



Retail Performance in U.S. Apparel Supply Chains: Operational Efficiency, Marketing Effectiveness and Innovation

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ABSTRACT

The profitability of retailers is growing increasingly important as apparel supply chains become integrated. The current research focuses on retailer profitability in the U.S. apparel retailing sector by examining the effect(s) of different strategy approaches on firm level performance. Specifically, operational efficiency, marketing effectiveness and innovation are examined for their influence on operational and financial performance. Findings suggest that operational efficiency (alone) and marketing effectiveness combined with innovation positively influence performance in the domestic retail industry. Implications are presented for theory and practice.

KEYWORDS: Retail profitability, retail strategy, apparel management, supply chain management, strategic management

INTRODUCTION

Along with the concept and practice of supply chain management in the textile and apparel industry, channel members are becoming increasingly concerned with the profitability of their business partners. The retail organization occupies a critical position in the textile and apparel pipeline as the final provider of products and services to the end consumer (Dunne, Lusch and Griffith, 2002). Proponents of supply chain

management recognize that when a channel member (retailer) suffers lost profits, the negative effects can reverberate backwards/forwards through the supply chain (Cooper, Lambert and Pagh, 1997; Marien, 1999).

Within the apparel retailing sector we know very little about the manner that retail companies combine their structures/processes/resources to capture profits in the increasingly competitive marketplace. The