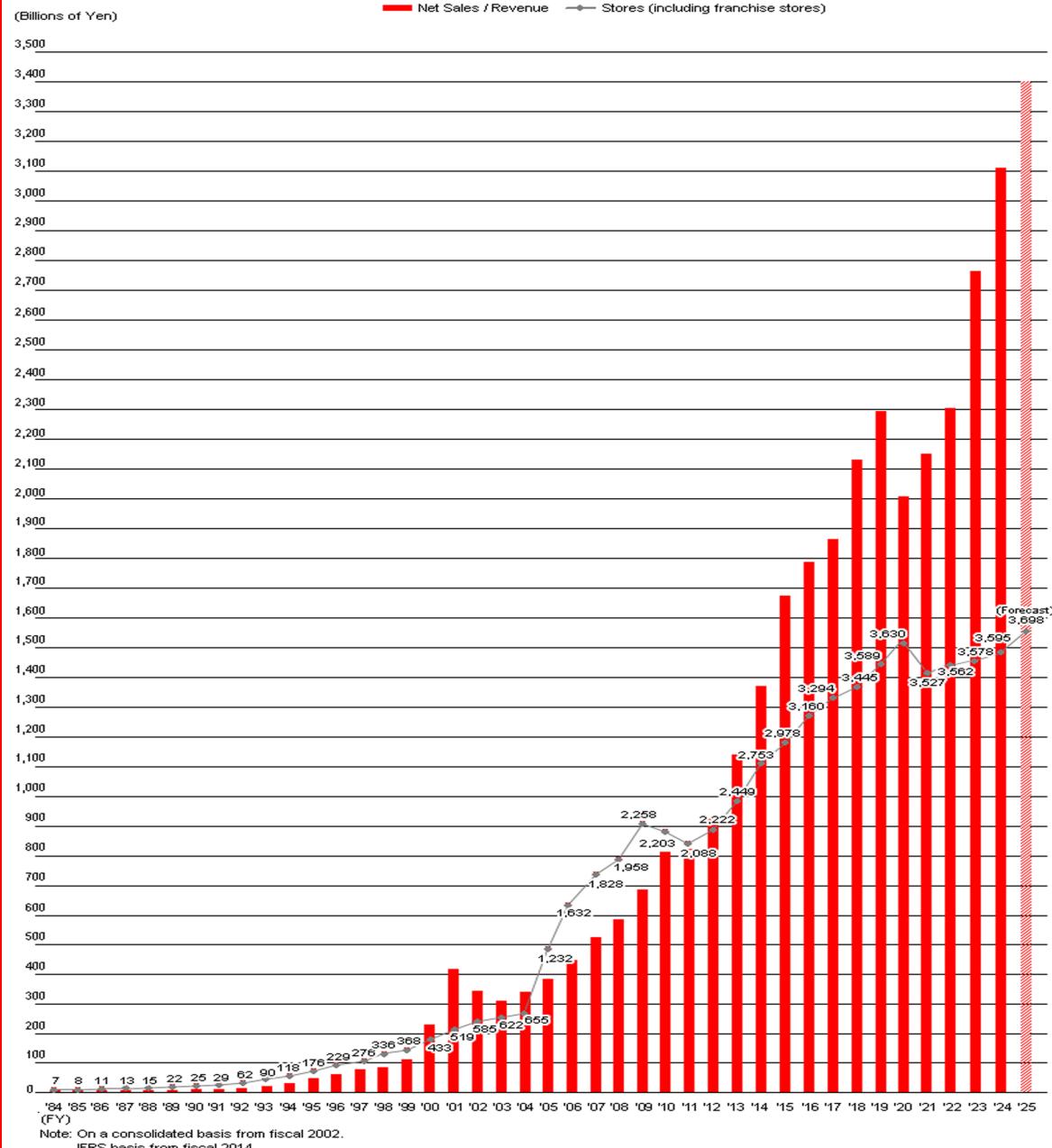
*Figures calculated in yen using October 31,2024 FX rates. (\$1=¥153.65)

Uniqlo Japan – Contribution to Net Sales = 30%

Uniqlo International - Contribution to Net Sales = 55.2%

Accelerate new store openings in the **Southeast Asia, India & Australia** region to approximately 60 stores each year. Aim to achieve high growth by compiling product mixes that are more suited to eternal summer climates.





USA

First Store Opening: September 15, 2005

Number of Stores: **69** stores (As of October 31, 2024)

International Stores

In 10 years, the number of stores doubled from 650 to 1700 stores in 2024, so as the sales revenue.

Keep Aiming High!

UNIQLO operations in North America and Europe have entered a growth phase.

Uniqlo is accelerating store openings and plan to open approximately **30 new stores a year each in North America and Europe.**

Uniqlo also aims to achieve strong growth by enhancing our e-commerce operation.

Main Competitors

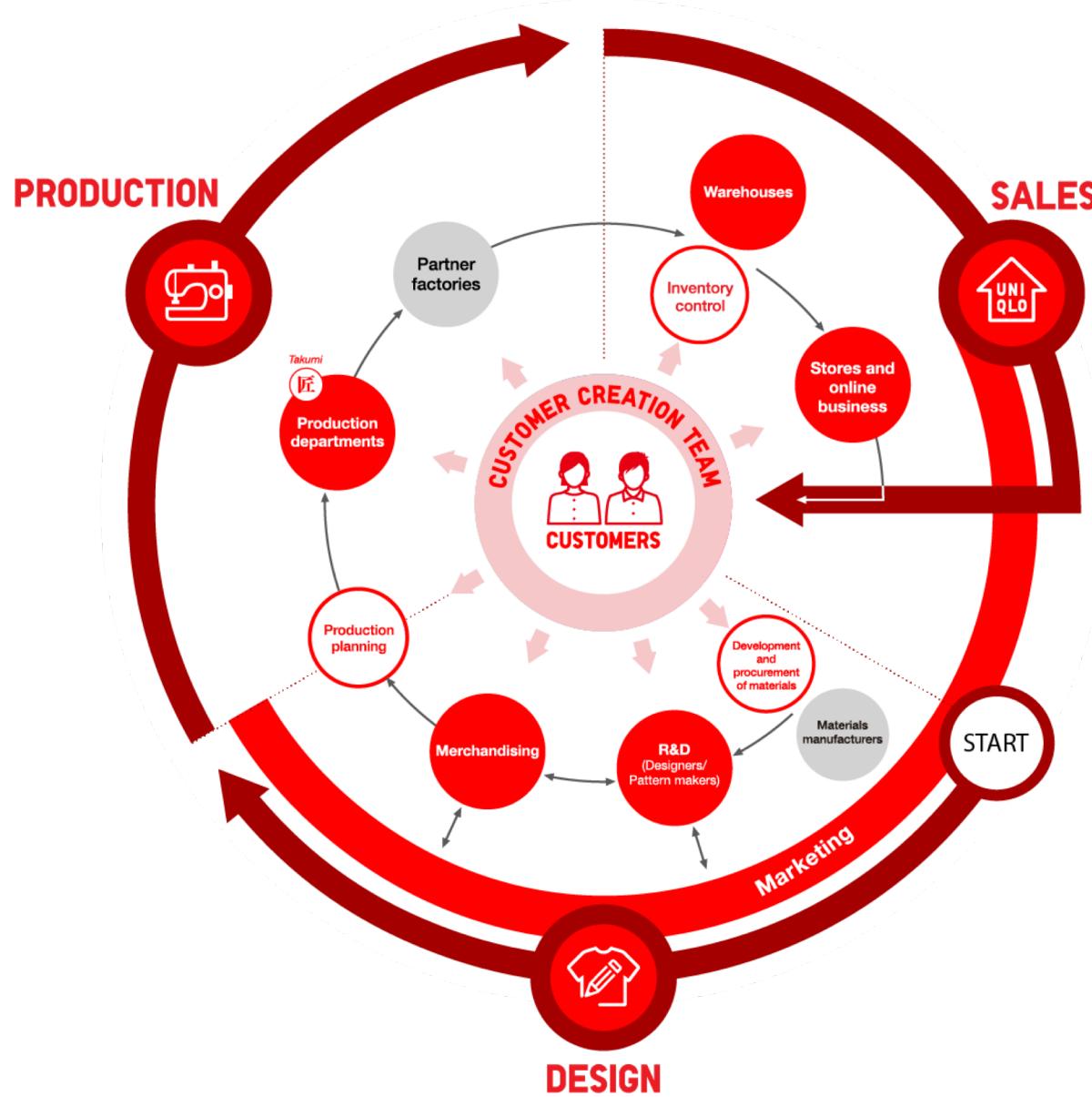
	ZARA	H&M	UNIQLO	GAP
Founded	1975	1947	1984	1969
FY 23 Rev.	\$ 27.0 bn	\$ 21.5 bn	\$ 18.5 bn	\$ 15.6 bn
Number of Stores	2200+	4300+	3500+	3500+
Headquarters	Galicia, Spain	Stockholm, Sweden	Yamaguchi, Japan	San Francisco, USA



Part 2

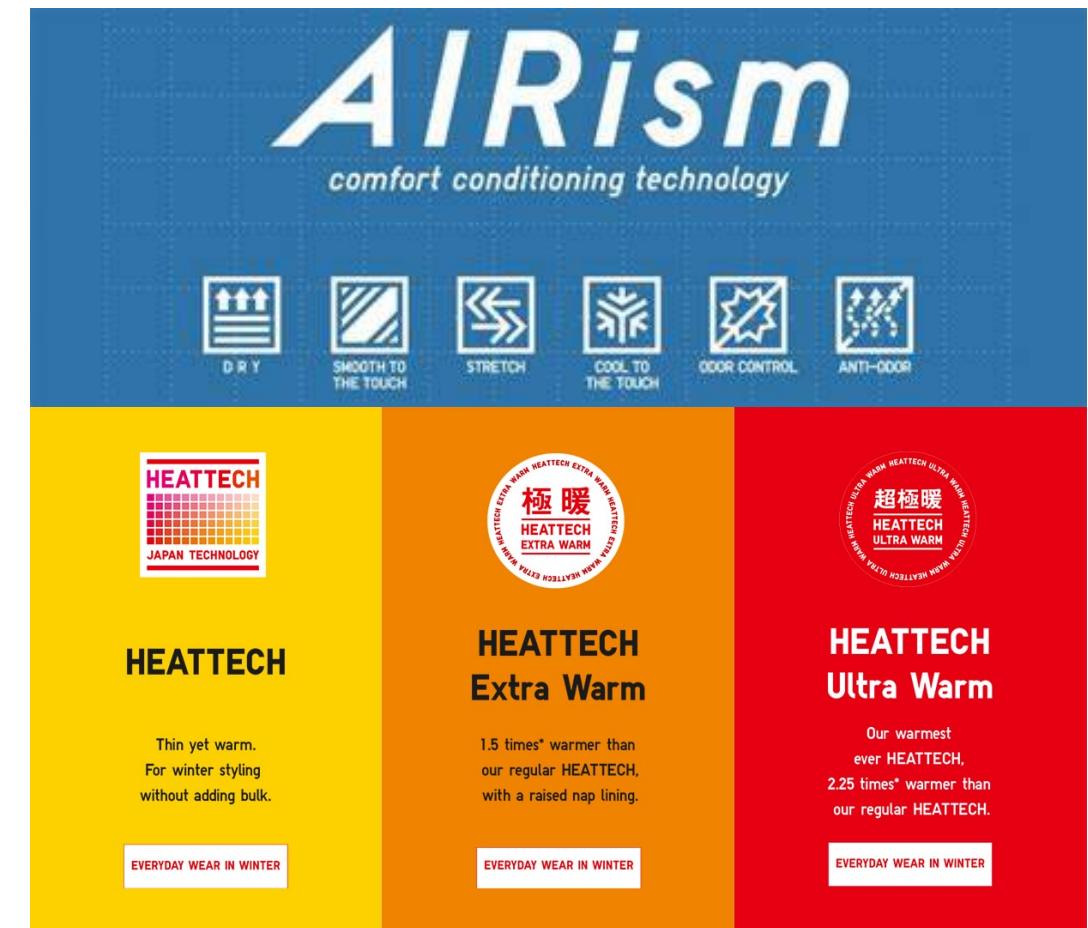
Explore Uniqlo's
Design,
Production,
Sales

Design



Research & Development Center

Japan | Shanghai | Paris
New York | Los Angeles



Design – SIMPLE YET LOCAL

Scandinavian



UNIQLO x Marimekko

Inspired by the Scandinavian tradition of fall foraging with friends and family, tonal yet bold prints celebrate autumnal moments from morning mist to darker evenings.

British



UNIQLO and JW ANDERSON

UNIQLO and JW ANDERSON 2024 Fall/Winter Collection. British classics, designed for life today.

French



UNIQLO and COMPTOIR DES COTONNIERS

UNIQLO and COMPTOIR DES COTTONIERS 2024 Fall/Winter is a versatile collection inspired by French tailoring and chic sport allure.

British



UNIQLO : C

Renowned British designer Clare Waight Keller introduces a modern collection of elevated essentials that captures the way we move through the city.

Production

Fabrics

Fabrics Sewing Finishing and Inspection Shipping



Sewing

Fabrics Sewing Finishing and Inspection Shipping



Finishing and Inspection

Fabrics Sewing Finishing and Inspection Shipping



Shipping

Fabrics Sewing Finishing and Inspection Shipping



Quality Assurance:

Customizes high-quality fabrics at low costs.

- Partners with leading suppliers for fabric development.
- Sends technical experts for guidance.

Takumi Team

The Takumi Team offers technical support to our partner factories to ensure quality control while maintaining deep connections with the people who make our clothes.

Production – Workplace Monitor

- Approach and Objectives of UNIQLO and Partner Factories



Items checked during Workplace Monitor

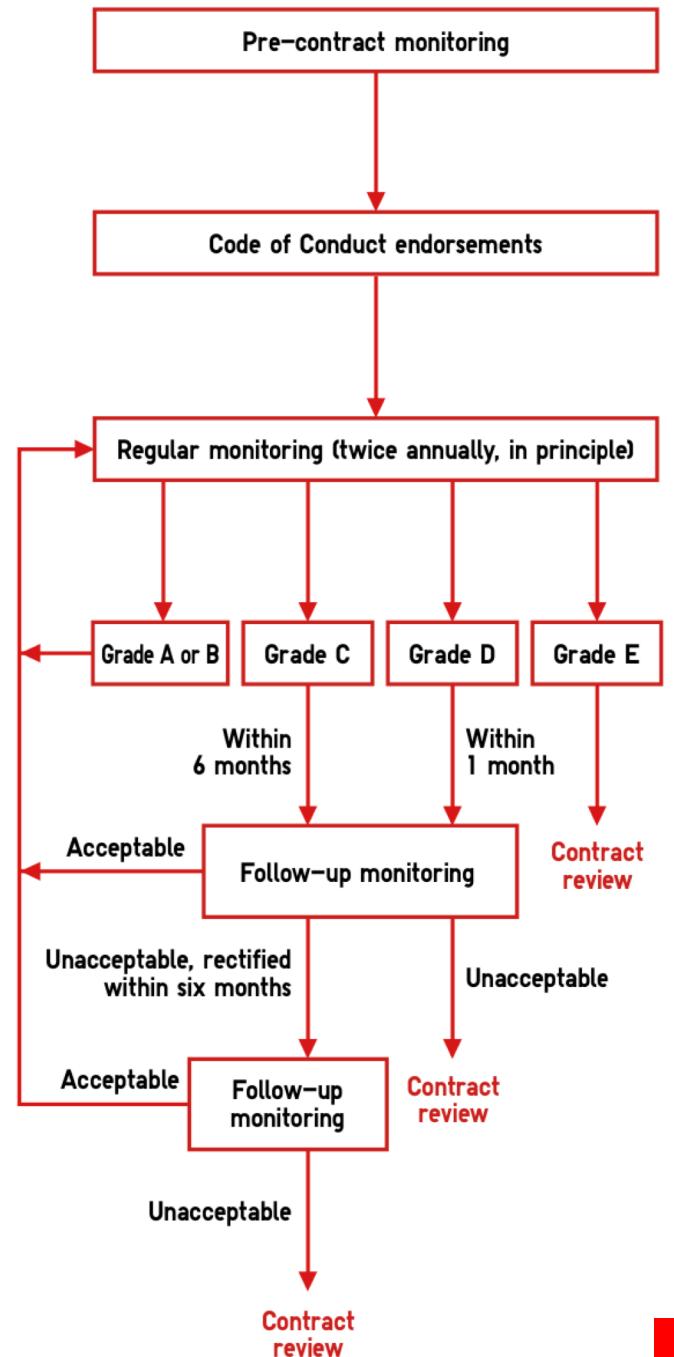
- Safety
- Life and Health
- Document cross-checks and worker interviews

Target

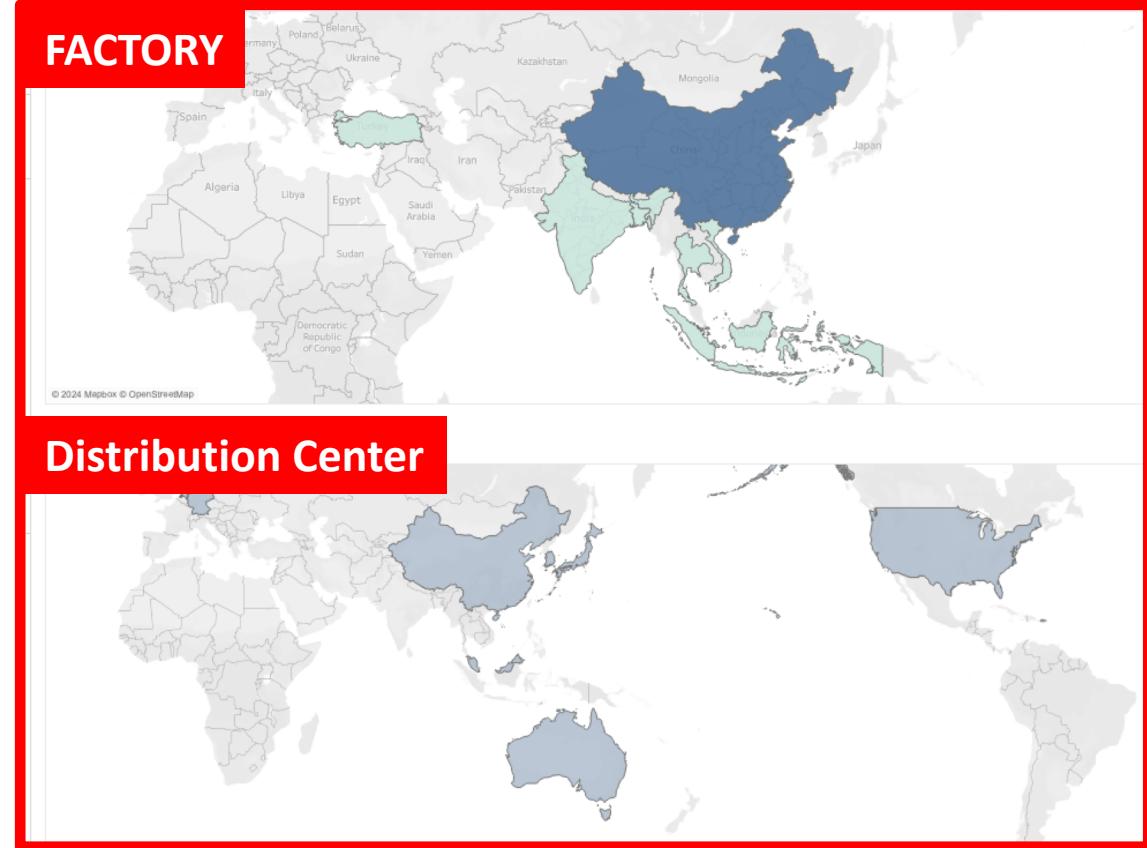
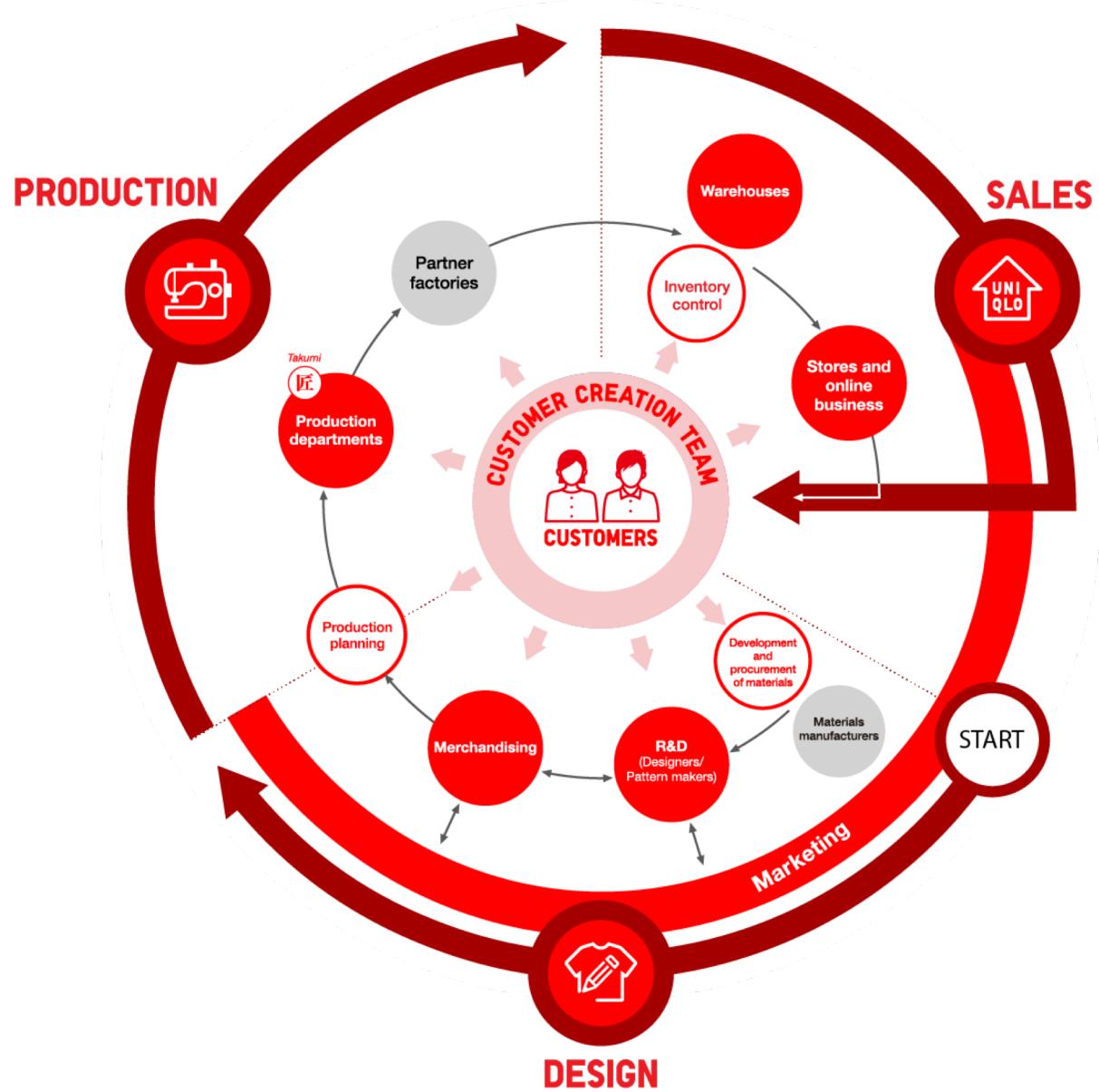
- Achieve the world's highest quality standard
- Establish better working environments
- Secure a solid reputation among customers and communities

Approach and Objectives of UNIQLO and Partner Factories

Workplace Monitoring Framework



Production



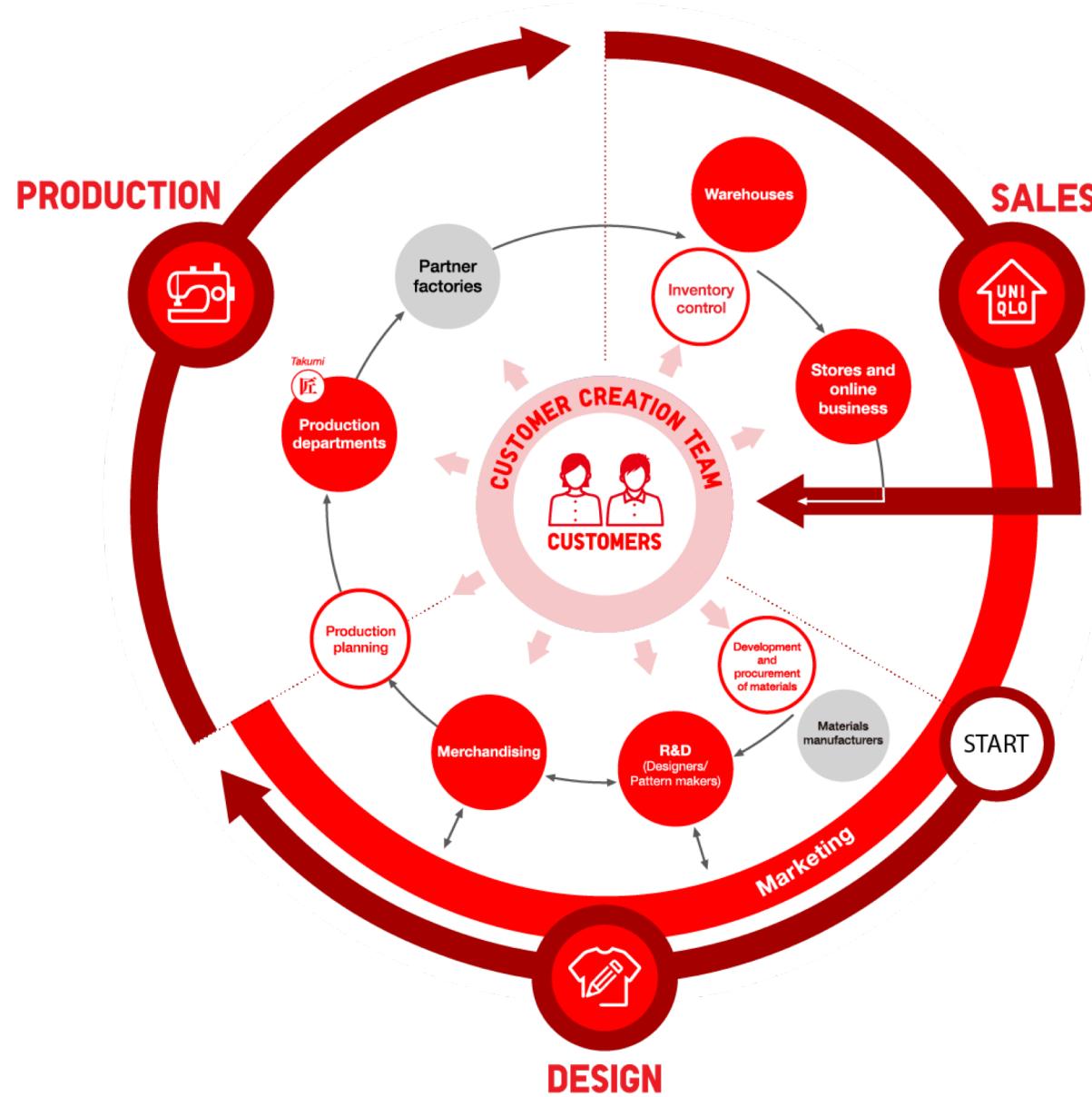
Factory:

90% in China / 10% in Vietnam, Bangladesh, Indonesia, Thailand, Turkey, India

Distribution Center:

Japan, Germany, Netherlands, Singapore, Malaysia, Australia, South Korea
United States: Pennsylvania, Los Angeles

Sales



Integrated Supply Chain Management

Controls design, procurement, production, distribution, and sales to eliminate demand forecast updates and supply limitations.

Direct Sales Strategy

- Collects real-time feedback via store managers.
- Reports using an 18-week product life cycle to share data with headquarters.
- Enables design and marketing adjustments for "zero inventory".

Comprehensive Comparison: Uniqlo vs. Zara – Strategy, Logistics, and Profitability

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Basic Need



UNIQLO MASTERPIECE
Chino Shorts

Clothes that last long won't go out of fashion
- Lever of differentiation from ZARA , H&M

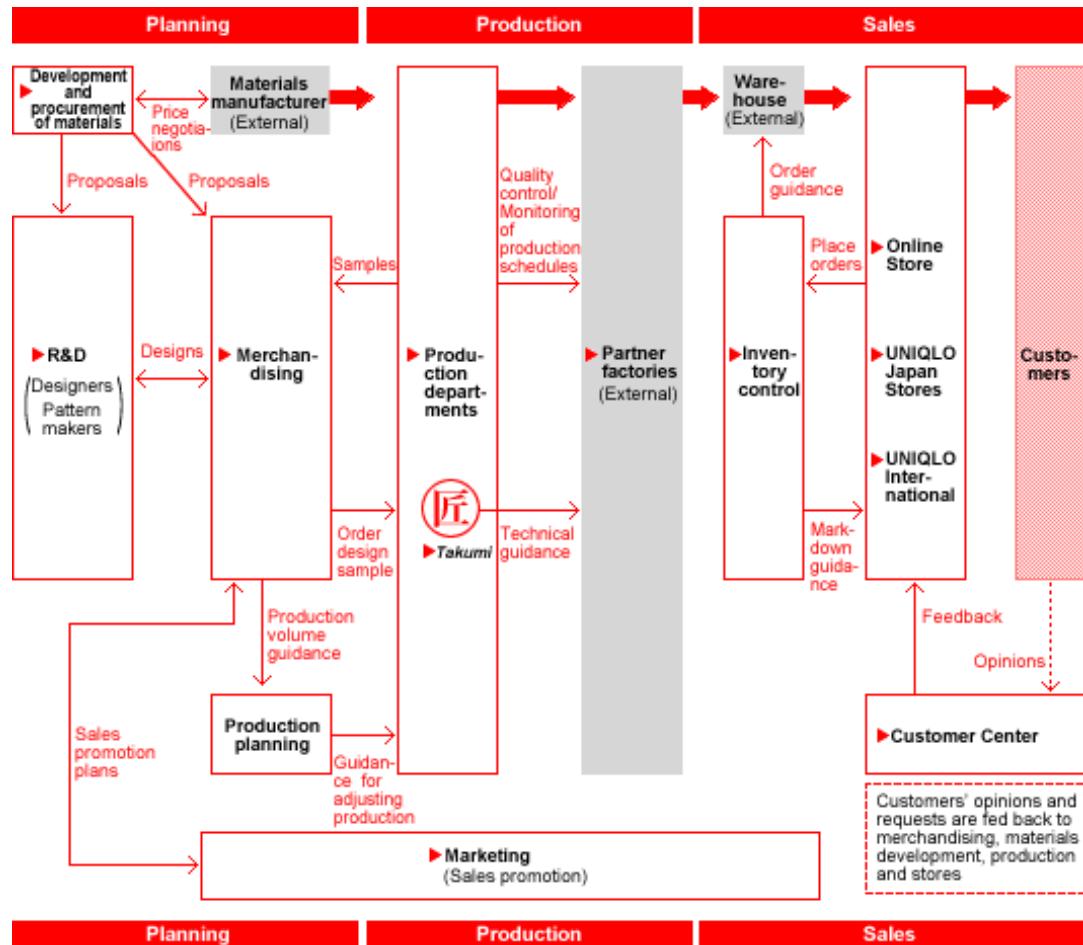
Latest Trendy Fashion



Excels in delivering the latest fashion trends
through speed and adaptability

U

Push Market

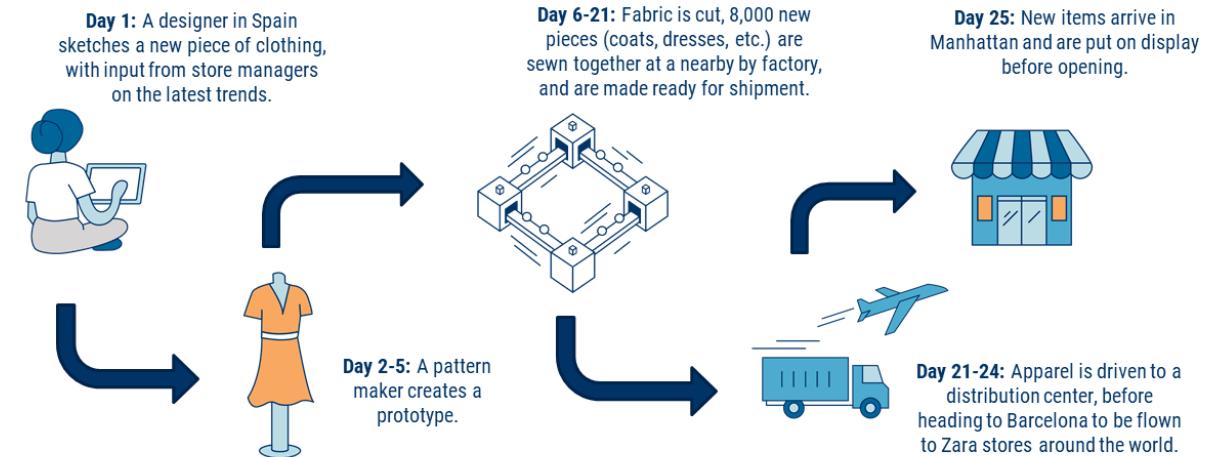


Uniqlo aligns more with a **Push Market**, driven by pre-planned production and steady supply of core products.

Pull Market

Fast fashion's speedy supply chain quickly caters to new trends

Fast fashion retailer Zara, owned by Spain-based Inditex, can get a piece of apparel from a design workshop in Spain to a display rack in a Manhattan store in **25 days**.



Zara aligns more with a **Pull Market**, leveraging market feedback to drive production and supply decisions.

U

Data-driven Logistics

Z

Manufacturer



Distribution Center

Retail Store

Pre-assorted box delivery, from DC to stores

No intermediate unpacking, direct from factories to stores

Simplified transport, suitable for **stable-demand** products

Low-cost, focused on process simplification

Lower frequency, periodic deliveries based on demand

Reduces transport and handling costs, maintains efficiency

Speedy Logistics



Centralized warehouse distribution

Centralized in Spain's warehouse, no regional warehouses

Global stores **replenished within 48 hours**, highly responsive

Higher cost, relies on fast logistics

Twice-weekly global replenishment

Rapid market response, supports fast fashion strategy

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Fast Retailing FY24



Discount
20%

Estimated
Gross Margin

59%

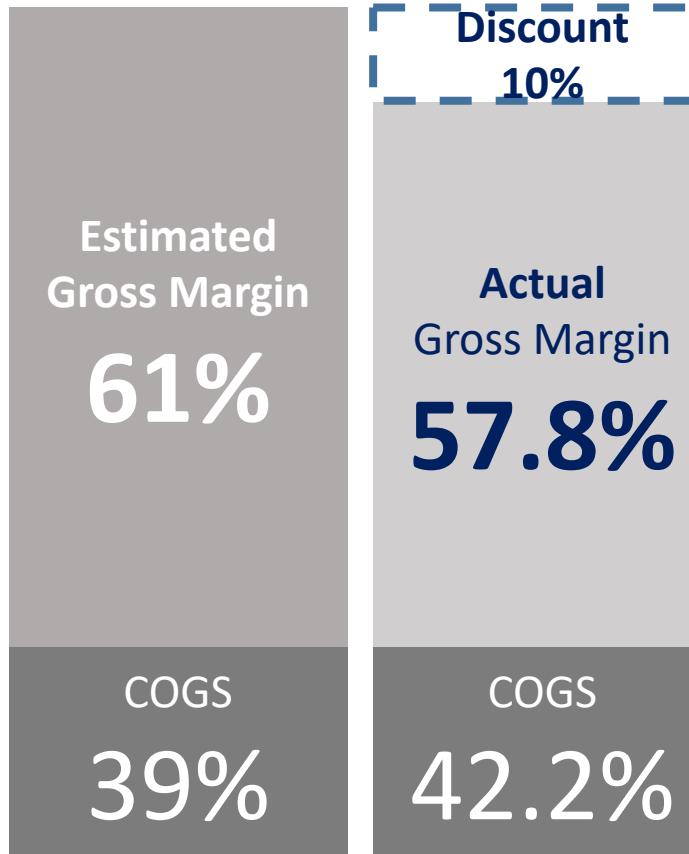
Actual
Gross Margin
53.9%

COGS

41%

Actual
Net Profit
12.0%

Inditex FY23



Discount
10%

Estimated
Gross Margin

61%

Actual
Gross Margin
57.8%

COGS

42.2%

Actual
Net Profit
14.9%

Uniqlo and Zara employ different strategies to generate profit:

- **Uniqlo** balances moderate discounts with functional, affordable clothing to attract price-sensitive consumers while efficiently managing inventory.
- **Zara** relies on speed, minimal discounts, and precise inventory control to maintain high margins and profitability.

Part 4

Efficient supply chain integration enables leveraging strengths while effectively mitigating risks.

Target

Cater to diverse customer needs with **functional, timeless, and affordable clothing.**

Appeal to a wide audience, **focusing on quality.**

Flexible and agile supply chain capable of **real-time adjustments to meet demands.**

Design

Employ **R&D and data-driven insights** to create innovative products

Focus on **functional basics** with long-lasting appeal.

Utilize sales data, customer feedback to **refine designs and align with market trends.**

Production

Partner with global suppliers for **long-term, cost-efficient manufacturing.**

Maintain **strict quality control** with third-party inspections and technical guidance.

Use **RFID technology** for **real-time inventory tracking and efficient production scheduling.**

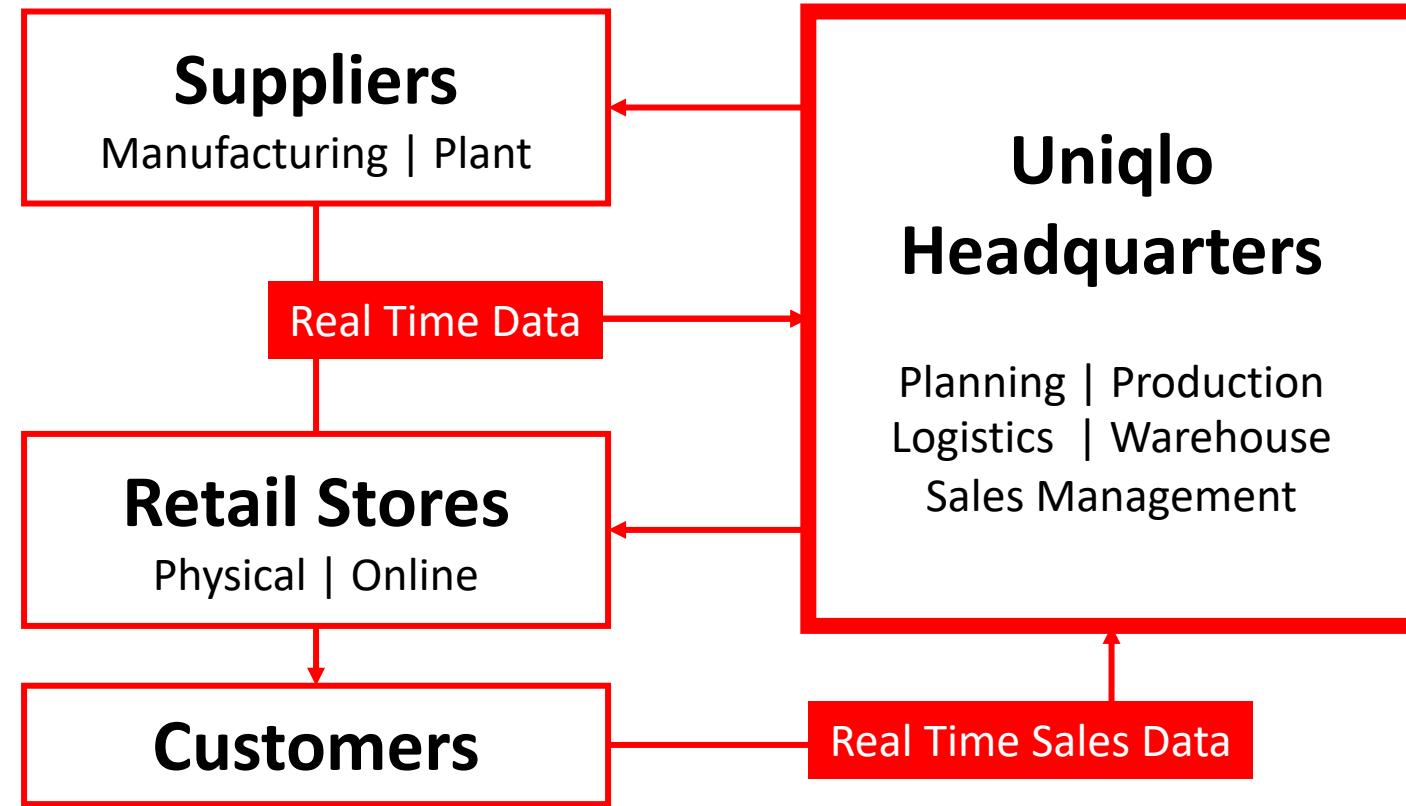
Sales

Maintain a **4-6 week inventory turnover cycle** to reduce storage costs and ensure fresh stock availability in stores.

Keep **low inventory levels** and reduce carrying costs.

Utilize **real-time sales data** and to replenish inventory quickly, minimizing overstock and markdowns.





Achieves high efficiency in supply chain operations.

Minimize demand forecast risks

Improve supplier collaboration

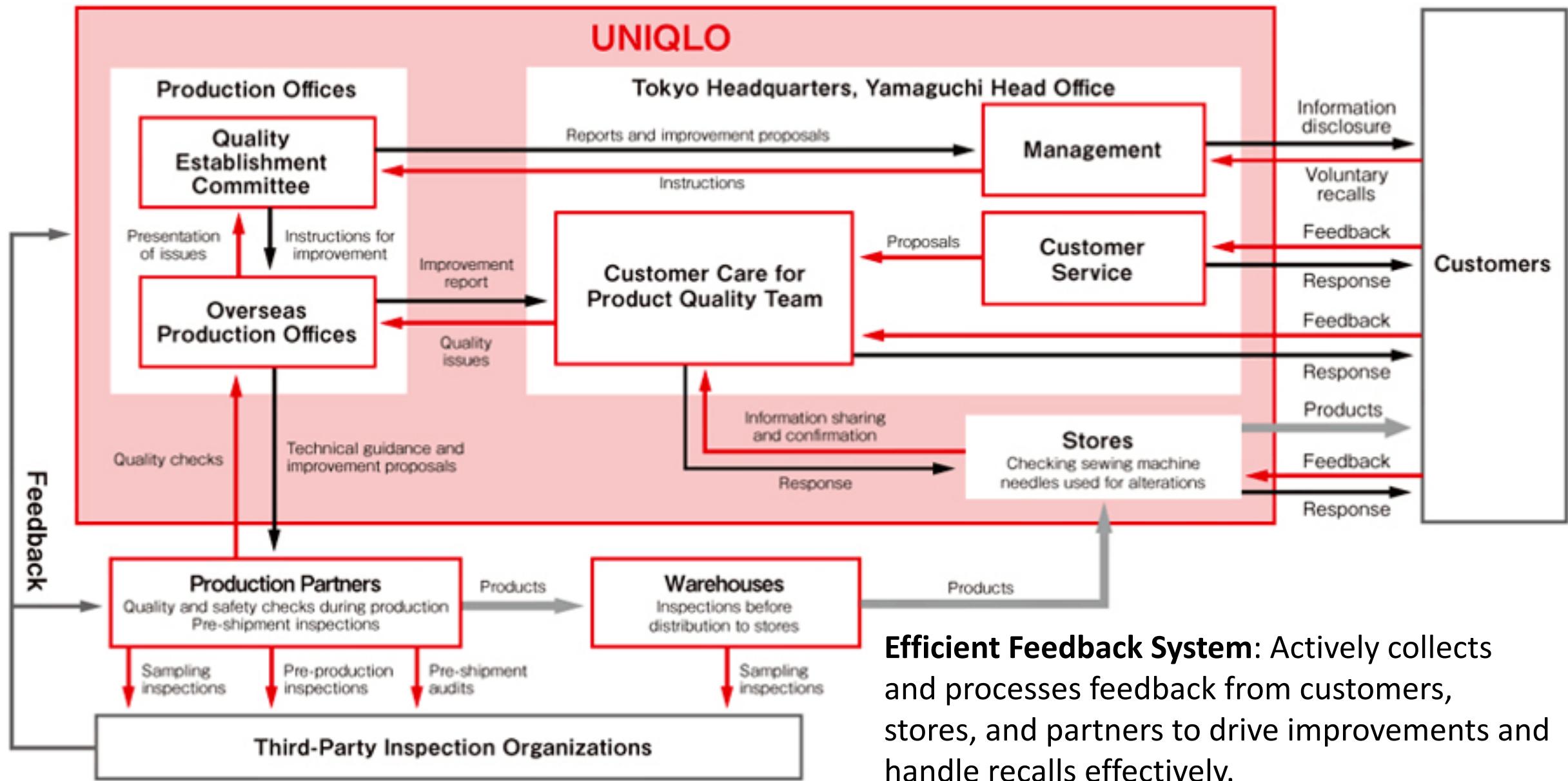
Mitigate the Bullwhip Effect

- 1 Integrates design, procurement, production, and sales into one streamlined process.
- 2 Focuses on a customer-oriented retail approach.
- 3 Utilizes data analysis to optimize demand forecasting and ensure precise production quantities.

Outcome

The production cycle is 83 days, which is lower than the cycle of 180 days in the industry.

Superstore managers control inventory rates, which are kept at about 3%.



Efficient Feedback System: Actively collects and processes feedback from customers, stores, and partners to drive improvements and handle recalls effectively.

Manufacturing

Long-term partnerships with suppliers enable high-quality and low-cost production.

Design

Known for functional and affordable clothing like HEATTECH and AIRism.

Sales

Strong presence in multiple international markets.

Adaption

Keep focus on certain market to expand their array of apparel outside of Asia

Sustainability

Opportunity to lead in sustainable fashion by adopting eco-friendly processes.

Dependence on External Suppliers

Uniqlo depends heavily on external suppliers in countries, exposing it to supply chain risks such as labor strikes or regulatory changes.

High-Reliance on Chinese Suppliers

60% of suppliers are based in China, increasing vulnerability to regional disruptions.

Cost Challenges

Maintaining high quality results in lower profit margins.

Intense Competition

Rival brands like Zara and H&M are constantly innovating and targeting similar markets.

Economic and Geopolitical Risks

Trade restrictions, tariffs, and global economic downturns could disrupt operations.

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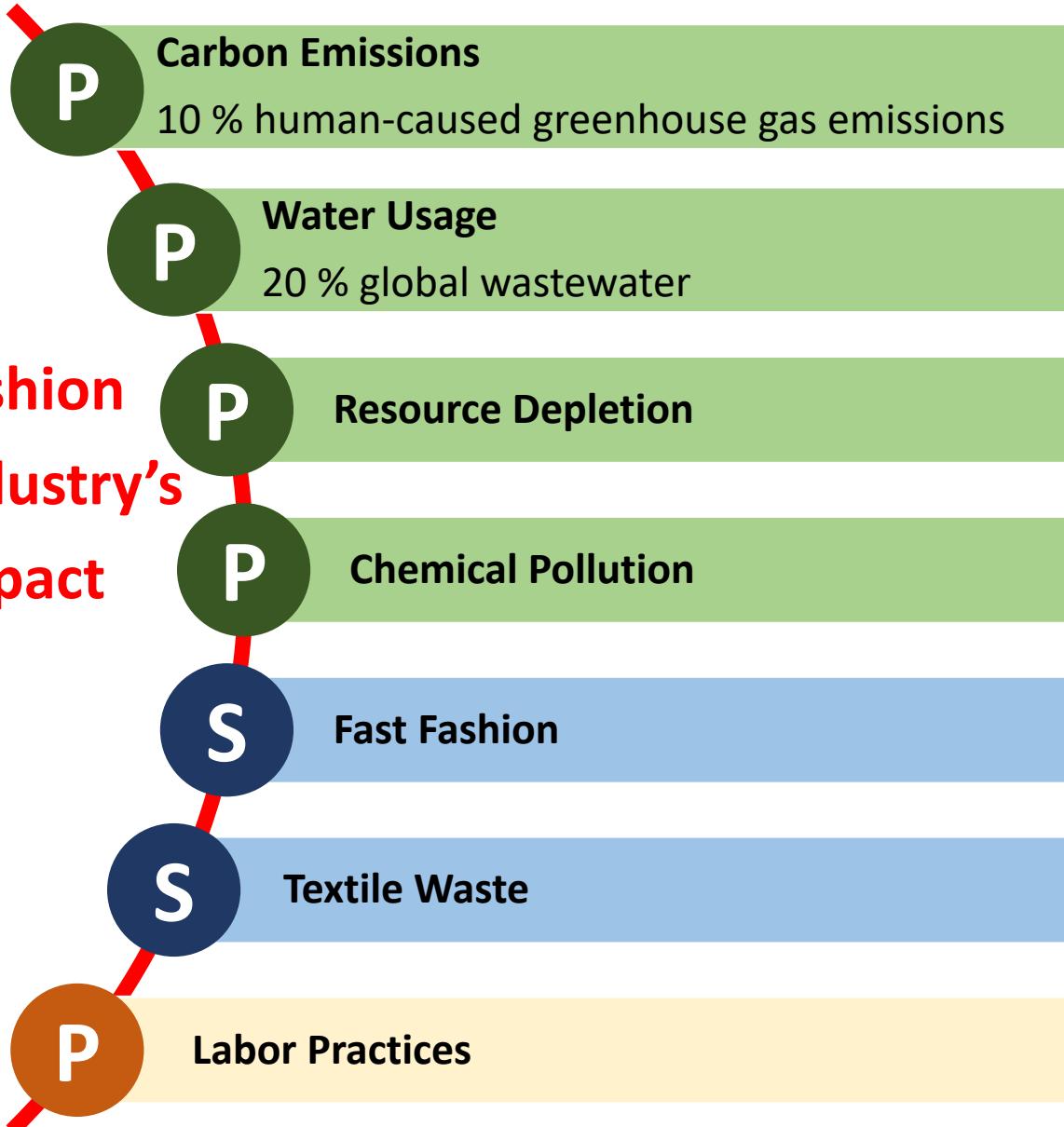


Part 5

Sustainability Through Circular Practices: The Re.Uniqlo Initiative

Sustainability: The Power of Clothing

Fashion
Industry's
Impact



Uniqlo's Perspective

As a leading global retailer, Uniqlo recognizes its responsibility to address these challenges by embedding sustainability into its business practices. Our commitment stems from a belief that **quality clothing and a sustainable future can coexist**.

LifeWear : A New Industry
The ultimate in everyday clothing, designed to make everyone's **life better**.

Sustainability: The Power of Clothing



PLANET



SOCIETY



PEOPLE



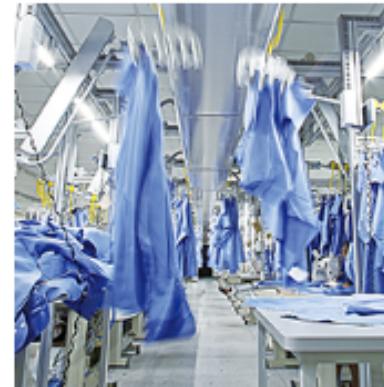
RE.UNIQLO
We collect used clothing and provide them to refugees and others experiencing adversity.

[LEARN MORE](#)



Commitment to reduce single-use plastic
We've implemented four sustainability measures to help cut the waste.

[LEARN MORE](#)



The People Behind Our Clothes
We promote the wellbeing of every worker by supporting efforts to create safe and healthy working conditions.

Sustainability

2030's Target

- **Reduce greenhouse gas emissions:** by 90% in our stores and by 20% in our supply chain (compared with 2019)
- **Reduce electricity consumption at stores** by 40%
- **Increase the proportion of recycled materials** to approximately 50%
- **Realize “Zero Waste”** by reducing, replacing, reusing, and recycling materials

Plan & Action---- Planet



- Production based on Customer's Feedback
- Establishment of a production and logistics system
- Responsible Procurement of Raw Materials
- Chemical Management
- Reduction of Water Use in Jeans Finishing
- Use of Recycled Polyester
- Reduction of Water and Energy Use
- Initiative on the issue of Microplastics
- Introduction LED Lighting and Installing Solar Panels at Stores
- Respecting the Environment Through Our Store and Offices
- Improving Logistics Efficiency
- Reduction of Single-Use Plastic
- RE.UNIQLO

Sustainability

Plan & Action---- Society & People



Accelerate Diversity and Inclusion Progress

Respect the individuality and diversity of employees and customers, create workplaces where employees can work to the best of their abilities, and facilitate career development

In October 2018, Fast Retailing signed the United Nations Global Compact (UNG).

UNG is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. Fast Retailing supports the UNGC 10 principles under the categories of Human Rights, Labor, Environment and Anti-Corruption and strives to implement them.

Establishing Supply Chain Transparency and Traceability

Strengthen transparency and traceability to raw material level;

Identify and correct human rights, labor environment, and environmental issues in the supply chain.

Ethical and Responsible Procurement of Raw Materials

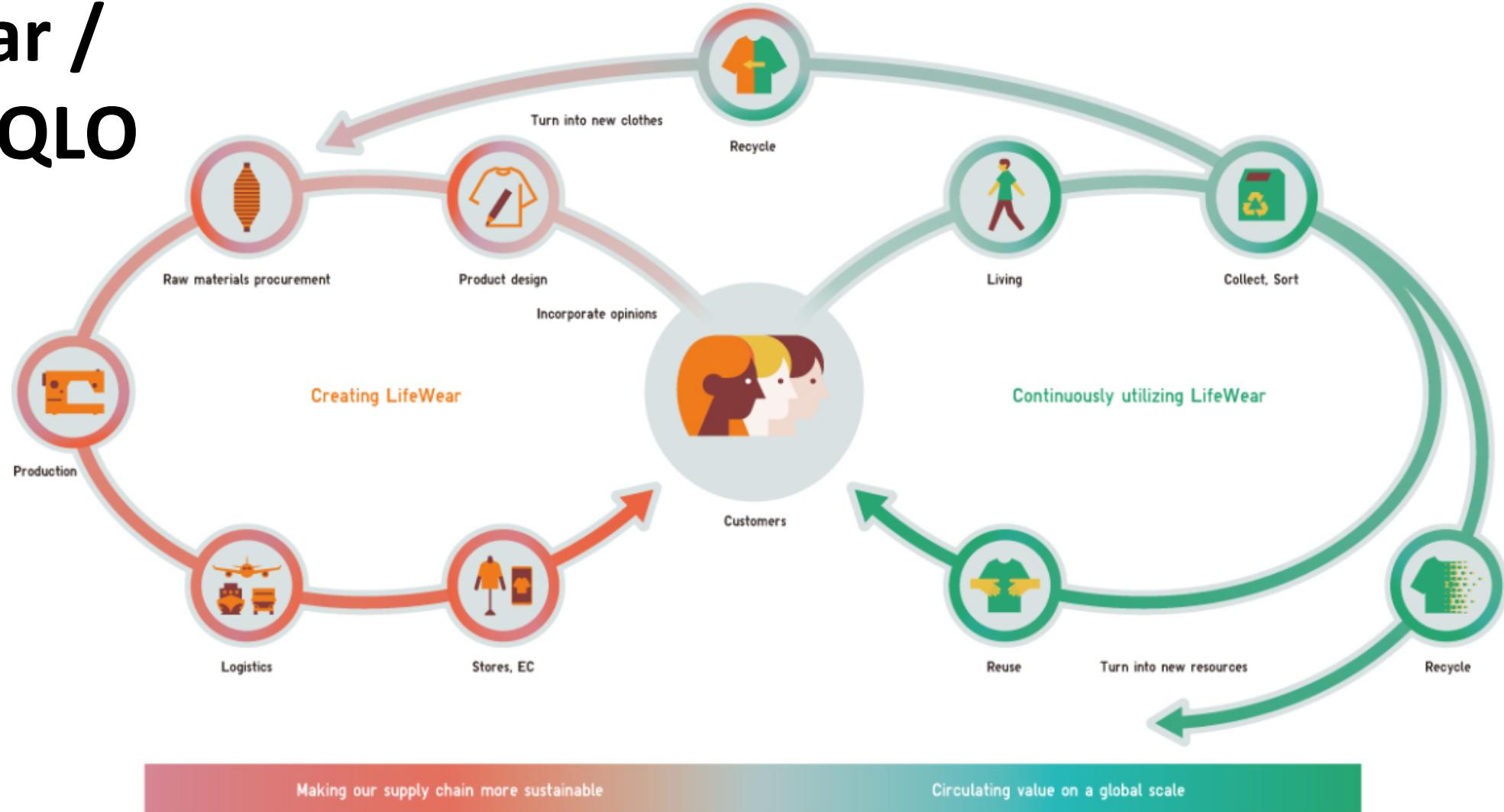
Promoting Social Contribution Initiatives Globally

Contribute to the safety and sustainable development of society, expanding social contribution activities on a global scale through the clothing business





Circular / RE.UNIQLO



Support for communities and contributions to society



Repair

Carefully repair slightly damaged areas so your favorite styles can be worn and loved for a long time.



Reuse

Collect gently used clothing and donate to those in the local community who need it.



Recycle

Clothing at the end of their wearable life are collected and recycled to use in new clothing.



Remake

Unsellable UNIQLO items are upcycled into stylish, one-of-a-kind pieces available for purchase today.



Circular / RE.UNIQLO



New Life for Old Down
Recycle your down for \$10 off

UNIQLO DOWN RECYCLE



Clothes made from recycled polyester

Signature item



WOMEN
Smart Ankle Pants (2-Way Stretch)
464140



WOMEN
Crew Ribbed Socks (3 Pairs)
464378



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Thank You!

ありがとう

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[Sustainability Report | Putting People First \(uniqlo.com\)](#)
[LifeWear: A New Industry | Unlocking The Power of Clothing. UNIQLO Sustainability](#)
[UNIQLO PRE-OWNED CLOTHES PROJECT by RE.UNIQLO | Unlocking The Power of Clothing. UNIQLO Sustainability](#)
[RE.UNIQLO STUDIO | Unlocking The Power of Clothing. UNIQLO Sustainability](#)
[CLOTHING MADE FROM RECYCLED MATERIAL | Unlocking The Power of Clothing. UNIQLO Sustainability](#)
[RE.UNIQLO: A New Life for UNIQLO Clothing and Down](#)
[RE.UNIQLO STUDIO | UNIQLO US](#)

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Advantages, Problems and Strategies of Uniqlo Supply Chain

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