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Disrupting fast fashion: A case study of Shein's innovative business model

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ABSTRACT

Objective: The objective of this article is to explain an ultra-fast fashion business model and to distinguish it from the fast fashion business model as a new, innovative concept in the fashion industry that was created during turbulent times to cope with new challenges.

Research Design & Methods: The article is a single case study with an emphasis on undertaking an integrative literature review.

Findings: This ultra-fast fashion business model changed the balance of power in the fashion industry. Taking advantage of digital-only presence, extensive use of social media, AI and big data analyses, collaborative consumption, quick response, frequent assortment changes, low prices, and an ambiguous approach to the principles of corporate responsibility, the ultra-fast fashion model adapts very well to new technological and social developments, is difficult for competitors to imitate, and thus effectively creates value for price-sensitive consumers.

Implications & Recommendations: Our findings suggest that a proper combination of strategic choices and innovations in this business model can lead to competitive advantages and remarkable market performance. Indeed, right timing, the use of appropriate technologies, and favourable initial conditions all play crucial roles in the process and make the ultra-fast fashion business model potentially transferable to other industries, while at the same time difficult to imitate by established companies. Its social and economic consequences, future applications, modifications as well as the positive conditions necessary for transferability to other industries should be the subject of further studies.

Contribution & Value Added: Our central contribution involves deciphering the complex interplay and fusion of already established rules and new elements during the process of a new business model creation in the fast fashion industry. Shein's ultra-fast fashion business model offers a new strategic configuration of a business model that is very difficult to imitate and yet extends the competitive order in the industry at the same time. This article provides a framework for analysis of this model and enhances the understanding of the importance of particular business model choices and their connections for a firm's successful competitive strategy.

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INTRODUCTION

This article establishes the characteristics of a new business model – ultra-fast fashion – based on the choices and activities of Shein. The ultra-fast fashion business model has not yet been studied to the same extent as the fast fashion strategy and has rather been a subject of press articles and reports until now (Cao, 2022; Ciment, 2022; Fashion Revolution, 2022; Jones, 2021; Nguyen, 2021; Olcott & Eley, 2021). However, its inclusion as a separate topic of academic analysis is now necessary, because the ultra-fast fashion business model is an important extension of the fashion industry's competitive order (Gavetti & Porac, 2018). In this article, we explore the origins of this phenomenon that has created favourable asymmetries (Brandenburger & Stuart, 1996) that are advantageous to one company, Shein, over others in the industry.

Shein has achieved remarkable success and is currently the most popular garment retailer worldwide because of its scale, scope, and speed. However, there are visible differences between the business models and development paths of Shein and its biggest competitors, namely Zara and H&M. Shein was born digital and it focuses primarily on an online presence and extensively uses large databases and artificial intelligence (AI) algorithms. At the same time, it offers only limited transparency of its internal operations and is a subject of heated discussion regarding human rights violations and sustainability hazards despite its declared pro-environmental attitudes. For these reasons, it is important to understand better the logic of its business model better and more clearly. Therefore, we seek to extend that understanding by asking the following research question:

RQ: What innovations in the business model led to Shein's remarkable market performance and competitive advantage?

By drawing on the strategy and business model literature and an analysis of Shein's operations, we aim to contribute to the empirical research on the current disruptions in the fast fashion industry and gain a more precise understanding of how Shein's new business model differs from the existing fast fashion models.

A common definition of competitive advantage in strategic management relates to a company's attribute that satisfies simultaneously two conditions: (a) it is important to its customers and (b) it is difficult for competitors to imitate (Obłój, 2010; Obłój *et al.*, 2010). As Porter (1980) notes, each advantage has two dimensions, namely cost and differentiation. According to the resource-based view, at their roots are a company's specific resources or skills (Lee *et al.*, 2021). The theory also uses the very practical business model concept (Massa *et al.*, 2017), which has become extremely popular given the prevalence of the Internet and the ongoing trend towards the digitalisation of organisational activities (Zott *et al.*, 2011). It helps explain in a fairly holistic way the key organisational choices, solutions, and activities (Osterwalder *et al.*, 2010). Moreover, it highlights how those key activities are interrelated, creating create value for the recipient (Massa *et al.*, 2017). It also helps to understand how certain models of company activities generate new quality and change the market (Zott *et al.*, 2011). It is also consistent with the hypothesis of Gavetti and Porac (2018) stating that great strategies extend a market order during a time of turbulence.

We illustrate this development using the global fashion industry, which had revenues of approximately USD 0.99 Trillion in 2022. Most of it (USD 312.20 Billion) was generated in China (Statista, 2022). The recent changes in this industry were triggered mainly by the Covid-19 pandemic. Supply chain problems due to a shortage of materials, transportation bottlenecks, and rising transportation costs, the increase in the share of sales in the online channel (from 22.8% in 2019 to 33.8% in 2021) and the associated need to invest in digitalisation, rising inflation, and also periodic drops in demand and shrinking margins created opportunities for new entrepreneurial players (Wach & Głodowska, 2022). An example of such a player is Shein. The advantage of its business model is underscored by the fact that Shein has captured the U.S. fast fashion market in just two years, increasing its share from 18% in 2020 to 40% in 2022 and achieving a 568% sales growth (Bloomberg, 2022). In 2022, its estimated value was USD 100 Billion (Scott, 2022) and thus Shein has become a new giant in that industry.

Hence, this article revolves around the case of Shein as an example of an innovative ultra-fast fashion business model. Therefore, in the following sections, we will provide a literature review, an analysis of Shein's strategy, and its specific business model innovations. Finally, we will provide conclusions on this model.

LITERATURE REVIEW

Strategy and Business Model

In one of the first definitions of strategy, Chandler (1962) emphasised the importance of long-term goals that were to be achieved through specific courses of action and proper allocation of necessary resources. Then, Mintzberg (1987) focused on the pattern of decision-making and a company's activities. Porter (1997) defined strategy as a position of a company in the industry that allows it to act successfully to the impact of five environmental forces and achieve a higher return on investment as a consequence. Conversely, Barney (1991) puts effective competition at the centre of strategic management and ties it to satisfactory company performance.

Although the strategy literature has been characterised by conceptual proliferation, most of the approaches converge on the definition of strategy as a coherent concept of action based on a few key and complementary choices, the overall goal of which is to take advantage of opportunities, build a competitive advantage, and achieve above-average results (Obłój, 2009; Rumelt, 2022). There is also general agreement that economic success is the ultimate goal of any particular strategy. A major group of researchers associate successful economic performance with the adoption of one of three generic strategies: cost leadership, differentiation, and focus (Porter, 1980). Porter argues that companies should pursue only one strategy, otherwise, they become stuck in the middle and this conclusion was further confirmed in later studies (Adner *et al.*, 2016; Crook *et al.*, 2008; Lee *et al.*, 2021; Porter, 1985).

Definitional diversity also applies to business models. Magretta (2002) defines a business model as a story that explains how businesses work, while Amit and Zott (2010) take a narrower view and focus on the content, structure, and governance of transactions that are constructed to create value by taking advantage of business opportunities. Finally, in their review of business model definitions, Saebi, Lien, and Foss (2017) argue that many contributions stress certain necessary elements of a business model, namely, the firm's value proposition, the crucial market segment, the architecture of the value chain, and the mechanisms of value capture. In these, as well as in many other attempts to define the concept of a business model, there are frequent references to the idea of value creation and capture (Obłój & Zemsky, 2015), wherein value can be seen as the user's assessment of the novelty and relevance and appropriateness of the product or service it offers (Lepak *et al.*, 2007), which eventually leads to organisational high performance.

While improved performance may originate from improved value creation, value capture, or the combination of both, a novelty in business model design may not be enough to secure a competitive advantage over already established companies in the industry. That advantage is more about the configuration of business model activities, and indeed, research shows the importance of making compound decisions rather than discrete ones (Leppänen *et al.*, 2023). Hence, the interdependences between activities are equally crucial for maintaining a competitive advantage as making strategic choices regarding superior interdependent activities (Lanzolla & Markides, 2021).

The link between a business model and company strategy is still neither evident nor simple (Casadesus-Masanell & Ricart, 2010; Magretta, 2002; Teece, 2010; Zott *et al.*, 2011; Zott & Amit, 2010). As Teece argues, even if a good business model provides the customer with value and at the same time ensures that its creator captures a portion of it, it is insufficient to guarantee a sustainable competitive advantage. A business model must be complemented by the right strategy to guard against any imitation by competitors or to protect against the emergence of other, more innovative business models. Therefore, the business model should be linked to the strategy and the basic structure of the company (Teece, 2010; 2018).

Another approach that simultaneously links and delineates strategy and business model states that a business model should be viewed as (1) the company's theory of value creation, (2) the implementation of that strategy, (3) the monetisation of economic consequences of the strategy, (4) the organisation of the company, and a combination of the four elements, while taking into account value creation opportunities and the process of managerial decision-making (Bigelow & Barney, 2021).

In their scheme of the competitive process, Casadesus-Masanell and Ricart (2010) place the business model, especially the choice of the logic of value creation and capture, at the first level of strategy. The second level is tactical and consists of implementation choices and actions as determined by the original choice of business model. In their view, every company has a business model, because it must make certain choices and performs particular activities. However, not every organisation has a strategy understood as a definite plan of action for the various contingencies that may occur. From this perspective, which we adopt here, strategy is the creation of a system of actions that will allow the company to compete successfully and the chosen business model is its reflection (Casadesus-Masanell & Ricart, 2010; Massa *et al.*, 2017).

To sum up, strategy and business model choices play a substantial role in a company's success. They should become a comprehensive combination, because a good strategy without a proper business model may not be enough to create long-term customer value (Braun *et al.*, 2019). As presented in the following sections, the case of Shein is a complex and novel example of such a combination.

Fast Fashion

As defined by *Merriam-Webster Dictionary*, fast fashion is 'an approach to fashion design, creation and marketing that emphasises making products that are in line with current trends available to consumers quickly and cheaply.' (*Fast Fashion*, 2022). On the other hand, Barnes and Lea-Greenwood define fast fashion as 'a business strategy which aims to reduce the processes involved in the buying cycle and lead times for getting new fashion product into stores, to satisfy consumer demand at its peak' (Barnes & Lea-Greenwood, 2006, p. 2). Caro and Martınez-de-Albeniz (2015) indicated an interesting aspect when defining fast fashion. They refer to the concept of lean retailing. Many researchers described fast fashion by focusing on its negative social impacts, including environmental impact and overuse of resources at various stages of the production cycle (Allwood *et al.*, 2006; Bick *et al.*, 2018). Hence, numerous studies emphasised the need for fast fashion companies to act more consciously and responsibly and have a greater orientation towards a sustainable business model, production, and supply chain (Oliveira *et al.*, 2022; Pedersen *et al.*, 2018; Todeschini *et al.*, 2020). In the context of fast fashion, the 'throwaway culture' concept is mentioned and analysed in terms of consumer attitudes and consumer behaviour (Cline, 2012; Pedersen *et al.*, 2018).

What distinguishes fast from traditional fashion is the way the clothes are produced and how the value chain is shaped (Camargo *et al.*, 2020; McNeill & Moore, 2015). The supply chain in this sector is analysed, *e.g.*, through (1) JIT (just in time), which focuses on current deliveries and reducing warehousing, (2) agile supply chains, emphasising the importance of shorter and more flexible supply chains, responding to current demand, facilitated by the close location of production and an analysis of sales data, (3) quick response (QR) systems, the rapid replenishment of a customer's inventory by the supplier through direct supplier access to data from the customer's point of sale (Collins English Dictionary, 2018). They increase cooperation and integration and – just like demand chains – improve the efficiency of physical supplies (Barnes & Lea-Greenwood, 2010; Camargo *et al.*, 2020). Consequently, fast fashion is distinguished from traditional fashion by shorter runs, smaller quantities, and the constant change of seasons (even up to 24), and even artificially induced out-of-stocks creating a feeling of scarcity and uniqueness in consumers (fear of missing out, FOMO), and thus the need to buy immediately (Bayley & Nancarrow, 1998).

Ultimately, according to Caro and Martınez-de-Albeniz (2015), three elements determine whether a company belongs to the fast fashion sector, namely, (1) quick response (2) frequent assortment changes, and (3) fashionable clothes at affordable prices. Control of the entire value chain allows garments to be delivered almost on demand, as the production is focused on individual products rather than entire collections.

A typical fast fashion assortment can be divided into three categories, using the so-called fashion triangle (Abernathy *et al.*, 1999; Caro & Martínez-de-Albéniz, 2015): basic (40-70% of the assortment) produced in larger quantities in countries with low labour costs, fashion-basic with a more fashionable cut, and products that are produced in smaller quantities, in a closer location, using quick response systems. Decisions and authorisations are made so quickly that these products can go on sale within just six weeks. They are products that generate quick customer interest, although basic clothing is the primary source of recurring revenue. This division of the assortment requires the maintenance of dual supply chains and provides for a balance in terms of cost and production time. It also allows for frequent introduction of new products, up to 20-24 times a year. Key companies in the sector defined in this way are H&M, Zara/Inditex, Gap, Uniqlo/Fast Retailing, and Topshop (Caro & Martínez-de-Albéniz, 2015).

Technological developments, digitalisation, the changing expectations of new generations of consumers, and, finally, the consequences first of the 2008 economic crisis and then the Covid-19 pandemic have contributed to further transformations in this market segment (Monroe, 2021). Now, the segment has split into two parts: 'traditional' fast fashion and ultra-fast fashion represented by new companies like BooHoo, ASOS, MissGuided, and Shein. Their business models extended the market organisation because they focus primarily on an online presence. The ultra-fast model is based on a 'test and repeat' approach (Olcott & Eley, 2021), *i.e.*, producing very short runs (about 300-500 items), releasing them, and if the testing proves to be successful, repeating the procedure. It is also supported by very aggressive online marketing and celebrities/influencers' support. The entire production cycle has been shortened to the maximum, even to as short as two or three weeks, so consumers will have a sense of new things materialising ceaselessly and thus the need to buy them (Camargo *et al.*, 2020; Research, 2017). The prime example of this new business model is Shein.

RESEARCH METHODOLOGY

While Shein's immediate competitors have been studied extensively as key players in the fast fashion industry (Caro & Martínez-de-Albéniz, 2015; Drake & Marley, 2010; Jin & Shin, 2020; López *et al.*, 2022), mentions of Shein have only been appearing predominantly in press releases, blog posts, articles, and reports. Academic publications concerning the company are scarce. Thus, an interesting research gap has appeared and we decided to approach the phenomenon from the perspective of the strategic choices that shape Shein's strategy and business model. Following Ghauri's (2004, p. 109) suggestion that the 'case study is a useful method when the area of research is relatively less known' and also in accordance with the process-based tradition (Langley, 1999), we adopted an exploratory single-case study as the research method. Such an approach allowed us to better understand how this new business model develops and matures and compare it with those models that are currently dominant in the fast fashion industry (Yin, 2014). An emphasis was put on literature analysis as we did not have direct access to the company and the company does not disclose specific information on its operations and strategy.

Thus, our data collection began by gathering all the primary literature sources we could access, including the company's website, archival and current web news, press articles, social media sites, and the scarce reports and records published online. Our secondary literature analysis consisted of an extensive review of articles in academic and non-academic journals, industry reports and books, also accessed mainly online, using the Web of Science and Google Scholar databases. For statistical data, we consulted the Statista database. We used an integrative literature review (Torraco, 2005), recognising the key themes, and indicating and conceptualising the emerging ones to offer a thick description (Ponterotto, 2015) and a specification of the analysed business model. Taking into account that this article tackles a quite new phenomenon and potentially will encourage other researchers to further investigate it from different vantage points, a single case study based on all available, including non-academic sources, seemed to be sufficient and effective at this point.

RESULTS AND DISCUSSION

Shein sparingly manages information about itself, though its sites are the most visited in the fashion industry worldwide. With the right choice of content and marketing tools, Generation Z organises shows of purchased clothes on their social media ('Shein hauls') without the company having to finance these activities but taking advantage of impulsive shopping (Camargo *et al.*, 2020; Morgan & Birtwistle, 2009). Up to 6000 new products are added to the online store every day and the trend analysis is handled by AI, which is applied to the entire process of clothing production and distribution. Trends are captured on social media within 48 hours and it can take just two weeks to deliver the final product to customers (Cargo *et al.*, 2020)

Strategic Choices of the Ultra-Fast Fashion Business Model

Several choices and activities distinguish ultra-fast fashion from fast fashion, but the most important aspects seem to be: the greater power of consumers whose needs and expectations matter for both design and production (demand-driven supply chain) (Drake & Marley, 2010), an online-only presence, vertically-integrated e-commerce platforms, local production that is shortened even to days, minimal inventory, and flexible, lean, reactive supply chains (Camargo *et al.*, 2020). Shein has managed to develop a considerable competitive advantage over companies by using a fast fashion business model, reinforced by the use of AI and operational efficiency, specifically focused relationships, and a networked structure of suppliers.

The results presented in Table 1 summarise the similarities and differences between strategic choices that have been used by fast fashion companies and the ultra-fast fashion Shein's model (Camargo *et al.*, 2020; Caro & Martínez-de-Albéniz, 2015; Drake & Marley, 2010; Jin & Shin, 2020) supplemented by an additional element of responsible business. We will elaborate on all the elements in the following paragraphs.

Table 1. The differences between fast fashion and ultra-fast fashion business models

Strategic choices	Fast fashion	Ultra-fast fashion
Born digital	No Stationary stores: Zara 3.000, H&M 5000 Website Indirect (cost) and direct sales Investment in offline and online integration, online development	Yes Website Mobile app Direct sales – savings
Artificial intelligence and big data	Yes/No. In selected areas	Yes, at every level of the value chain
Shared consumption	Yes, the tendency to throw away clothes that are no longer wanted	Yes, the tendency to throw away already unwanted clothes + very aggressive marketing and influencers
Quick response	Yes Local production, also in Asian and African countries Cooperation with large factories Author celebrity collections Transportation costs, storage, bottlenecks	Yes Locally produced in China Matrix structure of suppliers Cloud-based management Small and medium-sized companies Individual designers
Wide range	Yes/No Approximately 500 new items per week	Yes Approximately 1000 new items per day Plus size fashion
Low prices	Yes	Yes, up to 50% lower than competitors' prices
Responsible business	Yes/No. Individual initiatives, reports	No. No transparency, no information, rather a declaration

Source: own elaboration based on Camargo *et al*. (2020); Caro and Martínez-de-Albéniz (2015); Drake and Marley (2010); Jin and Shin (2020).

Jin and Shin (2020) have listed three disruptive innovations of an ultra-fast fashion business model. The first is the online-only business (born digital), which involves the direct sale of relatively high-quality, complementary products at competitive prices, with a free offline trial. Shein operates primarily online, selling a wide range of products via its website and extremely popular app (177.49 billion downloads in 2021, 80.48 million by May 2022 (Thomala, 2022)). Since Shein does not have brick-and-mortar stores, there is no need for regular delivery and replenishment of the assortment, producing savings in transportation and storage. In this way, Shein also avoids additional postage and customs fees for transporting larger quantities of goods to international locations. The lack of physical stores also proved to be beneficial during the lockdown of many economies during the Covid-19 pandemic. Unlike *e.g.* Zara and H&M, Shein did not experience losses from stores closures and border-stopped deliveries. Orders were shipped directly from China warehouses and because the country has attained 'developing' status under the World Postal Union, Shein benefited from significant delivery discounts. Furthermore, individual shipments of less than USD 800 in the USA, GBP 135 in the UK, and EUR 150 in the EU are not subject to import duties. Low prices and a huge selection compensate shoppers for a slightly longer shipping time. Shein also establishes *ad-hoc* stationary stores in various locations that operate temporarily to reinforce the power of the brand. Customers can bring their no longer needed Shein clothes to exchange them for coupons and promotional points.

The second business model innovation is the use of AI and big data for design, trend analysis, sales forecasts, marketing, and product presentation (Jin & Shin, 2020). The data comes from customers' website profiles, apps, and social media, and its analysis allows Shein not only to predict and create trends, but also to plan production volumes and select suppliers (Li, 2021). With the help of advanced AI algorithms, Shein makes realistic demand forecasts, adapts and personalises products and styles, and also captures and creates new fashion trends. Moreover, AI enables further savings due to more flexible production and fewer errors when forecasting supply. Shein's lead in applying algorithms and relying on an extensive big data system corresponds with the custom-made tool coupled with Google Trends Finder (Li, 2021).

The third element is the development of collaborative consumption, such as flexible offerings that include renting, exchanging, and reusing a given product, usually based on consumer platforms (Jin & Shin, 2020). Shein is not yet active on a large scale in this area, although a program to exchange used items for discounts and coupons may be the first sign (Ciment, 2022). Furthermore, the use of gamification, *i.e.*, likening shopping to a virtual game with rewards in the form of more promotions, encouraging customers to organise Shein hauls, and stoking interest online, has made this brand one of the most popular on social media (Ahmed, 2021).

Shein's Business Model Specifics

The presence of Jin and Shin's (2020) generic choices in Shein's business model might be sufficient to explain the company's key competitive advantage. However, its business model also includes new, innovative elements that make its low-cost strategy difficult to imitate and more sustainable.

Firstly, Shein's response speed has been reinforced by the specific structure of its supply chain. The vast majority of production occurs in the industrial region of Guangdong in South-eastern China. Shein carefully builds and nurtures relationships with clothing manufacturers – smaller factories that work with Shein on an exclusive basis, and designers. Collaboration with small and medium-sized companies allows Shein to receive orders daily and reduce the size of those orders down to approximately 100 pieces. To reinforce suppliers' loyalty, Shein uses short payment terms – 30 days instead of 90 days, the standard in the industry. Communication occurs using a mobile app similar to the one used by Uber (Nguyen, 2021). Hence, supply chain management is done in the Cloud, which allows for fast and automatic ordering of even more of the products that are currently selling well (Olcott & Eley, 2021). Shein's matrix structure of suppliers and cloud management of the supply chain have created new dimensions of competitive advantage, because it has enabled the company to process information more efficiently and develop key product innovation capabilities that translate into cost and time reduction versus its competitors (Camargo *et al.*, 2020; Peterson *et al.*, 2010). In total, Shein works with a team of more than 1000 designers and 3000 garment factories in China (Cao, 2022).

The effectiveness of the QR system in the ultra-fast fashion sector is primarily evidenced by vertical integration, real-time communication, the introduction of technological and process innovations, efficient logistics, and flexibility and cooperation at every level of the value chain – design, production, and distribution (Camargo *et al.*, 2020; MacCarthy & Jayarathne, 2010). Favourable production conditions resulting from the 2004 regulatory liberalisation, extensive infrastructure including delivery by passenger cars, low labour and material production costs, vertical integration of the supply chain, the introduction of innovative management and communication methods, and innovations, such as solarpowered cars are an important and successful combination of factors that can hardly be replicated (Drake & Marley, 2010; Li, 2021; Peterson *et al.*, 2010).

Secondly, Shein adapts to market trends and manages frequent assortment changes better and faster than its competitors, which may be directly related to the effectiveness of QR. On average, 1000 new items appear on Shein's website per day, which was most evident during the pandemic and shipping bottlenecks – the number of new items offered by Shein outperformed Boohoo by 1385%, H&M by 6584%, and Zara by 4259% (Cao, 2022; Marci, 2022). Thus, its customers feel that Shein can meet their expectations better than other competitors, also with reference to plus-size clothing, which accounts for 19% of the assortment and outperforms Boohoo's 15% and Forever 21's 14% (Marci, 2022).

Thirdly, Shein excels in offering fashionable clothes at affordable prices. Shein's prices are lower than those of its competitors (up to 30%-50% lower than those of Zara or H&M (Cao, 2022)) and also attributable to the structure and operation of the supply chain. Cost reductions throughout the production process, even in terms of wages, may be among the plausible explanations (Jackson, 2022). The lower prices are also linked to savings in distribution, warehousing, transportation, customs, and postage. These prices, aggressive marketing, contextual advertising, the activities of influencers, and ordinary social media users, as well as discounts, coupons, and promotions, make customers add more products to their shopping carts and often even repeat purchases.

Finally, Shein's advantage over its rivals derives from the initial conditions of doing business. The Chinese giant is subject to different laws and is not burdened with the obligation to publish detailed reports. Therefore, there is no certainty about how it addresses principles related to environmental protection, sustainability, corporate social responsibility, and ensuring decent working conditions. The rather specific treatment of intellectual property rights and principles of political correctness manifests itself in products that are almost identical to those offered by rivals, or that contain sometimes religiously, socially or politically controversial symbols (Olcott & Eley, 2021).

To summarise, our description of the ultra-fast fashion business model is based on research on the fast fashion industry. As this is a new phenomenon that can be compared with the long-established one, we took recourse to the findings of Jin and Shin (2020), Caro and Martınez-de-Albeniz (2015), Camargo *et al.* (2020), Drake and Marley (2010) related to strategic choices in this industry, with an additional element referring to sustainability. Such a configuration of strategic choices may be perceived as a starting point for the analysis of the ultra-fast fashion business model.

CONCLUSIONS

This study enhanced our understanding of the importance of business model choices and the links between strategy and innovative elements of the business model. We used Shein as an example, because despite a relatively short history of development, it exhibits extraordinary performance in both financial and market terms. Our main contribution relates to the explanation of how Shein's strategic choices and innovations in the business model led to its low-cost and speed-related competitive advantages, which in turn produced remarkable market performance.

Summarising these results, we would like to point to three elements that in our view are important, both theoretically and in terms of managerial recommendations. The first is the value of timing a strategy. Much has been written about the first-mover advantage (Suarez & Lanzolla, 2007), but Shein's case study underscores very well how important are the timing of strategic choices and their implementation. While existing competitors in the fast fashion industry have tried to add an online dimension to the traditional operations that constituted the core of their business model and develop omnichannel capabilities, as a new player, Shein was able to focus entirely on the fastest growing online market segment, thereby making online domination the essence of its business model. The second significant element is the use of multiple modern technologies, which allows Shein to maintain low-cost operations despite their growing scale and scope. Thirdly, Shein's example confirms once again the importance of initial conditions for a company's success (Chandler & Hikino, 1994). As a Chinese company, Shein benefited initially from several explicit and tacit market advantages ranging from the huge scale of the Chinese market, the wide acceptance of mobile telecommunications and online markets, to low-cost suppliers and less restrictive legal conditions when they were doing business.

The managerial implications of our analysis are indeed profound. Shein's new business model contains not only crucial new choices and activities, but overall, it also represents a new strategic configuration that fits into the trends emerging in the business and social environment today. Shein's present success, growing market share, goodwill, and unflagging consumer interest lets us believe that ultra-fast fashion is not a temporary phenomenon, but rather an important business model that has become one of the standards in the fashion industry and may migrate to other industries in which online presence and the use of mobile apps can become a key competitive advantage. Further, it can be difficult for existing companies to emulate such business models as a basis of their low-cost strategy, because that would demand a change in organisational architecture (Henderson & Clark, 1990).

While the nature of a single-case study method like the one we have presented here has obvious limitations typical of qualitative studies – because it has limited external validity and does not allow generalisations – the critical case of Shein seems to demonstrate the value of mixing old principles with a new approach to business strategy in turbulent times.

Therefore, further study of this model, especially regarding its organisation and supply chain management, responsible business, marketing and communication, and the psychological issues related to impulsive buying, FOMO, the tendency to throw away and replace unwanted products with new ones may be of particular interest to understand fully the social and economic principles and consequences of its application. However, taking note of Shein's approach to managing information about their business, future research in this area could be hampered by limited access to empirical data and thus be forced to rely on second-hand analysis of the literature and web sources, which were both the limitations of this article.

Nonetheless, the ultra-fast business model noted here seems to be extending and replacing the market order in the sense expressed by Gavetti and Porac (2018). Given the possible transferability of its elements to other industries, the ultra-fast fashion business model may find its true followers and become a new standard that should be further investigated in greater detail. Whether this change will last and to what extent it allows for imitation is the question of the future, which must take into account changing market circumstances and especially the customers' growing environmental awareness and potential shift towards sustainability, less consumption, and a slower pace of life (Guillén, 2020).

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