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What is fast fashion?

With a focus on ultralow prices and condensed production cycles, fast fashion gets new styles to customers at a record pace—and creates sizable environmental and social challenges.

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Fashion is fun. If you've ever seen a makeover montage in a movie, you're well familiar. Trying on, buying, and keeping clothes to reflect our various moods fulfills complex human needs for comfort and individual expression—as well as for consumption.

Fashion is also serious business. In 2023, the global industry's estimated worth was $1.7 trillion. And more than 300 million people from all over the world work on clothes somewhere along the value chain. From 2000 to 2014, clothing production doubled, and the number of garments purchased per capita increased by about 60 percent. This is in part due to the rise of fast fashion.

Fast fashion retailers move, well, faster than their traditional counterparts do. This means that they compress production cycles and turn out up-to-the-minute designs, enabling shoppers to not only expand their wardrobes but also refresh them quickly—and cheaply.

And shoppers, it turns out, love a new look: according to *The State of Fashion 2024 report*, published by The Business of Fashion and McKinsey, 40 percent of US consumers and 26 percent of UK consumers shopped at fast fashion giants Shein or Temu in 2023. Taking into account other fast fashion retailers would likely have made that number much larger. And according to recent data from *The State of Fashion 2025*, fast fashion retailers have consolidated their position in the American market: retailers such as Shein and Temu are now the primary online fashion marketplaces in the United States—fast or otherwise.

What are the challenges with fast fashion?

The fast fashion industry, for all its extraordinary growth, is also responsible for considerable waste. People are buying more clothes than ever: by 2030, global apparel consumption is projected to rise 63 percent, to 102 million tons. And fast fashion consumers are quick to throw clothes away. Some estimates suggest that consumers treat the lowest-price garments as nearly disposable, discarding them after only seven wears. For every five garments produced, the equivalent of three end up in a landfill or are incinerated each year. And total greenhouse gas emissions from the production of textiles clock in at 1.2 billion tons a year—that's more emissions than all international flights and maritime ships combined. Reports also indicate that some clothing factory workers are underpaid and exposed to unsafe workplace conditions.

The true costs of fast fashion are coming into focus, especially for millennials and Gen Zers. Young people are becoming more mindful of sustainability with respect to how they consume. They're also keenly aware that the fashion industry is a major contributor to global warming. Half of Gen Z shoppers in China, according to a survey about sustainable consumption, said they aimed to buy less fast fashion. But, according to The State of Fashion 2025 report, there's a critical gap between action and intention. While 46 percent of UK shoppers say they avoid buying fast fashion, more than half made a purchase at a fast fashion retailer in the past year.

How can the fast fashion industry give itself a sustainability makeover? Read on to find out.

Learn more about McKinsey's Apparel, Fashion & Luxury group and Sustainability Practice.

What is ultrafast fashion?

If fast fashion retailers speed up traditional product cycles, ultrafast fashion moves even faster. In the 1990s, the Spanish retailer Zara was one of the first fast fashion retailers to break the mold, offering hundreds of new items per week. As of 2023, the Chinese ultrafast fashion retailer Shein consistently churns out up to 10,000 new designs *per day*. And Shein's products, on average, are considerably less expensive than its older fast fashion counterparts were. Shein's average SKU price is $14, compared with $26 at fast fashion retailer H&M and $34 at Zara.

Shein has grown dramatically in recent years. In part because of a surge in online sales and digital adoption rates, the company more than doubled its market share in the United States during the COVID-19 pandemic. It's now the second-most-popular shopping website (after Amazon) among America's Gen Zers. In 2022, Shein's valuation peaked at $100 billion before dropping to as low as $45 billion in early 2024 due to the anticipation of increased regulation and legal issues.

How are fast fashion companies evolving the business model?

Ultralow prices are critical to the success of the fast fashion business model, as are condensed production turnaround times. Upstart fast fashion retailers are updating the model in several ways:

— *Agile, scalable manufacturer-to-consumer supply chains.* Some next-generation fast fashion companies have developed large networks of suppliers that often manufacture exclusively for these companies.

— *Data-driven product design and testing.* Some companies—Shein, for instance—use demand-driven trend modeling to design and select their products. This includes a range of data inputs, from current trends to viral products to customer perception.

— *Loyal and growing customer bases.* Companies are feeding their customer bases through affiliate marketing influencer programs and organic social community building, which lower customer acquisition costs.

— *High app adoption rates and engagement tactics.* Companies have gamified their app experiences, allowing customers to earn loyalty points by setting up accounts, leaving reviews, watching live streams, and more.

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How are fashion organizations addressing sustainability concerns?

Most fashion companies, fast and otherwise, are behind on their 2030 decarbonization goals. McKinsey's *State of Fashion 2025* report found that brands in general are deprioritizing sustainability—for example, by pushing back or dropping their net-zero targets: 63 percent remain behind on their sustainability commitments. In line with that trend, many fashion brands are scaling back their commitments.

Shoppers have proved less willing than hoped to pay extra for eco-friendly products. But sustainability must remain at the top of the agenda. The fashion organizations that choose to approach sustainability with a long-term mindset—even while battling short-term problems—will ultimately be rewarded with a competitive advantage.

The brands that execute sustainability strategies most successfully incorporate sustainability components into existing roles rather than creating entirely new ones. And success as a sustainability executive can open doors to the top job, as in the case of Helena Helmersson, who served as CEO of H&M from 2020 to 2024 after being promoted from head of sustainability.

How can fashion players meet their decarbonization targets?

Keeping pace with sustainability targets has proved challenging across the fashion industry. About two-thirds of brands, according to McKinsey analysis, are behind on their own decarbonization schedules. And 40 percent have seen their emission output increase since making their sustainability commitments.

But abating emissions doesn't have to be as costly as fashion executives might think. McKinsey research indicates that most fashion brands could reduce their emissions by more than 60 percent for less than 1 to 2 percent of their revenues. Here are six ways that fashion companies can work toward their decarbonization targets:

— *Create commercial value from sustainability efforts.* What do consumers care about with respect to sustainability? Fashion players should understand their consumers' priorities inside and out and work actively at every level to translate their sustainability goals into powerful consumer offers.

— *Focus on material transition and tier-two-supplier energy transition.* Transforming fibers into garments—a fossil-fuel-heavy manufacturing process in many countries—accounts for around 70 percent of the industry's emissions. Innovative, lower-cost green materials (such as cotton replacements, recycled materials, and bio-based leather alternatives) are becoming widely available. In pursuit of the energy transition, fashion brands can work with their suppliers on energy efficiency improvements, energy-production-technology shifts, and renewable-electricity accessibility.

— *Build a carefully prioritized road map.* A well-defined plan should answer both the "what" and the "how" of transforming a fashion business's decarbonization strategy faster and at lower cost. Fashion brands that take ambitious approaches to their strategies can benefit from becoming market leaders.

— *Get granular on data.* Primary data—that is, data collected in-house—are key for fashion brands to achieve decarbonization goals, comply with sustainability regulations, and provide consumers with the sustainability information that they want.

— *Boost execution and transformation management.* Top-level sustainability targets and a dedicated team can't accomplish much without a solid transformation plan. An action-based approach is needed, with systematic progress tracking and clear governance.

— *Make collaborations action oriented.* Collaboration is required if the fashion industry as a whole is to achieve meaningful progress on sustainability. Brands with substantial supplier overlaps, for example, could jointly define decarbonization pathways and invest together in supplier decarbonization initiatives. Brands could also collaborate with financial institutions to help suppliers get better access to sustainability-linked financing.

Learn more about McKinsey's Apparel, Fashion & Luxury group and Sustainability Practice—and check out fashion-related job opportunities if you're interested in working at McKinsey.

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