



# Better Buying™ Index Report 2024

Purchasing Practices Performance in Apparel,  
Footwear, and Household Textile Supply Chains



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## ABOUT BETTER BUYING INSTITUTE

Better Buying Institute reimagines supply chain sustainability, leveraging data to strengthen supplier-buyer relationships and improve purchasing practices that drive profitability while protecting workers and the environment. Better Buying's programs provide retailers, brands, suppliers, and industry with data-driven insights to help drive lasting improvements in global purchasing practices.

Our activities fall into three main areas: conducting independent research; operating a ratings and evaluation platform that provides buyers and the public with information about buyer purchasing practices; and conducting projects and training on supply chain industry practices to support innovation and promote change.

## BETTER BUYING'S VISION

Buyers and suppliers work together with responsible purchasing practices to achieve shared goals of profitability and social and environmental sustainability.

## BETTER BUYING'S MISSION

Better Buying's mission is to support:

- **Buyers** in treating their suppliers as trusted and respected partners whose insights are critical to building resilient supply chains, using feedback data to fully understand the impact of their actions, and making continuous improvements to their purchasing practices
- **Suppliers** in feeling safe and confident engaging with buyers, providing feedback, and co-creating solutions to shared business challenges.

More at [www.betterbuying.org](http://www.betterbuying.org).

Report written by Eunmi Lee, Senior Manager of Research,  
Dr. Marsha A. Dickson, President and Co-Founder of Better Buying Institute.

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## ACKNOWLEDGEMENTS

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## KEY



Planning and Forecasting



Design and Development



Cost and Cost Negotiation



Sourcing and Order Placement



Payment and Terms



Management of the Purchasing Process



Win-Win Sustainable Partnership



Best Practices

# 1. Introduction

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A total of 27 buyer companies participated in Better Buying's eighth annual ratings cycle during Q2 2024, an increase of one company from the 26 companies in the previous year. Of these, 22 participated in consecutive ratings cycles, continuing from 2023, enabling year-over-year comparisons to be made. Each subscriber company received a full Excel-based report of its performance in each of Better Buying's seven categories of purchasing practices compared against a relevant industry benchmark.

Economic uncertainty, driven by political, social, and environmental factors, hampers the predictability of global business, affecting both corporate investment decisions and consumer confidence. Due to uncertainties in consumer preferences and demand, the Softgoods industry—including apparel, footwear, and household goods—is facing multiple challenges across the supply chain, from raw material procurement and production to transportation and inventory management.

In the BBPPI 2024 ratings cycle, these uncertainties played out within a range of purchasing practices. Overall, we have seen decreases in forecasting in advance, regularity of forecast updates, and product adoption rates. Changes in these practices were different, however, when looking at buyers of fashion goods compared with buyers of sporting goods.

This report focuses on consumer-demand uncertainty as reflected in the purchasing practices of subscriber companies with their suppliers. It also examines the

improvements made in the Win-Win Sustainable Partnership category, which saw a significant score increase compared to the previous year.

## KEY TAKEAWAYS

1. The overall Softgoods score increased by 1 point, from 66 to 67; however, individual category scores and performance in certain practices reveal a more mixed and nuanced picture of the purchasing practices of global brands and retailers.
2. Statistically significant correlations were found between most categories of purchasing practices, highlighting the importance of a holistic approach, as improvements or declines in one area can impact other areas.
3. Sporting Goods buyers performed better than Fashion Goods buyers across all purchasing practice categories, with particularly large differences in Planning and Forecasting, Design and Development, and Payment and Terms.
4. There was an increase in ratings for more fashion-oriented buyers compared to the previous year, with buyers in this category struggling to manage uncertain consumer demand.
5. The Win-Win Sustainable Partnership category experienced substantial improvement, particularly in audit harmonization, with more suppliers reporting that buyers accepted recently completed audits instead of conducting their own.
6. Similar to previous years, most suppliers (38.7%) selected the Planning and Forecasting category as the most important priority area for improvement.

# 2. Scores and Ratings

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## OVERALL PERFORMANCE

1,273 suppliers submitted a total of 1,553 ratings. Of these, 1,300 were Softgoods ratings, while the remaining 253 were Hardgoods ratings. This report analyzes the results of the 1,300 Softgoods

ratings, which evaluated 40 buyers. Out of these, 27 are Better Buying™ subscribers, accounting for 1,287 of the supplier ratings.

The Management of the Purchasing Process category recorded the highest score of 91 across the seven

purchasing practices categories. The Sourcing and Order Placement category has consistently received the lowest score among the seven purchasing practices categories since the BBPPI ratings cycle began, with this trend continuing in 2024.

**Understanding the interconnectedness between various purchasing practices across different categories, and how performance in one area is related to performance in others, allows for a more holistic approach, helps buyers identify ways to work in supportive and cross-functional ways, and ultimately drives improvements.**

When examining the correlations between category scores, it was found that, except for the relationship between Payment and Terms and Win-Win Sustainable Partnership, the relationships between all other categories were statistically significant (see Table 1). In particular, moderate correlations were observed between Planning and Forecasting and Sourcing and Order Placement (.324), Planning and Forecasting and Design and Development (.296), and Cost and Cost Negotiation and Management of Purchasing Process (.276).

These correlations can be seen as evidence that the seven purchasing practice categories are interconnected, indicating that improvements or declines in performance in one category, such as Planning and Forecasting, can influence multiple other categories (i.e., Sourcing and Order Placement).

STARS RECEIVED	SCORES (2023 n=1,241)	SCORES (2024 n=1,300)
Overall <span style="float: right;">★ ★ ★</span>	66	67
Planning and Forecasting <span style="float: right;">★ ★</span>	59	59
Design and Development <span style="float: right;">★ ★ ★</span>	73	72
Cost and Cost Negotiation <span style="float: right;">★ ★ ★</span>	73	73
Sourcing and Order Placement <span style="float: right;">★</span>	28	28
Payment and Terms <span style="float: right;">★ ★ ★</span>	70	71
Management of the Purchasing Process <span style="float: right;">★ ★ ★ ★ ★</span>	91	91
Win-Win Sustainable Partnership <span style="float: right;">★ ★ ★ ★</span>	72	78

Figure 1. Overall Better Buying™ Purchasing Practices Category Scores and Stars Received

	P&F	D&D	C&CN	S&OP	P&T	MoPP	WWSP
P&F	1						
D&D	.296**	1					
C&CN	.184**	.274**	1				
S&OP	.324**	.252**	.265**	1			
P&T	.176**	.187**	.185**	.194**	1		
MoPP	.219**	.162**	.276**	.220**	.195**	1	
WWSP	.138**	.060*	.089**	.210**	-.001	.103**	1

Table 1. Pearson Correlations in Different Category Scores

Note. Significance levels are \*  $p < .05$  and \*\*  $p < .01$  (2-tailed).

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## YEAR-OVER-YEAR IMPROVEMENTS AND DECLINES

Results for the BBPPI 2024 ratings cycle were largely consistent with the 2023 cycle across all categories, except for Win-Win Sustainable Partnership. The overall score increased by 1 point from the previous year, reaching 67 points. Both the Payment and Terms (P&T) and Win-Win Sustainable Partnership (WWSP) categories saw improvements compared to the previous year, with Win-Win Sustainable Partnership experiencing a notable 6-point rise, going from 72 points last year to 78 points.

In contrast, the Design and Development (D&D) category saw a slight decline, with a 1-point decrease compared to the previous year. The remaining categories – Planning and Forecasting (P&F), Cost and Cost Negotiation (C&CN), Sourcing and Order Placement (S&OP), and Management of Purchasing Process (MoPP) – maintained the same scores as in 2023.

The low variability could be viewed as a positive indication that Better Buying™ subscribers are maintaining consistency in key purchasing practices. However, it may also suggest the challenges of focusing

efforts on improving various purchasing practices simultaneously while making progress across all areas. Similar to last year, around five hundred suppliers (38.7%) selected the Planning and Forecasting category as a priority for improvement this year.



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## YEAR-OVER-YEAR IMPROVEMENTS AND DECLINES

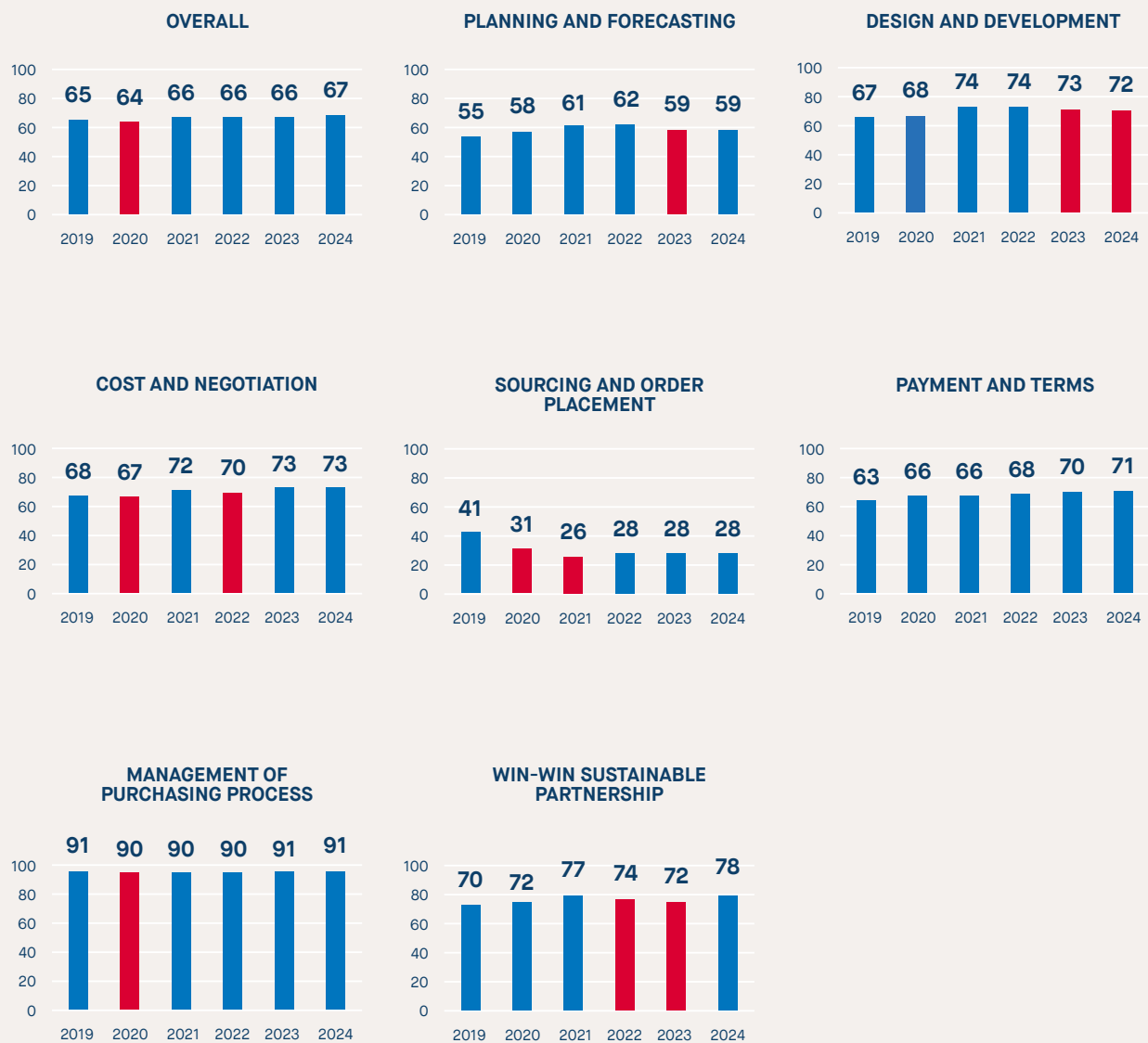


Figure 2. Year-over-Year Increase and Decrease in Category Scores

Note. Blue bars indicate score increases or stability, and red bars indicate decreases year-over-year.

Looking at the changes in BBPPI 2024 overall scores by subscriber, 16 out of the 22 companies saw an increase, 4 saw a decrease, and 2 remained the same from the previous year. More than 70% of repeat subscriber companies saw an increase in their overall BBPPI score.

One subscriber achieved remarkable improvements in Win-Win Sustainable Partnership with a 23-point increase from last year. Another achieved a 16-point rise in their Cost and Cost Negotiation score. There was also a subscriber who achieved a 13-point increase in the Planning and Forecasting category.

### BETTER BUYING™ SHOUT OUT!



One subscriber improved their score in the Win-Win Sustainable Partnership Category by 23 points compared to 2023, another achieved a 16 point increase in Cost and Cost Negotiation, and a third improved on Planning and Forecasting by 13 points.

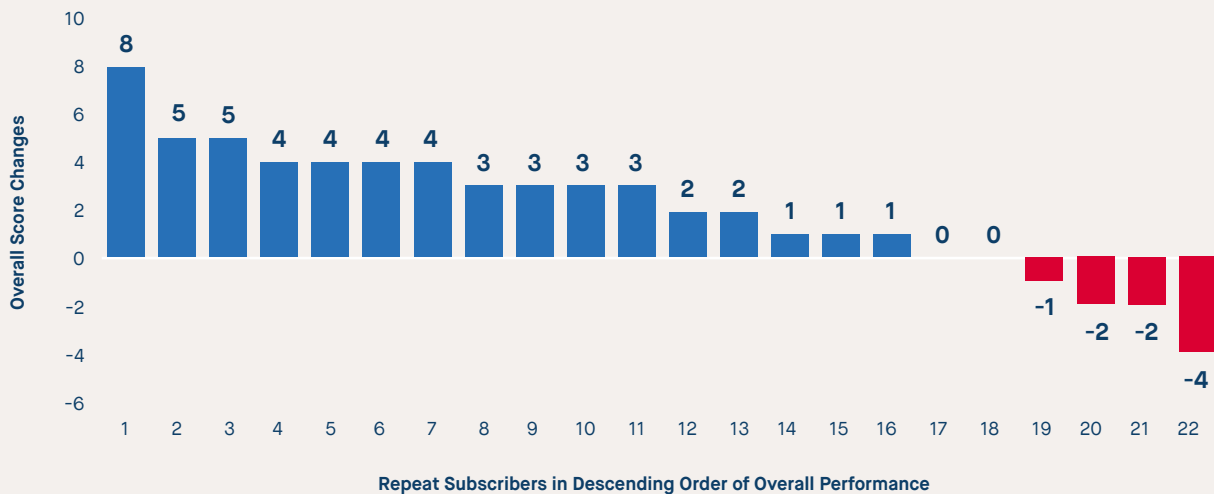


Figure 3. Year-over-Year Increase and Decrease in Category Scores

Note. Blue bars indicate score increases and red bars indicate decreases year-over-year.

# 3. Key Findings

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## SCORES DIFFERENCES BY BUYER TYPE

The BBPPI 2024 ratings cycle, saw an increase in ratings for more fashion-oriented buyers compared to the previous year, leading to a rise in Softgoods ratings from 1,241 to 1,300. Buyers within the Softgoods category were broadly classified into two groups: Sporting Goods, and Fashion Goods.

Consumer demand for Sporting Goods tends to be more stable and predictable, as preferences in sportswear and equipment are often driven by functionality, performance,

and specific sports seasons or events. Furthermore, certain staple items in sporting goods remain consistent, which helps to reduce demand uncertainty. By contrast, Fashion Goods face much higher demand uncertainty due to rapidly changing trends, seasonal shifts, unpredictable buying behavior, and the influence of social media or celebrity culture.

The two buyer types have distinctively different purchasing practices. Table 3 compares the scores for the two buyer types, Sporting Goods and Fashion Goods, across seven categories.

Sporting Goods buyers showed better performance than Fashion buyers across all categories, with particularly large differences in Planning and Forecasting, Design and Development, and Payment and Terms.<sup>1</sup>

**Sporting Goods buyers showed better performance than Fashion buyers across all categories, with particularly large differences in Planning and Forecasting, Design and Development, and Payment and Terms.**

SPORTING GOODS BUYERS		FASHION BUYERS	
Adidas AG	Macpac	Amazon Services, Inc.	Mango
Amer Sports	MONTANE LTD	American Eagle Outfitters	PVH Corporation
Apropoz Distribution Inc.	New Balance Athletics, Inc	Costco Wholesale	Ralph Lauren Corporation
Brooks Sports	Nike Inc.	Decathlon SA	Reformation
Deckers Outdoor Corporation	Patagonia, Inc.	EILEEN FISHER, Inc.	Sainsbury's
Fanatics Apparel, LLC	Puma	Fat Face	Seasalt Limited
Fenix Outdoor International AG	SanMar	Gap Inc	Target Corporation
LT Apparel Group	Under Armour	G-Star RAW C.V.	Vera Bradley
Lululemon		Kathmandu	VF Corporation
		KiK Textilien und Non-Food GMBH	Vineyard Vines
		Kmart Australia Limited	Wolf Lingerie
		L,L. Bean, Inc.	

Table 2. List of Sporting Goods and Fashion Buyers in BBPPI 2024 Ratings Cycle

<sup>1</sup> Overall: t = 9.978, p < .001 (2-tailed); P&F: t = 7.984, p < .001 (2-tailed); D&D: t = 14.388, p < .001 (2-tailed); C&CN: t = 4.407, p = .010 (2-tailed); S&OP: t = 2.442, p = .015 (2-tailed); P&T: t = 10.325, p < .001 (2-tailed); MoPP: t = 1.284, p = .199 (2-tailed); WWSP: t = .983, p = .326 (2-tailed)

BUYER TYPE	OVERALL	P&F	D&D	C&CN	S&OP	P&T	MoPP	WWSP
<b>Sporting Goods</b> (n = 424)	72	66	81	78	30	79	92	79
<b>Fashion</b> (n = 876)	65	55	68	70	28	66	91	77
<b>Difference</b>	7	11	13	8	2	13	1	2

Table 3. Comparison of Category Scores by Buyer Type

Note. Sporting Goods buyers sell sportswear and sporting equipment products, while Fashion Goods buyers sell products such as apparel and footwear.

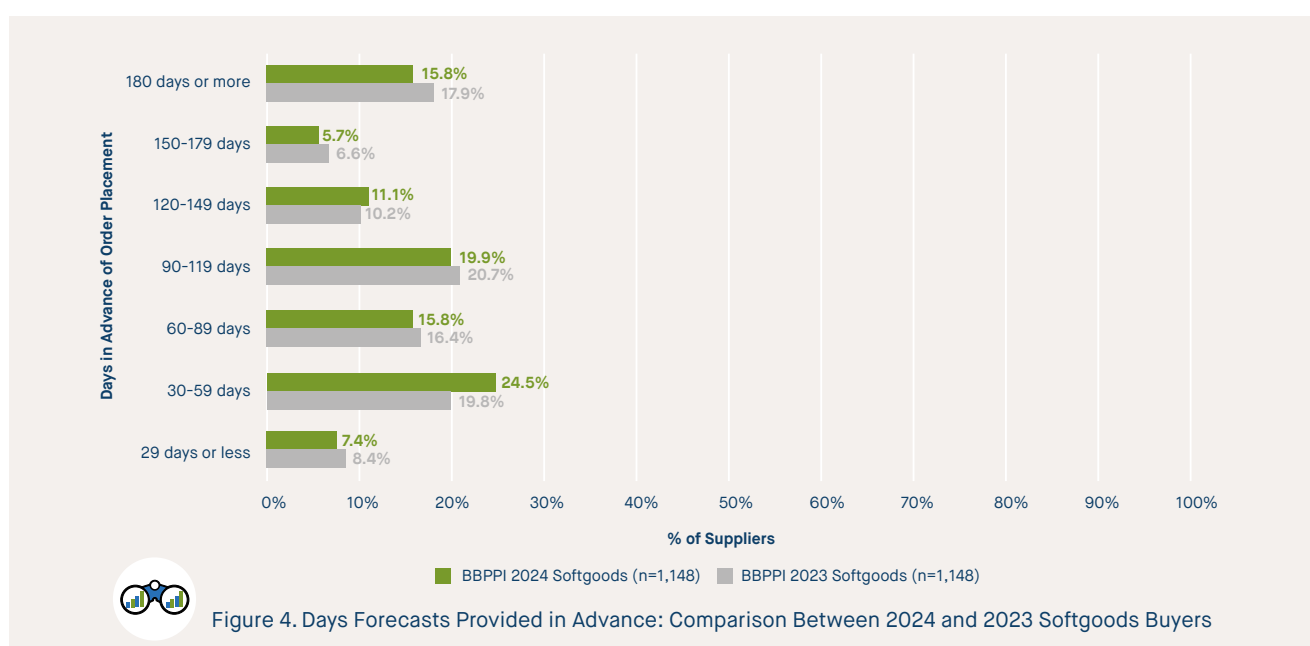
## HOW UNCERTAINTY IN CONSUMER DEMAND AND PREFERENCES IS REFLECTED IN PURCHASING PRACTICES

### Declines in Planning and Forecasting Practices and Business Stability

Better Buying™ encourages subscribers to provide suppliers with advance forecasts and regular

updates, not only to ensure efficient resource allocation and production but also to support fair labor practices and minimize environmental impact. When buyers improve their communication practices, suppliers can better plan their workforce needs, avoid excessive overtime for workers, and implement sustainable production methods that reduce waste and conserve resources.

However, regarding the timeliness of advance forecasts, the percentage of forecasts provided 90 days or more in advance decreased from 55.4% in 2023 to 52.5% (see Figure 4). Conversely, the percentage of late and last-minute forecasts, provided less than 60 days in advance, increased from 28.2% in 2023 to 31.9%.



Suppliers in both Sporting Goods (40%) and Fashion Goods (38%) selected the Planning and Forecasting category as a priority for improvement. However, individual purchasing practices within the category demonstrated differences. Figure 5 compares the timeliness of advance forecasts by buyer type, clearly illustrating the differences between the two types. While 65.3% of Sporting Goods buyers provide forecasts 90 days or more in advance, only 45.1% of Fashion Goods buyers do so. Notably, 29.4% of Sporting

Goods buyers provide forecasts more than 180 days in advance, over three times higher than the 8.2% of Fashion Goods buyers.

In terms of late (provided 30-59 days in advance) forecasts or last-minute forecasts (provided 29 days or less days in advance), Sporting Goods buyers recorded 22.3%, whereas Fashion Goods buyers recorded a higher percentage at 37.2%, indicating poorer performance in purchasing practices for Fashion Goods buyers.

### BETTER BUYING™ INSIGHT



While 65.3% of Sporting Goods buyers provide forecasts 90 days or more in advance, only 45.1% of Fashion Goods buyers do so.



### BETTER BUYING™ INSIGHT



The percentage of suppliers reporting buyers agreeing capacity in advance for repeat orders fell 5 points on last year.

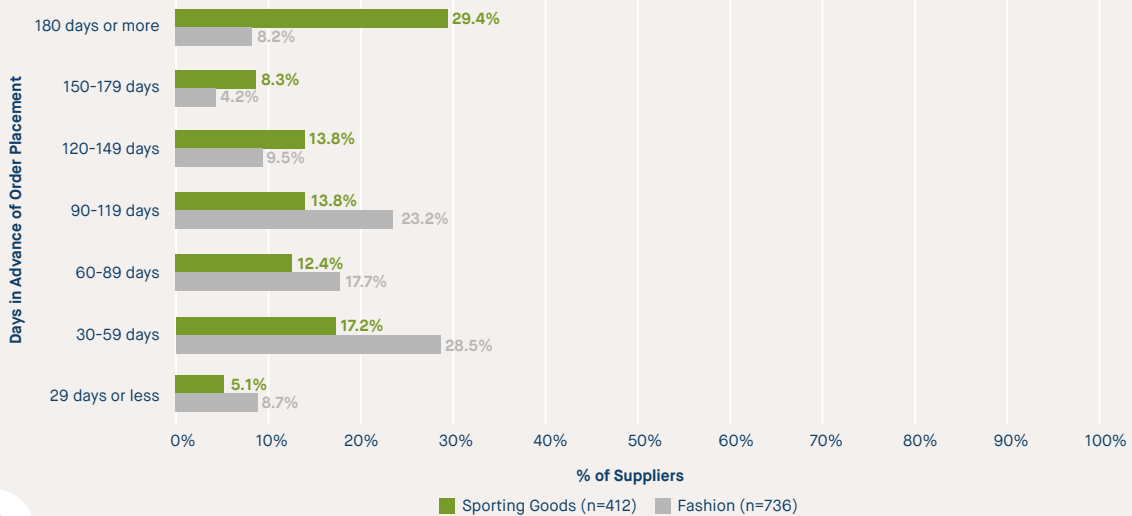


Figure 5. Days Forecasts Provided in Advance: Comparison Between Sporting Goods Buyers and Fashion Goods Buyers

Verifying capacity for repeat orders helps ensure buyers do not place orders that a supplier cannot handle with its existing workforce, thereby helping to prevent unauthorized subcontracting, excessive overtime, or even forced labor. However, in the BBPPI 2024 ratings cycle, the percentage of suppliers who responded 'Yes' to having 'capacity

agreed for repeat orders' decreased from 92.3% to 87.2%, a drop of about 5 percentage points from last year. Moreover, the percentage of suppliers who reported having 'capacity reserved in advance of production based on formal commitments from the buyer' also decreased from 66.2% to 63.2%, highlighting areas in need of improvement.

On a positive note, the variance between capacity reserved and actual purchase order decreased compared to last year, with more suppliers reporting that the orders received were within +/- 10% of what they were expecting (see Figure 6). In this regard, only slight differences were observed between buyer types (see Figure 7).

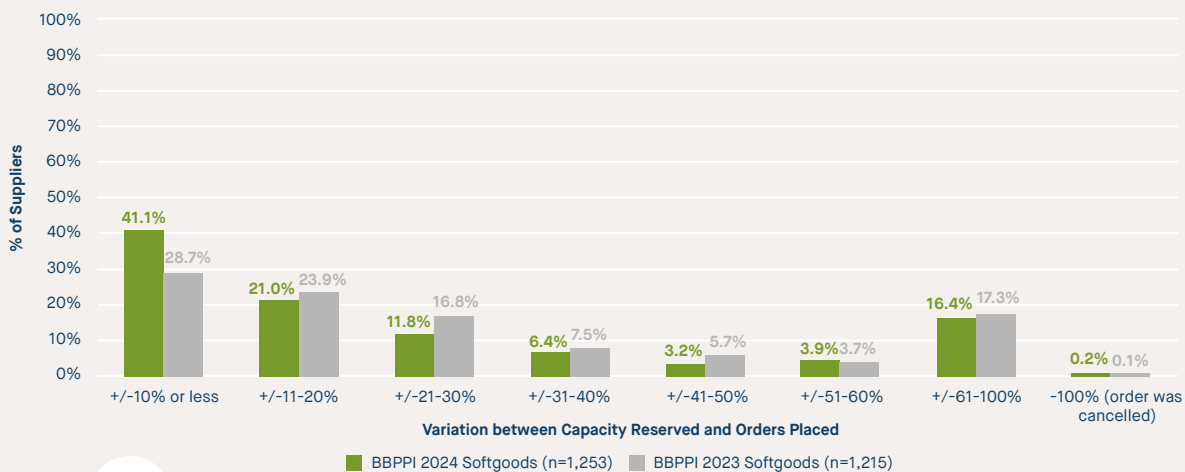


Figure 6. Forecast Accuracy between Actual Purchase Order Quantity and Capacity Reserved

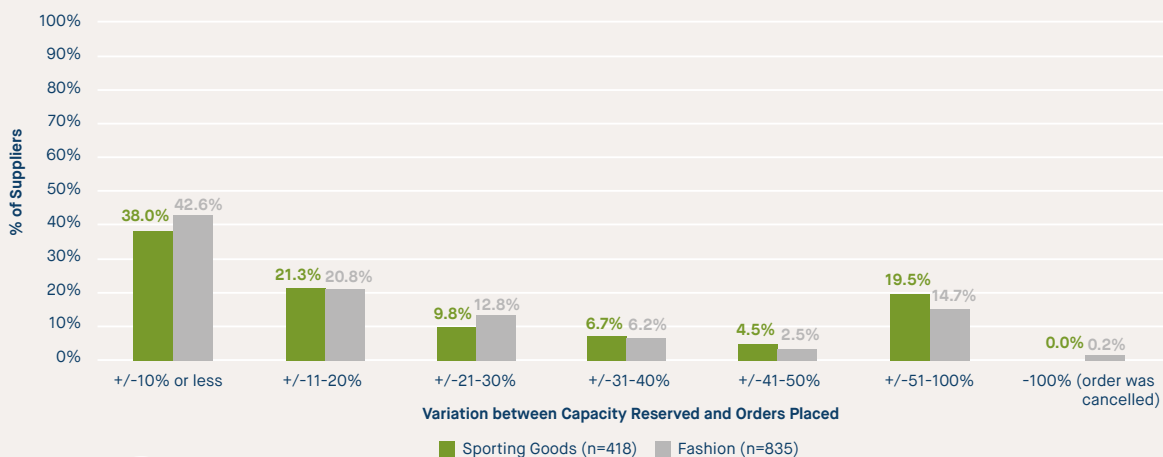


Figure 7. Forecast Accuracy between Actual Purchase Order Quantity and Capacity Reserved: Comparison Between Sporting Goods Buyers and Fashion Buyers

## BETTER BUYING™ INSIGHT



Formal commitments to long-term business are vital if suppliers are to provide decent working conditions, optimize production, and reduce negative environmental impacts. But, disappointingly, the number of suppliers reporting no formal commitments increased 5 points on last year.



Number of suppliers reporting no long-term commitments to business

2023

42.5%

2024

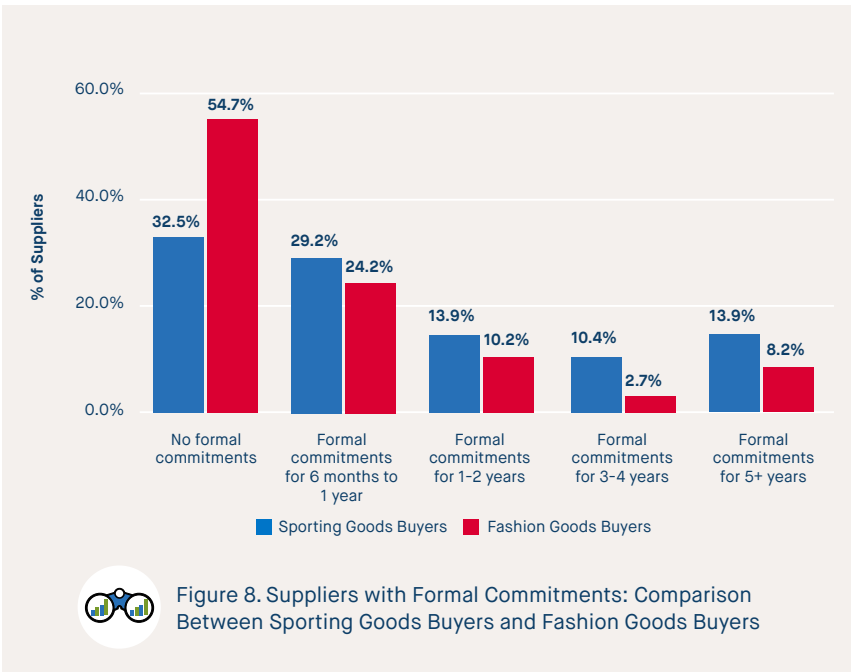
47.5%



The number of suppliers reporting that their buyers made formal commitments to long-term business relationships declined, with those reporting no formal commitments increasing from 42.5% to 47.5%, showing a disappointing 5 percentage points decline in performance. Suppliers need the assurance that the investments they make to improve conditions for workers, reduce negative

environmental impacts, and optimize production for better quality and speed will be supported by committed buyers. Making formal commitments to a specific volume of production across multiple years is an important way to provide this assurance and motivate suppliers to invest. When looking at formal commitments between buyer types, Sporting Goods buyers

more often established longer-term relationships with suppliers compared to Fashion Goods buyers. This result can be attributed to the relatively stable and predictable range of product categories sold by the Sporting Goods sector, whereas the Fashion Goods sector deals in a broader and more variable range of products (see Figure 8).



## SUPPLIER INSIGHT



“An increase in wages should be reflected. The buyer asks to keep making charges the same as in previous seasons and years. For small units, we need higher charges, but it is not allowed. The wage in production has been increased by year, but the target cost from the buyer is not close to the real labor cost.”



### Higher Monthly Order Variation

When shipment volumes remain consistent each month, suppliers can efficiently plan resource allocation, including the labor needed for factory operations. Better Buying's Order Risk-to-Reward (ORR) quantifies the average monthly shipment volume over a 12-month period as a percentage, measuring Monthly Order Variability (MOV). A lower ORR indicates less variability in monthly order volumes. While buyers frequently try to time shipments so they can hold the minimum inventory needed to meet planned demand, uncertain demand seems to have contributed to more business instability throughout the year.

This year, the average ORR for the Softgoods industry is 96.6%, a 15 percentage point increase from last year's 79.8%. This suggests that buyers faced greater challenges in maintaining consistency in monthly order volumes. Such an increase in MOV can profoundly affect suppliers' social, labor, environmental, and business sustainability.

When comparing the ORR between Sporting Goods buyers and Fashion Goods buyers, Fashion Goods buyers' ORR was approximately 26 percentage points higher than that of Sporting Goods buyers (see Figure 9). Due to the larger MOV in the Fashion sector, suppliers providing products to Fashion buyers may face greater difficulties in planning and maintaining their workforce, and complying to code of conduct requirements for hours of work.

### BETTER BUYING™ INSIGHT



Due to the larger MOV in the Fashion sector, suppliers providing products to Fashion Goods Buyers may face greater difficulties in planning and maintaining their workforce, and complying to code of conduct requirements for hours of work.

### BETTER BUYING™ INSIGHT



In 2024, the average Order-Risk-To-Reward (ORR) was 96.6%, a 15 percentage point increase from last year (79.8%), suggesting that buyers are facing greater challenges in managing monthly order volumes.

### SUPPLIER INSIGHT



"Unstable order levels might increase the excessive cost of business activity and are linked to survival, the fundamental purpose of the business."



Monthly Order Variability - Softgoods Buyers, increase in average Order-Risk-To-Reward

2024  
**96.6%**  
2023  
**79.8%**



### SOFTGOODS INDUSTRY ORR = 96.6%

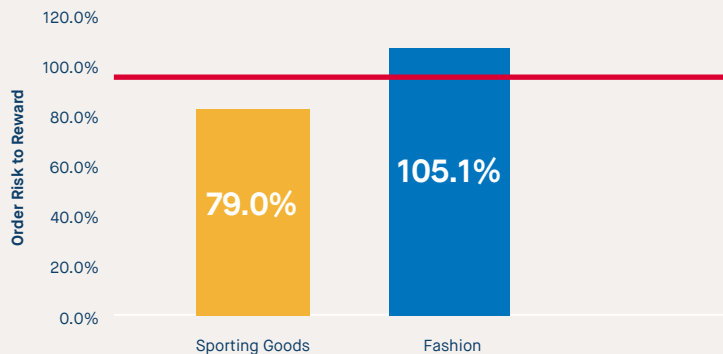


Figure 9. Order Risk-to-Reward (ORR) from Monthly Order Variation: Comparison Between Sporting Goods Buyers and Fashion Goods Buyers

In addition to making efforts to have more consistent order shipments across the year, another way to prevent these difficulties from being passed on to suppliers is through accurate Planning and Forecasting, supported by close and frequent communication between buyers and suppliers.

### Regular Forecast Updates

The percentage of suppliers who answered 'Yes' to buyers providing regular updates on forecasts decreased slightly from 80.9% in 2023 to 76.8% (see Figure 10). Enhancing regular communication, such as forecast updates, can help increase adoption rates of developed products, ensure consistency in order volumes, and reduce cost negotiation pressures.

## SUPPLIER INSIGHT



“Buyers should advise us monthly capacity, since qty fluctuations are very big between each month we struggle to manage orders (one month we have big quantities the next month we don't have any order) also buyers always ask for very short lead times such as 1wk-2 wk after receiving bulk fabric which is not possible to handle.”

Suppliers who received regular forecast updates reported higher adoption rates of their sample products by buyers, with 80% to 90% adoption rate. Conversely, suppliers reporting adoption rates of less than 39% were more likely to receive fewer regular forecast updates.<sup>2</sup>

Regular forecast updates may contribute to higher product adoption rates because they help

suppliers align their production with buyer needs, improving planning and resource allocation. In essence, regular communication and updates help suppliers operate more reliably and efficiently making buyers more likely to choose their products over those of other suppliers. Additionally, suppliers who received regular forecast updates more frequently reported that buyers covered costs of compliant production for 100% of their purchase orders.<sup>3</sup>

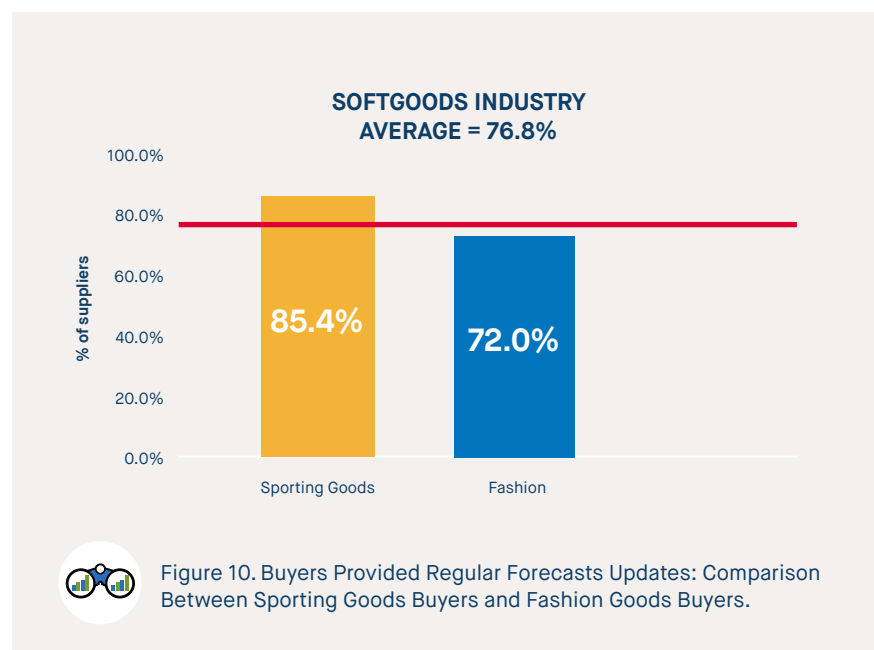
## BETTER BUYING™ INSIGHT



“Enhancing regular communication, such as forecast updates, can help increase adoption rates of developed products, ensure consistency in order volumes, and reduce cost negotiation pressures.”

<sup>2</sup> Pearson Chi-square = 28.01, *df* = 7, *p* < .001

<sup>3</sup> Pearson Chi-square = 29.27, *df* = 11, *p* = .002



## BETTER BUYING™ INSIGHTS



Regular communication and updates from buyers help suppliers operate more reliably and efficiently, making buyers more likely to choose their products over those of other suppliers.

Buyers may be reluctant to provide advance forecasts when they can't be sure of accuracy, because of uncertain consumer demand. But suppliers would rather have the forecast information in advance, and updated later, rather than it being withheld by the buyer until it is believed to be accurate

Uncertainty in consumer demand likely makes buyers uncomfortable providing advance forecasts. However in previous research, suppliers have told Better Buying™ that they prefer to have forecast information in advance and then changed later rather than the buyer withholding all information until it is believed to be accurate. Since forecasting impacts other purchasing practices, it's important to remember that enhancing communication between buyers and suppliers is an effective and mutually beneficial approach.

## SUPPLIER INSIGHTS



“It's essential to address communication practices. While communication is crucial for any partnership, ensuring clarity, consistency, and transparency can significantly enhance our collaboration. There have been instances where communication gaps led to misunderstandings or delays in decision-making processes. Therefore, establishing clear channels of communication, regular updates, and promptly addressing any concerns or inquiries can foster a more efficient and productive partnership.”

“Regular communication, feedback exchanges, and collaboration can lead to better negotiated pricing, improved service levels, and potentially even innovation from suppliers.”

“Traditionally, brand has always expected manufacturing partner to absorb and accept the fluctuations in forecasting by being 'Flexible'. However, it is quite challenging for factories to adjust upwards or downwards suddenly. We hope that brand do have a more stable forecast or have better understanding of challenges that their partners face when the forecast is fluctuating heavily.”



## OTHER PURCHASING PRACTICES IMPACTED BY UNCERTAIN CONSUMER DEMAND

### High-Pressure Cost Negotiation Strategies

The risks resulting from buyers' forecasting inaccuracies or lack of forecasts due to uncertain consumer demand are likely to be passed on to suppliers in the way of higher pressure to accept lower prices. For instance, buyers may use high-pressure strategies in cost negotiations to increase the likelihood they meet their desired margins.

One supplier explained, "As the garment prices we receive from buyers gradually decline, we find ourselves in a position where we must consider relocating

our operational processes from headquarters to production countries. While this shift is undoubtedly challenging, it reflects the inevitable pressures of cost competition in our industry. It is understandable that buyers seek to maximize cost efficiencies when selecting vendors. However, the practice of managing the supplier matrix with fixed nominations sometimes places considerable strain on vendors. This often results in vendors having to reduce their prices significantly, bearing the cost reductions themselves while suppliers' costs remain constant."

In the BBPPI 2024 ratings cycle, 48.4% of suppliers reported that buyers used high-pressure strategies in cost negotiations, a slight increase from the 47.9% last year. The most frequently used

strategy was "Take it or leave it—meet the target cost or the supplier cannot win the order" (52.1%), consistent with the previous year. The second most common strategy was "Demanding level prices be maintained from year to year, with no consideration for inflation" (49.8%), also unchanged from last year.

A concerning aspect is that the frequencies of the two high-pressure strategies increased by approximately 3 percentage points and 2 percentage points, respectively, compared to the previous year (see Figure 11). These are some of the most damaging practices because buyers pit suppliers against each other, forcing them to accept prices that are too low to cover the costs of compliant production.

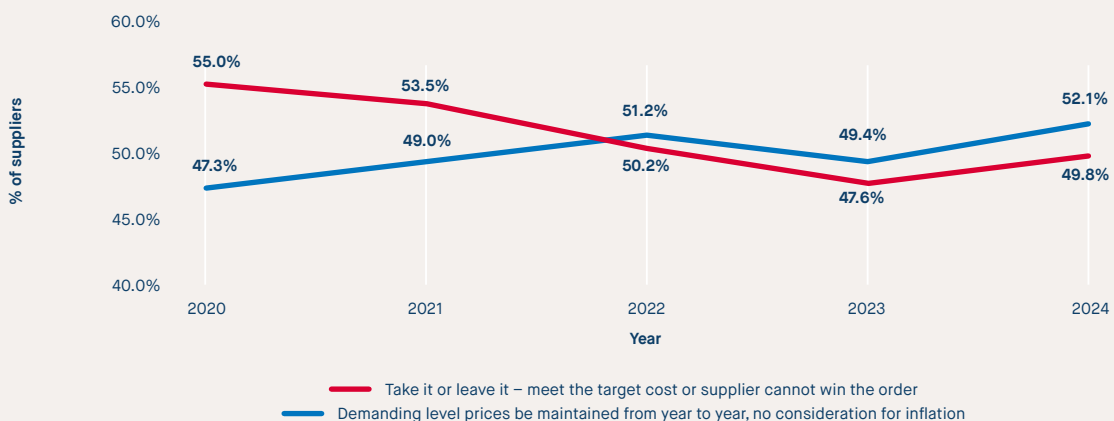


Figure 11. Trend of the Most Frequently Used High-Pressure Strategies

Regarding the use of high-pressure cost negotiation strategies, 51.8% of suppliers responded 'Yes' for Fashion Goods buyers, about 10 percentage points more than the 41.3% for Sporting Goods buyers. The strategies frequently used by buyers also showed differences (see Figure 12). Fashion Goods buyers are more likely to compare suppliers solely based on price, whereas Sporting Goods buyers consider broader competitive pressures.

**BETTER BUYING™  
INSIGHT**



Fashion Goods buyers are more likely to compare suppliers solely based on price, whereas Sporting Goods buyers consider broader competitive pressures.

Sample development incurs substantial costs for suppliers. By minimizing time and resources spent on samples and aiming for high sample adoption, buyers can support suppliers' financial health, benefiting workers' wages and ensuring efficient resource utilization for both parties. In the BBPPI 2024 ratings cycle, the adoption rate for samples showed a slight decline compared to the previous year (See Figure 13).

**SPORTING GOODS**

1. Requiring supplier to meet specific elements of other suppliers' cost structure (52.0%)
2. Demanding level prices be maintained from year to year, no consideration for inflation (42.9%)
3. Sharing competitors' bids/pressure to meet other competitors across different countries (42.3%)

**FASHION GOODS**

1. Take it or leave it – meet the target cost or supplier can not win the order (56.8%)
2. Demanding level prices be maintained from year to year, no consideration for inflation (52.4%)
3. Comparing suppliers only on price instead of a full range of attributes (46.3%)



Figure 12. High-Pressure Cost Negotiation Strategies: Comparison Between Sporting Goods Buyers and Fashion Buyers

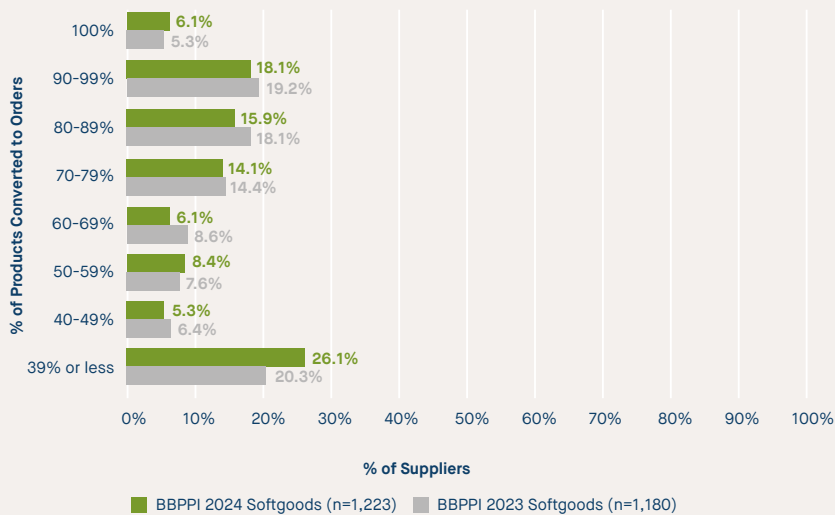
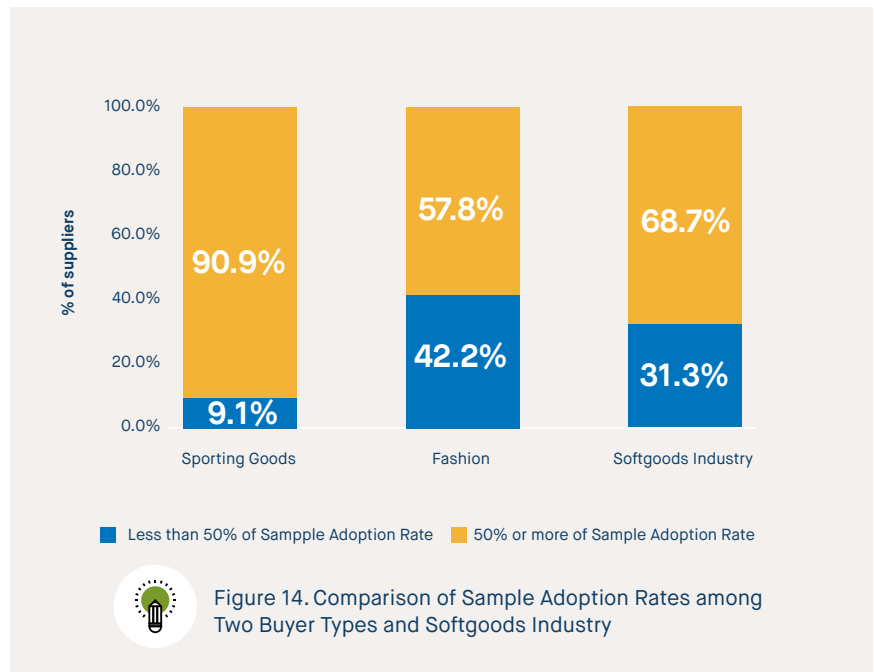


Figure 13. Sample Adoption Rates

The low adoption rate was more pronounced in Fashion Goods. As shown in Figure 14, Fashion Goods had a relatively lower adoption rate compared to the Softgoods industry as a whole, and the gap was even more remarkable when compared to Sporting Goods.

### Decreased Payment for Samples

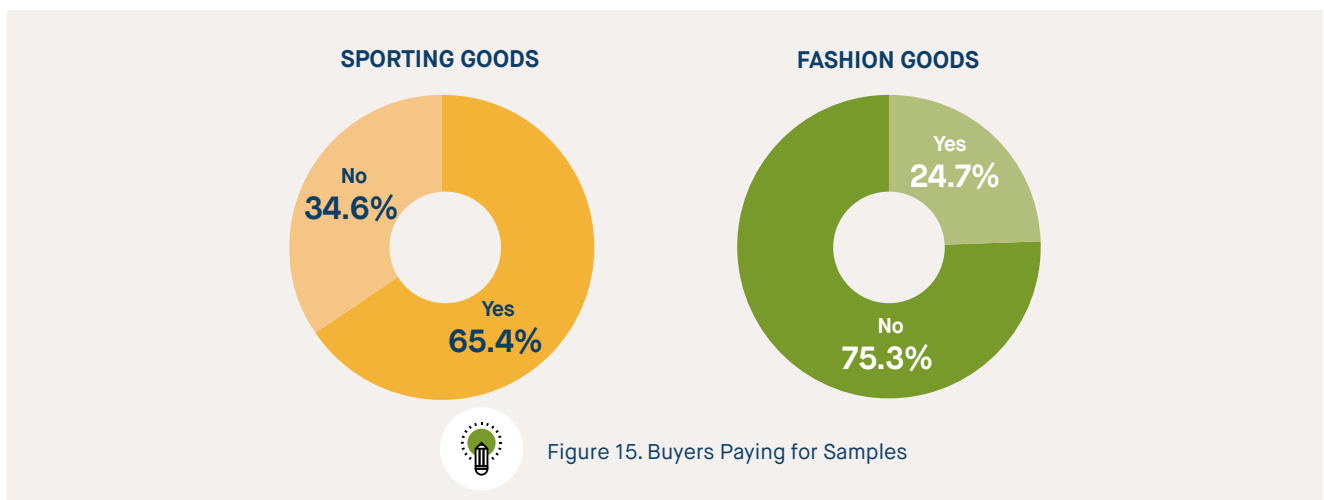
The compensation for making samples decreased compared to the previous year. In 2023, 45.2% of suppliers reported receiving payment for samples, whereas in 2024, this figure dropped to 37.8%, a decrease of over 7 percentage points. There was a striking difference in whether compensation for samples was provided, depending on the buyer type (see Figure 15). Approximately 65% of Sporting Goods buyers paid for samples, whereas fewer than 25% of Fashion Goods buyers did, highlighting a notable contrast. Given the considerable costs involved in sample development, it is crucial to ensure that suppliers are fairly compensated for making samples on behalf of buyers.



### BETTER BUYING™ INSIGHT



Given the considerable costs involved in sample development, it is crucial to ensure that suppliers are fairly compensated for making samples on behalf of buyers.



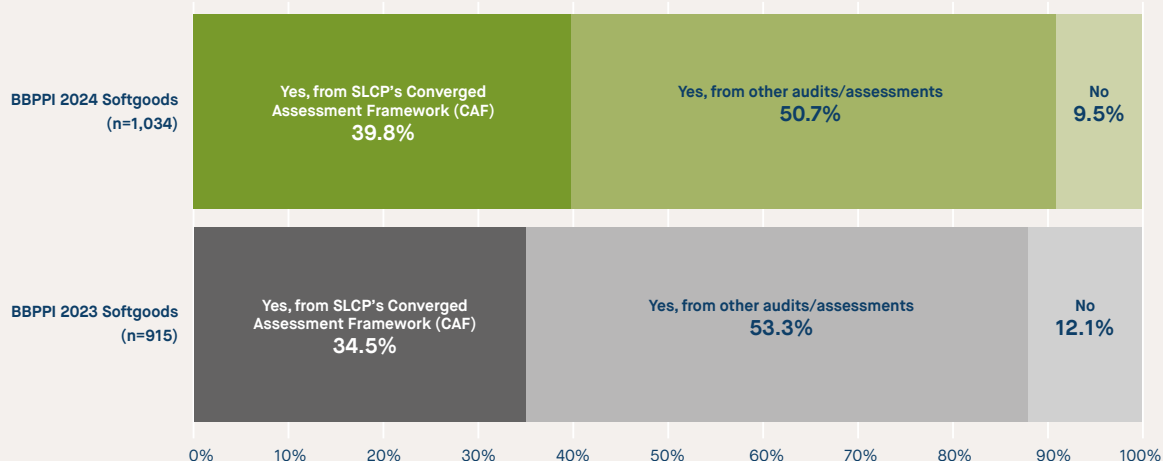


Figure 16. Recently Completed Audits Accepted

## INCREASE IN AUDIT HARMONIZATION

The Win-Win Sustainable Partnership category has seen considerable improvement over the past year. Notably, this category highlights the importance of buyers accepting recently completed audits in lieu of their own, buyer-specific audits. In the Win-Win Sustainable Partnership category, 90.5% of suppliers reported that buyers alleviated supplier burdens by accepting recently completed audits instead of conducting their own. This represents an increase of over 2 percentage points compared to the 87.9% from the previous year (see Figure 16).

However, the remaining 9.5% of buyers who did not accept other audits should pay attention to the following feedback from a supplier: *"We would be great that [Buyer] Team accept audit from another brand, majority of the brands request international regulations. This will save time and money from Vendors"* and *"If the buyer can accept other customers' audits, that would be better. It will be saved on the auditing expenses."*

Frequent audits can cause audit fatigue for suppliers and also require them to invest additional resources, such as personnel and costs. If buyers accept the results of completed Social & Labor Convergence Program (SLCP)'s Converged Assessment Framework (CAF) or other audits, it can improve efficiency for both parties.

## BETTER BUYING™ INSIGHT



# 90.5%

of suppliers reported that buyers accepted recently completed audits instead of conducting their own, an increase of over 2 percentage points from the previous year. Frequent audits can cause audit fatigue for suppliers and make it harder for them to provide decent working conditions, and fair wages.

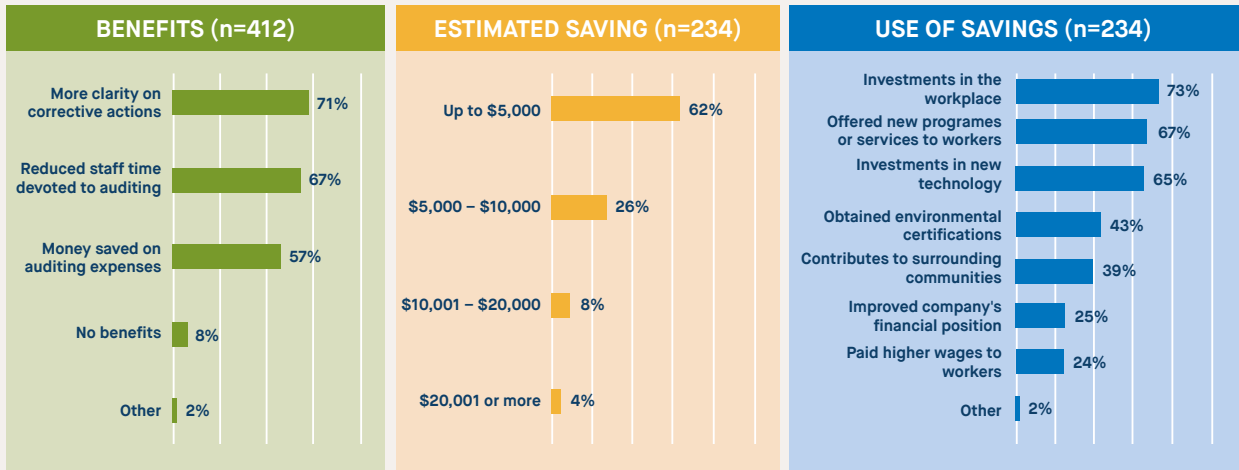


Figure 17. Benefits of Buyers Accepting SLCP's CAF

Note. Estimated savings and use of savings were only requested if the supplier selected 'money saved on auditing expenses' to the question about the benefits of buyers accepting SLCP.

In this regard, the number of buyers adopting SLCP audits increased by more than 5 percentage points compared to the previous year. Although Better Buying™ does not score differently depending on whether the audits buyers are accepting are SLCP or others, this growth indicates a trend towards more buyers adopting SLCP's CAF and a streamlined and more efficient audit process, which will benefit both buyers and suppliers by reducing audit fatigue and minimizing redundant audits.

Figure 17 shows the benefits that suppliers reported when buyers accepted SLCP's CAF. It also illustrates the amount of money saved due to buyers accepting SLCP's CAF and how the saved money was utilized.





# 4. Conclusions and Recommendations

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## **DIFFERENCES IN BUYER TYPES AND DECLINES**

Sporting Goods buyers, who operate with more stable demand patterns, consistently demonstrated better purchasing practices compared to their Fashion Goods counterparts. This disparity in performance suggests that the declines from last year may not be the result of worsening practices but rather a reflection of the increased number of supplier ratings for Fashion buyers, who tend to have poorer practices. However, it is crucial to address these disparities and for both buyer types to improve their purchasing practices.

## **WIN-WIN SUSTAINABLE PARTNERSHIP IMPROVEMENT**

A notable improvement in 2024 is the advancement of audit harmonization under the Win-Win Sustainable Partnership category, reducing administrative burdens on suppliers. The increased acceptance of completed audits by buyers, instead of requiring duplicate audits, is reducing supplier fatigue and promoting more efficient collaboration. This trend illustrates the potential for improving purchasing practices through mutual understanding and commitment between buyers and suppliers. Buyers should continue to promote such collaborations to alleviate supplier fatigue and foster efficiency.

## **ADOPT A HOLISTIC APPROACH TO IMPROVEMENT**

Correlations between purchasing practice categories highlight the need for a holistic approach. This interconnectedness indicates that isolated improvements are less effective compared to a comprehensive effort across all purchasing practices areas. Buyers should work on a comprehensive strategy to achieve effective and interconnected improvements.

## **STRENGTHEN BUYER-SUPPLIER PARTNERSHIPS FOR SUSTAINABILITY AND EFFICIENCY**

Buyers should formalize long-term relationships with suppliers through multi-year contracts, enabling better capacity planning and sustainability investments. Prioritizing accurate forecasts and clear communication will help suppliers plan resources effectively and foster trust. Collaborative cost negotiations, considering inflation and rising expenses, are essential for healthier, sustainable buyer-supplier partnerships.

# Appendix: Methodology

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The Better Buying Purchasing Practices Index™ Report Spring 2018 detailed how the Better Buying Purchasing Practices Index™ (BBPPI) was created and how the seven categories of purchasing practices are measured: Planning and Forecasting, Design and Development, Cost and Cost Negotiation, Sourcing and Order Placement, Payment and Terms, Management of the Purchasing Process, and Win-Win Sustainable Partnership.

The BBPPI is unique because it is supplier-centric and focuses on empowering and amplifying suppliers' voices in support of improved purchasing practices and, therefore, improved financial, social, and environmental performance. Suppliers volunteer to submit ratings of their buyer companies either as an initiative they take on themselves, or at the invitation of Better Buying™ subscribers.

To input data, suppliers register on the Better Buying™ platform, select the buyer they wish to rate, and complete the BBPPI questionnaire asking about their business relationship with that buyer. Better Buying™ provides guidance and any necessary support while ensuring suppliers' anonymity is protected. Suppliers are encouraged to rate as many buyers as possible provided they have had an active working relationship with the buyer they are rating over the last year. The built-in proprietary scoring system allows a supplier to instantly see the star ratings earned by the buyer based on their rating.

Prior to analyzing supplier data, Better Buying™ reviews the documents provided by each supplier to verify that there is an existing business relationship with the buyer they rated and proceeds to clean and prepare the data. Once the cycle closes, the data are analyzed and aggregated by Better Buying™ for subscribers' company reports and the annual Better Buying Purchasing Practices Index™ Report.

## **ABOUT BETTER BUYING™ DATA COLLECTION**

The data presented in this report were collected during the Q2 2024 ratings cycle that ran between April 1 and June 14, 2024. A total of 27 buyer companies engaged with Better Buying™ through paid subscriptions (Table A1). In addition to providing a supplier list (full or partial) and invitation letter to Better Buying™, these subscribers directly approached their suppliers to solicit participation during the ratings cycle. Better Buying™ used the contact information and invitation letters provided by subscribers to contact their suppliers and urge them to take the opportunity to give honest and anonymous feedback about their buyers' practices. The overall response rate averaged 45.7% – a 8.8 percentage points decrease from the Q2 2023 data collection cycle – and ranging from 12.2% for a very small subscriber to 100% for a large subscriber surveying only its strategic suppliers. Apart from reaching out to the subscribers' suppliers, Better Buying™ also requested other suppliers globally to submit ratings for their buyers with whom they had an active working relationship. As a result, Better Buying™ received ratings for 14 buyers who are not currently subscribed (Table A2).

SUBSCRIBER	HEADQUARTER COUNTRY	SUBSCRIBER	HEADQUARTER COUNTRY
Adidas AG	Germany	Lululemon	Canada
Amazon	United States	Macpac	New Zealand
Amer Sports	Finland	Mango	Spain
American Eagle Outfitters	United States	Nike Inc.	United States
Brooks Sports	United States	Patagonia, Inc.	United States
EILEEN FISHER, Inc.	United States	PUMA	Germany
Fanatics Apparel, LLC	United States	Ralph Lauren Corporation	United States
Gap Inc.	United States	SanMar	United States
KiK Textilien und Non-Food GmbH	Germany	Target Corporation	United States
L.L. Bean, Inc.	United States	VF Corporation	United States
LT Apparel Group	United States	Wolf Lingerie	France

Table A1: Better Buying™ Subscribers Rated During 2024 Ratings Cycle

*Note: Some subscribers have not given permission to be named.*

Apropoz Distribution Inc.	Fenix Outdoor International AG	MONTANE LTD	Vineyard Vines
Decathlon SA	G-Star RAW C.V.	PVH Corporation	
Deckers Outdoor Corporation	Kathmandu	Seasalt Limited	
Fat Face	Kmart Australia Limited	Vera Bradley	

Table A2. Non-Subscribers Rated During 2024 Ratings Cycle

## PARTICIPATION IN 2024 RATINGS CYCLE

A total of 1,584 ratings were submitted in the 2024 ratings cycle. Of those, 31 ratings were rejected during the data verification and cleaning phase because these were either duplicate ratings or ratings from suppliers who did not demonstrate a business relationship with the rated buyer over the last one year. An additional 253 ratings were for buyers whose largest orders were for products other than apparel, footwear, and household textiles; those are classified as “hardgoods” ratings and are separately analyzed and reported on elsewhere.

A total of 1,553 verified (1,300 softgoods and 253 hardgoods) ratings were submitted for Better Buying™ subscribers. Non-subscribers received a total of 17 ratings (13 softgoods ratings and 4 hardgoods ratings). In this Index Report, a total of 1,300 softgoods ratings (including ratings submitted for non-subscribers) were used. As shown in Table A3, out of the 41 buyers rated (27 subscribers and 14 non-subscribers), the largest number were headquartered in the North America region (59.9%).

REGION AND COUNTRY	FREQUENCY (n=41)	%
Asia Pacific	3	1.8%
Australia	1	0.1%
New Zealand	1	1.7%
Europe/UK	12	38.2%
Finland	1	9.7%
France	2	1.0%
Germany	3	12.4%
Netherlands	1	0.1%
Spain	1	13.4%
Switzerland	1	0.1%
United Kingdom	3	1.7%
North America	26	60.0%
Canada	3	2.0%
United States	23	58.0%

Table A3: Location of Rated Buyers

Note: ‘n’ refers to the number of unique buyers rated.

## ABOUT THE SUPPLIERS WHO SUBMITTED RATINGS

Better Buying™ always protects the anonymity of suppliers by withholding the raw data and identities of those who submit ratings. The ratings in 2024 were submitted by 1,273 suppliers across 56 countries (see Table A4).

Eighty-two percent of suppliers were factory owners that collectively employ nearly 6.6 million workers in their 5,311 factories. The average number of factories the suppliers owned was 4.2. A majority of factory owners were OEM/Finished Goods/End Products Processing (Whole Package Producer/Assembler, 65.8%), followed by OEM/Finished Goods/End Products Processing (Final Product Assembly/Primary Contractor/CMT, 24.1%), and Intermediate Goods/ Sub-Component Assembly (4.8%). Most frequently suppliers reported having business with 10 buyers during the last year. On average, suppliers had been in a business relationship with the buyers they rated for 12 years, ranging from less than one year to 50 years.

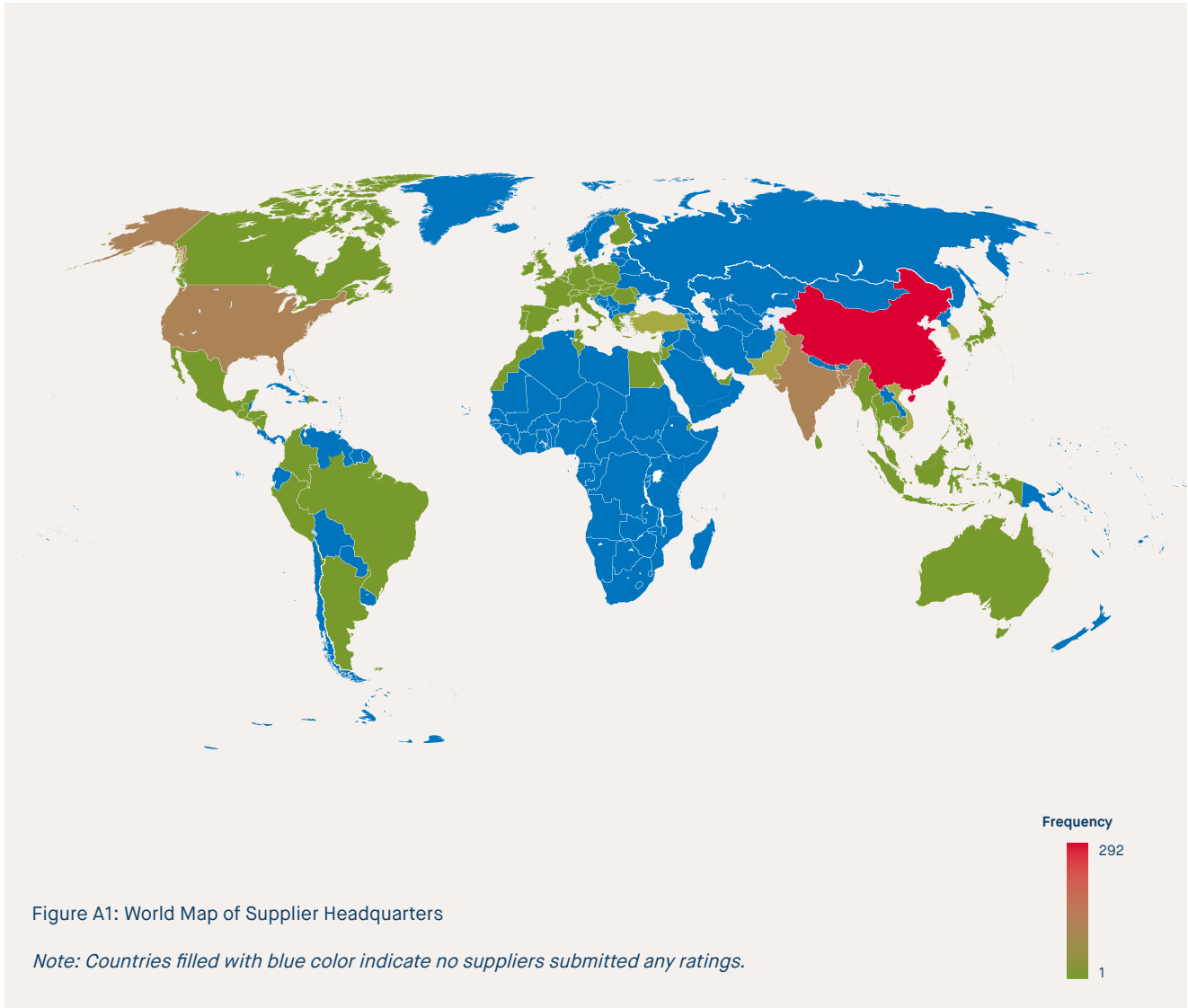
REGION AND COUNTRY	FREQUENCY (n=1,273)	%
Asia Pacific (Australia, Japan, New Zealand, Samoa)	6	0.5%
Australia	1	0.1%
Japan	4	0.3%
Samoa	1	0.1%
China/Hong Kong/Macao	439	34.4%
China	312	24.5%
Hong Kong	120	9.4%
Macao	7	0.5%
East Asia (all others except China/Hong Kong/Macao)	285	22.4%
Cambodia	2	0.2%
Indonesia	29	2.3%
Korea, Republic of (South Korea)	66	5.1%
Malaysia	2	0.2%
Myanmar	1	0.1%
Philippines	7	0.5%
Singapore	15	1.2%
Taiwan	100	7.8%
Thailand	11	0.9%
Vietnam	52	4.1%
EEMEA (Eastern Europe/Central and Western Asia, Middle East, Africa)	65	5.1%
Bahrain	1	0.1%
Egypt	6	0.5%
Greece	1	0.1%
Israel	5	0.4%
Jordan	4	0.3%
Morocco	2	0.2%
Romania	1	0.1%
Tunisia	1	0.1%
Turkey	39	3.1%
United Arab Emirates	5	0.4%

Table A4: Location of Supplier Headquarters

*Note: 'n' represents the number of unique suppliers submitting ratings and not number of ratings submitted.*

REGION AND COUNTRY	FREQUENCY (n=1,273)	%
Latin America (Caribbean, Mexico, Central, and South America)	32	2.5%
Argentina	2	0.2%
Brazil	5	0.4%
Colombia	2	0.2%
Dominican Republic	1	0.1%
El Salvador	5	0.4%
Guatemala	2	0.2%
Honduras	5	0.4%
Mexico	5	0.4%
Peru	4	0.3%
South Asia	242	19.0%
Bangladesh	96	7.5%
India	92	7.2%
Pakistan	42	3.3%
Sri Lanka	12	0.9%
North America (United States and Canada)	113	8.9%
Canada	6	0.5%
United States	107	8.4%
Western Europe/ United Kingdom	92	7.2%
Austria	1	0.1%
Belgium	4	0.3%
Czech Republic	2	0.2%
Denmark	1	0.1%
France	2	0.2%
Germany	11	0.9%
Ireland	1	0.1%
Italy	20	1.6%
Netherlands	3	0.2%
Poland	1	0.1%
Portugal	20	1.6%
Slovenia	3	0.2%
Spain	16	1.3%
Switzerland	2	0.2%
United Kingdom	5	0.4%





## HOW THE DATA ARE ANALYZED AND STARS AWARDED

Better Buying™ uses a 0 to 100-point scoring system to calculate category and overall scores. The star 'grading' formula shown in Table A5 was applied. A rating of 0 stars indicates the worst performance and 5 stars indicate the best.

Better Buying™ uses the weighting system outlined in Figure A2 to determine the weight of each purchasing practices category to the overall score.

NUMERICAL SCORE	STARS AWARDED
96-100 points	★ ★ ★ ★ ★
90-95 points	★ ★ ★ ★ ☆
84-89 points	★ ★ ★ ★
78-83 points	★ ★ ★ ☆
72-77 points	★ ★ ★
66-71 points	★ ★ ☆
60-65 points	★ ★
54-59 points	★ ☆
46-53 points	★
37-45 points	☆
36 or fewer points	☆

Table A5: Stars and Corresponding Numerical Scores

