

Contemporary Fashion Supply Chains – Under the Control of Style Agencies?

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Abstract

The contemporary approach to market driven strategy considers that the supply chains, now, must be analysed from the “customer backwards” rather than the “company outwards”. If the improvement of the degree of responsiveness to demand changes is a incontestable source of competitive advantage, it would be reductive not to underline that the companies also try to guide the demand to facilitate the planning activities along the supply chain. Studies led in social psychology insist on the capacity of manipulating individuals to make them act in a certain direction, here in terms of purchasing behaviour. The case of fashion supply chains, though considered as an archetype of demand chain management, show that style agencies’ mission is to impulse the trend that allow to create the consumer’s demand rather than to put up with erratic changes. They are only five style agencies in the world and their work is to offer a framework that will give value to the information, to analyse the consequences of change that emerge rapidly and to offer creative solutions. By spreading the trend books to the whole of the fashion industry, they provide a work base common to all supply chain actors for implementing a collective strategy of consumer demand manipulation. In this case, in a provocative way, could we not talk about offer driven view?

Keywords: agility, fashion industry, manipulation, offer driven strategy, postponement, style agency, supply chain management

1. Introduction

For many years, the organization of supply chains in the fashion industry has known a lot of publications that emphasized the importance of logistical responsiveness to consumer demand (Fisher, 1997; Wong, Arlbjørn, Hvolby, & Johansen, 2006; De Brito & Carbone, 2008; Khan, Christopher, & Creazza, 2012). By the 1990s, the implementation of quick response technology created high hopes in an industry with recurrent fad phenomena and short life cycles for new products. After the Benetton model, the Zara model has become a kind of ideal view of agile supply chains for the fashion industry, and an archetype of market-orientated supply chain management (Christopher, Lowson, & Peck, 2004; De La Cruz Iglesias, 2012). The Benetton and Zara models strongly emphasize the philosophy of market driven supply chains and demand chain management, which considers that volatile consumer demand pulls the entire supply chain. These models also consider that the performance of competitive supply chains is related to a high velocity at an acceptable logistical cost (Jin, Chang, Matthews, & Gupta, 2012). This is made possible by an alignment between marketing and supply chain strategy, able to fulfil customer demand in a cost-effective way.

Without rejecting these facts, we must recognize that the reality of market driven supply chains in fashion industry is not so obvious. If the consumer reacts to offers of new items made by manufacturers and/or large retailers, the consumer is also the subject of a manipulation of his decision. This manipulation tries to orient the consumer in the buying of new items, but in compositions and quantities defined by the manufacturers and/or the large retailers. The objective is to give the consumer the sensation of total freedom of purchasing while at the same time making her/him a prisoner of choices that are imposed by fashion supply chain actors. They collectively use style agencies whose role is to define fashion trends and to create predictable behaviour of the consumers. Therefore, the fashion supply chains could mobilize traditional planning procedures, a kind of “offer driven organization”, which updates the seminal works of Magee (1968).

The aim of this article is to discuss the relevance of a market driven vision in fashion supply chains, in a context of consumer demand created by the pressure of style agencies. This model of manipulation is described in social psychology by the studies of Joule and Beauvois (1989, 2009). They suggest that people think that they are free to act as they do but unknown to them they act in a desired direction under the influence of an external actor. The consumer ultimately controls their final fashion choices, for example in terms of colour, but on a standard model which is imposed by the fashion supply chain actors via style agencies. The mix of market driven vision and offer driven vision is now a new reality; it corresponds to postponement techniques described in the 1970s by Heskett (1977), following the studies of Bucklin (1965) in the early 1960s.

2. Market Driven Strategy: The Reality beyond the Hype

In the space of a generation, the logistical approach underwent a radical mutation of its status and its identity in most occidental countries. For many years, confined to the use of a certain number of elementary operations linked to the transporting of products to their markets, it is now perceived through the SCM as a major element to claim a sustainable competitive advantage, in particular by allowing the companies to be totally client oriented, with a major evolution from production perspective to product perspective (Frederix, 2004), and a powerful market orientation supply chain (Ruile & Seidl, 2013). Colin (2002) points out that we went from a gravitary model, dominated by the offer in a mass economy, to a driven model, dominated by the demand in an economy of singularity. In other words, the management of a market driven strategy would now be a new managerial paradigm that directly determines the competitiveness of supply chain actors; some popularisation studies convey the message that a real “revolution has started” (Burrows III, 2012). And yet, if the emergence of a market driven strategy is undeniable today, one needs to recognise that in a simultaneous way, the supply chains actors try strongly to orient the purchasing behaviour of clients to reduce the intensity of demand change. In other words, they are trying to plan the responsiveness to improve the efficiency of the supply chain.

2.1 A Quick Overview of Founding Studies

Since its military origins, in the 19th Century up to the 1960s, the logistical approach based itself on the same fundamentals, which are the research of an optimisation of activities linked to the moving of people and goods, to operative field for the former, to the markets and customers to serve for the latter. Books on logistics management deliberately reminds us that the academic subject and the practical application in companies emerge, then structure themselves, with the intent to manage efficiently the transport means, handling and storing in the first place, without any strategic intention to improve the articulation between the different means. The vision is “divided” and results in local optimisation, supposed to lead to a satisfying global solution. For example, it is settled that companies must try to minimise simultaneously its transport costs and its storage costs, when the performance goal can only be achieved with a global approach of the transport/storage couple. As Dominici (2008:253) notes in his *holonic view of supply chain*, a holonic system “can therefore be defined as a global and organized entity made of interrelations among highly self-regulating operative units [holons] which are able to cooperate with each other, keeping their autonomy, seeking shared results and common aims”. Dominici, Argoneto, Renna and Cuccia (2010) conclude: “A holarchy is a hierarchy of holons working, in harmony with their environment, as autonomous wholes which are hierarchically superior to their own parts and, in unison, are parts dependent on the control of superior levels”.

Magee (1968) is the first to refer to logistics as the model of successive activities (as “holons”) connected to each other by “link” of various strengths. Having spent many years in the industry as a production planner manager, he understands well the stakes of a global vision of operations that a manufacturer must deal with to be able to put his products at the dealer’s disposal, and consequently his consumers, in the best cost conditions. The control of physical distribution is certainly essential to link the factories to the selling points, via a network of warehouses. However, it is important to synchronise the downstream logistics with the planning of manufacturing and, upstream, the supply of raw material and components. For Magee (1968), this synchronisation is based on the mid-term sales forecasts enabling the planning of successive logistical operations (production launch, entry and release of stock, transport, etc.). Heskett, Schneider, and Ivie (1973) will push this further by using the idea of interconnected logistical operations, with an inverted perspective: it is the real demand (and not the anticipated demand) that must start the logistical operations. The downstream monitoring was born and will constitute the true logistical revolution from the end of the 20th Century to the beginning 21th Century, supported by the progress of monitoring information systems (EDI, Web-EDI, RFID, etc.).

Colin (2005) shows that the chain paradigm is unquestionably at the origin of the thoughts that will lead to, after Heskett et al. (1973), a larger concept of supply chain (Oliver & Webber, 1982/1992). A supply chain corresponds roughly to a group of operations supporting logistical activities (“holons”) of the supply of material

and components with a network of manufacturers (of first and second rank, or more), of the transforming and assembling of these materials and components into intermediary or finished products, then to the distribution towards consumers, via dealers. Understanding the functioning of the supply chain leads to referring to three levels of complementary, but distinct, analysis: (1) a *conception* level, that is a definition of borders and the distribution of tasks within the supply chain (choice of make or buy, identification and location of supply chain actors, etc.); (2) a *coordination* level, that is the definition of the adjustment and monitoring rules (producing or not of stock, implementation of shared information systems, establishing contracts for the reciprocal commitment of parties, etc.) and (3) an *operational* level, that is the efficient organising of the administrative aspects linked to logistics and to purchasing (delivery frequency, stock management, etc.).

If the monitoring of supply chains underlines the maximisation of revenues and the minimisation of costs of making the products accessible, the capacity of quick reaction to variations of the demand plays a large part, in particular through the notion of agility. The notion of agility refers to the aptitude of rapidly reconfiguring an offer system by redeploying the mobilised resources in the competitive world, which implies the total reactivity of all the supply chain actors: an agile supply chain makes reference to a “network of firms that is capable of creating wealth of its stakeholders in a competitive environment by reacting quickly and cost effectively to changing market requirements” (Gunasekaran, Lai, & Cheng, 2008:551). As Harrison, Christopher, and Van Hoek (1999) summarise, to be truly agile, a supply chain needs to have certain singular characteristics, there are four: (1) develop a strong sensitivity to demand changes; (2) base the monitoring of the flow on advanced information systems; (3) strive for an integration process between supply chain actors; and (4) promote solidarity attitudes within the business networks (see Figure 1). Such a configuration proves to be essential in an environment where the final demand is highly volatile, strong expected product variety and most ferocious chrono-competition.

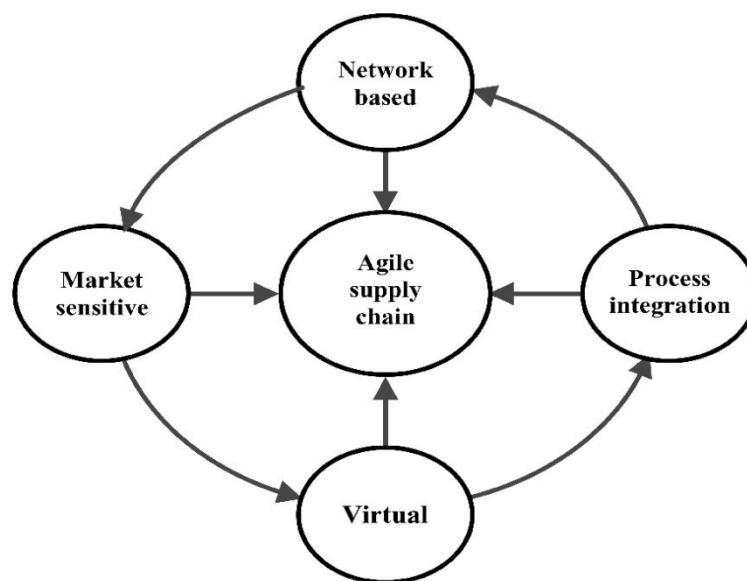


Figure 1. The agile supply chain

Source: Harrison et al. (1999).

2.2 Planning Responsiveness: Postponement's Triumph

Melnyk, Davis, Spekman, and Sandor (2010) underline that the degree of responsiveness, in other words, the capacity of responding to demand changes (in volume, mix and location) quickly and at a reasonable cost, has become an essential element of an agile system. The key dimensions of responsiveness are based on close information linkages between supply chain actors, an emphasis on small-lot production and an extensive supplier development and supplier assessment systems, but others, paradoxically, accentuate that it proves to be, at the same time, necessary to create excess capacity in the upstream side of the supply chain and to plan production and logistical activities. The paradox is only apparent. In fact, if market driven supply chains should be sensitive to demand variations in priority, for example, by adopting a quick response approach (Lowson, King, & Hunter, 1999), this does not exclude reconsidering the structures and the capacities to implement in order to face demand

changes. The less thinking is conducted concerning the demand changes, the more it will be difficult to develop a high degree of responsiveness. The planning of excess capacity in the upstream side of the supply chain –whereas the downstream side of the supply chain functions on a model with no stock and total reactivity to demand changes– is a view of supply chain reality: the responsiveness is planned by adopting different methods.

The oldest mixing method between planning and responsiveness is probably the postponement technique. Indeed, the first publication of the notion of postponement is usually lent to Alderson (1950). Probably too pre-mature (or too innovative), it received no real feedback in the academic world for many years. Finally, in the middle of the 1960s a serious research trend develops under Bucklin's (1965) impulsion. For the latter, who studies the efficient functioning conditions of marketing channels, two strategies seemingly contradictory coexist; their proximity with the planning and responsiveness does go unnoticed to expert eyes:

- *Postponement strategy* (responsiveness) consists in differing as much as possible the allocation of resources destined to differentiate the production depending on the attributes expected by the clients (colour, options, etc.). The postponement then allows to rationalise the stock management by strongly reducing the accumulation of obsolete products that will need to be sold off as they do not meet the demand.

- *Speculation strategy* (planning), in the contrary, consists in one, or more, actors of the marketing channels to constitute a stock greater than the projected demand in order to, on the one hand, make economies of scale in manufacturing activities and/or in physical distribution, and on the other hand, to reduce costs linked to the management of orders.

The postponement-speculation model gave place to an important literature in the fields of marketing and SCM. Amongst the major studies signalled by Yang and Burns (2003), let's keep in mind Shapiro's (1984) contribution on the integration of speculation-postponement to different breadth of product lines, Christopher's (1992) contribution on the postponement's role on the configuration of the global supply chain or Naylor, Naim, and Berry (1999) contribution regarding the use of postponement to move the decoupling point closer to the end user and increase the efficiency. The commonality of these studies is to indicate that postponement (responsiveness) and speculation (planning) are not contradictory but, to the opposite, mix together depending on technological and strategic considerations. As Lampel and Mintzberg (1996) noticed, between pure postponement that is based on a *make to forecast* and the pure speculation that is based on the *engineering to order*, there exists a whole range of possibilities leading to a more or less customised product. Here again, the largely discussed question of SCM regarding the location of the decoupling point starting from a decision of attribution of a product to a precise client, and admitting that the choice diversity is, in this case, a constant, in some industrial sectors. Corniani (2008) provides numerous illustrations.

One must admit once again that Heskett's (1977) studies are incontestably precursory. In his famous article, Heskett (1977) anticipates the triumph of the modular production in the 1990s, by emphasising that supply chains are meant to function on the anticipation of the demand, at the risk of being incapable of reacting quickly to demand changes that happen on the markets. In other words, an efficient supply chain is based on a speculation of the upstream side and a form, place or time postponement in the downstream side. The author refers to the case of steel service centres that bend, cut and put into shape basic products by readjusting them to specific demand of clients in the downstream of the steel supply chain. Of course, the operations in the upstream steel supply chain, in particular when the technique of continuous casting is adopted, obey inevitably to an anticipation of demand and an intermediary storage of steel slabs as modules. Heskett (1977) introduces the idea of major decomposition of supply chains around a decoupling point, that Hoekstra and Romme (1992) turn into four standard configurations (see Figure 2), and if the market driven strategy should end up by imposing itself, it cannot exist without a rigorous anticipation of the number of modules to produce, then assembled to order, according to demand changes. In brief, the responsiveness is planned.

2.3 From "Endured" Demand to "Created" Demand

From the reasoning conducted previously, we can conclude that it is incontestable that the degree of responsiveness will be even higher if the demand changes are low, or more precisely, if the client manifests a strong behavioural stability in its purchases. In this precise case, the question of the decoupling point is asked differently, with a possible anticipation of production volumes starting from reliable previsions; the decoupling point could then climb the supply chain, and maybe disappear with the generalisation of the make forecast (pure speculation model). The behavioural stability therefore could allow the planning of the supply chain in its whole by leaning on well-know methods like the PERT and MRP. Here, we come across the fundamentals of the analysis conducted by Magee (1968) that suggests a synchronisation of successive logistical operations starting with sales forecasts according to a pull strategy. The actors of a supply chain capable of controlling, or at least

orienting the client's demand, would benefit from a high degree of responsiveness without creating excess production and logistical capacity in the upstream side of the supply chain.

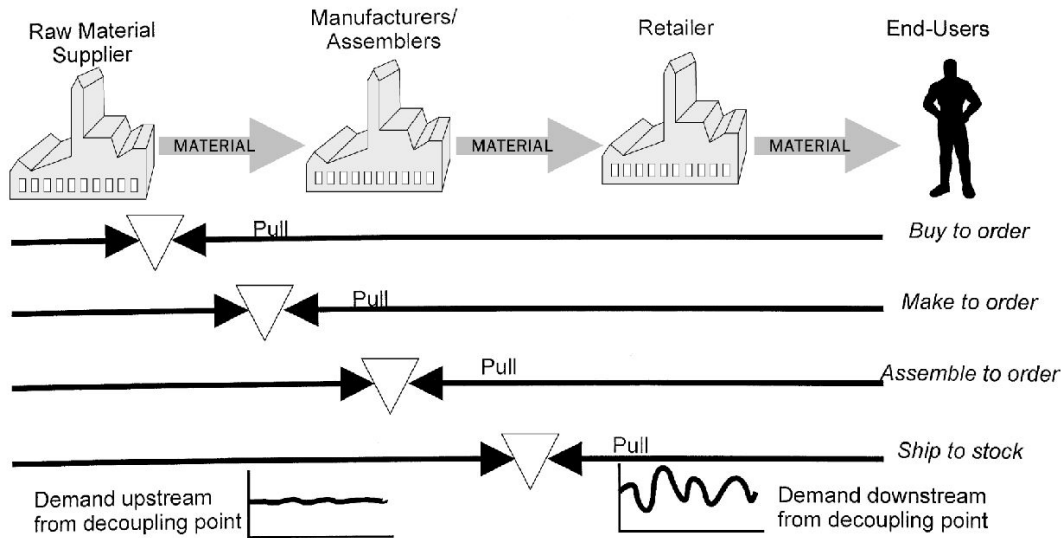


Figure 2. The four standard options of location of the decoupling point

Source: Hoekstra and Romme (1992).

A demand control approach can base itself on techniques of reduction of the offer diversity, of which Henry Ford, in the automotive industry, was a pioneer (Raff, 1991). If this strategy is partly still current for some convenience goods and for some third world countries, its propagation seems unlikely considering the social evolutions. Another lead seems conceivable, in reference to works conducted by Joule and Beauvois (1989, 2009) in social psychology. It concerns the capacity of development of supply chain actors, with the help of specialised institutes, techniques of client manipulation, in order to completely orientate the client's purchasing attitude according to the principal of "agreed submission". In his seminal studies, Lewin (1947) explains that when we want to obtain from an individual that he/she modifies his ideas or change his attitude, it is often more efficient to opt for a behavioural strategy rather than for a strategy based on persuasion. A behavioural strategy drives individuals to develop preparatory behaviours that, even if they seem inadequate, engage him durably, making the achievement of more realistic expected attitude. Lewin (1947) emphasises its *influence strategies* that lean on, in a given situation, the achievement of decisions from the individuals subject to allocate in the projected way (see Box 1).

Box 1. Influence strategies in a group

A group, by definition, is a social aggregate in which members are interdependent (i.e. have mutual influence on each other) and have at least the potential for mutual interaction. Many groups exhibit the following features. First, there are concrete roles that help keep the group moving forward by splitting up the responsibility for necessary tasks. Also, groups have expectations of how other members should behave, called norms. Another essential part of a group is its communication structure, which is sometimes the only way in which information is passed through the group. One of the more salient aspects of groups is the power structure, denoting influence within the group. When a person feels that they belong to a group and have intrinsic ties to its statements and goals, he or she is said to have a commitment to that group. As one's relationship to a group grows with time and further influence of group members, that commitment has a tendency to escalate. Sometimes this escalation of commitment is comforting and desired by the person, but at other times the helpless victim is manipulated by the group. There are also many positive and negative forces that work to keep a person in a group or relationship. Positive forces include interpersonal attraction and satisfaction with a relationship. Negative forces include such barriers to ending the relationship as having made a large investment in the group or lacking other alternatives.

Source: Retrieved July 12, 2012 from <http://www.units.muohio.edu/>

Resuming and enriching this heritage, Joule and Beauvois (1989, 2009) describe and formalise the manipulation

techniques that leads an individual to act in a desired direction under the influence of and external actor. Amongst the authors' research, we can note how it is possible to lead students to choose to take up fastidious or hard work, workers to respect security norms or high school students to use protection against AIDS. Where the constraint or the gratifying incitation works with difficulty, if one wishes to modify deep attitudes, the implementation of a commitment by an individual, even minimal for a start, leads to spectacular results. According to Joule and Beauvois (2009), as the human attitude is more a fact of external conditions than internal conditions, consequently, they suggest the use of numerous influence strategies to orientate attitudes. Three principal strategies should be considered:

- The *escalation of commitment*, manifests with an individual who holds on to a decision even if that one is not the best: the individual makes a decision then acts, he/she has a second decision to make and continues, prisoner of the first decision made.
- The *low-ball effect*, consists in pushing someone to make a decision while hiding a certain number of disadvantages, the individual maintains his first decision even when the disadvantages are unveiled.
- The *foot-in-the-door effect*, enables to obtain, thanks to a free environment from an individual with a low cost attitude, the ulterior implementation of more costly attitudes or a reinforcement of attitudes.

These three strategies can apply in various contexts, in public and private organisations. Nothing says that they could not be retained by supply chain actors in order to orientate a client's purchasing attitudes in a certain direction, the one that will facilitate the planning of supply chain activities as "holons". The aim is that the client, convinced that his choice to purchase is reasonable and results from a freely agreed cognitive process, rationalises the relevance of this choice by *ex post* attitudes. Without possible discussion, many marketing techniques aim at giving the clients the rationalising elements for their acts in order to justify the purchasing decision. Why would a French teenager girl, during winter 2012-2013, wear a pair of very short shorts? Probably because she will feel that she is part of a community of practice, or even of a large tribe that will recognise her as a member. All the subtlety of companies' influence strategies consists in the implementation of a reinforcement process of client commitment (subject) towards the intended act (the purchasing of goods or services). More importantly than attracting new customers, it is above all the reinforcement of the existing clients' engagement towards purchasing attitudes that will most probably be sought-after. The fashion industry offers an excellent example of the transformation of a seemingly endured demand into a created demand.

3. The Emblematic Case of Fashion Supply Chains

According to Morand (2007), the economic model of fashion industry is based on three key elements: (1) a creative activity and a strong association with the creator's identity; (2) short product renewal cycles; (3) a necessary match with consumers' expectations. The short cycles are at the centre of the analysis, they allow companies to stick to the customers' desires (*pull*) and to provoke new desires (*push*): "The principal advantage of fashion through product renewal is to encourage repurchasing when the initial need to equip oneself is fulfilled. Novelty creates rarity on markets saturated with offers" (Carlotti & Minvielle, 2007:19). It is possible to distinguish different fashion cycles: endured cycles that correspond to an incompressible time because of the elaboration of the product, the seasonal cycles that give the rhythm to the sector's activity, and the chosen cycles that remain in the control of the two previous cycles to stimulate sales (Carlotti & Minvielle, 2007). Henceforth, the fashion industry's offer articulates around six collections per year, as you can observe in companies such as Zara, H&M and Mango. It consists in renewing the offer faster to stimulate consumption; the stake is to propose a fleeting but high creative value product that will persuade the consumer to buy new products on a regular basis.

3.1 Market Driven Strategy or Collective Strategy?

It is common to read that the globalisation of markets and the aggravation of competitiveness push fashion industry companies to adapt their offer continuously. The emergence of a more and more unfaithful and volatile consumer, constantly searching for novelty and positive feelings faced with product assortment in fashion stores (Simová, 2009), forces a rapid renewal of products portfolio. The companies must therefore rethink continuously the configuration of their industrial and logistical processes in order to adjust them to changing needs. From a technological point of view, "the design and production of knitting dress can live up to multiple styles and few quantities, and the manufacture speed is quicker than the knitting" (Liu, 2008:92). This chronic instability of offer is also felt post supply chain as the marketing channels evolve very rapidly: fashionable clothes make a brief appearance in shops, often for a few weeks. By entering the game of acceleration and quick renewal of the offer, the companies contribute to increasing the volatility of markets (Barrère & Santagata, 2005; Godart, 2012). Shorter collections and multiplication of product typologies (permanent, seasonal), those seem to be the most significant results of market driven strategy.

Are companies sentenced to endure the hiccups of demand, at the risk of developing a costly agility of their logistical processes? The in-depth investigation of the functioning of value chains brings a clear negative answer. The fashion industry companies (yarn, fabric and trim suppliers, garment manufacturers, retailers, etc.), as shown in Figure 3 taken from Perry and Towers (2009), seek to limit to a maximum the impact of demand variations by leading a collective strategy of consumer manipulation. Some strategic decisions are indeed taken in a collective way, in particular at the level of the choice and selection of colours, textile fabrics, shapes, etc. To achieve the aim of collective management of the offer, it seems essential to centralise strategic information regarding the fashion trends then resuming them and communicating to the stakeholders. In her study of the clothing district in New York, Palpacuer (2007) shows that competitive pressure encourages companies to unite to face environmental pressure and instability of consumer expectations, rather than starting a sales or price war.

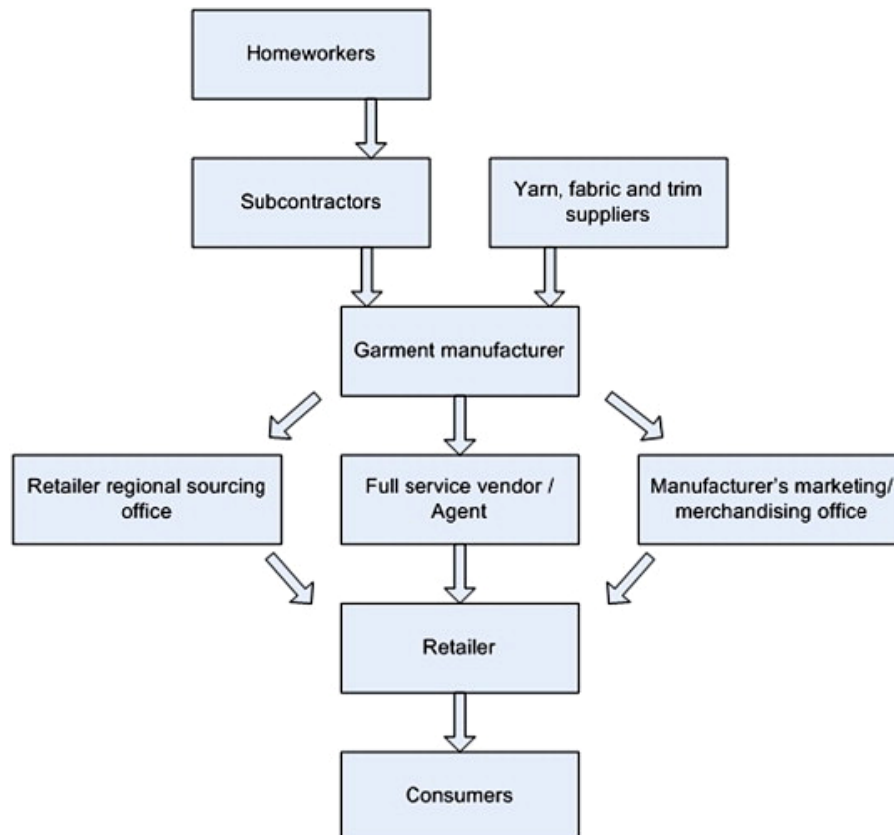


Figure 3. The main fashion supply chain actors

Source: Perry and Towers (2009).

The shaping of collective strategies from fashion industry companies to manipulate consumers, in the meaning of Joule and Beauvois (1989, 2009), especially by provoking a community commitment on his behalf, seems in coherence with the observations of many sociological studies. Since Tarde (1890) and Simmel (1895), we know that our societies are based on the instinct of imitation, where everyone wants to resemble one another. We can therefore imagine that fashion industry companies should lean on a more or less avant-gardist minority to anticipate the fashion trends and then propagate them (Marion, 1999). In her humoristic tone, Tungate (2009:88) summarises the situation perfectly: “Why are shops completely pink one season, become green the next and then blue? Why does the cow-boy style follow the 1920s tomboy style? Why does the 1940s trend overcome the 1970s trend? Are we victims of a plot? Do fashion industry actors meet every autumn in a secretly kept location and decide what they are going to give us the following year? Not quite, but close”.

In the end, the fashion trends emerge from discussions and multiple interactions between stakeholders of the fashion industry. They influence each other reciprocally, which leads to a similar offer from one company to another, an offer that will then be validated by opinion leaders such as the medias and other celebrities of show business and sport. The coordination of trends enables to strongly reduce the environmental uncertainty: “If you give the same information to those who sell the clothes, those who create them, those who buy the fabric and to

the suppliers, this represents enormous financial advantages for fabric manufacturers because they know which fabric will be needed and where to concentrate their efforts... This reduces the margin of error in the very risky field of fashion” (Tungate, 2009:90-91). The presence of intermediary actors becomes essential to ensure the collective coordination of trends and allow the fashion industry as a group to make important profits.

3.2 The Major Influence of Style Agencies

Fashion is not random, it is the clear result of collective choices (Erner, 2006), and these collective choices are in particular the result of the intervention of intermediary actors (Hirsch, 1972; Abrahamson, 1996; Warnier & Lecocq, 2007). From the mid-1950s, French creatives like Maïmé Arnodin, Denis Fayolle and Françoise Vincent wished to bring a new dimension to clothing industry: “Suggest tomorrow’s consumption and reduce uncertainty of production... to sell more, and more, always more” (Cuvillier, 2008:94). In 1961, the first style book appears. It consists in a methodology tool, the aim of which is to help fashion industry manufacturers to offer fashionable clothes. By analysing the creative process at use, Hirsch (1972) identifies the four phases that leads to the emergence of a fashion (see Table 1). The author put the emphasis on the necessary presence of *contact men* that play the role of interface agent between stakeholders.

Table 1. The successive phases leading to the emergence of a trend

	No. 1 <i>Creation</i>	No. 2 <i>Selection</i>	No. 3 <i>Democratisation</i>	No. 4 <i>Diffusion</i>
<i>Targets</i>	Imagine, develop new ideas	Observe society and choose trends	Put together the trends in the trend books	Spread the trends to the society as a whole
<i>Actors</i>	Creators	Style agencies	Style agencies	Fashion setters

Source: Adapted from Hirsch (1972).

Amongst the different possible contact men, the style agencies have a special role. The style agencies’ function is to legitimate the trends in order to make them become a real fashion. They are only five in the world: Nelly Rodi, Peclers, Carlin, Promostyl and Li Edelkoort (McKelvey & Munslow, 2008). Their work is to offer a framework, a true collective semantic frame “which novel elements, combined with those that were successfully tested in previous seasons, can be read and recognized by consumers” (Mora, 2006:348). In brief, styles agencies will give value to the information, to analyse the consequences of change that emerge rapidly and to offer creative solutions (see Box 2); they are therefore filters in an environment saturated with information (Dari, 2010). By spreading the trend books to the whole of the fashion industry, they provide a work base common to all supply chain actors, and fashion trends become a *convergent knowledge* (Guercini & Ranfagni, 2012). This enables the automatic transformation of the trend into a fashion as everyone will dispose of the same creative base collectively. According to Warnier and Lecocq (2007), we are speaking here of a sort of self-fulfilling prophecy, in other words, a prediction that will turn out to be true as the actors create their own environment through their thoughts and actions.

Box 2. The Carlin style agency

More than fifty people work at Carlin. They are called designers, but they are all involved in trend-spotting and sketching out customers’ collections. They all travel the world, busily collecting impressions from major cities, as well as from the more solid realities in tasks for various client companies. Back home at the Paris headquarters, all impressions are aired and incorporated into known –and sometimes unknown– trend paths. The solid results of the designers’ trend-spotting are collected into a number of “books”. Carlin currently has 18 different “trend books”, concentrating on themes such as “woman in the city”, “woman at leisure”, “children”, “men”, “lingerie”, “domestic equipment” and “colors”. But there are also more general books with themes such as “impulses”, “graphic moods”, and “mood and color”. These books –very often updated twice a year– are purchased by fashion-related companies worldwide as a source of inspiration and knowledge. But the company also applies its designers to more direct tasks, such as sketching out a collection or making special studies of a given country or fashion area. Home equipment is one of the areas which is increasingly clearly affected by the same trend thinking that has controlled fashion for many decades.

Source: Retrieved March 11, 2013 from <http://www.kinnarps.com/>

As indicated, five style agencies run the market but with the development of Internet, new organisations interfere. They are either small entities specialised in particular niches or websites that put forward the latest “hip” trend of the season. These new entrants take position on the market but do not have the experience of the network of the five style agencies. They do not provide a deep analysis or a rigorous follow-up concerning the fashion trends, but rather a global observation of the fashion industry. Their mission is to provide real-time information on the main trends and to update the data. The new entrants are therefore incapable of guiding the companies in their creative process, which means that the style agencies maintain their important role through their know-how: they analyse the mood of times, prioritise the information and summarise it to anticipate future trends (Dari, 2010).

While the fashion industry companies are often perceived as companies making futile products, originating from the creators’ eccentric imaginations, we observe that fashion trends appear and consolidate in a sealed environment, a sort of *domesticated market* at a planetary scale. They are indeed the result of numerous exchanges between companies: “The multiple moments spent together are as many occasions to build a ‘doxa’, a common opinion” (Erner, 2006:121). Hubs such as style agencies then orientate the architecture of fashion supply chains by providing the necessary information to their configuration. Companies do not try to stand out at the level of the offer, they limit themselves to aligning with the predefined trends in order to build their own collection. That all the French teenager girls wore, during winter 2012-2013, a pair of very short shorts is consequently not very surprising. Despite its innovative character, the definition of trends is a standardised phenomenon that allows the planning of the supply chain, the opposite to collective imagination.

3.3 Back to the Future: Towards an Offer Driven Strategy

In order to understand the impact that can have style agencies on fashion supply chains, it seems important to show the strategic importance of fashion trends. The trends constitute the principal added value of companies insofar as they allow to renew, according to regular cycles, the products put on the market a few months before. It is therefore essential to create collections in adequacy with the mood of times. However, the trends are not enough, and for companies to stand out from one another, the creation and style of each brand are also necessary, according to a logistical responsiveness previously mentioned. In this way, by basing themselves on trends, in other words on minority attitudes that can be potentially adopted by a majority, each company will adapt it according to the brand’s style (Zara is different from Mango...), with the implementation of a form postponement strategy (Yeung, Choi & Chiu, 2010; Chaudhry & Hodge, 2012). The impact of style agencies can then be analysed on different levels. Other than their influence on fashion industry, they coordinate between each other through formal meetings (Dari, 2010). Indeed, the style agencies participate in a relational system based on formalised exchanges, in particular within the framework of the *Comité Français de la Couleur* (French Comity of Colour) and of the *Salon Première Vision* (First Vision Fair):

- Created at the end of the 1950s, the *Comité Français de la Couleur* was implemented to convince manufacturers that it was necessary to have a colour scale so as to reach the consumers’ differentiated expectations. It is a comity with an international dimension having created, on the initiative of France, Japan, Italy and the Netherlands, the association *Intercolor*. The association unites different countries (Austria, China, Finland, France, United Kingdom, Germany, Hungary, Italy, Japan, Korea, Portugal, Switzerland and Turkey) to anticipate the colours trends at a worldwide level and play the role of R&D platform at this level. The style agencies define together, twice a year, the colour trends for the season to come in order to drive productions and, consequently, the types and volumes of flow in fashion supply chains.

- At the French national level more specifically, the *Salon Première Vision* aims at communicating on the fashion trends twice a year, here too in order to structure the upstream of supply chains on the basis of collective strategies, as well as enabling the development of postponement strategies in the downstream of supply chains to face with risk (Yang & Yang, 2010). The *Salon Première Vision* was created in 1973 on the initiative of 15 weavers from the Lyon region and it marked the true start of trend dialogues. The official aim was to offer purchasers of fashion industry manufacturers a synthesis of colour trends and fabrics for each season, which would give a strong coherence to offer. The 15 weavers from Lyon were joined by other French weaving companies in 1977, leading to a strong structuring of markets from an offer driven strategy.

This relational system builds the final demand, rather than enduring it passively. Is this not, in a certain way, the *visible hand* dear to Chandler (1977)? The fashion trends appear as an existing link between the different stakeholders that will coordinate collectively in order to help the emergence of a common offer. Even if some companies of the fashion industry do not buy the trend books edited by style agencies, their stylists’ work remains strongly influenced by the medias and fairs, that are as many intermediaries of style agencies. The formal relationship (*Intercolor* meetings, *Comité Français de la Couleur* meetings) or informal (fairs and

conferences) which fashion industry stakeholders maintain allow to build a common work tool, it results in alignment processes in terms of organisation of supply chains that are *encouraged* towards the consumer, from upstream to downstream.

Through the trend books they edit, style agencies have successfully developed a truly creative offer for fashion industry companies and, more broadly, for the whole fashion supply chain actors. Their first clients are, for example, weavers that, upstream of their supply chain, work on raw material that will be the collective work base for the rest of the stakeholders. In the same way, medias, press and fairs are as many intermediaries to spread the fashion trends previously selected. Medias allow fashions to emerge and be adopted, in particular through *influential editors*, fashion magazine writers who make and unmake trends. The fairs are, as for them, a medium for professionals to confront their choices, and to understand the reality of future markets. As we can see, it is all the fashion industry in a larger sense that has organised itself in order to restrict as much as possible the consumers' movements and give the consumer the impression of total free will. In other words, we can speak of the triumph of manipulation insofar as people think that they are free to act as they do but unknown to them they act under the influence of style agencies.

4. Conclusion

The "organisational paradise" for any company would be a perfect control of its market. Being in the consumer's shoes, know their thoughts and desires, would lead to predict and organise the activities ("holons") along the supply chain without any risks. The reality is very different. Most research in SCM considers that it is essential to analyse the market from downstream, according to a market driven philosophy. The consumer's attitude is considered to be the key element to monitoring the supply chain, and a high level of responsiveness seems to be the only way to achieve a durable performance. Focussing on an almighty consumer would be simplistic. The company is indeed not always a slave of its environment's demand; it can also have a significant impact on it. Studies in social psychology put emphasise for example on the company's influence on the consumer, but perceived in a completely unconscious way by the latter. The study of fashion supply chains constitutes, from this point of view, a good illustration.

If the rhythm of renewal of products portfolios, with six collections per year, is one of the principal characteristic, the companies have made a strength of it. The consumer is therefore in perpetual expectation of a fashionable product: the modern business environment is founded on short product life cycles, and more discriminating customers in regard to products and services (Blackwell & Blackwell, 1999). Convinced to select *the novelty* that will distinguish oneself from the others, the consumer becomes a victim of the collective strategy of fashion industry companies whose manipulation logic, in the sense of Joule and Beauvois (1989, 2009), seems difficult to dispute. Leaving a multitude of trends develop in a total anarchy would force companies to market a too large number of products, some of which would not be sold, and consequently sold off at the end of each season. By presenting an offer restricted to a few trends, the fashion industry homogenises its offer: the consumer has no choice, but will be sure to enter their tribe by imitation effect.

In order to decide on the future trends, the companies must impulse collective actions requiring the presence of intermediary actors, in the first seat of which are the style agencies. The style agencies centralise a certain number of information that allow fashion supply chain actors to organise its logistical processes as well as controlling the consumers' expectations. By creating a work tool common to all companies, style agencies guarantee the efficient coordination of fashion industry and boost the consumption of novelty each season. This coordination based on an offer driven strategy leads to a high level of performance in spite of the apparently erratic evolutions of the final demand. With the only condition, that the manipulation of which the consumers are victims comes from fashion setters which will be made legitimate without contestation.

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The case of fashion supply chains, though considered as an archetype of demand chain management, show that style agencies' mission is to impulse the trend that allow to create the consumer's demand rather than to put up with erratic changes. They are only five style agencies in the world and their work is to offer a framework that will give value to the information, to analyse the consequences of change that emerge rapidly and to offer creative solutions. By spreading the trend books to the whole of the fashion industry, they provide a work base common to all supply chain actors for implementi