

# Success through Strategic Supply Chain Practices in Fast Fashion: Lessons Learnt from Inditex-Zara & Shein

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Received December 19, 2024; Revised March 20, 2025; Accepted March 27, 2025

## Cite This Paper in the Following Citation Styles

(a): [1] Vasiliki Pavlidou, Maria Tsami, "Success through Strategic Supply Chain Practices in Fast Fashion: Lessons Learnt from Inditex-Zara & Shein," *Universal Journal of Management*, Vol.13, No.1, pp. 12-21, 2025. DOI: 10.13189/ujm.2025.130102

(b): Vasiliki Pavlidou, Maria Tsami (2025). *Success through Strategic Supply Chain Practices in Fast Fashion: Lessons Learnt from Inditex-Zara & Shein*, *Universal Journal of Management*, 13(1), 12-21. DOI: 10.13189/ujm.2025.130102

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**Abstract** The present paper examines the strategic supply chain practices in the fast fashion industry that support Supply Chain (SC) growth, sustainability, and resilience. Based on an extended bibliographic review and considering some of the top brands in retail fashion, several core SC strategies are being assessed, considering their added value. The study introduces a novel comparative assessment of the core strategies of six leading fast fashion brands: Zara, H&M, Benetton, Mango, Shein, and Uniqlo. By examining fifteen core strategic SC aspects, the research provides a detailed understanding of how these companies navigate the challenges of global sourcing, time and quality-based competition, and environmental uncertainty. Inditex-Zara and Shein have been selected to be further analyzed, considering their strategy, success factors, and room for improvement. The study found that the effective SCM strategies employed by Inditex-Zara and Shein significantly contribute to their market success. It also emphasizes the significance of aligning SC strategies with specific product and market conditions, highlighting the importance of sustainability initiatives in achieving long-term economic, environmental, and social targets. Having reviewed several business reports, SC strategies, and evidence data papers from the academic and research community, this paper comprehensively analyzes the topic, underlining current successful practices while proposing strategic future directions towards achieving resilience and sustainability in the retail fashion supply chains. Despite its comprehensive approach, the study has some limitations. Firstly, the reliance on secondary data sources but also the focus on only six fast fashion brands may not capture the full diversity of SC practices in the industry. Future research could benefit from incorporating primary data collection methods, to gain deeper insights into SC strategies. Moreover, expanding the scope to include more brands and different market segments could provide a more

holistic view of SCM practices in the fast fashion industry.

**Keywords** Supply Chain Strategies, Fast Fashion, SWOT Analysis, Inditex-Zara, Shein

## 1 Introduction

In the last decade, the popularity of Supply Chain Management (SCM) has been paramount, and it is driven by global sourcing trends, time and quality-based competition, and increased environmental uncertainty [1]. SCM "is the integration of activities across various organizations to maximize the flow of goods, data, and services from suppliers to clients. It entails overseeing the entire supply chain, starting with raw materials, and ending with finished goods. SCM encompasses tasks like ordering supplies, scheduling production, keeping track of inventory, managing distribution channels, and more. It also entails managing interactions with customers and suppliers to guarantee that products are delivered on schedule and within budget" [1, p.18]. Globalization has led companies to turn to global sources for supplies, necessitating effective coordination of material flows while building a closer relationship with the suppliers. Competition now hinges on delivering defect-free products quickly and reliably, making timely and damage-free delivery essential [2]. This global orientation and performance-based competition, combined with the rapidly changing technology and the uncertainty of future economic and market conditions, requires even greater flexibility in SC relationships [2]. Effective SCM is therefore vital for competitive business performance, requiring integrated strategies across the SC [3].

According to Mason-Jones et al. [4], supply chains should adopt strategies that align with their specific products and market conditions. The term “Strategy” refers to the actions taken by a company to achieve competitive advantages and preserve business over time. Therefore, the focus is on long-term business development, underlining the need for sustainable initiatives to outperform the competition [5]. Sustainability is linked with the ability of a company to reach long-term economic, environmental, and social targets. The last 20 years of awareness initiatives towards environmental, social, and economic issues led to more sustainable supply chain operations and management, while the great consumer demand regarding sustainability in fast-fashion underlines the necessity for implementing environmental strategies on products [6]. Furthermore, the diverse consumer lifestyle has forced fashion companies to adopt a more agile and demand-responsive approach to product design, manufacturing, and supply [7]. Product lifecycle has been significantly shortened while product variety increased, resulting in reduced forecast accuracy, more chances of inventory management, product obsolescence, or even lost sales [8].

Based on Towill and Christopher [9], there are three types of SC strategies: (a) agile supply chains; (b) lean supply chains; and (c) hybrid supply chains. Agile supply chains are designed to be dynamic and flexible to quickly respond to the rapidly changing global markets, lean ones focus on eliminating waste and continuously improving processes throughout their operations, and hybrid SCs consider both approaches [10]. Lean SC strategies can add value to retail brands by identifying the types of waste (overproduction, excess inventory, transportation, etc.) while utilizing the Kanban tool to support decision-making [11]. Through these practices, companies are able to achieve higher efficiency while improving at the same time product quality [11].

The digitalization of SCM through Industry 4.0, brings significant changes on how businesses nowadays operate. Adopting digital technologies enhances decision-making and collaboration through seamless communication across the SC, supports proactive risk management enhancing business resilience, and increases agility and flexibility, availing faster responses to the constantly changing environments. Thus, digitalization can improve SC resilience and robustness through enhanced SC collaboration [12]. Strategic supplier collaboration and vendor management further contribute to SC enhanced efficiency and sustainability. Through improved coordination between the organization and its suppliers and with an emphasis on cultivating long-term relationships that add value [10], ordered materials can be delivered on time, and inventory levels can be optimized, leading at reduced costs and increased profits [10]. Further on, by using the expertise of external suppliers, added value is being given to the brand increasing SC sustainability and responsiveness. Still, the fundamental principle for proper Supply Chain Management (SCM) is dynamic and open information sharing across the network [11]. Li and Lin [13] claimed that information-sharing across all nodes of the SC network is required for the needed adaptation to the evolving customer requirements.

## 2 Methodology

Having reviewed several academic articles, business reports, and evidence data, the present report starts with a comprehensive review and assessment of six (6) selected top-class Supply Chains of the fast fashion industry (Zara, H&M, Benetton, Mango, Shein, and Uniqlo) in terms of fifteen (15) core strategic SC aspects (as listed in Table 1).

Following, the Inditex-Zara and the Shein SCs are being further analyzed in terms of a SWOT analysis per each case pointing out Strengths, Weaknesses, Opportunities, and Threats (as listed in Tables 2 and 3).

Finally, a comparative assessment of the core strategies of the selected SCs is being made (as shown in Table 4). Based on this analysis findings, added value proposals are being made to support fast fashion SCs future sustainability and resilience.

This paper aims to provide critical insights into the strategic supply chain practices that drive success. Through a comprehensive review of the successful supply chain strategies implemented by leading retailers—such as Zara, H&M, Benetton, Mango, Shein, and Uniqlo—while considering fifteen core operational areas, this paper identifies best practices and highlights areas for improvement to enhance supply chain resilience and sustainability. The knowledge gap addressed by this study lies in the need for a detailed and comparative understanding of how different strategic approaches impact the operational efficiency and competitive positioning of fast fashion brands.

## 3 Strategic Supply Chain Practices in retail fast-fashion

To underline the strategic success factors of fast fashion SCs, six big fashion retailers have been selected to be analyzed considering a list of fifteen core aspects. These brands are namely the following: Zara, H&M, Benetton, Mango, SHEIN and Uniqlo. Table 1 highlights their primary strategic goals, business models, pricing strategies, product design philosophies, manufacturing processes, lead times, inventory management, supplier selection strategies, transportation methods, warehouse management, risk management, sustainability efforts, information technology usage, marketing strategies, and circular economy practices. Each brand has distinct strategies tailored to their market positioning and operational strengths. These parameters encompass the critical aspects of each brand’s strategic approach and competitive positioning in the market.

As noticed from the comparative analysis of the strategic SC operational parameters among the key fashion retailers, each brand has a distinct primary goal, such as cost leadership for Zara, fashion, and quality at the best price for H&M, and a focus on sustainability for Benetton. The brands also differ in terms of their business models. Zara uses vertical

**Table 1.** Strategic operational parameters between key fashion retailers

Strategies	Zara	H&M	Benetton	Mango	Shein	Uniqlo
<b>Primary Strategic Goal</b>	Cost leadership [14]	Fashion and quality at the best price [15]	People, Nature, Circularity [16]	Fashionable, high-quality, affordable [17]	Real-time response to trends [18]	Affordable, casual with best quality [19]
<b>Business Model</b>	Vertical integration [20]	Both In-house and outsourced operations [21]	Fashion responsive & operation efficiency [22]	Company-owned & Franchised stores [23]	Data-driven, responsive to demand [24]	Demand driven, fewer styles for urban wear [19]
<b>Pricing</b>	Medium-low pricing [14]	Medium-low pricing [25]	Medium-to-high prices [26]	Medium-to-high price policy [27]	Low pricing [18]	Medium-low pricing [19]
<b>Marketing strategies</b>	Social Media Campaigns, Store Locations, Word of Mouth [28]	e-marketing, collaboration with famous designers [29]	Social issue-themed campaigns [30]	In-store events, glocalization, social media campaigns [27]	Strong presence in social media platforms [18]	Celebrity endorsements, strategic store locations [19]
<b>Product Design</b>	Trend driven [14]	Trend driven [31]	In-house designers, trend driven [26]	Global (80%) & Local Adaptation (20%) [27]	Trend driven [24]	In-house designers, sales driven from store level [19]
<b>Manufacturing</b>	In-house, Just in Time [32]	Outsourced to suppliers, demand-based [31], [33]	Network Manufacturing Groups - raw material provider [26] [33]	Outsourced to suppliers [23], [34]	Collaboration with small-scale manufacturers, China-based [24], [35]	In-house and outsourced manufacturing [19]
<b>Lead Time</b>	Less than two weeks [32]	2-3 weeks to 6 months [36]	2 to 2.5 months [26]	Daily shipment in EU [34]	3 weeks to 5 days [18]	6 months for design and 10 days for deliveries [19]
<b>Inventory</b>	Lean (small batches, replacing stocks) [14]	Forecasted based on previous sales, RFID [26], [36]	In-house tracking to monitor sales [26]	Real-time analytics, rapid replenishment and minimizing stockouts [34]	Small order quick return [24]	Just-in-time and RFID technology [19]
<b>Warehouse Management</b>	Centralized Agile & responsive warehouse [32]	One central warehouse in Poland [29]	One central warehouse [26]	Real-time analytics to streamline orders [34]	Lack of warehouse facilities [37]	Real-time analytics for inventory tracking [19]
<b>Supplier Selection</b>	Proximate suppliers [38]	Independent suppliers to reduce costs [33]	Asia-based, quality, time to market & cost balance [33]	Supplier specialization [34]	Proximate suppliers [24]	Different suppliers in 100 different countries for manufacturing and raw materials [19]
<b>Transportation</b>	Truck & Air freight [32]	3rd parties, Sea freight [33]	Rail transportation [16]	Air and Sea, Truck Freight [39]	Air & Sea Freight, 3rd party logistics [24]	Ship and truck freight [19]
<b>Information Technology</b>	Data analytics for trends & inventory management [14]	Systems for procurement & logistics tracking [29]	Centralized IT system for customized order deliveries [40]	AI usage for product recommendations, customer service and pricing [41]	AI usage to predict trends and manage inventory [24]	Collaboration with Google and their AI network. Collaboration with Accenture for algorithms in the design process [19]
<b>Risk Management</b>	Diverse & Agile supply chain, IT usage for transparency [24], [38]	Responsible Risk Management, Inditex's Enterprise Risk Management (ERM) System [38]	Partnerships for new commercial activities [22]	Diverse & Agile supply chain, crisis management [42]	Agile, Demand-adaptive supply chain. Extensive usage of AI tools [43]	Partnership with supplier which works non-stop around the year to eliminate raw material shortages and delays [19]
<b>Circular Economy - Waste Management</b>	In-store collection, points for used clothes, sustainable fabrics, minimized packaging [44]	Incentives to customers to increase recycling [29]	Promotion of Timeless fashion, durability and recyclability of fabrics [16]	Minimized manufacturing waste, sustainable materials, circular design [23], [39]	Reduced textile waste, products from recycled materials resale promotion [45]	Clothing out of recycled material [46]
<b>Sustainability</b>	100% sustainable fabrics by 2025 [50]	Organic cotton, water usage reduction, recycling [29], [33]	80% fibers of natural origin, recycled packaging [33]	Eco-friendly materials, circular fashion [39]	Responsible raw materials, decarbonizing supply chain [45]	Reduction of plastic in stores and supply chain [46]

integration, H&M combines in-house and outsourced operations, Benetton focuses on fashion responsiveness and operational efficiency, Mango operates through company-owned and franchised stores, SHEIN is data-driven, and Uniqlo is demand-driven. Considering the pricing strategies, Zara and H&M adopt medium to low pricing, Benetton and Mango have medium to high pricing, SHEIN focuses on low pricing, and Uniqlo on medium to low pricing. All brands are trend-driven, with some variations in their approach to global and local adaptations. As for the marketing strategies, social media campaigns, collaborations, and in-store events are common marketing tactics.

Following, as for manufacturing activities, Zara uses in-house just-in-time manufacturing, H&M and Mango outsource to suppliers, Benetton uses a network of manufacturing groups, SHEIN collaborates with many small-scale manufacturers in China, and Uniqlo has a combination of in-house and outsourced manufacturing. Zara has the shortest lead time of less than two weeks, while other brands have varying lead times ranging from a few weeks to a few months. Inventory Management strategies range from lean inventory management at Zara to real-time data analytics at Mango and small-order quick returns at SHEIN. Proximity and cost-efficiency are common strategies in supplier selection, with some brands focusing on specialized suppliers. Transportation methods vary, with Zara using truck and air freight, H&M using third-party sea freight, Benetton using rail transportation, SHEIN a mix of air and sea freight with third-party logistics, and Uniqlo using truck and sea freight. Centralized and agile warehouse systems are common, with some brands like SHEIN lacking extensive warehouse facilities.

Diverse and agile supply chains are emphasized, with some brands using IT for transparency and crisis management plans. Data analytics and AI are widely used for trend prediction, inventory management, and customer service. Furthermore, all brands adopt several sustainability initiatives including using sustainable fabrics, recycling, and promoting circular fashion, including in-store collection points, recycling incentives, and promoting durable and recyclable products.

Zara and Shein were selected for an in-depth analysis of their SC and business model due to their distinct and highly influential approaches in the fast-fashion industry. Financially, Inditex reported a revenue of €32.6 billion in 2023, highlighting its market dominance [50]. On the other hand, Shein's rapid growth is evident from its valuation of over \$64 billion as of 2023. In contrast, while H&M, Benetton, Mango, and Uniqlo have robust supply chains and significant market presence, their models do not exhibit the same level of innovation and rapid responsiveness that characterize Zara and Shein, making the latter two more compelling subjects for a detailed study.

### 3.1 The case of Inditex- Zara

Inditex (Industria de Diseño Textil), is a retail company founded in 1975 by Ignacio Amancio Ortega which operates multiple retail brands, with Zara being the flagship, contributing over 66% of the group's business [48], [50]. Zara collab-

orates with 1805 suppliers, utilizing an automated distribution center in Anteixo to ensure rapid delivery [49]. Since 2015, Inditex has focused on sustainability, reducing environmental impact and integrating digital transformation in its supply chain [50]. The pandemic led to a strategic reduction in physical stores by 22.5%, favoring digital and hybrid models. By 2023, the company emphasized data-driven inventory management and had significantly advanced its sustainability goals [50].

### 3.2 The case of Shein

Shein is a big fast fashion brand founded by the Chinese entrepreneur Chris Xu in 2008. Shein initially focused on dropshipping from third-party wholesalers in China. By 2012, it had developed into a retailer with a globally integrated supply chain, involving over 5,000 third-party suppliers. In 2022, Shein's revenues reportedly reached \$24 billion. Shein's strategy centers on real-time response to consumer demand, reducing the manufacturing-to-fulfillment period, from three weeks to five days. This efficient supply chain allows Shein to offer lower prices than other fast-fashion retailers and to attract a young, Generation-Z consumer base through aggressive social media marketing [18].

## 4 SWOT Analysis

SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis is one of the most enduring and extensively utilized strategic tools globally. Its original methodology closely resembles the principles of evidence-based management [51] characterized by making decisions through a careful, explicit, and judicious consideration of four primary information sources: practitioner expertise and judgment, evidence from the local context, a critical evaluation of the best available research evidence, and the perspectives of those impacted by the decision [52] (p.19). The four components of SWOT address either internal or external factors. Strengths are internal attributes that enable an organization to achieve its objectives, while weaknesses are those internal factors that hinder success. Opportunities are favorable external factors that assist in meeting organizational goals and include chances to address gaps and initiate new actions. Conversely, threats are external elements that pose challenges or potential barriers to achieving organizational goals [53]. SWOT analysis has become a crucial tool for organizations to assess their market position and is extensively used to examine both internal and external environments during periods of uncertainty [54]. In the next section a SWOT analysis has been followed to discuss the strategies that Zara and Shein have adopted to their SCM.

### 4.1 SWOT Analysis of Zara's supply chain

Zara strives to rapidly provide the most trendy and fashionable products and with a rational quality at the best price possible [14]. In this section we will provide a SWOT analysis of Zara's supply chain while also discuss the area's where the brand could improve.

**Table 2.** Zara Supply Chain SWOT Analysis

	<b>Negative Weaknesses</b>	<b>Positive Strengths</b>
<b>Internal</b>	<ul style="list-style-type: none"> <li>• High Costs</li> <li>• Quality Issues</li> <li>• Dependence on air freight</li> <li>• Lack of unique designs</li> </ul>	<ul style="list-style-type: none"> <li>• Vertical integration</li> <li>• Proximity to suppliers</li> <li>• Efficient distribution</li> <li>• Rapid design-to-retail cycle</li> </ul>
<b>External</b>	<b>Threats</b>	<b>Opportunities</b>
	<ul style="list-style-type: none"> <li>• Competition</li> <li>• Economic fluctuations</li> <li>• Regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain innovation</li> <li>• Sustainability initiatives</li> <li>• Digital transformation</li> </ul>

Zara employs vertical integration, local suppliers, and 'just in time' production to reduce the design-to-retail cycle [1]. These strategies allow the brand to introduce new designs every 5 weeks and ship orders every 2 weeks [32]. They prioritize nearby suppliers for fashion items, shortening lead times, while basic items are outsourced to Asia [55]. Zara's automated distribution center, 'The Cube,' ensures quick shipping times and reduces storage needs [14]. Sales data and customer feedback help adjust designs and inventory efficiently [14]. The company maintains a low unsold inventory rate of 10% by accurately forecasting fabric needs and production [55]. RFID technology enhances customer experience and store security, and advanced digital features support a hybrid retail model [14].

Zara has been criticized many times for the lack of unique designs and the reliance on copying designs from high-end brands has led to legal challenges which ultimately may damage the brand's reputation [28]. The frequent legal issues related to design copying result in significant financial costs for the company. The brand has also phased criticism on the quality of their products and these instances of substandard product quality could affect customer satisfaction and brand loyalty [28]. Lastly, in terms of logistics the brand relies heavily on air freight which increases the costs and carbon footprint having a negative impact both financially and environmentally [32].

Zara can enhance its competitive edge by adopting sustainability strategies that emphasize economic, environmental, and social goals [5]. As consumer awareness of environmental and social issues grows, demand for sustainable fashion increases [28]. Therefore, Zara should innovate to reduce its environmental impact. Implementing automated software for inventory and returns can optimize processes and reduce waste [56]. High-quality materials and long-term supplier relationships can improve product quality, while more sustainable transportation methods can lower Zara's carbon footprint [28]. Diversifying products based on cultural characteristics can prevent design replication and attract more customers [28]. Adopting 3D printing technology can meet changing demands and minimize waste, such as competitors like UNIQLO. Utilizing AI can enhance customer service through virtual fitting and other technologies [28]. Finally, Zara should focus on opening stores in high-demand areas to optimize market presence [57].

Zara's SC model is easily replicable and lacks a competitive advantage in design and supplier management [28]. To address this, Zara should diversify its designs based on cultural characteristics and avoid copying high fashion brands. Sustainability

is crucial, and Zara should partner with vendors committed to environmental goals, reducing emissions, and achieving long-term cost savings [1].

The fast fashion industry is uncertain, and fluctuations in the global economy and consumer demand can impact sales and profitability. Due to high consumer demand for sustainability, retailers must implement environmental strategies [6]. Dependence on external suppliers and geopolitical tensions can disrupt Zara's supply chain [10]. Investing in supply chain resilience—ensuring flexibility, agility, and quick recovery from disruptions—is essential. This includes diversifying suppliers, maintaining long-term vendor relationships, and having backup plans for unexpected events [58].

## 4.2 SWOT Analysis of Shein's supply chain

A SWOT analysis can help assess Shein's competitive advantages and potential challenges. In 2020, Shein reported sales of over \$10 billion, which increased to \$15.7 billion in 2021. By June 2021, Shein's US sales were nearly as high as H&M and Zara combined [59].

Shein's supply chain allows it to reduce manufacturing to fulfillment times from three weeks to five days [18]. The company introduces around 314,877 new styles annually, compared to H&M's 4,414 products, using a "small order quick return" model for efficiency and profitability [24]. By collaborating with approximately 5,400 third-party manufacturers, Shein can launch over 10,000 new products daily [35]. The brand leverages big data and AI to predict consumer trends and manage inventory, similar to Amazon's model, ensuring quick delivery times through localized delivery methods. Additionally, Shein's strong presence on platforms like TikTok effectively engages Generation-Z consumers [24].

Shein faces criticism for poor product quality, with complaints on social media about clothes falling apart or arriving with odd smells. Additionally, some consumers have reported receiving incorrect sizes or items that do not match the photos. The company's model has also been scrutinized for its environmental impact and labor practices. For instance, studies have shown that fast fashion, including SHEIN, contributes significantly to environmental degradation [60], [61], [62]. Furthermore, SHEIN has faced allegations of using excessive toxic chemicals in its products and engaging in counterfeiting practices. While Shein's products are designed and manufactured quickly, delivery can take two to three weeks in some regions

**Table 3.** Shein’s Supply Chain SWOT Analysis

	Negative Weaknesses	Positive Strengths
<b>Internal</b>	<ul style="list-style-type: none"> <li>• Poor product quality</li> <li>• Environmental impact</li> <li>• Labor practices</li> <li>• Long delivery time</li> <li>• Use of toxic chemicals</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain efficiency</li> <li>• Advanced data analytics</li> <li>• Quick production scaling</li> <li>• Strong social media presence</li> <li>• Close collaboration with manufacturers</li> </ul>
<b>External</b>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Geopolitical tensions</li> <li>• Competition from physical stores</li> <li>• New online entrants</li> <li>• Consumer distrust in Chinese products</li> <li>• Scrutiny of tech companies</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• New market expansion</li> <li>• AI investment</li> <li>• Sustainable practices</li> <li>• Enhanced brand image</li> </ul>

due to a lack of warehouse facilities [37]. This long wait time can be inconvenient, especially for shoppers needing items for specific occasions.

Shein’s supply chain model is supported by advanced digital systems that connect all stages of production and enable rapid adjustments to meet market needs. Therefore, Shein’s efficient supply chain allows it to expand into new markets rapidly. SHEIN’s digitally driven supply chain and real-time production adjustments give it a competitive edge [24] and the continued investment in AI and data analytics can further optimize the brand’s supply chain. The most important area that Shein needs to focus on is improving transparency and adopting sustainable practices to enhance Shein’s brand image and attract environmentally conscious consumers [61].

Nevertheless, Shein faces challenges from geopolitical tensions and increased scrutiny of China-related tech companies. The quality of low-cost, made-in-China products is often questioned, and some consumers may be discouraged from purchasing directly from Chinese manufacturers. Additionally, there is strong competition from physical clothing stores like Zara and Urban Outfitters, which offer the convenience of trying on clothes before buying. New entrants also pose a significant threat, with hundreds of new websites emerging each year [63].

## 5 Comparative Analysis of Zara’s and Shein’s successful strategies

Finally, a comparative analysis between Zara and Shein is being presented to differentiate the supply chain strategies of these two brands and assess how their dissimilarities have impacted their overall performance and profitability. In broader, macro-level contexts, Qualitative Comparative Analysis (QCA) is frequently used to reanalyze secondary data collected by other researchers [64]. Since the literature review primarily involves gathering and examining information generated by various individuals (i.e. researchers, theorists, methodologists, practitioners, and stakeholders), employing QCA to analyze this extracted information is a logical progression [65]. Having reviewed several scholarly articles related to strategic supply chain practices [7] [14], [60], business reports [32],

[57], [61], annual reports from the case studies [38], [47], [50] and online sources [18], [59], [66] the core strategic orientations of Zara & Shein SCs are being compared in Table 4.

Both Zara and Shein have revolutionized the fast fashion industry through their unique SC models and logistics strategies. However, their approaches differ significantly due to their specific technological and operational strengths. In terms of suppliers, Zara collaborates with 1,805 suppliers, mainly near its headquarters in Spain, allowing quick turnaround times [38]. It also operates 11 in-house manufacturing plants, supporting its vertically integrated model [38]. Shein, with over 5,000 third-party suppliers primarily in China, maintains flexibility and scalability [35]. Shein’s strategy of small initial production runs allows for market testing and scalability based on demand [24]. Zara utilizes air freight for quick international shipments, ensuring products reach stores within 48 hours in Asia and the US [32]. Its centralized distribution network in Zaragoza facilitates 24-hour delivery within Europe. Shein manages front-end delivery while using local third-party companies for final delivery stages, offering quick, localized methods [24]. However, Shein faces longer delivery times in some regions due to fewer warehouse facilities, sometimes taking up to two to three weeks [37]. Zara’s vertically integrated supply chain and Quick Response Manufacturing (QRM) strategies maintain competitive advantage but incur significant costs [20]. The automated distribution center, ‘The Cube,’ ensures speedy processing and shipping, reducing storage needs and enhancing rapid replenishment [14]. Zara introduces new designs every five weeks and ships products every two weeks [32]. Shein’s data-driven supply chain allows for real-time responsiveness. It predicts consumer trends using big data and AI, adjusting production accordingly [43]. Shein’s ”small order quick return” model minimizes inventory backlogs and enhances profitability [24].

Concluding, Zara’s vertically integrated system and rapid logistics in contrast with Shein’s flexible, data-driven model. Both have optimized logistics strategies, balancing efficiency and cost-effectiveness. Emulating these models is challenging due to their specific strengths. However, both face significant social and environmental impacts, necessitating a balance between technological advancement and sustainable practices.

**Table 4.** Comparative Analysis: Zara VS Shein

Aspect	Shein	Zara
<b>Business Model</b>	Data-driven with a highly adaptable supply chain.	Vertically integrated with fast-paced fulfillment mechanisms.
<b>Supply Chain</b>	Flexible supply chain with many small-scale manufacturers.	Vertically integrated system, controlling design, manufacturing, distribution, and retailing.
<b>Technological Strengths</b>	Uses internet and AI to collect consumer data and predict trends.	Analyzes sales data and consumer responses continuously to adjust product lines.
<b>Market Responsiveness</b>	Highly sensitive to changing market forces due to its adaptable supply chain.	Delivers new products to global stores within a week.
<b>Global Sourcing</b>	Flexible sourcing from small factories.	Relies on local suppliers near its headquarters in Spain.
<b>Marketing and Social Media</b>	Extensive use of online marketing and social media tools.	Significant use of online marketing and social media tools.
<b>Challenges</b>	Issues with stock reserves and ensuring cost-effectiveness.	High costs associated with its integrated model and limited supplier flexibility.
<b>Environmental and Social Impact</b>	Part of the fast fashion model with considerable social and environmental effects.	Part of the fast fashion model with considerable social and environmental effects.
<b>Competitive Advantage</b>	Technological strengths and a wide network of small-scale manufacturers.	Vertically integrated system allowing for rapid adaptation to market changes.

## 6 Conclusion

The present study examines the strategic supply chain practices of Inditex-Zara and Shein, revealing that both brands have effectively adapted to the dynamics of the fast fashion industry through agile and innovative approaches. The study underscores the necessity for fashion brands to balance digital transformation with sustainable practices, suggesting potential areas for improvement in environmental impact, supplier conditions, and SC transparency.

The advent of Industry 4.0 introduces advanced technologies that bolster sustainability by optimizing resource use, reducing raw material extraction, and closing production cycles. Sustainable business models extend beyond recycling to include resource efficiency through waste reduction and repairs. Digital Twin (DT) technology enhances sustainability by integrating design functions and fostering deeper collaborations. DT promotes sustainability in various aspects of garment production by providing technical information, such as the product’s history, materials used, resource consumption, and emissions. Additionally, it offers insights into textile maintenance or repair, which leads to reduced energy and detergent usage. In the fashion industry, AI algorithms evaluate materials, predict comfort, enable virtual try-ons, and assist in sales forecasting and support improving customer satisfaction and online shopping experiences [67].

Admittedly, there are obstacles in the way of adopting sustainability practices such as financial limitation and lack of understanding the importance of sustainability however, both brands should invest in technologies that would assist in reducing emissions while also achieving long term cost savings [1]. Even though there are policies and regulations in place to hold retail companies responsible there are always ways where brands can prioritize profit over ethics. That is why supply chain transparency and customer awareness is crucial for a more sustainable fast fashion [56].

Despite its comprehensive analysis of strategic supply chain practices in the fast fashion industry, this study has certain limitations. Firstly, the research focuses exclusively on Zara and

Shein, omitting other significant fast fashion brands. Inclusion of such brands could have provided a broader perspective on supply chain strategies within the industry. Secondly, the study primarily relies on secondary data sources, without incorporating direct insights from the managers of these brands, which could have enriched the understanding of their supply chain strategies. Additionally, Shein’s lack of publicly available financial reports limits the completeness of the analysis regarding its supply chain operations. Future research should consider expanding the scope to include other burgeoning fast fashion retailers like Temu and conduct interviews with brand managers to obtain more nuanced insights into their supply chain tactics. Moreover, obtaining and analyzing comprehensive financial data from Shein will facilitate a deeper exploration of its supply chain mechanisms, thereby strengthening the robustness of future studies. This paper serves as the first comprehensive overview of the strategic measures implemented by some of the most profitable fast-fashion brands to address emerging supply chain management practices related to sustainability, logistics optimization, and digitalization. By offering insights into the most successful strategies, the paper provides valuable groundwork for future studies that could incorporate primary data to measure their impact.

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