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PERSPECTIVES ON MANAGEMENT (REWORK)**

The effect of Information Technology ; E-Commerce and E-Business to
organisations in Fashion Industry in the U.K

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EXECUTIVE SUMMARY

Information Technology is one of the most important factors behind the growth of organisations. The growth of information technology (IT) systems, as well as the use of E-Commerce in organisations has been developing from the 1990s onwards (Stebbins, Sena et al. 1995). This report will examine in detail the growing importance of information technology in creating new forms of structure for organisations. Moreover, developments in IT have aided managers in adapting existing and new design models that allow an organisation's structure to change to demands or requirements.

1. Introduction

In a modern society, E-Business and E-Commerce play a vital role in the development of an organisation and the world's economy. Information Technology is significant in the survival and growth of an organisation, IT plays a key role in supporting, enhancing and maintaining an organisation. To achieve maximum potential, organisations must understand how IT, E-Business and E-Commerce work to reap the benefits they can provide. Many firms have been investing heavily into IT and E-Business systems, however the huge investment does not guarantee higher and increased returns.

According to P. Daneshvar & H.Ramesh (2010), IT and E-Business can bring numerous advantages for organisations and firms such as elimination of organisational level; greater flexibility; decentralisation and greater participation of management and employees. E-Commerce is important for a business to advance products and services for consumers and attain greater revenue and profitability through digital marketing and online consuming.

The importance of information technology, as well as E-Business can be shown throughout the history of varying organisations. They allow an organisation to facilitate better management systems and decision making, as well as the enhancement of productivity and performance. For example, Amazon was established as a small online bookseller in 1998 and has since expanding into one of the largest global companies, providing more than 100 million products and over 30 product categories (The Telegraph, 2013). Moreover, Amazon currently have 300 million active customer accounts and 40 fulfilment centres globally. To achieve that, Amazon introduced technology and information systems into fulfilment centres and production lines. The employees, management and production depend heavily on technology, as well as E-Commerce for consumer purchase and delivery.

Numerous researchers stated that technology advances, especially those in E-Business and E-Commerce made the traditional model of organisational structure and management outdated in the changing nature of 21st century. This essay will prove that this statement is justified with evidence from the analysis and justification of fashion industry in UK.

2. Definition and Backgrounds.

2.1 Information Technology and Its Application

Information Technology is defined as the usage of computers, storage, networking as well as other physical devices, processes, and infrastructure to retrieve, process, maintain and interchange all types of electronic data (Rouse, 2019). IT includes executive information systems, groupware, voice messaging, online transaction systems, electronic mail and telecommunication advances, which are fundamentally changing the nature of the workplace (Stebbins, Sena et al. 1995). Since the 1990s the growth and use of information technology in organisations and industries has been widespread.

Information Technology in organisations is considered as a process, in which all IT resources are managed by tangible resources such as: networking, hardware, people and computers. In addition to intangible resources, including software and data (S.Liao, 2003). Generating value in the process of using technology is the core purpose of IT management. To do this, the combination of business strategies along with technology is extremely important. Moreover, IT management does not only contain many basic functions in management such as staff, budget and control but also unique functions of IT like the development of software, change management, the plan of network and the support of technology (Techopedia.com, 2019). IT offers strong information processing abilities and the network provides standard and connection for digital integration (S.Liao, 2003).

The advantages of having an IT department are beneficial for all organisations. There are several applications of IT which have been proved by different authors (See Table 1.):

Table 1: Information Technology Management and Its Application

Applications	Authors
1. Decision Support	Ramesh and Tiwana, 1999; Hicks et al., 2002
2. New product development	Ramesh and Tiwana, 1999; Huang and Mak, 2000
3. Knowledge integration	Fernandez-Breis and Martinez- Bejar, 2000
4. Workflow management	Dangelmaier et al., 1999
5. Product Management	Burkett, 2001
6. Information System Development	Arch-int and Batanov, 2003
7. Automatic System	Dawood et al., 2002

Source : S.Liao, 2013

2.2 E-Business and E-Commerce

2.2.1 E-Business

E-Business is a generic term and refers to process of utilising digital information and communication to support of both from preparation to implementation. (Papazoglou and Ribbers, 2006). For instance, IBM (2003) also stated that one of their successful factors is putting all their core processes, especially those require strong flow of information online in order to improve their productivity, cut unnecessary costs. It includes both direct activities such as sales; marketing; human resource management ; accounting and indirect activities including re-engineering and change management (R.Shahjee, 2016). The application of E-Business to an organisation can bring faster traditional business functions and better communication. For example, supply chain management in most firms use the internet and technology to reduce traditional paperwork process and reduce labour and transaction cost

2.2.2 E-Commerce

E-Commerce is a part of E-Business. E-Commerce is defined as the process of trade: buying, selling, exchanging and transferring of goods, products, information or services through electronic network to with tools such as smart device to enhance business activity (A.Shemi, 2012). E-Commerce is the application of information technology to the automation of business transaction and organisation workflow. The main purpose of changing to E-Commerce is to cut the service and transactions cost, while improving the delivery speed and efficiency.

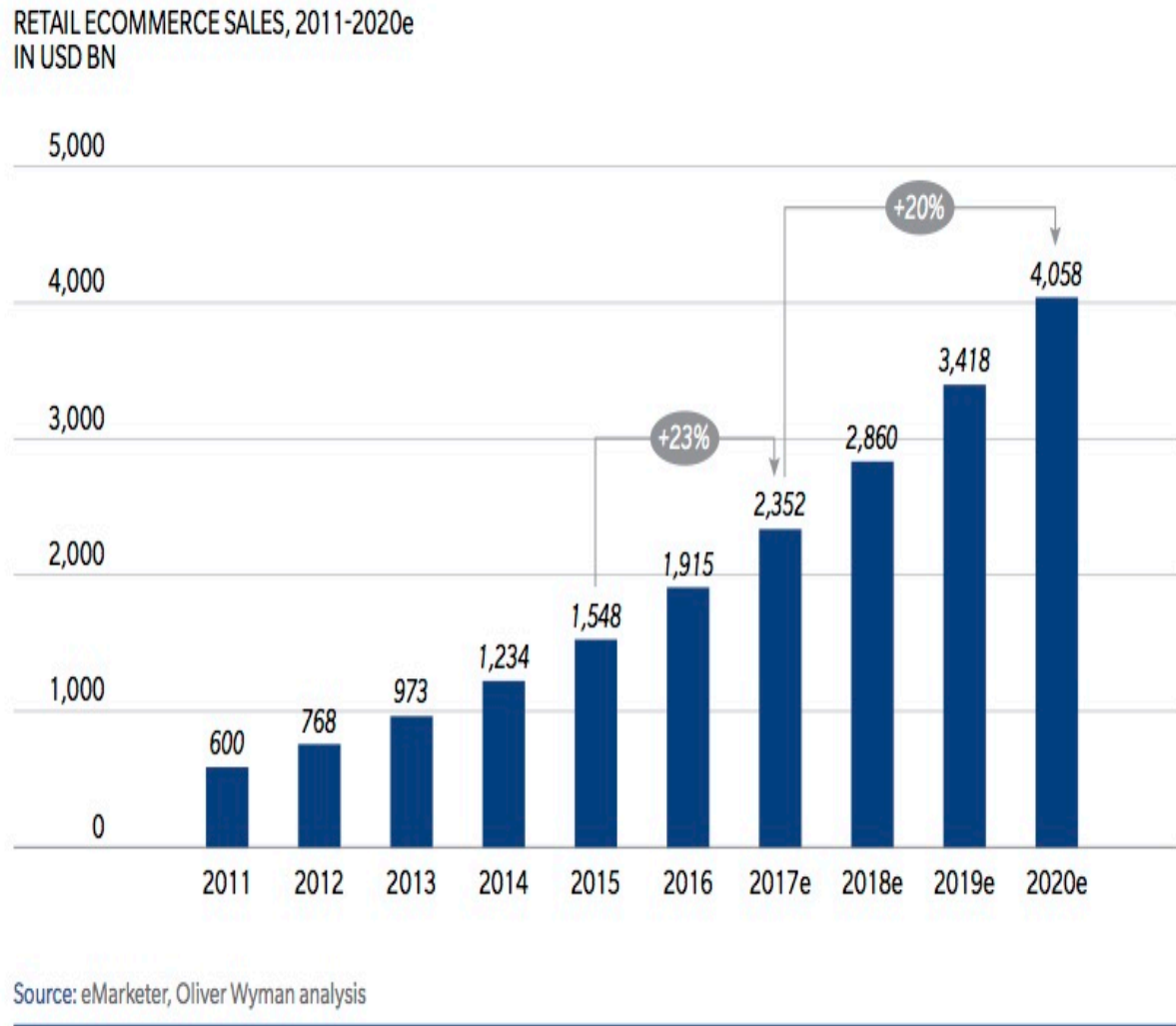
In history, Teleshopping and Electronic Data Interchange became popular in the 1970s. Early development of E-Commerce began in the 1960s and introduced through electronic funds transfer (EFT) (Turban , et .all , 2004). Online shopping was invented in 1979 by Michael Aldrich in the United Kingdom by creating his own teleshopping channel (Miva, 2011). This laid the foundation for E-Commerce, when the Internet was made available to the public in 1991. (Miva, 2011). The first online shopping transaction was the sale of a Sting CD between two friends. In addition, Amazon was one of the first E-Commerce sites to sell their products and services online in the US. Global E-Commerce sales are expected to reach \$27 trillion in 2020, which contributed significantly to the world economy (The Telegraph, 2013).

There are several models of E-Commerce, which adopted from Turban, King, Lee, & Viehland, (2004) including:

1. Business- to-Business (B2B) : When businesses or organisations co-operate with other businesses to do e-commerce. For example : Microsoft ; IBM or Intel have B2B model. It is estimated that global B2B market will reach \$6.7 trillion in 2020 (T.Meng, 2017)
2. Business -to-Consumer (B2C) : When businesses provide their products and services to individual customers
3. Consumer-to-Business (C2B): When individuals use Technology and Internet to sell their products or services to businesses.
4. Intra-business E-Commerce : All internal organisational activities and management that include the exchanges of information or services.
5. Business-to-Employees (B2E) : When organisations deliver services, information to its employees.

2.3 Trends of E-Commerce Worldwide and in the U.K

Figure 1: Growth of global E-Commerce from 2010 to 2020 (in billion U.S.D Dollars)

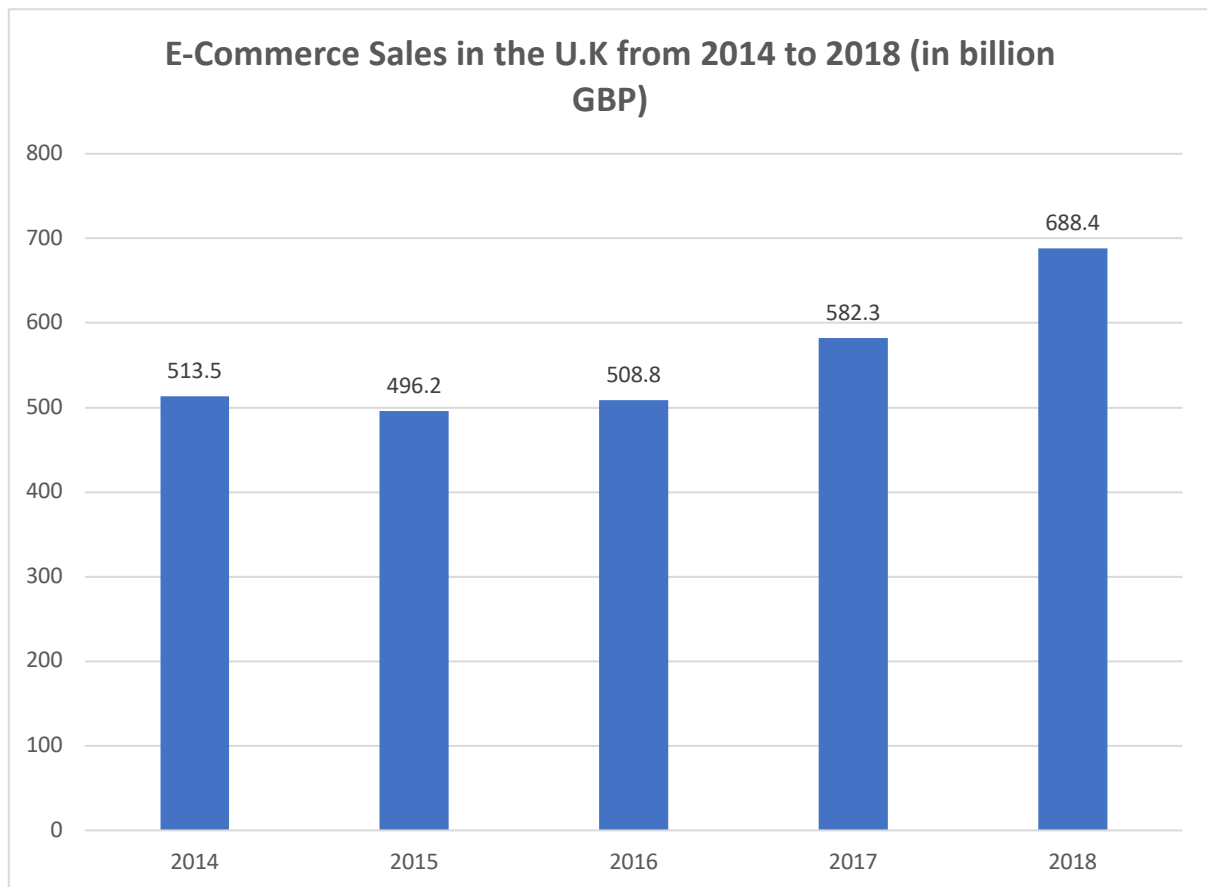


Source : T. Meng, 2017

Figure 1 shows that the value of E-Commerce sales globally from 2016 to 2020 has increased significantly from \$2 billion to \$4.058 billion. Further, E-Commerce accounted for 2% of GDP in 2015 and is growing rapidly.

United Kingdom was the third largest B2C market with \$174.2 billion online sales of goods and services in 2016, which accounted for 6.2% of GDP (T.Meng, 2017). The UK also ranked first within EU for E-Commerce market and amount of spending per individual.

Figure 2: E-Commerce Sales in the U.K



Source : Statista, 2019

As can be seen from figure 2, UK E-Commerce sales reached total of £688 billion in 2018. From 2016 to 2017, the sales went up by £80 billion. Total E-Commerce sales in the UK grew steadily from 2015 to 2018. The B2C market is larger than B2B market in the UK for E-Commerce, with £118 billion comparing to £96.5 billion (Statista, 2019). The percentage of consumers who had one purchase online at least last year grew to 97% in U.K . Therefore, the competition among businesses using E-Commerce is extremely cost-intensive and high. Mostly all businesses recently using E-Commerce to sell and trade their products, so the business has to find their own Unique Selling Point (USP).

2.4 Fashion industry in the U.K

According to Hughes (2019), the number of empty high-street stores in the UK increased to 7500 in 2018. Shop closures increased to 37% from 2018. Fashion retail brands such as New Look, Mothercare, Arcadia Group chose to close stores at several locations and slashed rent (I. Hughes, 2019). It is expected that by 2050, 95% of retail and fashion sales will be conducted online. Mobile Commerce is also huge globally and in the UK. It is expected to be worth £243.7 billion by 2020, with a rise of 55% of E-Wallet such as Apple Pay, Samsung Pay – one of the most popular online payment methods. Mobile Commerce is expected to be even more popular because of its convenience.

Figure 3: Top UK Companies by revenue in 2019 – Fashion industry



Source : The Editorial, 2019

The fashion industry is one of the largest and value-creating industries in the world. It is worth approximately £50 billion to the UK economy (British Fashion Council Report, 2019). The industry is divided into 6 sectors: Luxury, Affordable Luxury, Premium, Mid-Market, Value and Discount. Additionally there are 6 product categories: Clothing, Footwear, Athletic Wear, Bags, Jewellery and Other Accessories. As seen in Figure 3. Next Plc has the highest revenue with £4.2 billion. However, ASOS has the second highest revenue with just online E-Commerce alone with £2.4 billion. ASOS is the biggest payer in online fashion sales, the success of ASOS conveys the importance of E-Business and E-Commerce to the fashion retail industry. E-Commerce retail sales accounted for 23% of total retail sector in 2019 (A. Barsby, 2019). The UK online clothing market is expected to grow by 27.4% over the next five year, accounts for £4 billion sales.

However, with the rise of online shopping, companies need strategies to find the balance between online consumers and in-store consumers, as well as price competition. UK consumer spent over £75 billion on clothing, footwear and textiles in 2016 and continue to grow (BFCR, 2019). 54% of consumers used Internet to do their purchase in 2016, which shows that the consumers buying behaviour is shifted to online and E-Commerce. Consumer engages with technology to enhance their shopping experience. Therefore, brands need to use the advantages of technology to understand their consumer better. Consumers are now better connected, informed because of E-Commerce. Furthermore, consumer's experience and feedback are also public. Any individual can access and see the feedback to decide for their purchase. If the brand or the product got negative feedback, customers are unlikely to make the purchase and switch to other brands. Successful brands are those that invest in the right technology and E-Commerce systems that meet their customer needs and satisfaction. Fashion brands that only keep traditional business models like shopping in retail stores only are unlikely to be successful.

3. Analysis of the impact of information technology and Internet to organisational structure and management

The development of information technology can change organisational forms. According to Farhanghi et al., (2012) IT impacts an organisations structure by increasing the vertical relationship of information, resulting in better information centralisation at the peak of the hierarchy. Farhanghi et al., (2012) emphasised that IT might have huge impacts on an organisations structure by having fewer employees, a narrower span of control and reducing organisational level. Additionally, IT is not confined to one single department but can be spread across the whole organisation Farhanghi et al., (2012)

IT by the process of vertical information permits organisational structure to be more focused around routine tasks (Waiz.S, 2019). Making a firm or an organisation be more reactive in an environment . Farhanghi et al., (2012) portrayed how IT was employed to maintain flexibility in uncertain environments, indicating that the structure along with the traditional environment fails to make flexibility for firms having high centralisation and formalisation. Therefore, managers implement IT to get more information access and enhance flexibility.

There are several reasons why the impacts of IT are more efficient than a centralisation structure. Firstly, the information system helps coordination in business less costly. Farhanghi et al., (2012) indicated that the development in IT and networks has allowed managers to modify the traditional structure and make new models to be suitable for organisational design. Secondly, the aim of investing in IT is to enhance a firm's competitive advantage and performance. Farhanghi et al., (2012) claimed that the capability of IT encouraged directly to the process of improving organisation like coordination, investment, absorption, and monitoring.

In the 1960s, computers were used mainly for control and accounting in organisation (Stebbins, Sena et al. 1995). From 1990, the I.T network has been introduced to design department and managerial systems. I.T network plays a vital role for managers and leaders in managing staffs across different departments. Galbraith (1973) introduced the term 'information processing school', which highlighted that a core function of organisation focusing on processing information (Dibrell & Miller, 2002). In addition, , the aim of information processing school

is to help managers make more suitable and effective decisions on uncertain tasks. Task uncertainty is the connection of the diversified output and input resources, as well as the stage of goal difficulty. Thus, it is necessary to give suitable information to managers who will make the decision.

In fashion retail industry, ASOS is one of the most popular brands that uses E-Commerce completely, without having retail stores on the high street. ASOS is extremely popular with younger generation and has large market share. Higher market share means that the brand has higher competitive advantage in the market, creating a high barrier to entry in the market for competitors. The brand also can receive better prices and contracts from the suppliers as their buying power is large. High market share also increase the brand's profit and revenue.

The company was founded in 2000 in London by Nick Beighton. There are about 35000 products on their website with about 1500 new products added weekly. The brand attracts approximately 3.3 million users every month. The organisation has about 3500 employees and headquartered in Camden Town , London. (ASOS Plc Report, 2019)

As E-Commerce is the main activity of the brand, the managers prefer a more flexible structure. ASOS's hierarchy has been broken down creating a decentralised structure so that employees can act with authority and make decisions effectively (J.Stacey, 2019). Unlike traditional management methods, weekly board meetings include most employees, not just top managers and decision makers. The CEO decided to switch traditional key performance indicators such as profit; revenue, price and cost to customer experience and feedback alone, therefore all decisions made inside the company have to consider the voice of the customer and the benefits to them.

An aim of the senior managers is to create an environment where employees are motivated to make decisions and be creative in the workplace. Clearly ASOS understand the advantages of E-Commerce and have therefore incorporated the two models B2B and B2C successfully into their business strategy. Specifically, ASOS co-operate with different partner's fashion bands products which are sold on ASOS's platform to the consumer. Moreover, ASOS have several product lines, including ASOS Brands, ASOS Basic etc, which to sell products on the website.

ASOS is also succeeded in globalisation, due to the advantage of online business. The brand introduced free international shipping to 167 countries. According to ASOS PLC report (2019), from 2010, international sales have increased by 95% to £63 million. International sales accounted for 61% of total ASOS sales. Countries such as France, Germany, Italy and Spain are the biggest markets. Investment in technology is remains ASOS's main strategy continue to expand globally. ASOS introduced Truly Global Retail programme to allow them to trade and compete globally. New payment methods are also established for customers such as Afterpay. (ASOS PLC Report, 2019). It gives customers more flexibility to pay, which encourages their purchasing and decision making.

3.1 Use of social media and mobile devices in E-Commerce businesses

Internet and network are important factors of E-Commerce businesses to build the link and connection between consumers and firms in the market, especially in fashion industry. It helps fashion firms to determine the consumers' trends and demands, so that the firms can ensure strategies are appropriate. Social media is being used as a platform for firms digital marketing strategy. It is also beneficial for firms to engage with potential business partners through social media networks such as Facebook, Twitter and Instagram. Further, firms need to ensure brands are available in online search engines. Search engines such as Google ; Yahoo serve millions of internet users daily, who looks for their needs, purchase and solutions to their problems. Users are tend to choose the first four links or businesses that appear in the search. Appearing in the top search engines will put the business ahead of the competition. The advent of social media sites has made firms to re-consider the role of E-Commerce in business.

For example, the social networking platform Facebook, attracted 162 million users per month in 2012 and over 900 million users globally (Greer, 2016). The search engine Google had over 100 million visitors per month in the US in 2012 and still increasing till recently. Therefore, businesses have been using some tools of social networking to connect customers, managers, leaders and staff globally. Almost every company has been using social network platforms such as Facebook, Twitter and Tumblr to advertise services, products and to provide better customer service. Despite a downturn in the economy, the advertisement of E-Commerce and the internet still continue to grow (Greer, 2016). In 2011, the advertisement revenue of Google

was over \$36 billion and there was a growth of more than 10% in Internet advertising each year (Greer, 2016).

As can be seen in different fashion brands marketing strategy, most of them are advertising on social media platforms such as ASOS; BooHoo; H&M; New Look and even luxury brands and they are successful in using them. ASOS utilise Twitter as a main platform providing unique contents and accounts to attract followers. Content includes different outfit ideas with discounts and promotions, unique hashtags etc. Mobile devices are considered more convenient with on-the-go concept as consumers can browse and purchase items anytime, they want on mobile or electronic devices. In 2015, 57% of consumers used a mobile device to access the internet and purchased items. (T.Meng, 2017)

3.2 E-Business and the World Wide Web 2.0

E-Business is extremely essential for firms and organisations. The Internet was used in 1969 by the U.S government for research and academic purposes. Later, after the evolution of the World Wide Web in the 1990s, this enabled firms to share and exchange information, leverage data conveniently (Senn,A, 2004). As a result, the number of internet users has increased significantly. Mostly everyone needs internet in their daily life and work. Therefore, the exchange of goods and services among businesses and between businesses and consumers also have been rising.

Web 2.0 term was first invented by Darcy Dinucci in 1999 and introduced by Tim O'Reilly in 2004. (Senn.A, 2004). Web 2.0 term is defined as the current trends of World Wide Web (WWW) web design and technology than motivate communication, secure information sharing, creativity and functionality. Web 2.0 has established the development of online communities and hosted services including social networks, online payment, sharing etc. Web 2.0 is the foundation for social network platforms and digital marketing for organisations. There are three main networks of Web 2.0, which capitalised the organisation including (Senn.A, 2004) :

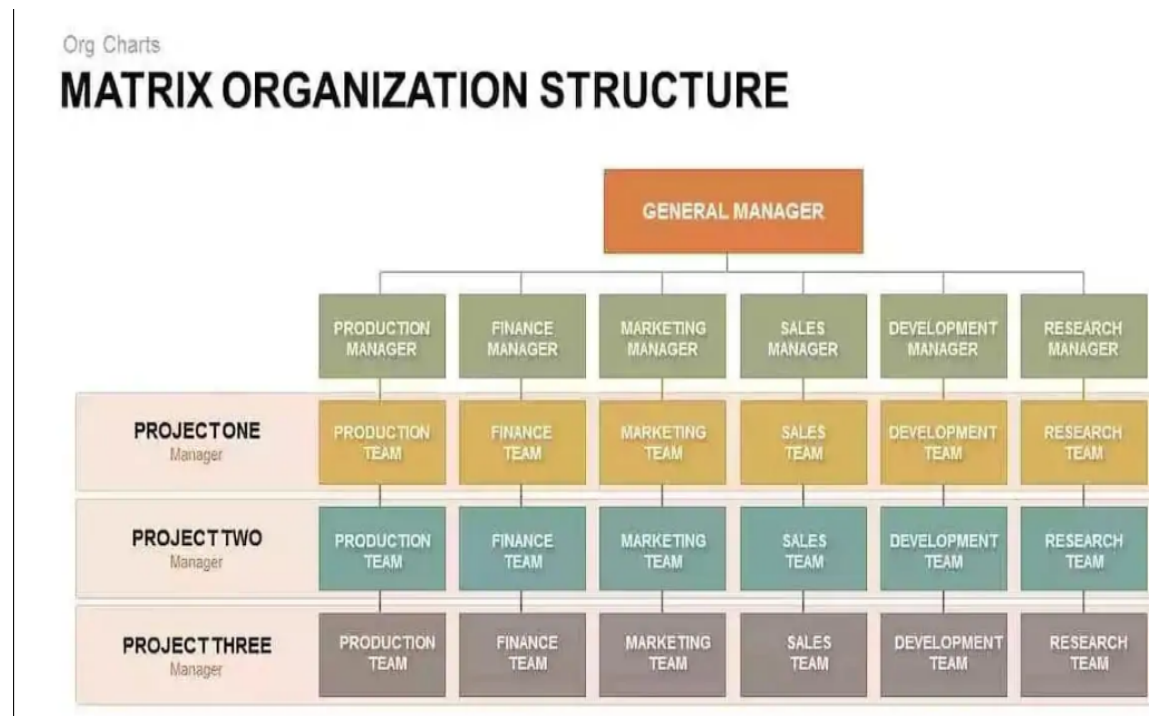
1. Network to interact internal in the organisation and manage employees
2. Links with suppliers and customers (External)
3. Combine external and internal links for effectiveness.

The application of Web 2.0 makes the data and information flow faster to employees and consumers, as well as to manage the organisation structure differently. For example, 97% of fashion brands in the UK have a website.

3.3 Impacts to organisational structure

Most firms operating in multi-project environments need to share common resources and information to deliver quality and cost-effective outputs. Due to this a matrix structure was developed in the early 1960s, and officially used in the aerospace industry in the US (Kuprenas, J.A , 2013). It became more popular because of its benefits recently. For instance, the structure includes a team project or task created to improve another product which includes engineers, professional designers or those skills in marketing, finance, and production (Riley, 2018). These teams temporarily influence to the tasks they are working on. Each member in a team can report decisions and working process to two managers or more including functional managers and team leaders (Riley, 2018). Moreover, the matrix structure is considered as a hybrid organisation in which manager makes an effort to balance the usage of human resources when people converse one project into another (Fidock, 2006). The figure below shows how matrix structure work in an organisation.

Figure 4: The Matrix Structure



Source: (Goś, 2015)

According to Grey et.al (1990), the matrix structure is the most frequently mentioned structure in the literature of organisations and it is widely used in modern firms because of its advantages. It is especially beneficial when solving an information processing problem. First, it creates lateral communication channels, which are not available in the traditional organisation structure (N.Horney & T.Shea, 2009). The matrix structure reduces the demand for vertical communication by creating a team that focused on specific a project only. Managers need to keep close contact and maintain control with other teams who are part of the project.

Second, the matrix structure enables firms to handle increasing amounts of information compared to traditional structure. The increasing communication among departments in the firm allows information to penetrate the organisation. Therefore, matrix structure will help the firm to improve decision making and response time as well as improve their flexibility to adapt to a dynamic situation (N.Horney & T.Shea, 2009).

Third, Information Technology is developing extremely fast and becoming more complex to help firms manage matrix structure. The traditional organisation structure will not be able to

provide enough flexibility and innovation for the organisation to adapt the change, comparing with matrix structure.

Organisations had not only the capability to create a fast workflow but also the capability to compete with other firms globally. This structure permitted firms to access information in the vertical and lateral way and shared information through traditional functions. The basic functions of matrix organisation include goal setting, rules or policy as well as a hierarchical structure. The stage of uncertainty task will show how these processes are created. If it has low uncertainty, these processes can be carried out with the limitation of information processing (Dibrell & Miller, 2002). To figure out the most appropriate form of this structure, it depends mostly on the level of task uncertainty. The matrix system seemed like the most efficient and effective structure to decrease the overload of information (Dibrell & Miller, 2002).

IT has converted a high-variety task to low-variety by using information system to analyse and divide different types of variety of the task and gather suitable data and resources for each task making the decision-making process easier. The delivery process in fashion industry conveys this most efficiently. For example, UPS is one of the world's largest package-delivery companies, established in 1907 by Jim Casey and Claude Ryan (T.Ling & C.K.M.Lee, 2009). In 1929, UPS began to provide global delivery service through airline. UPS delivers about 15.6 million packages and documents per day in US and around the world. The company's mission is to successfully deliver million packages and documents to lots of different locations in fast and reliable speed, however this mission is extremely risky and has high uncertainty. In order to succeed, UPS introduced online package tracking system, which customers can download and print shipping labels at home by using UPS software or the website. Information from the customer label will be transferred to UPS central network and then they will send it to nearest distribution channels for quick and accurate delivery (T.Ling & C.K.M.Lee, 2009).

In addition, UPS needed to create and develop special software to manage and give information to shipping drivers. It needed to be aware of different unforeseen events such as weather, location, contact and time. Therefore, UPS developed a unique Delivery Information Acquisition Device (DIAD) (T.Ling & C.K.M.Lee, 2009). The driver can have information about the delivery and on-screen signature confirmation from customers. All the tracking and information will be sent back to UPS central network for proof of delivery service and any customer requires later on. In order to transform from a traditional shipping company to a

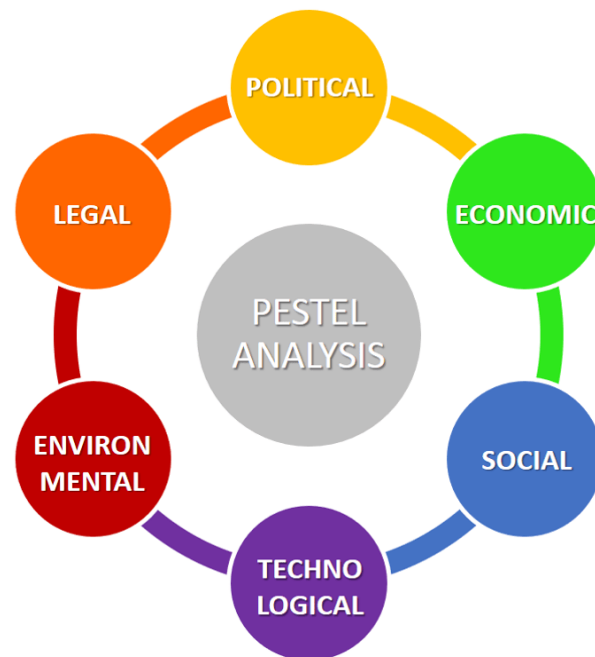
technology-driven, UPS invested over \$12billion in infrastructure and technology from 1991 to 2001 to constantly adopting latest technologies and innovation (T.Ling & C.K.M.Lee, 2009).

Investment in IT helped UPS to compete with other competitors. In comparison, UPS provide customers access and control to of package information through the network as well as flexibility in delivery time and location. Customers will find service is more valued and comfortable than other competitors. UPS also advertise and link services with every possible online channel to reach out to customers (examples). According to T.Ling & M.Lee (2009), UPS delivery system was linked to around 60000 websites so that customers can use services straight away without having to access UPS's website.

In fashion industry, a lot of large firms use the matrix structure such as the H&M group, each brand in H&M group has organisation and managing directors. Moreover, in the H&M group each brand has executive management members only responsible for individually assigned departments. Internal control is checked and evaluated annually by each central department. Executive manager teams and country managers work and interact closely to manage the organisation, through a technology network. Executive managers are responsible for internal control and management, while country managers responsible for sales and profitability in each country (Vertical and Horizontal Arrow). All ventures are divided by country, regions, area and number of stores. Therefore, information management and exchange in H&M has to be quick and secure, which only investment in IT systems can help them. In 2018, H&M group invested in logistics and technology for \$48.5 million in order to ensure a smooth and flexible organisational structure (The Retail News, 2019).

4. The impact of IT and E-Commerce to U.K fashion industry (PESTEL ANALYSIS)

Figure 5: PESTEL Analysis



Source : Waiz, 2019

4.1 Economic Impacts

In economic view, IT acts as an input into the economic supply to change the traditional form of capital and improve labour force quality (Bahrini, Qaffas 2019). IT helps firms to reduce labour cost by substituting employees and improving productivity. IT adds value to the firm level as well as the sectoral level, which leads to economic growth at the country level (Aghaei & Rezagholizadeh 2017). In addition, IT can reduce capital investment, which is relatively expensive for organisations.

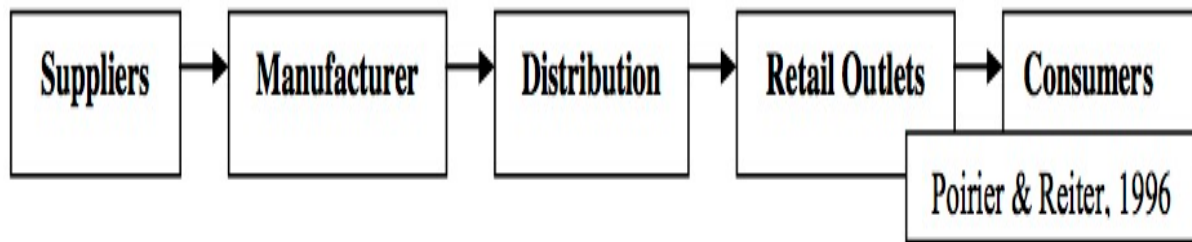
In addition, IT and E-Commerce means firms can streamline themselves, due to decreased transaction cost when buying on the market. According to Transaction Cost theory, firms focus on economising transaction and production cost. (Laudon & Laudon, 2014; p.119). For

example, working and keeping contact with suppliers, insurance, getting information for the products, buying materials, and so on are expensive. Therefore, information technology can help firms to find, compare and connect with different external suppliers, rather than producing materials or products and hiring more employees. The numbers of works be stable or decline as transactions cost decrease, and firms can raise their revenue. IT increases revenues for companies whilst dismissing no longer needed middle managers as well as working staff.

For instance, in fashion industry, fast fashion is increasingly popular and widely utilised by a lot of brands such as Zara, H&M, ASOS and Primark. Fast fashion is defined as clothing designs that move quickly from the catwalk to retail stores or online shopping sites for consumers to meet latest trends. Fast fashion enables consumers to purchase trendy clothing at an affordable price. Those fashion brands following fast fashion terms need to produce product lines and introduce it to the market as soon as possible. Therefore, they need to work with alternative suppliers in order not only to speed up the production process, but also at cheaper cost for consumer. Supply chain management needs to be effective. IT can help fashion brands supply chains operate smoothly.

Supply chain is a network and collection of physical entities between a company and its suppliers to produce and distribute the products to consumers (Laudon & Laudon, 2014). Supply chain is extremely important for fashion retail industry. It must be managed and run smoothly to keep up with other competitors. Supply chain management refers to how to lower the production costs as well as be faster in production cycle.

Companies use SCM systems to support and maintain the relationship between companies and suppliers. They support suppliers and firms distribute information concerning orders, productions, level of inventory, products deliver along with devices. Therefore, firms can produce and transform goods and services in the most effective way. The additional objective is to record the exact number of products orders and materials with production time and cost. Moreover, these systems grow a firm's profitability by reducing the moving cost and product-making, and by supporting managers to have better decisions about the way to organise and arrange resources, production as well as distribution channels. SCM systems belong to one kind of inter-organisational system due to their automation to the information flow via organisational areas. (Laudon & Laudon, 2014; p.381).



Source: A.Fouroughi et.all , 2011

Supply chain process starts from suppliers to provide raw materials and textiles and transfer to manufacturers to produce them. Finished products will be sent to different distribution centres to display in retail outlets or keep in stocks for online purchasing. With large stock for fast fashion, the process needs to be integrated fully and it is not an easy task. Internet will help the flow of information sharing between suppliers, manufacturers and firms, which results in cost reduction. E-Business and networks can be a great benefit to the supply chain management to connect all business processes to the supply chain such as sales, marketing, account and finance to eliminate internal expenses. Distribution cost can also be reduced or eliminated with E-Commerce sales. The finished products can send straight to the organisation to be sold to consumers. It results in the organisation to achieving higher profits while charging lower prices for consumers. As the fashion industry is highly substitutable, brands that can keep up with trends and quantity will gain the competitive advantage in the market. (A.Foroughi et.all, 2011)

4.2 Legal and Ethical impacts

Ethics is defined as the branch of philosophy which deals with the dynamics of decision making, in terms of what is right or wrong (G.Fuoka & M.Mantzorou, 2011). IT creates new questions about ethics for individuals and society as they change the culture. Therefore, IT can endanger the existing distributions in power, price and obligations (Laudon &Laudon 2014; p.155,156). Technology service and devices including telephone, radio, e-mail, search engines can be applied to enhance social value and culture. In contrast, it can also be used to commit crimes and endanger social value because of its insecurity and open sharing information platform on Internet network (Laudon &Laudon , 2014; p.155,156). In fashion industry, it can

relate to copy rights of products and materials, launching new fashion seasons, customer loyalty and information, therefore network security has to be extremely high.

The growth of E-Business and Internet will bring not only lots of benefits, but also harms for society and organisations. Internet recently is being widely used in organisations and society, while raising concerns to personal and privacy of firms and the use of customer information.

For example, Facebook introduced a new feature in 2007, which collected data of users, with focus on their preference and shopping habits especially (M.Hauman, 2015). However, users reacted negatively to this feature and forced Facebook to change it. Facebook and other social media websites generate profit by gathering and selling users' information to third-party advertisers (M. Hauman 2015). Not every user is comfortable with this issue. Even though users can set the level of privacy on Facebook, the issue is still happening. There is still lots of social harassments and abuse on Facebook, which Facebook cannot control completely.

Ethics is a dilemma that managers face and is debated, especially in social and political discussions. When IT brings changes into the environment, politics and laws might not support those changes and actions yet. Therefore, it is important for organisations to pay attention to ethical and political issues, which occur by adapting the development of Information Technology and innovation. For example, in fashion industry, there are several ethical issues which has been questioning by the society, such as low labour cost but heavy workload because of fast fashion trends in different countries, child and forced labour, animal testing, chemical dyes and sustainable materials. Boohoo received worst rating for Ethical Consumer management and refused to join Ethical Trade Initiative (ETI) in 2017 because of their fast fashion model. (A.Crumbie, 2019)

4.3 Technological Impacts – The network structure

The network structure can be considered as the structure counting for more objectives and flexible structure in the organisation. It includes the flexibility and control by market mechanisms, new structures and resources by strategic alliances as well as outsourcing (Dibrell & Miller, 2002). In order to operate this structure efficiently in an organisation, it takes the process of high volumes in information technology and access to information by employees and partners in their strategic alliance (Dibrell & Miller, 2002). Therefore, it is extremely

important to focus on the availability of information to all departments of the organisation by continually developing their IT network and the technological impacts to the organisation.

It is indicated organisations facing with unpredictable events must concentrate on IT, comparing with organisations followed to the predictable environments (Dibrell & Miller, 2002). Information technology helps an organisation become more reactive as well as proactive in the environment. In unstable environments, it is proved that the linkage of the traditional environment has troubles to produce flexibility for firms which are significantly centralised along with formalised. To lessen this tension between structure and environment, information technology is utilised to maintain and give more organizational flexibility, while letting them process greater environmental information.

Furthermore, firms still made use of core information systems to help them to manage and combine the organisation design and infrastructure. It was given two reasons why the application of IT becomes more effective than a centralised and formalised structure. Firstly, it supported co-ordination by making information processing less costly. Secondly, this improved the process of information so firms can control projects and tasks efficiently. (Argyre, 1999; p.162)

4.4 Other Impacts

E-Commerce and E-Business have direct impacts to organisational performance. Organisational performance refers to non-financial, financial and market performance of a business. Financial performance includes sales, profit, and revenue, while non-financial performance includes customer satisfaction, market shares and innovation. Market performance refers to cost, selling prices, size and production. Organisational performance can be measured by efficiency and effectiveness. E-Commerce can enhance and affect all level of organisational performance because it provides easier ways to search information, compare prices and pay online. Therefore, it is justified that by adopting E-Commerce to the business, organisational performance including profit, sales, customer satisfaction and market share improves significantly.

For instance, ASOS Plc profit has been increasing steadily because of E-Commerce model. ASOS's operating profit last year was £1.33 billion with revenue of £2.73 billion, 26 %

increase from 2018 (ASOS Plc Report, 2019). Non-financial performance is strong with 20.3 million customer accounts and total of 85000 products. H&M group also have strong organisational performance comparing to previous years. H&M group net sales increased by 11% to SEK 232,755 in 2019. (H&M Report, 2019). H&M strategy was to reduce stock and inventory, as well as sharpen its online presence for consumers. Whilst, investing heavily in technology and launching new online systems in stores and online website. It consists of Visual Search, Scan and Buy, In-Store Mode, Online Return and Collection.

In contrast, there are several challenges for organisation in the future if they want to compete in the market, including reducing inventory costs, speed, higher quality of products and customer services, increasing profits and so on if they do not update with new technological trends quickly. It is not easy to overcome these challenges without developing an appropriate network system. In addition, I.T and E-Commerce also develop at extremely fast speed for lots of firms to keep up with new trends and innovations.

5. Future for E-Commerce in Fashion Industry

E-Commerce sales globally will be expected to reach \$6.4 trillion in 2023 with 2.1 billion online shoppers (N.Wilker, 2020). 85% of online shoppers will expected to be from Asia Pacific Region. E-Commerce trend is expected to shift to Asia in the future. Therefore, fashion brands in the U.K can consider to enter the Asia market, especially in China. China E-Commerce sales are three times of U.K, and has been increased by 27% from 2019. Emerging market such as China ; Brazil ; Russia and South Africa are projected to be a big part of E-Commerce trend. In addition, oversea buyers are also increasing. According to N.Wilker (2020), 57% of online shoppers have purchased products from oversea retailers in 2019. Fashion brands in U.K should look into that matter by investing in technology that attracts oversea buyers.

Second, E-Commerce automation is also worth to be researched and invested in the future. Automation refers to using software to complete different tasks instead of doing by yourself to fasten the process and increase productivity. Automation can help organisations save a lot of times in mass production. It can also save employees' time and resources for other important tasks. In addition, CSR is extremely important nowadays. Sustainable supply chain

management ; manufacturing or eco-friendly fashion brands are possible future trends and goals to look at. Personalisation is also a factor that fashion brands need to consider.

6. Conclusion

This report has analysed and gave justification to prove the importance of adopting Information Technology and E-Commerce into the organisation, in terms of fashion industry. It has affected significantly to the organisational structure and traditional management style till recently. The report also showed how Information Technology allows organisations to have more flexible structure. IT supports organisations to achieve centralisation and control by vertical integration become more efficient . Moreover, the matrix form has become one of the most appropriate structures during the development process, especially in fashion industry. Therefore, it is recommend that any businesses , especially fashion brands should focus on how to improve their I.T and network structure, as well as their E-Business and E-Commerce business model to gain competitive advantage and become leaders in their own industry.

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