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HOW TO NUDGE EFFECTIVE OMNICHANNEL APPROACH IN MAKING FASHION INDUSTRY CIRCULAR

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Abstract

Fashion industry is a significant contributor to climate change and responsible for over 60% of total textile usage. This necessitates closing the loop of supply chain while paying attention to responsible manufacturing and also waste management which are totally called circularity. Implementing an omnichannel policy that provides products and services through all sales channels and devices in a synchronized manner is seen to support circularity by promoting material and energy reuse. To assist decision-makers in circular transition, factors influencing omnichannel strategy efficiency were initially determined through literature review and finalized by experts' opinions from different retail countries (Brazil, Iran, Spain, etc.). Relationships of these factors were analyzed using the DEMATEL technique and evaluated by system dynamic approach and use of Iranian fashion industry data. As such, this study offers a comprehensive dynamic model applicable to all enterprises by introducing a novel framework for integrating omnichannel strategies into the fashion industry. The model encompasses customer value, demand status, service quality, brand appeal, profitability, consumer engagement, satisfaction, sales channels, and supplier interactions. Results indicate that implementing policies and orchestration distribution system with promotion levels can enhance supply chain efficiency. Optimized omnichannel strategy which emphasizes the use of innovative technology and online sales channel could make supply chain integrated and more efficient as such. Experts emphasize the importance of service customization, allowing users to return products through different channels. This enhances consumer experiences.

Key words: circular economy, customer behavior, omnichannel, supply chain, system dynamics

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