

## WANTED: SHORTER LEAD TIME

[Ibrahim Hossain Ovi](#)

Published at 12:25 am December 10th, 2020



Smartphone with an ASOS app and a keyboard are seen in front of an ASOS logo in this illustration picture Reuters

In the era of e-commerce and fast fashion, Bangladesh's long lead time could become a handicap

Retail is one of the biggest sectors that has been upended by the global coronavirus pandemic, with the enforced switch to online sales bringing a huge growth in e-commerce.

And the momentum for e-commerce will only pick up pace next year, according to a study by McKinsey & Company styled "The State of Fashion in 2021".

In just eight months, e-commerce's share of fashion sales nearly doubled from 16 per cent to 29 per cent globally, jumping forward six years' worth of growth, the report said.

Digital adoption has soared during the pandemic, with many brands finally going online, it said.

This begs the question: is Bangladesh, the world's second-largest supplier of apparel, agile enough to meet the needs of the shift in consumer behaviour?

One of the crucial elements to thrive in the era of e-commerce is the pace of delivery, so a shorter lead time would be of the essence.

"We have been working with ASOS, a British online fashion and cosmetic retailer for the last few years. The quantity of product is very small, starting with just 300 pieces," said Riad Hossain, manager (merchandising) of Tex Care, a buying house.

But ASOS wants the products fast.

"The online platforms or e-commerce sites prefer shorter lead time and smaller quantities, both of which are barriers for Bangladesh."

So the e-commerce retailers tend to take their orders to Turkey or anywhere else with a short lead time, he said.

"Bangladesh needs to significantly reduce the lead time and redesign the working pattern so that it can take small size work orders that are the norm among retailers," Hossain added.

With the existing business model, a manufacturer is happy capturing a bulk amount of work orders, said Sharif Zahir, managing director of Ananta Denim Technology.

"Now, we are in such a situation that we cannot take orders at low prices. To survive, we have to change the production techniques and grab the business of smaller retailers and a small quantity of work orders."

Small orders, in fact, pay more: if a buyer pays \$1.5 for each unit under bulk orders, he or she would pay \$2.5 for small orders.

“Since online sales will continue to prosper while physical retailers struggle, we have to change tack and move to cope with the new trend for digital platforms,” said Md. Fazlul Hoque, managing director of Plummy Fashions.

Plummy Fashions works with buyers with both physical and online stores.

“We should look to grab a share of the pie,” Hoque added.

Digitalisation is creating opportunities for small- and medium-sized garment factories, which are attributed to sell multiple items in smaller quantities, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

“This is altogether a different niche in the market to pitch in,” she added.