

Topshop

Business



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Time is a crucial factor for fashion and therefore supply chain management should be sensitive according to the change in demand (Soul et al. , 2008).

This report is going to compare two supply chains in the fashion industry – SASS and Tops. The aim is to evaluate different logistic systems across brands and address related issues. 2. 1 SASS The fashion industry has been known as the third largest online market with sales of £1 .

7 billion in 2006 (Meadows, 2007). SASS launched its market position in June 2000 and became one of the biggest and fastest growing online fashion retailers in UK (Bland, 2011).

Its scale is enormous for an online-based company which owned more than 400 brands and covers 167 countries (SASS, 2013). It is approximated that over 1300 new product lines are introduced by SASS every week, which show the importance of supply chain management (Meadows, 2007) Moreover, with an increase in profit by 137% in 2007, it obviously showed that SASS owned a sound stock managing system. SASS
 Tops Launching Year 2000
 1964 Price Low to High Medium to High Target Market 16-34 1 5-30 Clothing type Public Market High Fashion Brand Over 100 and SASS own brand Owned by the Arcadia Group

Product Coverage Worldwide Mainly in UK Shops over 100 2. 2 Tops industry.

With more than 100 retail stores, Tops is noticeably a well-known brand across the I-J. Although it provides shipping to over 100 countries, it mainly emphasis on British style and targeting the I-J market (Tops, 2013). Also, with a slightly different target demographic, Tops seems to be aiming at high fashion industry as it engages in London Fashion Week (don, 2011). Different

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from SASS, Tops is a really well known retailer with the flagship store located in London Oxford Circuit since 1994.

It showed that Tops is a well-lunched company which its profit can be up to E. 78 billion a year don, 2011).

Table 1 . Comparing background of SASS and Tops. 3. 0 Supply Chain Both SASS and Tops are competitive fashion retailers, however, they illustrate 2 different supply chains for the same industry. SASS is a special case as it consists of both lean and agile supply chain; with its own production line together with partnerships with other brands, it benefits in economies of scale and low production cost as its partners are mainly companies with massive production lines.

At the same time, it launched its own brand to keep the awareness of consumers. The risk of large investment is then outsourced and bared by other partners. Tops uses agile supply chain due to its history, but it is also enjoying a greater involvement throughout the supply chain as it vertically integrated the supply chain. The advantage of fast response to market sensitivity is then archived as it controls the production. 3.

1 Supply Chain & Logistic management of SASS Table 2. Supply Chain model of e-commerce (SASS). Source: Foresight Retail Logistics Task Force, 2000, p 15

Compared to Tops, SASS does not own any actual retail stores apart from its website (SASS, 2013). The rise of e-commerce has been seen as a major threat to retailers (Burt and Sparks, 2003). In the case of SASS, apart from

being a retailer, its main core part of the supply chain is the order-picking centre (Fernier, 2009) (see Table 2).

The role of SASS was blurry as it tried to backward integrate the function of wholesalers. However, due to a serious fire in 2005, the company had changed to a logistic service company alongside well-established delivery services (Meadows, 007).

The advantage of it is to save investment costs by outsourcing production cost to partnered brands (Fernier, 2009). The initial benefit of it is a 32% reduction of cost in 2006 (Meadows, 2007). Table 3. Product life cycle of SASS Moreover, as product life cycle of fashion industry is tremendously short, a well- established supply chain is essential for SASS.

For a normal SASS-branded dress, it goes through 4 stages: introduction, growth, maturity and decline (Skives, 2008). These stages passed in a surprisingly short period, and therefore SASS keeps on munching new designs and products (The Times 100, AN).

The process of SASS supply chain can be divided by SASS own-branded and partnerships with other fashion brands. For a dress of SASS own-branded, design and material will be decided by SASS in- house designer and then send back to suppliers for production. After the dress is made, producers will send the final dress back to SASS logistic centre for stocking while the dress will be available for customers to order on wry. SASS.

Com (SASS, 2013). For partners of SASS, they generally go through the same production process as SASS own-branded dress. However, they receive the order from SASS and its merchandisers instead of consumers.

It is an important process for SASS as understanding the product lifestyle and stock level, they can plan the introduction and withdrawal of product. Also price can be adjusted accordingly with which sales are introduced during the decline period (The Times 100, AN).

However, this supply chain requires a high collaboration of functions across supply chain (Fernier, 2009). The reason why SASS can eliminate the traditional functions of a retail store is due to TTS well-managed supply chain, effective stock keeping system and fast-going logistic system (Meadows, 2007). . 2 Supply Chain of Tops Table 4. Logistic model of store-based retailers (Tops). Source: Foresight Retail Logistics Task Force, 2000, p 14 Table 5.

Monthly Market Share of UK retail market Source: The Times 100, AN It shows that between 2004 and 2007, total retail growth was only 4.6% while online retail was increased by 130% (The Times 100, AN) (Table 5). With no doubt, it seems more difficult for retail shops to survive, but Lindquist (2002) stated that shoppers refer to integrate internet shopping with other forms of shopping (Lindquist et al. 2002). The supply chain of Tops and its changes can help us to understand how retail shops nowadays adjust its position in the market. Involves in all different stages throughout the supply chain.

With designs from in-house designers, they go through production stage by suppliers. Ready-garments will be sent directly to the Tops warehouse and <https://assignbuster.com/topshop/>

then distributed to different retail shops. Consumers can buy products directly from the shops, which showed a direct equines-to-customer (BBC) supply chain (Tops, 2012).

However, in order to compete with online retailing, Tops launched its online retailing website in 2000 that provides direct delivery services. It provides convenience to consumers. So as to move forward, Tops introduced self-pick up services in 2012 where consumers can order online and pick up the products in-store (Tops, 2013) (Table 6).

With no doubt, it is definitely an advantage. Table 6. Tops self picking-up service. Source: Tops, 2013 Moreover, as Tops is a fast fashion brand, in order to minimize its stock level, a Kanata system was used to keep track of sales of products.

So that they can produce more popular products accordingly, it is a useful stock management system based on consumers' response to the products. They can then foresee the upcoming trend and consumers' expectations.

Both brands have their strengths and weaknesses. According to diversity, SASS seems to have a better performance. It incorporates different brands at diverse price ranges and styles; consumers can enjoy one-stop shopping by just visiting SASS. Also, as an e-commerce, the coverage of SASS is worldwide while Tops is mainly argues the I-J market.

However, Tops is targeting a higher fashion market. According to brand building, Tops seems to be more successful.

By engaging in fashion week, it obviously shows that Tops is aiming at a different demographic compared to SASS. Moreover, with a physical retail shop, consumers could enjoy better personal services. It makes Tops more reliable for consumers. All in all, both SASS and Tops show us how a successful supply chain is essential for a business. Their well-established logistic and stock-keeping systems are the key point for the achievement.