



# The New Evolution of Fast Fashion

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## In today's fast-paced consumer markets retailers and brands should leverage fast fashion's playbook to succeed.

The evolution of fast fashion over the past 20 years has been remarkable. The progression of demand from the disposable clothes of Forever21, to cutting-edge and fashionable clothes of Zara, to “ultra-fast fashion” of Shein has demonstrated customers' increasing need for access to the most recent trends without waiting. Throughout this progression, fast fashion retailers have responded to customers' needs by shrinking their calendars, efficiently using technology and design resources, leveraging sophisticated data and analytics, taking quick and decisive action from data insights, and aligning all internal and external resources to the strategy. These strategies have allowed fast fashion companies to efficiently and effectively scale. Regardless of brand, retailers need to adopt a fast fashion mindset and approach to compete and thrive.

In this article we will discuss why a fast fashion approach is imperative and outline actionable initiatives companies can take to catapult their success.

Today, to be successful do brands need to adopt quicker cycle times between concept and delivery to cater to the fickle needs of a technology-obsessed consumer base? **The answer is an emphatic yes!**



# Fast Fashion: Then and Now

When first launched, fast fashion seemed to be more of an anomaly – a unique way that certain brands were differentiating and positioning their product development cycles and supply chains. But today they are a fad no more. Fast fashion brands have managed to outpace traditional retailer and brands in growth by evolving and becoming nimbler. Each evolution of fast fashion brands has pushed the production timeline shorter and shorter. When Forever21 launched, it could go from sketchpad to storefront in a couple of months, an astonishing achievement compared to traditional fashion timelines of a year or more. Zara famously reduced the time from runway to retail store to less than 30 days. Today Shein can design, produce, and launch a product in as little as two weeks.

Consumers are rewarding retailers that provide items in the shortest amount of time: in 2020, Shein reached \$10B in revenue, with 8 consecutive years of 100% growth and Zara achieved \$33B in revenue in 2021. Inditex reported second quarter revenue growth of 36% in 2022<sup>1</sup> and H&M posted net sales up 17% last quarter<sup>2</sup>. Even luxury and large legacy corporate players are starting to borrow practices from fast fashion; in 2019 PVH hired Stefan Larsson, the previous Global President of Old Navy and part of the leadership team at H&M, as the new CEO. Each new iteration of fast fashion has pushed the limits of design and production to increasingly shrink timelines from sketch to store.



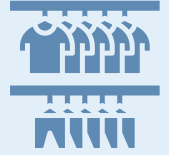
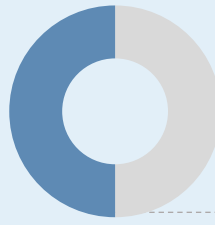
<sup>1</sup> Inditex Q2 Earnings Release

<sup>2</sup> H&M Q2 Earnings Release

# Changing Consumer Trends

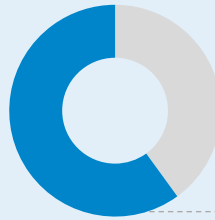
Gone are the days where only celebrities, industry insiders, and fashionistas have access to the latest runway trends. With advancing technology and the proliferation of social media sites, fashion is more egalitarian and accessible. There has been a democratization and fragmentation of the fashion trends that only a few used to control. With new trend innovation shared faster than before, consumers are leveraging a multitude of sources to derive inspiration, including social media platforms such as Instagram, TikTok, and YouTube. The access to trends has changed, and therefore buying habits have as well. Consumers are hungry and desire to adopt trends quicker. A&M Consumer and Retail Group surveyed ~500 consumers in the US to understand changing behaviors in identifying and obtaining trends quickly.

Consumers increasingly want trends now, from whichever brand has it available, to drive their own look and self-expression.

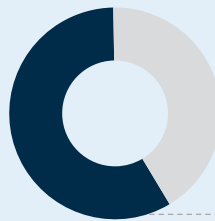


**50%** of respondents want to buy a fashion trend within the same week they discover it.

Consumers are no longer willing to wait 6 months; they want to see it on and buy it immediately.



**40%** of respondents ages 18-44 indicated they would compromise brand loyalty for immediacy when shopping for trends.



**70%** of respondents are buying most often for themselves

**50%** said personal brand drives their trend purchases.

Consumers are buying to curate their self-expression and feel good about themselves, indicating a high propensity to spend.

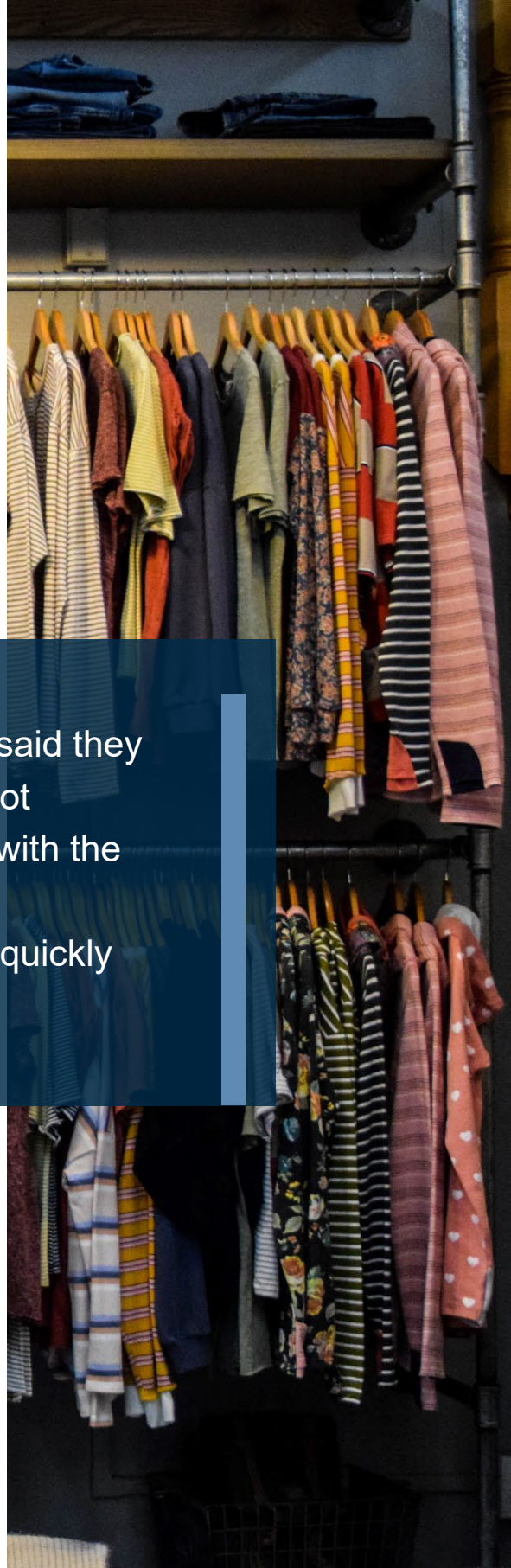
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# Importance of Getting Closer Customers Choices

As consumers require trends more immediately, our survey found there is a high conversion potential: 50% of respondents browse fast fashion retailers at least once a week, with 30% purchasing at least once a week, and 65% purchasing multiple items. Retailers that can deliver trends quickly and consistently have significant upside potential.

However, nearly half of all respondents said they will look at another retailer if a trend is not available and only 30% will check back with the same retailer for the same trend again, demonstrating that not providing trends quickly and accurately has a costly downside.

Getting this equation right requires brands to learn key routes from fast fashion playbooks like shortening production timelines and creating more nimble supply chains. Brands do not need to consider themselves fast fashion; however, operating with an authentic fast fashion model by presenting concepts quickly and effectively can lower markdowns, increase turn, and improve AOV.



# How to Compete in a Fast Fashion World



Fast fashion is no longer an isolated category of retailers; it has become a requirement of doing business in a quick trend environment of fast consumer adoption.

Especially as labor shortages, shipping delays, and rising supply chain costs have held up the industry, traditional retailer models must take key practices from fast fashion to compete and survive in this new retail world. Below are the key initiatives companies can take to thrive in today's retail environment.



## 01 Shrink the calendar



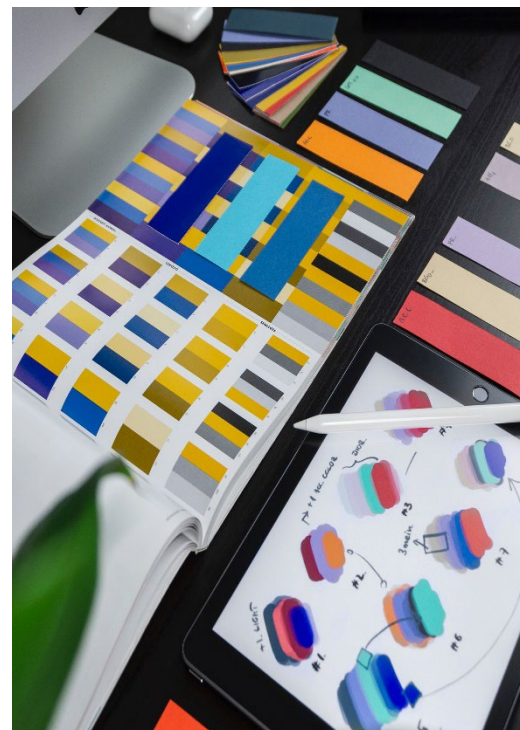
To supply trends to customers right when they want it, retailers need to shorten the time from design to delivery across all milestones.

- This necessitates a calendar that bolsters a streamlined process, clear ownership with non-redundant responsibilities, and has an integrated supply network that can react, execute, and deliver consistently.
- Running a compressed calendar requires accelerated decision-making, shorter design iterations, a single iteration of product samples, fabric positioning, a few trusted partners that can execute smaller unit runs swiftly, quick warehouse and distribution turns, and finally fast shipments to the customer.

## 02 Enhance technology and design resources

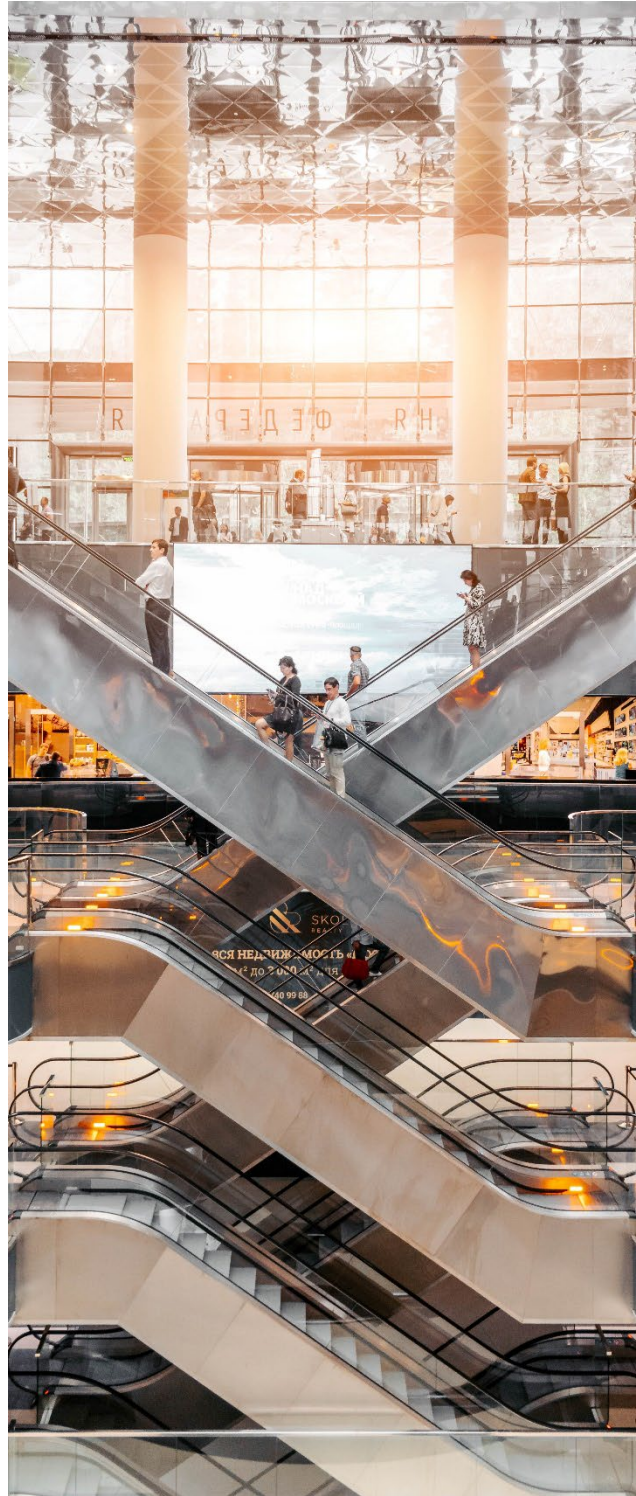
Investments in technology can help shrink timelines and improve speed-to-market by aligning closer to manufacturing partners.

- The first concept prototype should be the final prototype. This requires accurate design specs earlier in the process, which can be aided by digital tools to visualize concepts before full-blown design.
- Fit software can provide accurate and repeatable fit standards, removing the necessity to create new standards each season.
- The evolution of 3-D renderings can reduce the number of physical renderings needed at different points in the process or replace them entirely.
- Running like fast fashion requires increased investment in design talent to turnaround design iterations quickly and prevent burn-out



To be successful and relevant in this new era of quick trends, retailers must have the right product in the right place at the right time.

- 49% of respondents in our survey said they buy their fashion trends online and 35% in a mall. Consumers are still shopping multi-channel, requiring accurate planning and allocation to ensure inventory availability across channels. This entails sophisticated data and analytics to maintain awareness of what is trending on social media sites, searches on a retailers' own websites, and in their stores.
- Of survey respondents, 32% get their fashion trend inspiration from social media sites, across all platforms, and 39% from retailers' own websites. Retailers who can mine viral data indicators on social media sites, deliver those products or similar styles, and then read which ones do well or don't on their own websites will win with customers.
- A key fast fashion strategy requires using data to produce limited amounts of each style and accepting that they can run out of styles because something new is constantly coming in to fill the inventory gaps. They then use data to produce more of the successful styles and trends. These constant new drops bring customers to the retailer often.





## 04

### Be bold – read and react



Retailers need to be able to capitalize and react to emerging and evolving trends as fast as possible, “doubling down” when a style is performing and cutting losses when the adoption and turns aren’t materializing.

- Shein adds 6K styles on the site every day, keeping and updating whatever sells well and dropping quickly what doesn’t with an in-house algorithm. Retailers that do not have an in-house algorithm can still test a broad range of products with low quantities, track the styles and reorder what works.
- This requires decisiveness, diligence, and discipline to quickly markdown an item that isn’t working and, if possible, redirect materials for another style to save on costs.

## 05

### Align all internal and external resources to the strategy

Both internal and external stakeholders need to be aligned and built to support an agile, shortened production timeline.

- Internally, design, merchandising, planning, even senior management must be nimbler in their approach to concept design, style components, concept adoption, and launch.
- Externally, there needs to be a strong, strategic partnership with the supply network to react to the often-mercurial industry and its requirements. Supply chain relationships must push for transparency from raw material partners, factory manufacturers, packaging partners through to regulatory and quality compliance partners so visibility to the whole pipeline, or bottlenecks, is understood.
- Intentional investment in partners is requisite beyond purchase orders and into mutual investment in capacity enhancements, machinery, technology, and lead time reduction. Key external partnerships that are true vertically integrated operations from mill or tannery through finished goods





**Retailers don't have to be fast fashion companies to compete in a fast fashion world.**

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However, they need to adopt a fast fashion mindset and take pages out of the successful players' books to compete. They need to learn from fast fashion to create shortened calendars, a flexible and rapid design-to-delivery model, and make bold, data-informed decisions to drive stronger business outcomes.

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At A&M, we have the experience and resources to support you during these turbulent times. We are passionate about helping companies achieve their maximum potential and be on the right side of disruption. We look forward to connecting.

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