

Palgrave Studies in Practice: Global Fashion  
Brand Management

Series Editors

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Branding and internationalization are critical aspects of any business, and the fashion industry is especially global in nature. Very few apparel items are entirely produced within one country, and it is relatively easier for fashion brands to enter international markets because little financial investment is required, small-scale retail space is possible, and economies of scale can be maximized. Accordingly, there are more successful internationalization cases in the fashion industry than any other sector, yet no one text handles these critical topics (i.e., branding and internationalization) in one book, particularly in case study format. This series will focus on fashion brand cases that have been successful in global marketplaces. By examining their strategies in diverse aspects such as internationalization, innovation, branding and communication, and retail management, these books will help students, scholars, and practitioners grasp lesser-known yet effective international marketing strategies.

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ByoungHo Ellie Jin • Elena Cedrola  
Editors

# Process Innovation in the Global Fashion Industry

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*To the Lord to whom I give all glory,  
To the past and current colleagues of mine, whose friendship  
and support is always cherished!*

*BEJ*

*To all those who have given color to my life and who accompany  
me daily on my journey:*

*The Fraternity at Our Lady of the Sacred Heart of Jesus,  
you are all in my heart.*

*EC*

## PREFACE

The nature of the fashion business requires novelty and speed, which can be effectively fulfilled through process innovation. Subsequent to Volume 3 on product innovation in the global fashion industry, this book is devoted to process innovation. Process innovation is an *improved way of doing things* across the entire supply chain, including management, to expand efficiency in terms of cost, quality, and service. Process innovation is all about enhancing speed, accuracy, and efficiency, which are often internal processes and therefore invisible to customers. Still, leading fashion companies constantly engage in process innovation because doing so allows their product innovations to become even more visible and effective. Yet hidden, process innovations can contribute to a company's profit, thus serving as a means to an end, rather than being a stand-alone goal per se.

With the advent of the Fourth Industrial Revolution, new digital technologies such as big data, artificial intelligence, machine-generated algorithms, virtual reality, robotics, and automation have become a reality and serve as an important means to develop process innovations in the fashion industry. Examples of process innovations include creating an agile supply chain, the Enterprise Resource Planning system, robot manufacturing such as Adidas' speed factory, Stitch Fix's subscription and styling service based on machine-generated algorithms, and using the programmed robot Chatbot as a customer service tool.

Process innovation, however, is not always led by new technologies. Process innovations in the areas of administrative improvements such as work routines, information flow, and organization structures are often led by visionary leaders and human resources. Encompassing both hard and

soft sides, this book aims to comprehend process innovation in a broader sense. In this book, you will find that process innovation occurring in the global fashion industry goes beyond the adaptation of new, innovative system and technologies.

After the introductory overview in Chap. 1, Chap. 2 deals with Italian brand Patrizia Pepe that was established in the 1970s as a micro family business, mainly using Original Equipment Manufacturing (OEM) for production. Patrizia Pepe evolved through continued innovation into a company worth 113 million euros in 2016, with 289 employees. The company's process innovation can be epitomized as "thinking organization," which leads to product and organizational innovations, and "collaborative experimentation" with supply chain partners, which creates a more flexible supply chain.

Chapter 3 focuses on Japanese lifestyle retailer MUJI's process innovation. MUJI's process innovation is unique in that its brand as well as the design concept itself is a process innovation through which MUJI provides customers with very simple products at reasonable prices, therefore making their products widely accessible to global consumers.

Chapter 4 discusses leading swimming wear brand Arena's process innovation in terms of its organizational structure, production, logistics, distribution, and IT management. While Arena is known for its innovative high-performing swimwear, its ownership has been transferred multiple times from Adidas to five different investment funds. The case shows how organizational changes—consolidation of separately run offices in France, Italy, and Germany to a single company headquarters in Tolentino, Italy—can improve operational efficiency.

The case reviewed in Chap. 5 is American subscription and style service startup Trunk Club, established in 2009 and later acquired by high-end department store Nordstrom. Trunk Club not only introduced a unique business model (i.e., customized style service with a flexible subscription), but also innovated its process for offering customized styling for its clients through offering personal stylists online as well as in offline locations called Clubhouses, as well as utilizing machine-generated artificial intelligence.

We hope this volume provides companies and academia alike with practical insights for enhancing process innovations among fashion companies. This book was made possible with the help of many brilliant individuals. Our primary and sincere thanks goes to the authors who shared in the common cause of bringing new knowledge to leaders in the global fashion industry, and who devoted their time and enthusiasm to this book. Each case was developed via one-on-one interviews with key informants,

observations, and visits to stores and factories. Without the industry leaders' inputs the rich information provided in this volume would not be possible. We are sincerely grateful to the industry professionals who were interviewed and shared their vision with the readers of this book. We cannot express enough gratitude to Ms. Naeun Lauren Kim, a doctoral student at North Carolina State University, who spent hours coordinating many needed tasks, including conducting a literature review, formatting documents, checking references, and so on. We also thank Rossella De Toma and Maddalena Franzese for finding information on process innovations in fashion and supporting bibliometric analysis, useful in writing Chap. 1. Last and foremost, we would like to extend our love to our families and colleagues who provided unfailing support and encouragement on this journey. We love you so much!

Raleigh, NC, USA  
Macerata, Italy

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# CONTENTS

<b>1</b>	<b>Process Innovation: Hidden Secret to Success and Efficiency</b>	<b>1</b>
	Byoung-ho Ellie Jin, Elena Cedrola, and Naeun (Lauren) Kim	
<b>2</b>	<b>Patrizia Pepe: Unconventional Innovation and Integration in Fashion Supply Chain</b>	<b>25</b>
	Paola Signori and Simone Guercini	
<b>3</b>	<b>MUJI: Brand Concept Creates Process Innovation</b>	<b>45</b>
	Akiko Masuda	
<b>4</b>	<b>Arena Water Instinct: Process Innovation Built-in the Company DNA</b>	<b>73</b>
	Elena Cedrola, Ksenia Silchenko, and Stefania Masè	
<b>5</b>	<b>Trunk Club: Revolutionizing the Retail Model in Fashion</b>	<b>99</b>
	Dipali Modi and Li Zhao	
	<b>Index</b>	<b>123</b>

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## LIST OF FIGURES

Fig. 3.1	MUJI hotel	48
Fig. 3.2	Boxes for sale in North America	54
Fig. 3.3	Brand portfolio	56
Fig. 3.4	Analyses of factors contributing to MUJI's success	58
Fig. 3.5	Poster from 1981: "A salmon is the WHOLE salmon (not only the middle section tastes good, but other parts do too.)" (in Japanese)	60
Fig. 3.6	The relationship between market size and target of MUJI brand concept	62
Fig. 3.7	Promotional pages on the MUJI homepage (UK)	68
Fig. 3.8	MUJI's communication methods	69
Fig. 4.1	Arena's visual identity	76
Fig. 4.2	Arena's geography: facilities and employees	79
Fig. 4.3	Arena's distribution model	80
Fig. 4.4	Arena's turnover per macro product category	81
Fig. 4.5	The history of arena's ownership (excluding Arena in Asia)	84
Fig. 4.6	Arena from 2016 until today: the first matrix organizational structure	87
Fig. 4.7	Arena from 2016 until today: the second re-organization with unification of management functions	88
Fig. 4.8	Arena's scientific network	89
Fig. 4.9	Arena Elite Team capsule collection	91
Fig. 4.10	Arena Elite Team: Gregorio Paltrinieri	92
Fig. 4.11	Competitive swimmers' profiling	93
Fig. 5.1	History milestones of Trunk Club since it was founded in 2009	103
Fig. 5.2	The Trunk Club's business model innovation	104

Fig. 5.3	Six Trunk Club Clubhouses in the United States	108
Fig. 5.4	Social media marketing on Instagram by Trunk Club	113
Fig. 5.5	Positioning map of Trunk Club	116
Fig. 5.6	SWOT analysis of Trunk Club's business model	117

## LIST OF TABLES

Table 2.1	List of companies in the Tessilform Group	29
Table 2.2	Tessilform S.P.A financial performance (2007–2016)	30
Table 2.3	Patrizia Pepe, percentage of revenues per country (2017)	31
Table 2.4	Patrizia Pepe’s retail distribution system: number of point of sales per country (2017)	33
Table 2.5	Patrizia Pepe’s wholesale distribution system: number of point of sales per country (2017)	33
Table 3.1	Consolidated financial results	47
Table 3.2	MUJI business expansion	51
Table 3.3	Opening overseas stores by year	52
Table 3.4	MUJI’s global expansion from 2015 to 2018	53
Table 3.5	Financial data of area segments	54
Table 3.6	Breakdown of sales in Japan by category	56
Table 3.7	Product samples from three core principles (Focus on “streamlining process”)	64
Table 4.1	Arena’s turnover per geographical area	81
Table 5.1	Comparison of Trunk Club with three major competitors	115