

# Benefits of global sourcing in apparel industry

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The major benefits of global sourcing in particular to Apparel industry are as competitive advantage, quality assurance and service enhancement. However, the same include, four challenges to conquer- which are logistics, regulations, cultural difference and country uncertainty. - Benefit of technical skills of the suppliers - Benefit of greater technical specialization of purchasing staff. - Benefit of greater technical specialization of designing staff

- Benefit of quality practices of the supplier procedures to reduce errors - Improvement in logistic operations under defined procedures - Additional functional advantage with centralized purchasing policy from different suppliers - Cost benefit due to consolidated small material requirement batches. - Allowance of easy purchase with great coordination and control - Technical standardization of suppliers - Effective long term and short term planning with a flexibility to change the non effective sourcing line.

2. 2 Historical perspective: During the 1990s, Gereffi developed his Global Commodity Chain theory, which explains the restructuring of the global retail industry. He defines the commodity chain as “ the range of activities involved in the design, production, and marketing of a product” Gereffi (1999) as cited in Eun-Ju Lee & et al. , Gereffi identifies two types of global commodity chains: producer-driven and buyer-driven. (Eun-Ju Lee & et al. ,)

The textiles and apparel industry is characterized as a buyer driven commodity chain, in which retailers and branded marketers are able to coordinate a global supply network and capture substantial portions of the value chain, Craig & et al as cited in Eun-Ju Lee & et al. ,. Lead firms in the buyer-driven commodity chain tend to have core competences in

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understanding end -user preferences, designing products wit the right distribution plan. In addition, they are able to administer global sourcing networks by using technology and financial resources, Christerson & Gereffi as cited in Eun-Ju Lee & et al. ,