

Challenges in Inventory Management Practices in Fast Fashion Industry: Special Reference to Kandy District of Sri Lanka

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Abstract

The fast fashion industry in Sri Lanka has grown rapidly driven by shifting consumer trends and increasing demand for affordable trendy apparel. Despite this growth, effective inventory management remains a critical challenge, directly influencing operational efficiency, profitability, and sustainability. This study examines the key challenges faced by fast fashion businesses in managing inventory within the Sri Lankan context. A mixed-methods approach was employed, combining surveys of retail operators with in-depth interviews with supply chain managers. Accordingly, 47 respondents from fast fashion industry in the Kandy District were interviewed. The findings reveal that inaccurate demand forecasting, prolonged lead times, technological gaps, and logistical inefficiencies are major obstacles to effective inventory control. Moreover, evolving consumer expectations and the rise of e-commerce further intensify these challenges, necessitating agile and responsive inventory practices. The study highlights the importance of adopting advanced forecasting techniques, integrating digital solutions, and streamlining supply chain processes to optimize inventory management. Addressing these challenges will enable fast fashion retailers in Sri Lanka to reduce operational costs, improve service quality, and enhance competitiveness in the global market. This research contributes to the literature on inventory management in emerging markets and provides practical insights for industry practitioners.

Keywords: demand forecasting, fast fashion, inventory management, logistical inefficiencies, supply chain challenges