

Fashion retail gets a makeover with AI solutions



Unraveling the complexities of modern fashion retail

If you're in fashion retail, you know it's not all glitz and glamour. It's more like navigating outdated manual processes, siloed departments and systems, and poor data quality. Add to these struggles, fragmented planning and misaligned forecasts that lead to inventory woes and disappointed customers. Plus achieving sustainability compliance amid geopolitical shifts and supply disruptions—all while hitting sales targets and keeping margins and inventory tight.

Not having a connected end-to-end supply chain to manage all these challenges is not only burdensome it can be quite costly.

[The global retail industry continues to hemorrhage \\$1.73 trillion annually due to inventory distortions according to IHL Group.](#)

Embracing digital transformation, while daunting, is crucial for any retailer looking to thrive and maintain a competitive edge in today's fast-moving retail world. Retailers must act or risk falling behind.

Early adopters of AI and machine learning already see measurable competitive advantages:

- [2.3× higher sales growth](#)
- [2.5× higher profit increase](#)

Blue Yonder collaborated with market research specialist Vanson Bourne to investigate how organizations are addressing supply chain management, the unification of data and applications and AI adoption, surveying 800 decision-makers across retail, manufacturing, and logistics in North America, the UK, France, and the DACH region.

Findings show supply chain disruption pressures will intensify, but cognitive solutions and unified platforms with embedded AI are desired to alleviate these pressures.

- ▶ [90% of respondents see benefits in an enterprise-wide supply chain platform](#)
- ▶ [Only 22% use such a platform today](#)

This is where Blue Yonder steps in with [connected cognitive planning and executions solutions](#) on our AI-powered end-to-end platform and network giving retailers a competitive edge with **visibility** across supply chains, enhanced **agility** to respond in real-time to demand changes and disruptions, and optimized **efficiency** to make smarter, faster decisions across all teams and workflows, while also ensuring **sustainability** compliance. This ebook explores how [Blue Yonder](#) can be your partner in navigating modern fashion retail complexities.





Visibility—illuminating the supply chain for strategic benefits



Visibility within the supply chain can feel like trying to find your favorite outfit in an overflowing closet. Disconnected systems often lead to data silos in planning, allocation, fulfillment, logistics and inventory tracking, which make alignment and synchronization across the supply chain a constant uphill battle with no team looking at the same data and no single source of truth to trust.

Achieving visibility is paramount in the omni-channel world, where fragmented planning leaves retailers struggling to tie together financial and inventory plans with logistics from production to consumer, and lack of real-time inventory visibility results in fulfillment inefficiencies and misaligned forecasts that can cause very costly overstocks and out-of-stocks, straining overall business targets.

▶ **Data silos cost businesses an average of \$3.1 trillion annually in lost revenue and productivity.**

The Blue Yonder Platform seamlessly connects [cognitive planning](#) and execution solutions across your omni-channel supply chain creating a single source of truth for all teams and workflows. Cognitive planning keeps you aligned across financial, merchandise, allocation, and assortment plans with workflows that react automatically to changes in performance,

inventory, or strategy. Event-driven updates ensure that top-down, bottom-up, and in-season plans stay connected—eliminating delays, manual reconciliation, and misalignment. With always-synced planning and dynamic scenario modeling together with real-time inventory visibility, retailers can reduce markdowns, improve turnover, and plan with confidence.

Vertically integrated retailers will appreciate [demand and supply planning](#) being unified on the platform into a single solution enabling real-time data sharing. This synergy empowers retailers to craft highly optimized supply plans that drive superior inventory turnover enabling smarter planning and rapid pivots up and down the supply chain in response to changing market trends.

That single source of truth, dynamically alive within the Blue Yonder Platform as all systems communicate with each other in real-time, extends visibility to the cognitive execution solutions also. Sensing demand and inventory in real-time, enables synchronized execution across allocation, replenishment, order management, returns management, warehousing, and transportation solutions for maximum efficiency when fulfilling orders.

AI Agents add another level of visibility to the Blue Yonder Platform and Network.

With more than 25 billion AI predictions delivered every day, these new AI Agents empower our customers to see, analyze, decide, and act, enabling them to respond swiftly to disruptions, minimize delays, uncover growth opportunities within their supply chains, and increase the return on investment in their solutions.

Current AI Agents include:

- ▶ **Inventory Ops Agent** - Matches supply with demand, diagnoses issues, recommends solutions
- ▶ **Shelf Ops Agent** - Rapid at-scale planogram edits and swaps, analyzes performance
- ▶ **Logistics Ops Agent** - Optimizes routes, schedules logistics, reduces costs
- ▶ **Warehouse Ops Agent** - Optimizes labor, decisions, layouts, boosts warehouse agility
- ▶ **Network Ops Agent** - Automates logistics, manages disruptions, ensures timely deliveries
- ▶ **Tariffs Agent** - Navigates tariff complexities, optimizes cost compliance efficiently

Bata, a global footwear giant selling over 150 million pairs annually across 6,000 retail stores plus ecommerce, sought Blue Yonder's expertise to enhance visibility across its supply chain. Facing challenges in matching supply with ever-changing footwear demand, Bata required an evolution and standardization across supply chain and merchandise planning processes.

▶ "Blue Yonder's merchandising and supply chain planning capabilities enable us to plan customer offers, forecast demand and execute more efficient inventory strategies that lead to higher availability and shorter product life cycles. With a modern platform we're able to access a unified view of data, streamline our processes and enhance decision-making across our network," said Chief Global Product Officer at Bata

Blue Yonder's cloud native solutions enable Bata to tailor product plans and distribution to each store's needs, enhancing customer shopping experiences. They streamline operations, optimize fulfillment, and craft effective distribution plans for both physical and online channels, ensuring smooth operations and timely product availability for customers.



Retailers today are juggling numerous challenges in the global market—from volatile consumer demand to trade tariffs, geopolitical shifts and changing raw material prices. These issues can really eat into margins and slow down operations.

- [1.6T annual revenue growth missed due to vulnerability to disruption](#)
- [31% of companies take over 120 days to recover from disruption](#)
- [Only 7% of supply chain leaders have real-time decision execution](#)

That's where agility comes in—visibility's best friend, working hand in hand to help retailers not just survive, but thrive. Blue Yonder's AI platform is designed to keep things agile even when the market shifts suddenly. By connecting planning and execution, it provides real-time visibility and agility with superior strategic AI planning, including scenario modeling. This means brands can quickly anticipate and tackle disruptions up and down the supply chain, capabilities that traditional systems simply cannot match.

Adding to this, the Blue Yonder Network helps brands switch production locations to dodge disruptions, optimizing operations and costs.

It's like adding a turbocharge to the supply chain by extending agility across suppliers, distributors, and customers.

Take PVH, for example. They are one of the largest global apparel companies with brands like Calvin Klein, Tommy Hilfiger, Van Heusen and IZOD. They wanted to implement a system that allowed end-to-end planning and execution across their global enterprise, from product creation to consumer purchase. With Blue Yonder's tools, PVH saw better inventory control, better compliance to plan, improved collaboration, and smarter decisions across the board.

▶ [According to PVH's Chief Information Officer, "We have moved the business forward significantly by introducing tools that help us towards our goals of inventory optimization, sales growth and improved consumer satisfaction."](#)

Thanks to Blue Yonder, PVH and others like them enjoy full visibility and agility across their supply chains, aligning forecasting, replenishment, and capacity merchandise planning with execution for better inventory control and fulfillment to stay in step with consumer demand.





Sustainability—paving the path to ethical fashion



In this age of conscious consumerism, sustainability is no longer just a buzzword—it's a global imperative. However, achieving sustainability goals while maintaining profitability can be a daunting balancing act. Fashion retailers, in particular, encounter obstacles in accurately calculating carbon emissions, managing sourcing compliance due to limited visibility into supply origins, and handling waste from returns which is a mounting problem.

Addressing these challenges, our Blue Yonder end-to-end AI Platform and Network have solutions to help.

- [A staggering 60% of global emissions come from supply chains](#)
- [Luckily 40% of supply chain emissions can be reduced using readily available and affordable solutions](#)

[Blue Yonder Sustainable Supply Chain Management \(formerly known as Pledge\)](#)

is a highly accurate carbon accounting platform accredited by the Global Logistics Emissions Council (GLEC). Sustainable Supply Chain Management enables precise measurement of carbon emissions, both for the retailer and their entire supply chain, providing a true picture of their environmental impact.

Today's consumers also want assurances about the authenticity, origin, and ethical production processes of their purchases beyond tracking emissions. The [Blue Yonder Network and Supply Chain Command Center](#) take transparency a step further, offering 100% verifiable and auditable [Chain of Custody](#). With Blue Yonder's solutions, the chain-of-custody for items, shipments, and origins can be fully tracked and verified, ensuring all raw materials, intermediates, and finished products, as well as their paths through the supply chain, are traceable and adhere to ethical sourcing standards. This is crucial for consumers concerned about environmental impacts and ethical labor practices, while also offering maximum control, visibility, and compliance assurance for retailers.

And [Blue Yonder Returns Management](#) helps retailers minimize waste and maximize the reprocessing or resale of returned products quicker.

Fashion retailers are leaking profits:

- [The average e-commerce returns rate is up to 30% in apparel and footwear](#)
- [Up to 44% of apparel and footwear returns never resold](#)
- [One truckload of clothing is either burnt or sent to the landfill every second.](#)

With Blue Yonder Returns Management, our returns orchestration engine uses data and decisioning to power workflows and optimize returns journeys. Establish rules that ensure returns are efficiently routed to their appropriate destinations—whether for sale, repair, disposal or resale through a new channel—enhancing speed, sustainability, and cost-effectiveness to stop the margin leak and turn returns into a revenue stream.

By automating and streamlining your end-to-end returns process using sophisticated orchestration rules and integrating the data with your existing supply chain systems, you will see improvements in inventory planning, disposition of returns, labor costs and sustainability:

- **Up to 15% reduced cost of returns**
- **Up to 25% reduced fulfillment costs**
- **Up to 40% improvement in labor efficiency**
- **Up to 2% increase in revenue**
- [Calculate your returns ROI](#)

On the path to green fashion—Blue Yonder helps empower retailers to align their operations with measurable ESG goals, respond effectively to consumer demands for ethical and environmentally responsible products, and improve sustainability practices while also reducing waste.





Efficiency—the backbone of transformation and modernization

When discussing transformation, boosting efficiency is, without a doubt, the ultimate prize to be won. Legacy systems have a way of anchoring operations in a bygone era. They consume valuable resources that could be redirected toward more strategic and profitable initiatives. It's a bit like driving a classic car today—it might have charm but isn't quite equipped to handle the demands of modern-day traffic.

Many fashion retailers continue to manage billion-dollar businesses with spreadsheets and manual workarounds, even in the face of rapid trend changes and ever-rising customer expectations across rapidly multiplying channels.

The Blue Yonder AI Platform is engineered to increase efficiency by offering a flexible, cloud-native solution that dynamically connects planning and execution functions across the supply chain with shared data capabilities, promoting rapid, well-informed decision-making while reducing the IT burdens that typically come with maintaining traditional systems. With less fuss over maintenance costs and more attention to seamless upgrades, transformation becomes an opportunity for optimization rather than an obstacle.

▶ **By orchestrating end-to-end supply chains on a single AI platform, organizations can boost their planning efficiency by up to 60% and reduce their inventory expenses by up to 30%.**

Kappahl, a leading Nordic fashion chain, was finding it tough to keep up with demand using two homegrown systems which managed about 3,800 allocations nightly. With the complexity of managing 12,000 unique style/color combinations each season across 400 stores in Sweden, Norway, Finland, and Poland, the retailer needed a solution with more granularity and expanded capabilities to meet customer demand. By adopting modern solutions from Blue Yonder, Kappahl was able to streamline their operations, gaining efficiency, while also improving sales and customer satisfaction.

▶ **Using the most powerful artificial intelligence (AI) and machine learning (ML) technologies from Blue Yonder, order management became smooth and efficient, handling over 95% of allocations automatically, 80% of cross-dock flows, and 100% of replenishments.**

Conclusion: Charting the course to a smarter retail future with Blue Yonder

Vintage chic only applies to fashion, not technology. Retailers face challenges with legacy systems, lack of intuitive platforms, and difficulty recruiting talent expecting modern, AI-enabled workflows. Teams spend excessive time on manual processes, hindering innovation and operational improvement.

As a best-in-class end-to-end supply chain platform, Blue Yonder can help fashion retailers modernize without disruption through a flexible, cloud native platform and composable journey. Built on cloud-native architecture with open APIs and modular design, it supports low-risk transformation and future-proof extensibility. Microservices and native data integration via Snowflake make the platform AI-ready and scalable. New capabilities can be added at your own pace. Connected planning and execution, shared data, and built-in AI enable faster, smarter decisions, while AI Agents monitor and optimize processes, helping to save time and mitigate disruptions. Once on the Blue Yonder Platform, upgrades happen seamlessly keeping you in step with technology advances.

Volatile changes in their business convinced Marks and Spencer, a leading multinational retailer located in London with nearly 1400 stores globally and revenues exceeding \$13 billion, that modernizing to the cloud would actually reduce their total cost of ownership, increase their agility as demand changes, speed delivery and also give them immediate access to new functionality and innovations as technology advances.

- ▶ **“Retailers are starting to embrace the fact that extreme demand shifts are not going away. Our planning solutions give us real-time, omnichannel visibility so we can make decisions quickly and confidently. Our new cloud model further accelerates our supply chain speed to provide the best service for customers—and a modern, user-friendly and highly configurable solution for our employees.”**
- ▶ **“We’re not encumbered by the cost and complexity of running data centers, and we have immediate access to any new functionality that can help our users do their jobs more effectively. There are lots of exciting innovations in the Blue Yonder pipeline, and we can access those right away” – Head of Technology, Marks and Spencer**



We're here with you every step of the way. Seamless upgrades, lower ownership costs, and expert services reduce IT burden and make the transition from legacy systems faster, smoother and safer.

Let us help you build a transition plan that makes sense for your business.

Our [Supply Chain Advisory](#) services collaborate with you to:

- Pinpoint your most urgent business challenges
- Create a tailored phased roadmap for transformation
- On your schedule and budget
- Minimizes disruption to your team and shows measurable ROI



Blue Yonder’s expertise continues to be validated by leading analysts:

Gartner® Magic Quadrant™

- Leader 12 times for our Supply Chain Planning solutions
- Leader 14 consecutive times for our Warehouse Management solutions
- Leader 14 consecutive times for our Transportation Management solutions

Nucleus Research

- Leader 4 consecutive years for our Workforce Management technology
- Leader in 2025 for our Blue Yonder Network Control Towers, with more than 150,000 organizations on our network and 5.6 million transactions processed daily.

Trusted by over 3,000 customers and 76 of the top 100 global retail brands, Blue Yonder AI solutions deliver the scale, speed, and intelligence the retail industry demands.

Speak with a supply chain AI expert and start the transformation today

- ▶ • Discover how AI agents can enhance efficiency and reduce costs within weeks
- ▶ • Benchmark your performance against industry peers
- ▶ • Identify high-impact opportunities and build a long-term, end-to-end supply chain strategy

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