

Digital Loom 2025: Stitching the Seams of Fashion ERP

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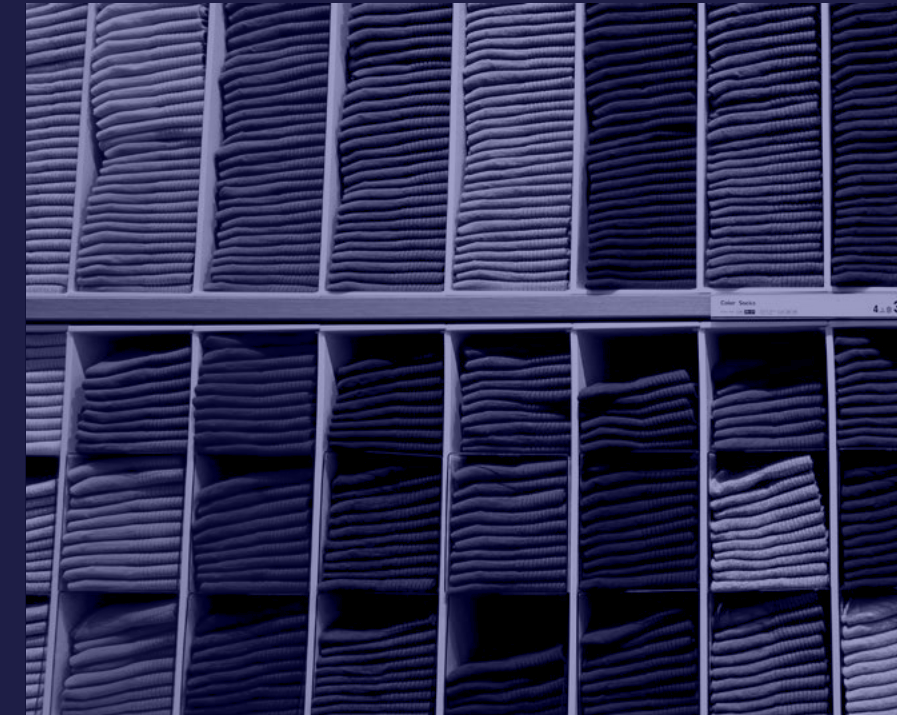
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Introduction

Between AI-fuelled transformation and shifting economic tides, fashion and retail businesses continue to operate in a market defined by both promise and pressure.

The pace of change is unlike anything we've seen before. It's no secret that AI initiatives are gaining momentum, but the reality is that without a robust digital infrastructure, particularly through Enterprise Resource Planning (ERP) systems, businesses will struggle to scale or sustain any meaningful innovation.

Despite this, ERPs are still not able to fully support fashion and retail companies with their unique and nuanced needs. Now in its second year, [Digital Loom](#) aims to examine how effective ERP systems are in regard to fashion- and retail-specific functionality.

This year's edition brings fresh insight. We have removed Australia from the regional analysis to streamline the focus on core markets across

Europe and North America. More significantly, we've introduced a new line of questioning designed to drill deeper into specific functionalities that are unique to fashion and retail that aren't typically covered in most ERPs. We did this to understand the current state of the market and to determine what businesses truly need.

The result is our most granular analysis to date.

In many ways, the story remains the same. Microsoft continues to be the most popular, but no vendor delivers a perfect fit by themselves. Regional disparities persist, and mid-sized companies (particularly those with 100-199 employees) remain the most squeezed.

But new patterns have emerged.

Gaps in variant-level costing, consignment stock automation, lifecycle tracking and SKU-level visibility, in particular, show how modern



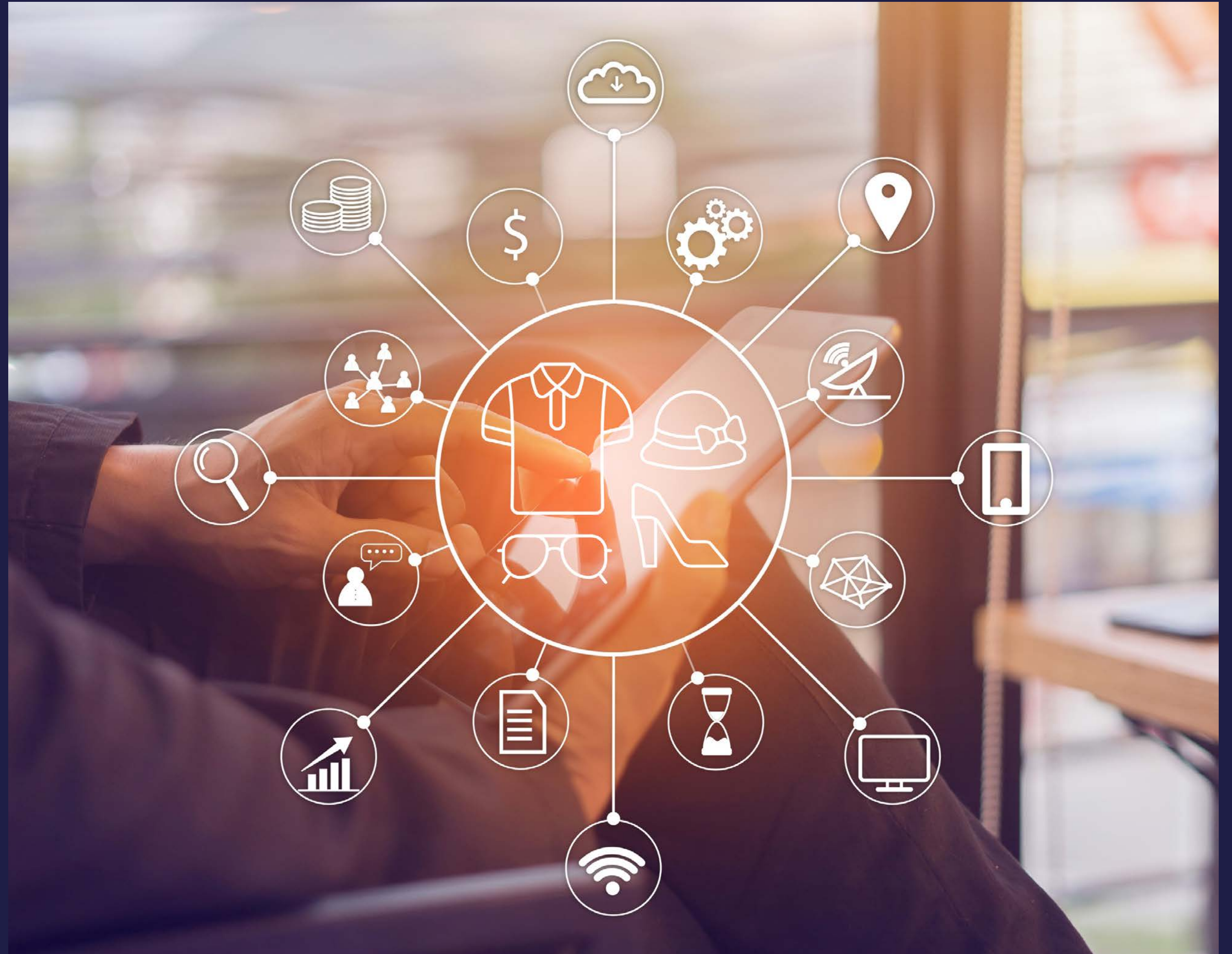
Introduction

ERPs are not yet equipped to deal with fashion and retail nuances. Before AI can be rolled out en masse, businesses must first nail the basics.

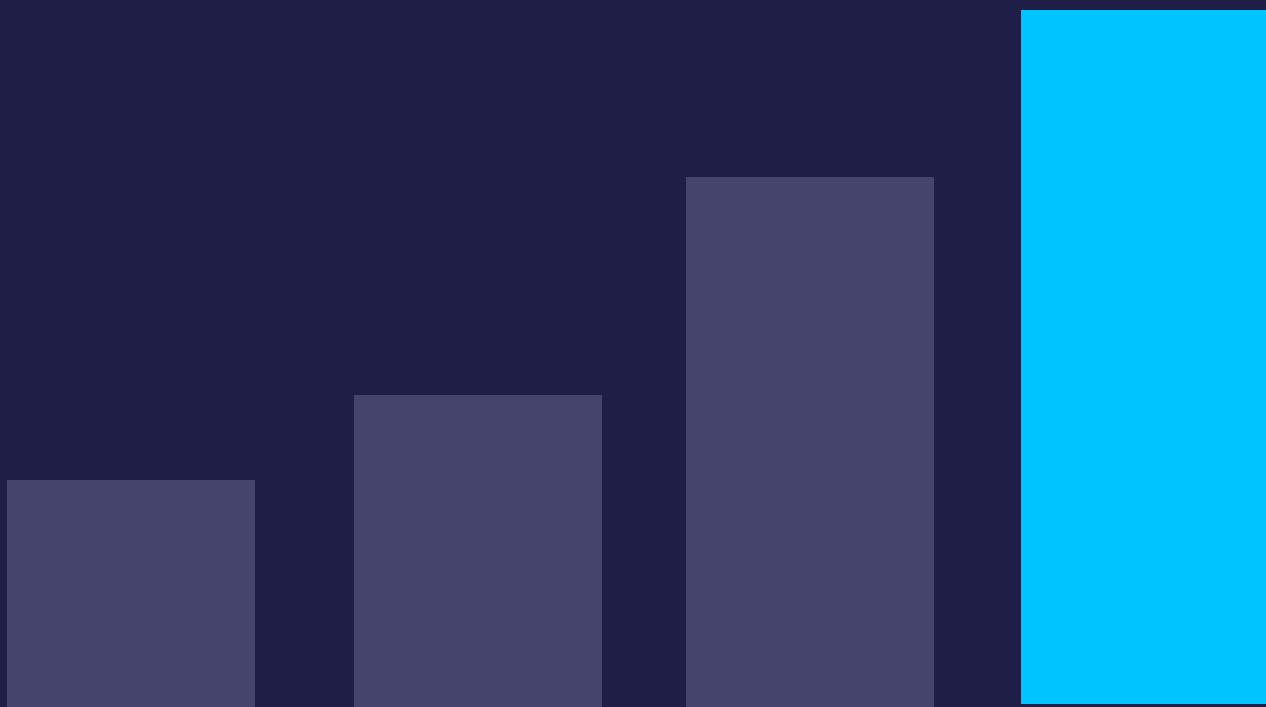
Digital Loom 2025 explores our latest market data, offering a year-on-year comparison that uncovers where the industry is maturing, where it's still struggling, and where entirely new expectations are forming.

Whether you're navigating transformation within a brand or shaping ERP capabilities from the vendor side, this is your roadmap to understanding where fashion ERP stands today and what must come next.

Let's begin.



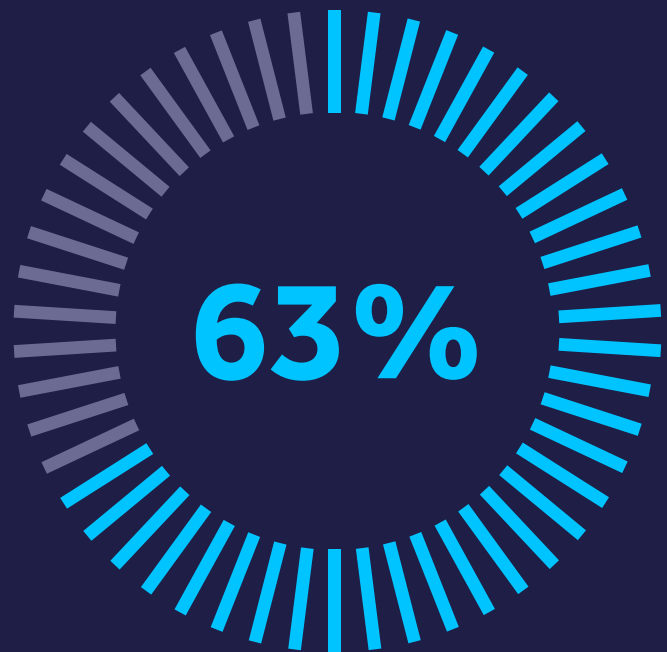
Key Statistics



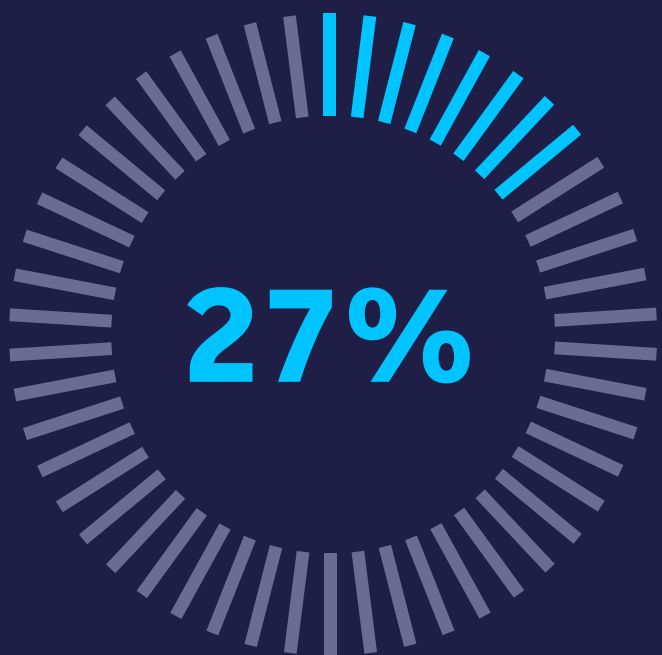
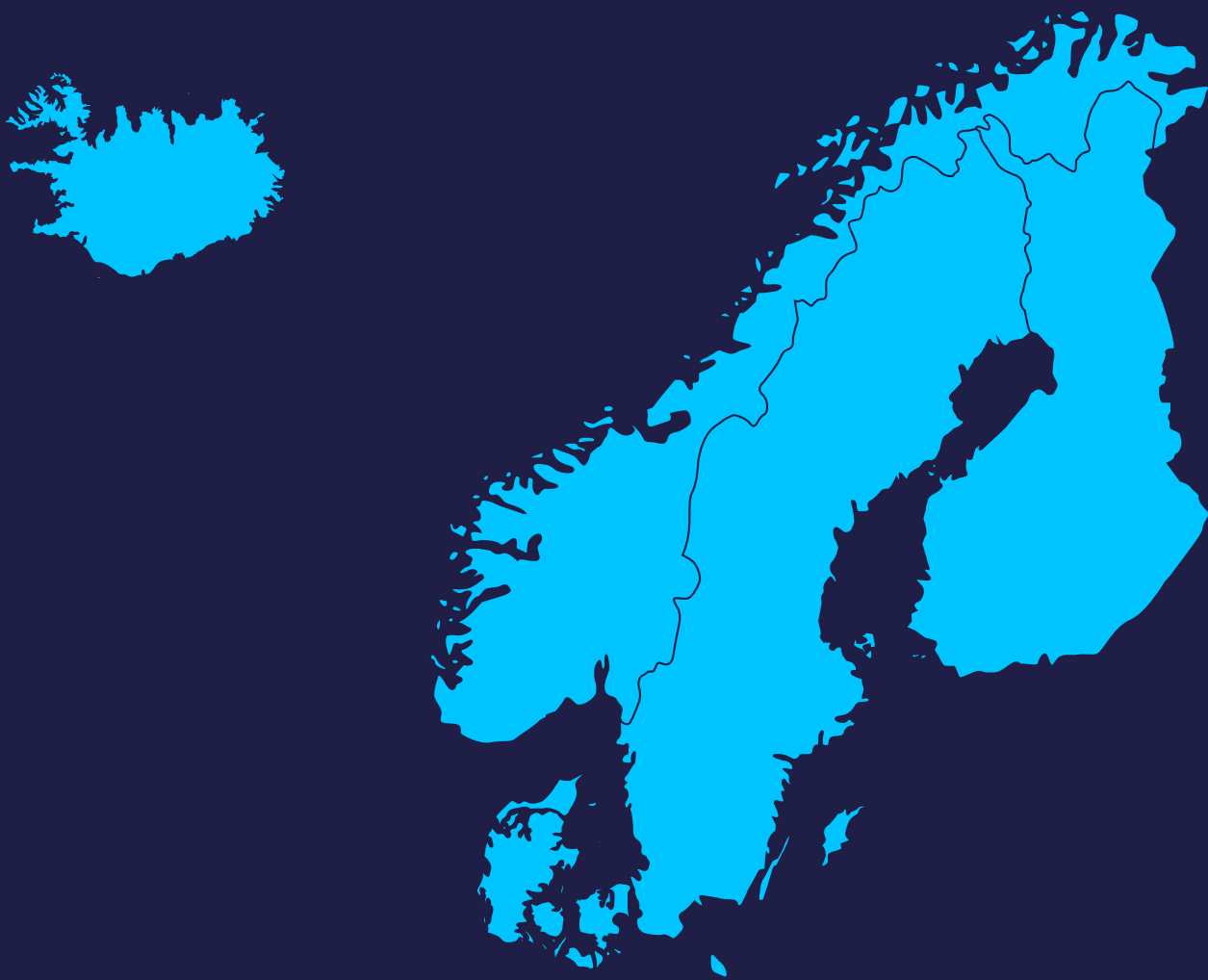
Microsoft is the most dominant ERP vendor, with a

40%

market share, followed by SAP (31%) and Oracle (17%)



of fashion and retail decision makers say their business uses third-party tools to supplement their ERP functionalities. (Though it is down from 71% last year)

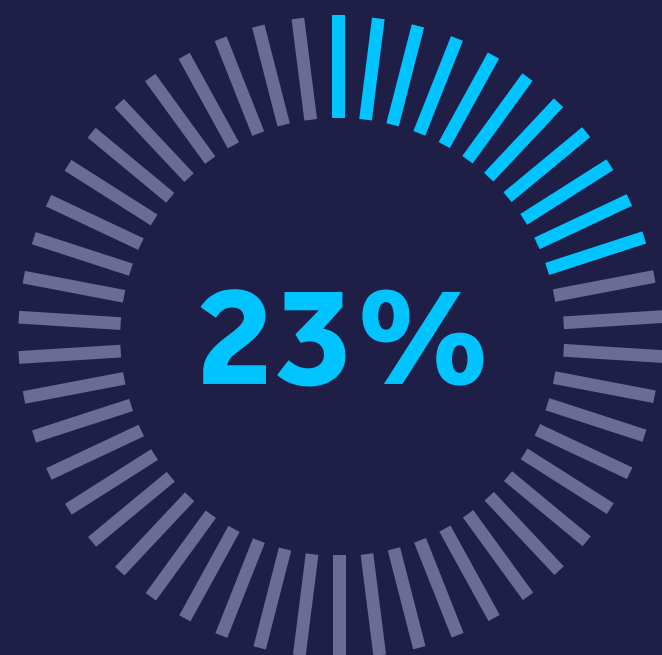


of Nordic fashion and retail decision makers rate their inventory management technology as excellent. (However, 93% rated it as good)



of fashion and retail decision makers in Benelux rely on third-party tools (in contrast to 80% last year)

Key Statistics



of respondents say their ERP supports sample-specific costing, a critical feature for high-cost, low-volume fashion categories



of ERPs support inventory ringfencing for customer prioritisation, leaving wholesale operations exposed



Chapter 1

A Brief Look At The Current State of Fashion ERP



As the dust settles on another turbulent year for global supply chains, fashion and retail brands are once again looking inward – and, increasingly, downward – into the foundations of their digital ecosystems.

ERP systems, once considered mere back-office tools, are now the foundation for everything else. But for all the growing strategic importance placed on these systems, few live up to expectations. The 2025 data reinforces what we uncovered last year: while ERP remains essential, true ERP excellence is elusive.

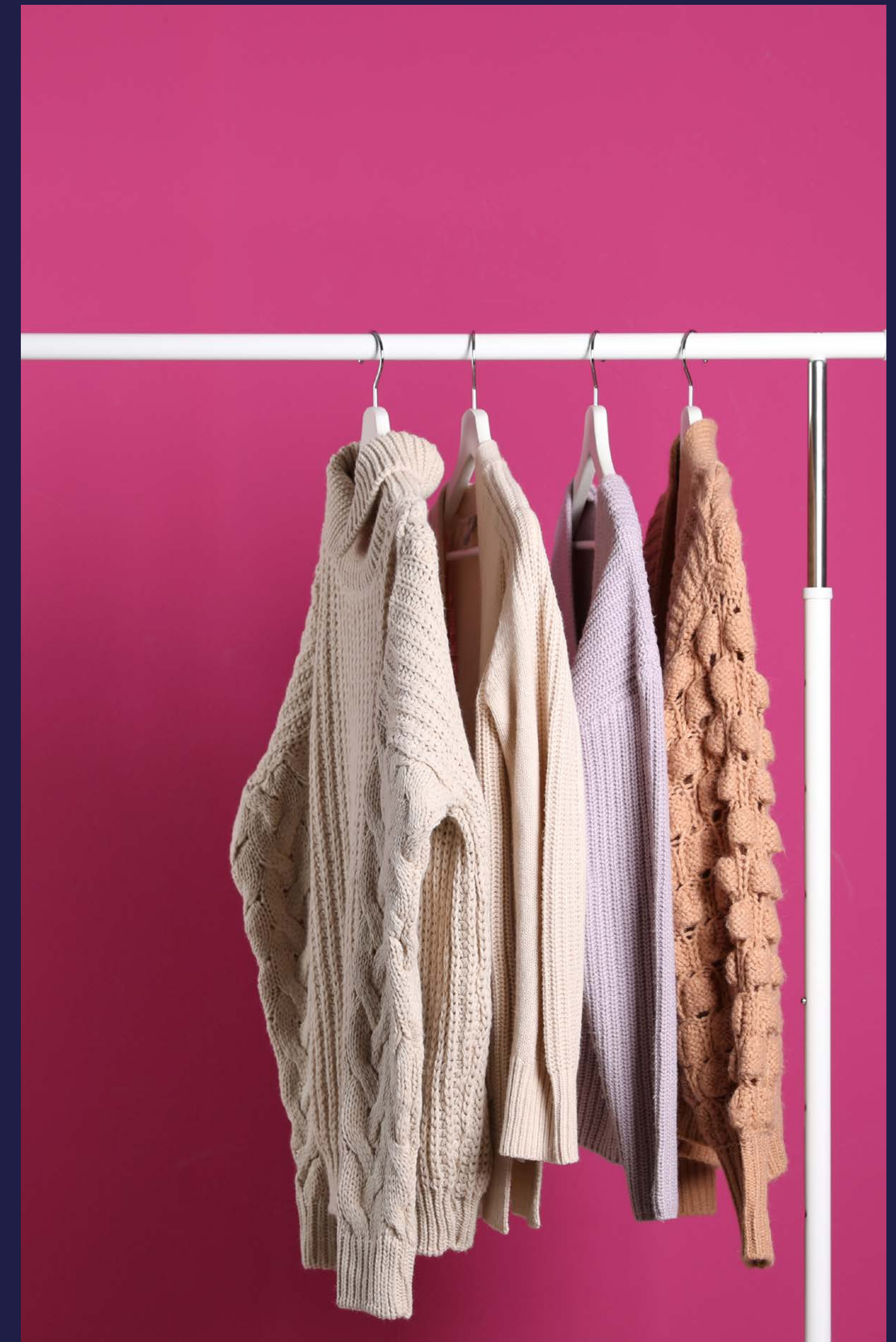
No major vendor has yet delivered a solution tailored enough to accommodate fashion's intricate workflows, and that gap is becoming more visible as the sector matures digitally. The surface-level stability masks an undercurrent of dissatisfaction, with vendors inching forward in some areas while stalling,

or even sliding, in others. The decline is subtle. Satisfaction with core functions like inventory, supply chain and PLM have either flatlined or dipped. Regional performance tells a similar story. The US leads while the UK and Benelux flounder. Mid-market companies are still the most underserved by far. What stands out is how essential ERP is, not just as a piece of software but as a source of operational truth.

If ERPs don't keep up with business demands, brands won't just suffer; they'll stall.

This year's introduction of a question drilling deeper into specific fashion functionality shows gaps many businesses feel but struggle to articulate. These functions (outlined below) are foundational, and yet most ERPs don't offer them out of the box.

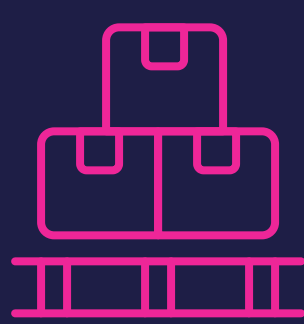
It's no wonder the majority still rely on third-party tools.



The specific functionality introduced in this year's research includes:



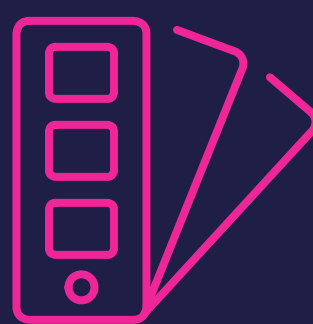
Ability to create a Bill of Materials (BOM) for each item variant



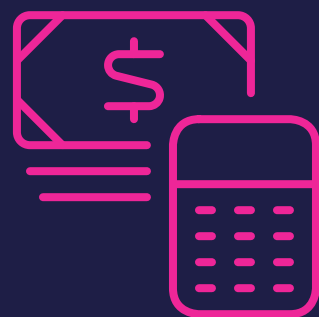
Support for different purchase order types for samples



Vendor production sites and CSR classification management



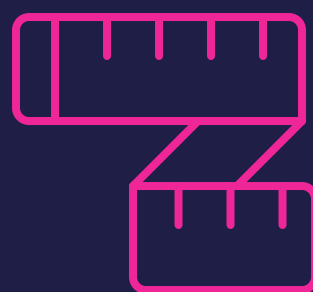
Sample-specific costing with trade agreements management



Ability to calculate costing at the variant level



Master Production Order creation at the variant level



Standardised fit and measurement templates



Centralised style master for managing product history and analytics



Lifecycle phase management with activity assignments and alerts



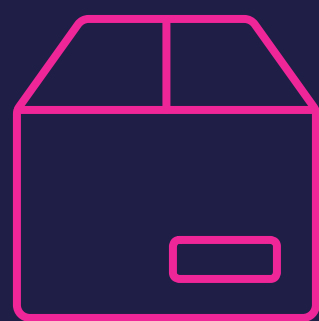
SKU-level inventory visibility for wholesale customers



Ability to automate consignment stock, e.g., data import, sales orders, transfer orders



Ability to plan BOM-led procurement, including MOQ and lead times



Inventory ringfencing to protect stock for key clients

**With that out of the way,
let's dive in!**



Market Composition: No Vendor Offers Everything Fashion Needs

It should surprise no one that last year's top three most popular vendors, Microsoft, SAP and Oracle, continue to dominate the market. According to our data, Microsoft is still the most popular ERP provider in fashion, commanding a 40% market share, a slight decline from 42% in 2024. SAP holds steady at 31%, while Oracle has grown from 15% to 17%.

Beneath these figures, however, lies a more nuanced story of shifting expectations and uneven delivery.

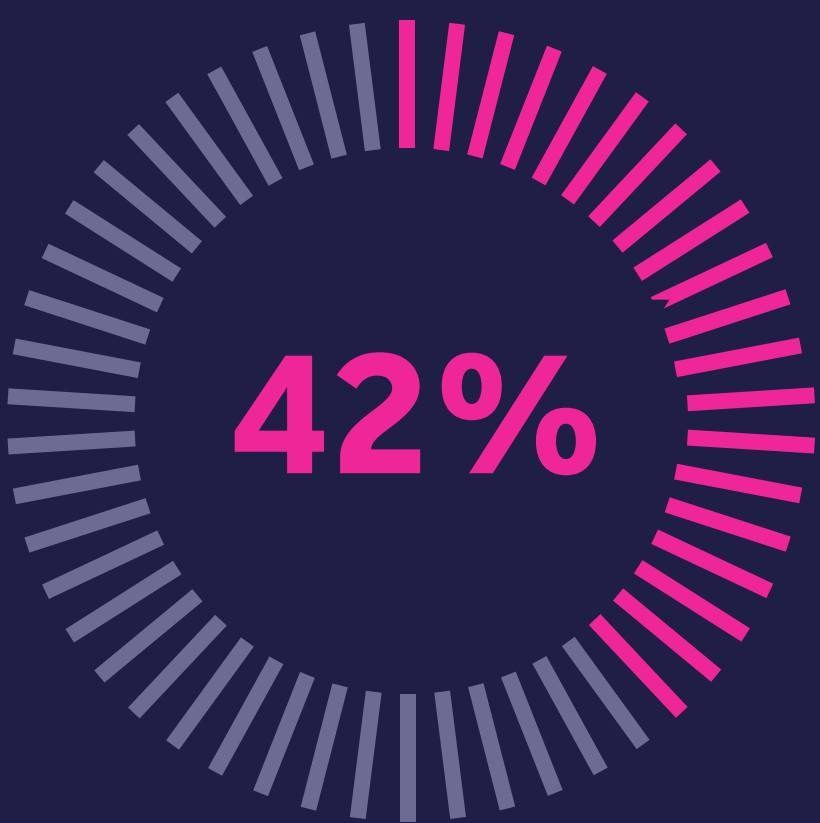
Oracle has seemingly improved in data management, with some 40% of users now rating their ERP as excellent, mirroring Microsoft's performance in the same category while SAP lags. Microsoft still leads in inventory management (42%) and season management (29%), but satisfaction has

dipped slightly year-on-year (inventory dropped from 45%, and supply chain management from 39% to 38%).

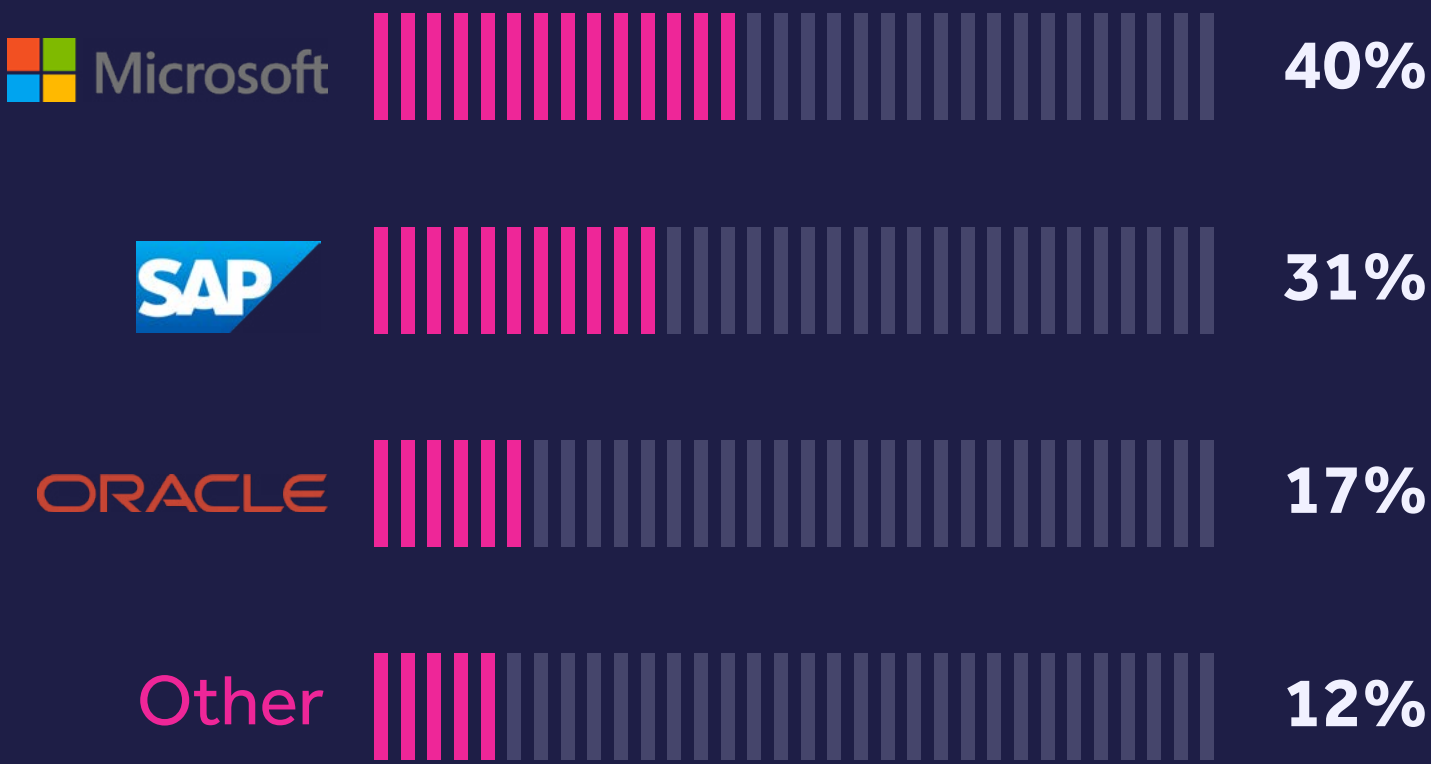
When expanding outward to look at overall satisfaction (i.e., users rating their ERPs as good or above), Microsoft generally performs the best, often outdoing Oracle but occasionally trailing behind SAP in specific areas like supply chain management and manufacturing.

(Note: Similar to last year, we included all major ERP vendors in our research as well as more niche and specialised players like Independent Software Vendors (ISVs) that appeal specifically to fashion. To preserve neutrality, K3 Fashion Solutions was excluded from the study.)

However, like in 2024, only a small percentage of respondents selected vendors that weren't Microsoft, SAP and Oracle. The numbers, therefore, were too insignificant to impact the analysis and, as such, have been excluded from the discussion.)



Share of Microsoft users rating their inventory management as excellent



Shares of top players in the fashion ERP market

Business Size Is Still A Mixed Bag

This year, Microsoft dominates among both small (<99 employees) and large (>1,000) businesses, but SAP holds sway in the 500-999 employee bracket, the segment where ERP struggles are most pronounced.

This group also saw a minor but positive increase in the number of respondents citing their ERP as excellent in customer engagement (15% to 27%).

The business size analysis proved to be invaluable last year, and so this time around, we have a larger and more dedicated section later in the whitepaper to unpack 2025's results.

Regional Performance: Consistency or Complacency?

The US continues to lead in overall ERP satisfaction, particularly in data management and order fulfilment. Meanwhile, the UK

held mostly flat with some slips evident. For example, inventory management excellence dropped from 45% to 40%.

Interestingly, Benelux, who last year showed the highest reliance on third-party tools to supplement gaps in their ERPs (80%), has improved in this area substantially (50%). Germany and France saw small but positive movements in CSR functionality, though these gains remain modest.

Overall, regional disparities remain wide, with no market demonstrating a consistently high-performing ERP experience across all functions.

One Industry, Many Needs

The clearest insight from 2025's data is that ERP in fashion and retail still lacks a truly fit-for-purpose option, at least amongst the market-leading vendors.

While Microsoft leads in overall usage and particular strengths like inventory management and season management, it's not enough by itself.

SAP may excel in CSR, and Oracle may have built momentum in data management, but the story remains the same: no major vendor offers end-to-end sector alignment.

Fashion's demands are too specific for generic solutions to suffice.

In 2025, the ERP market may be better understood, but it's still not better solved.



Chapter 2

Satisfaction & Support – A Closer Look At Functionality





Percentage of respondents using **Oracle** report that their inventory management is excellent

If ERPs are the engine behind fashion and retail businesses, then functionality is the fuel, and not all tanks are full. In 2024, we asked respondents to assess how well their ERPs support key fashion operations across areas such as inventory management, supply chain management, data management, PLM and more.

The results this year show subtle shifts, but one message comes through loud and clear.

Functionality isn't a wish list item; it's a baseline expectation.

Inventory & Supply Chain: Still Centre Stage

Inventory management remains a critical capability, with Microsoft, SAP, and Oracle all continuing to perform relatively well here. This year, in terms of respondents who report their ERP as excellent, Oracle leads the pack (50%), followed by Microsoft (42%) and SAP (38%).

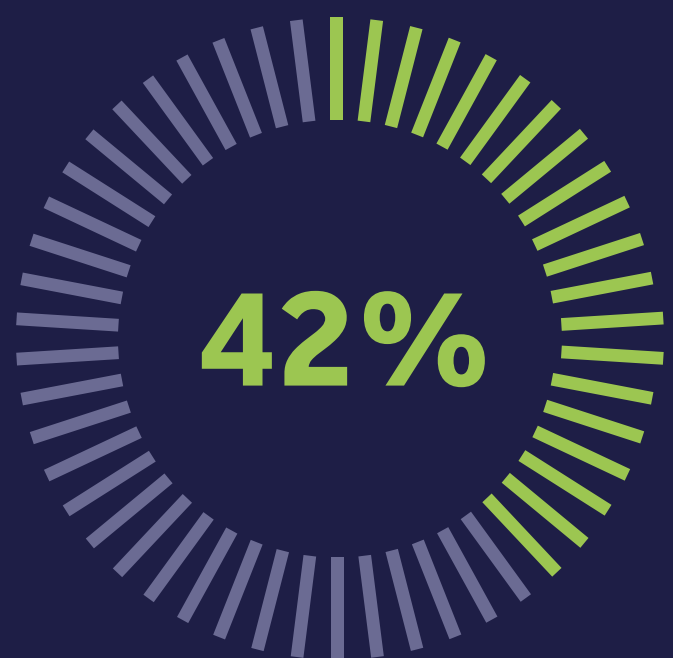
Supply chain management tells a similar

story. SAP users express the highest overall satisfaction (95% rating good or excellent), suggesting that SAP continues to resonate with companies that require sophisticated supply chain orchestration. Microsoft follows at 85%, with Oracle at 80%.

When it comes to those who rate their ERPs specifically as excellent for supply chain management, Oracle takes the lead (43%), with Microsoft in second (38%) and SAP third (31%).

At a glance, this looks like good news, but scratch beneath the surface, and a different picture emerges. In fact, despite strong overall numbers, satisfaction has dipped slightly YoY.

Microsoft's inventory support, while still strong, declined from an excellent score of 49% in 2024 to 44% in 2025, while supply chain management dipped from 45% to 36%. The cracks may be hairline, but they're deepening, especially for companies in the 100–199 employee bracket, where just 68% rate supply chain functionality as good or excellent. Scale brings complexity, which only serves to expose gaps.



Percentage of respondents using **Microsoft** report that their inventory management is excellent



Percentage of respondents using **SAP** report that their inventory management is excellent

Data Management, Customer Engagement & The PLM Problem

Data management remains a key differentiator. Microsoft continues to lead here, with 93% of users satisfied and half rating their ERP as excellent. SAP and Oracle trail slightly, but both still score above 80% in overall satisfaction.

Customer engagement presents a more mixed picture. Oracle leads slightly (80%), followed by Microsoft (78%) and SAP (73%) in terms of overall satisfaction. When it comes to users

reporting their ERP as excellent, the results are 40% for Oracle, 31% for Microsoft, and 30% for SAP.

But once again, mid-sized businesses tell a different story.

Just 65% in the 100–199 bracket feel well-supported here, with 6% rating their ERP’s customer engagement as poor. The numbers are nearly unchanged from 2024, which in itself says something.

The real sore spot, though, was PLM. Only 23% of respondents in total rate their ERP as

excellent in this category, a figure that remains stubbornly low. Larger businesses report marginally better results, but in no region or segment is PLM universally praised.

It remains one of the most significant functional gaps in today’s ERP environments and one of the most critical to fix.

YoY, this figure is flat. Despite the growing urgency around product development agility, driven by compressed product lifecycles and faster collection turnover, PLM functionality remains one of ERP’s most persistent blind spots.



Percentage of respondents using **Oracle** report that their data management is excellent



Percentage of respondents using **Microsoft** report that their data management is excellent



Percentage of respondents using **SAP** report that their data management is excellent



A Deeper Look At Core Fashion Functionality

New for 2025, we asked respondents whether their ERP currently supports an array of key functionalities that are essential to fashion and retail (the details of which can be found at the start of Chapter 1). The responses were revealing.

Just over half of all respondents (51%) say their ERP supports creating a Bill of Materials for item variants, a vital feature for fashion when you consider that each variant will require differing amounts of dye batches, fabric lengths, etc.

Only 38% report support for inventory ringfencing for customer prioritisation, yet another essential feature, particularly for wholesale channels where keeping top clients stocked is paramount to preserving the bottom line.

A mere 28% say their ERP uses sample-specific costing with trade agreements, an area that is particularly valuable in high-

cost, low-volume categories like luxury and formalwear.

These numbers matter.

While overall satisfaction with basic ERP functions in fashion and retail is high, the more specific we get, the less ERPs tend to offer. This is why we're still seeing such high numbers of respondents relying on third-party add-ons to supplement gaps in their ERPs, even if that number is down slightly.

No vendor offers a fully-aligned solution, meaning support for nuanced processes remains incomplete. This forces businesses to find workarounds, which only serves to increase operational complexity and cost. Simultaneously, then, we see two opportunities for improvement.

Vendors who offer more specific functionality will ensure their customers' needs are fulfilled, meaning they'll be more likely to persist with them.

Customers who use vendors that offer more specific functionality will be able to decrease

their reliance on expensive tools and simplify their tech stacks.

The introduction of this question has been enlightening. It shows that our overall assertion that ERPs don't typically meet fashion and retail needs is correct, even if at a higher level, most ERPs do support most functionalities.

The problem is that these functionalities aren't the difference makers.

As we'll see in the coming chapter, this pain is felt most by mid-sized businesses, organisations that are too complex for out-of-the-box tools but not resourced like global giants.

The challenge isn't functionality for functionality's sake. It's about creating systems that align with the unique cadence, structure and pressures of fashion and retail. Until then, satisfaction will remain a patchwork and frustration a constant thread.



Chapter 3

Sizing Up The Gaps – Business Size Matters



No two fashion businesses operate the same way. Nowhere is that more apparent than when you break ERP satisfaction down by company size. What works for a global enterprise is often overkill for a niche brand, while tools built for lean startups collapse under the weight of multi-country operations. This year’s results confirm what we found in 2024:

Business size is one of the clearest indicators of ERP satisfaction and pain.

Small Businesses: Lean, But Not Always Lacking

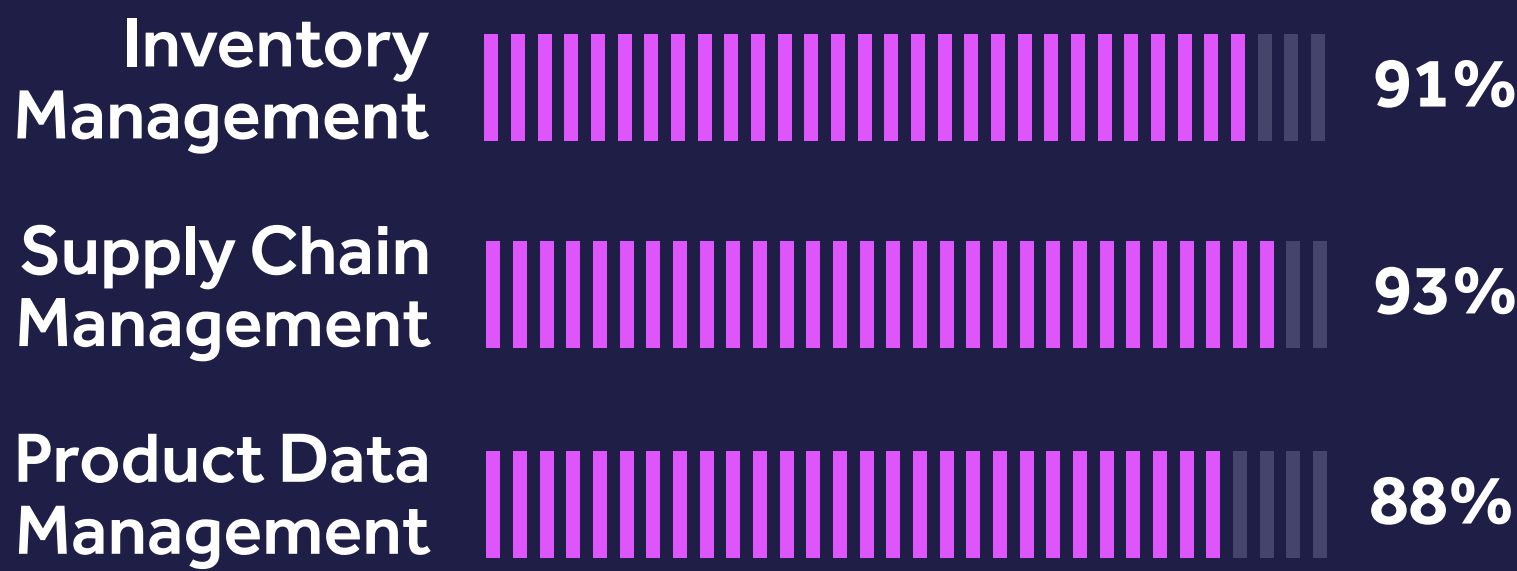
Smaller businesses (fewer than 99 employees) are, in many ways, the most optimistic ERP users. They report some of the highest overall satisfaction scores in key areas like inventory (91% rating excellent or good), supply chain (93%), and product data management (88%).

It’s not that these ERPs are more sophisticated; it’s that smaller operations tend to be more focused, less burdened by legacy processes, and often able to

implement clean, relatively simple ERP architectures. In other words, less complexity = less conflict.

This echoes 2024’s findings, where small businesses also showed high satisfaction with core ERP tasks, especially inventory and supply chain.

There is a clearer sense of fragility with the introduction of our latest question, however, with just 33% saying their ERP supports sample-specific costing. This shows a steep drop-off in functional support as complexity rises. The systems may be “good enough” for now, but the cracks will appear quickly as the business grows.



% of Small Businesses participants rate ERP functions as good or excellent



Mid-Sized Businesses (100–199 Employees): Still The Most Underserved

For the second year running, this group emerges as the most under-supported segment.

From supply chain (just 68% rating good or excellent) to customer engagement (65%) and season management (71%), mid-sized businesses report lower satisfaction across nearly every major functionality. Their ERPs are often stretched, too complex for off-the-shelf setups, but not large enough to warrant full-scale customisation or enterprise-grade support.

This segment was flagged in 2024 as struggling with manufacturing, order prioritisation, and future inventory calculation. Those same issues persist in 2025, now with deeper insight.

43% in this group say their ERP supports BOM-led procurement (including MOQ and lead times). 32% report support for lifecycle

phase management with activity alerts. These are not nice-to-have extras. They’re foundational features for scaling fashion operations responsibly.

The message is the same.

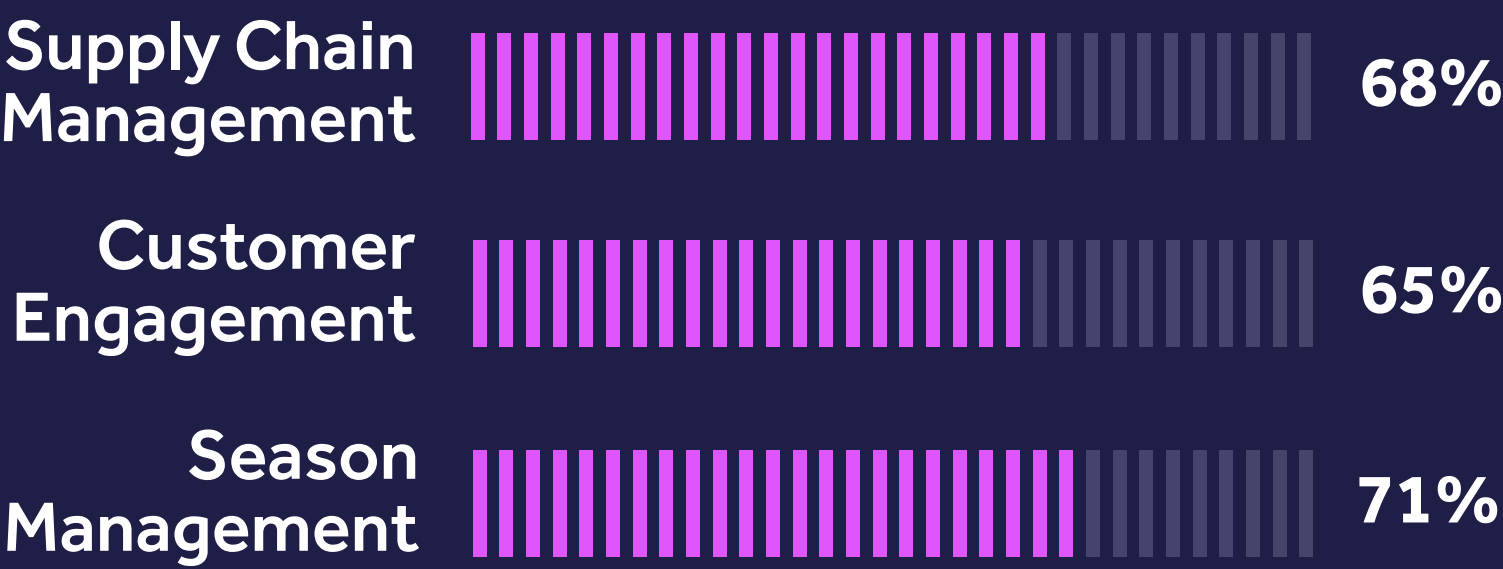
Mid-sized businesses aren’t just under-resourced; they’re structurally underserved.

Upper-Mid Segment (200–499 and 500–999 Employees): Better Equipped, But Still Plugging Gaps

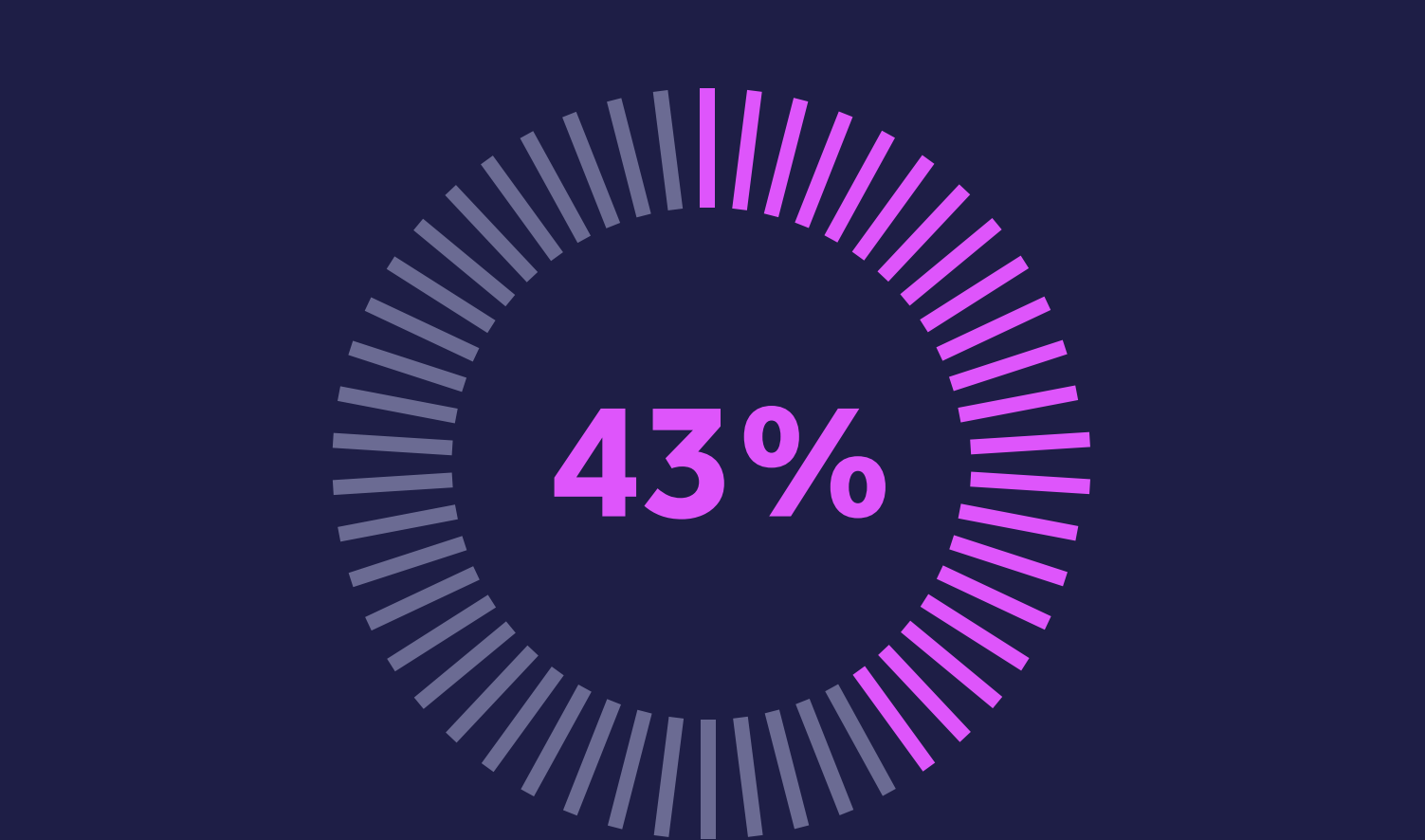
Companies in these brackets report higher satisfaction than their 100–199 counterparts, particularly in areas like data management (94% satisfaction among the 200–499 cohort) and channel management (84%).

With that said, these businesses still face notable constraints. For example, only 35% of companies with 500–999 employees report support for Master Production Orders at

variant level, a clear gap for any brand with complex assortments or made-to-order workflows.



% of Mid-Sized businesses participants rate their ERP fuctions as good or excellent



of participants from Mid-Sized Businesses say their ERP supports BOM-led procurement

This is further evidenced by the fact that even in larger mid-size organisations, reliance on third-party tools remains high. In 2024, this group showed the highest third-party tool usage (up to 96%), and that trend holds steady this year.

These companies may appear better supported on the surface, but much of that satisfaction is stitched together with workarounds.

This segment sits in ERP limbo, too advanced for entry-level platforms and not quite resourced for full-scale enterprise transformation.

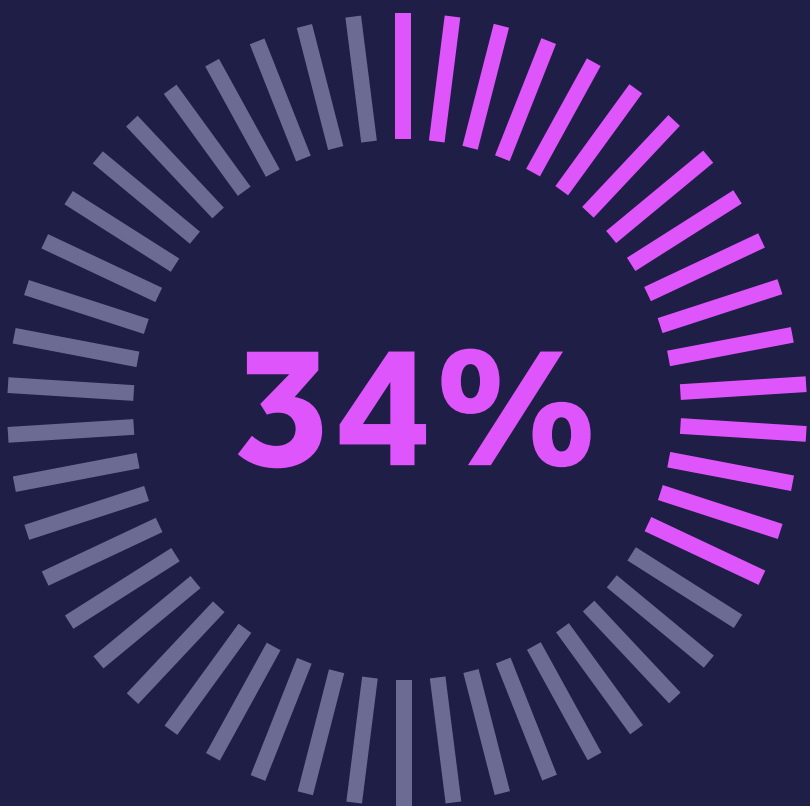
Large Enterprises (1,000+ Employees): Capability With Caveats

At the enterprise end, satisfaction levels improve, though not universally. These companies have the budget and internal IT resources to configure systems, but that doesn't mean the systems are inherently better.

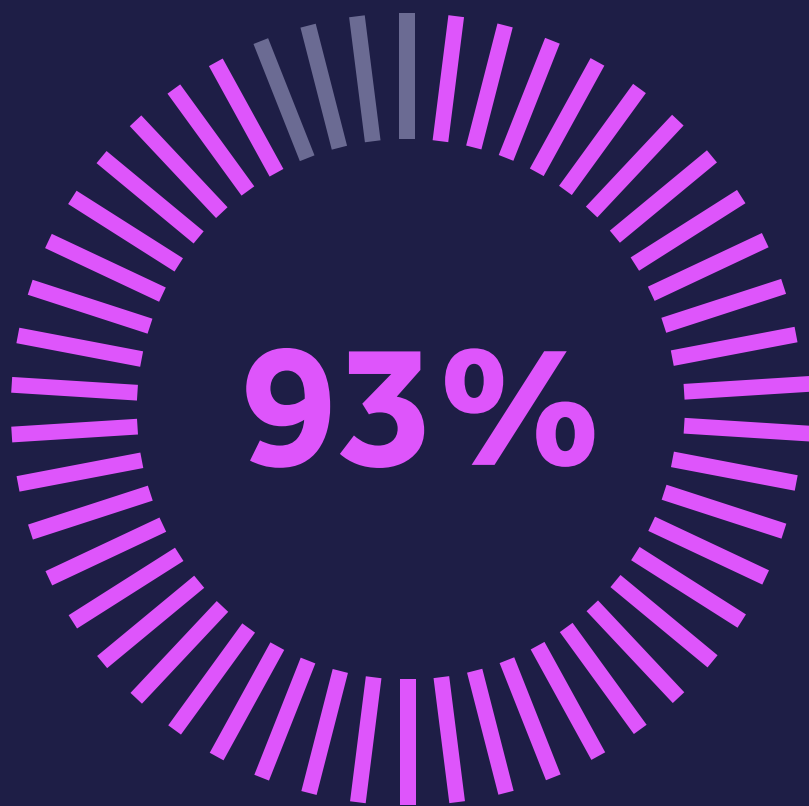
For example, 34% say their ERP maintains fit and measurement standards with templates, a surprisingly low figure given the operational

complexity these businesses face. However, the big players do enjoy stronger scores in areas like order fulfilment (93% excellent or good) and customer engagement (80%). These are businesses that have likely invested time and money into ERP customisation, and it shows.

To caveat that, however, usage of third-party add-ons is still common, with 51% of this cohort saying they use them to plug ERP gaps. These aren't immature systems; they're mature systems with persistent blind spots that must be addressed for optimal end-user satisfaction.



of participants from **Large Enterprises** say their ERP maintains fit and measurement standards



of participants from **Large Enterprises** say their ERP is excellent or good at order fulfilment



of participants from **Large Enterprises** say their ERP is excellent or good at customer engagement

What Each Business Size Group Lacks Most

In terms of what each cohort lacks the most, here's what our research identified:

Small Businesses (<99 employees) may feel satisfied overall, but there are signs of strain. Just 44% report support for managing vendor production sites and CSR classifications, and only 23% use a centralised style master for product history and analytics. These point to limited visibility into supplier standards and a foundational need for better product data architecture.

Mid-Sized Businesses (100–199 employees) remain the most under-supported. Only 24% report the ability to plan BOM-led procurement, including MOQ and lead times. Meanwhile, just 26% say their ERP can calculate costing at the variant level, highlighting the financial blind spots this segment still faces.

Upper-Mid Businesses (200–499 employees) are generally better equipped but still have trouble with advanced operations. Just 22% can

ringfence inventory for customer prioritisation, an essential feature for any demand-driven fulfilment strategy, especially in wholesale. This gap will ultimately put pressure on both service levels and margins.

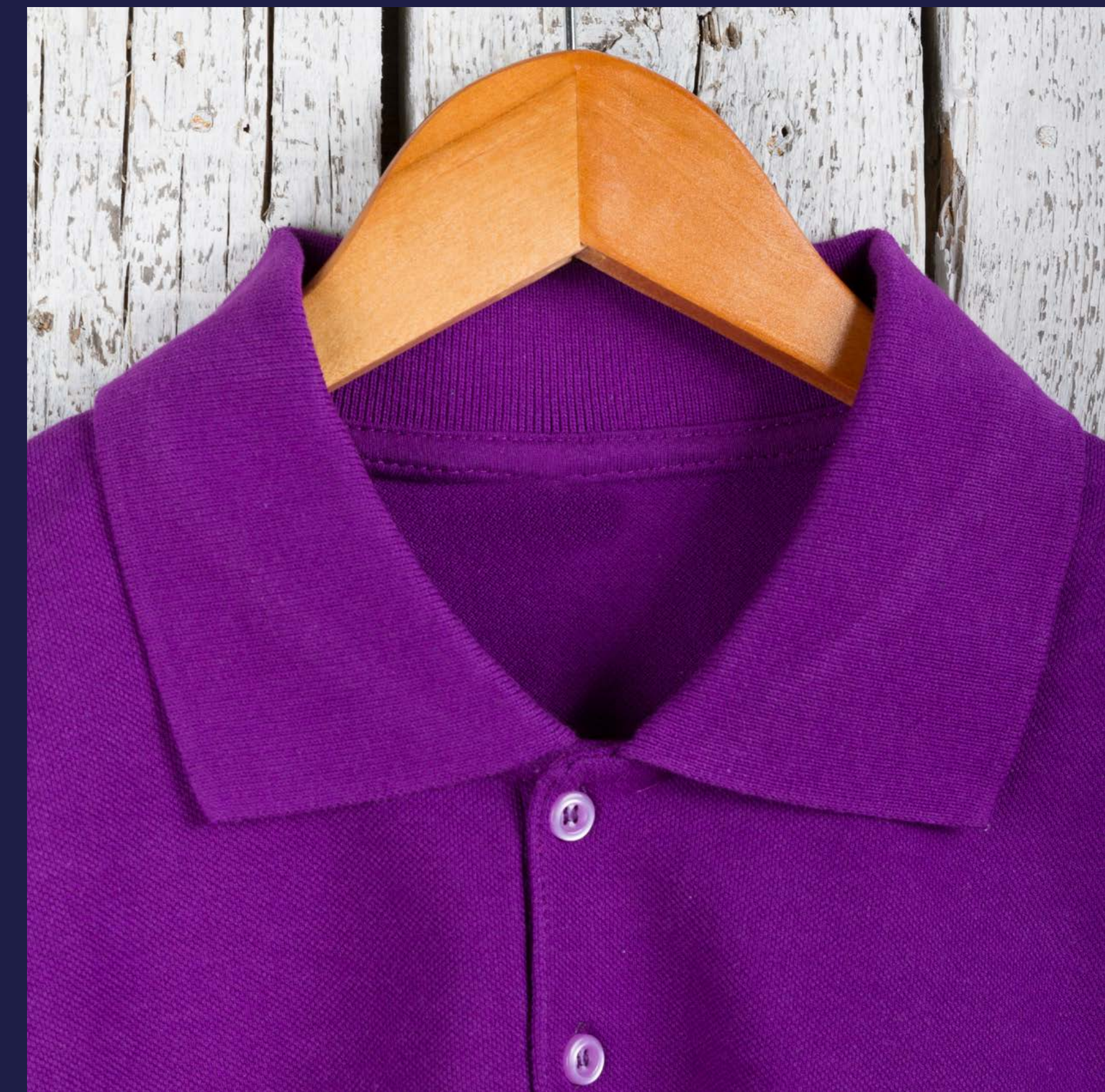
Larger Mid-Sized Companies (500–999 employees) struggle with centralised data capabilities. Despite generally higher satisfaction scores, only 43% report using a centralised style master. These businesses are mature enough to need enterprise-grade tools but still patch together solutions with third-party systems due to a lack of specific functionality.

Enterprises (1,000+ employees) face a different challenge, that being depth over breadth. Only 29% can manage vendor production sites and CSR classifications, which is a surprising gap at this scale. Despite high IT investment, the systems still have blind spots in supplier governance and sustainability metrics.

These figures show that gaps aren't just present; they're patterned.

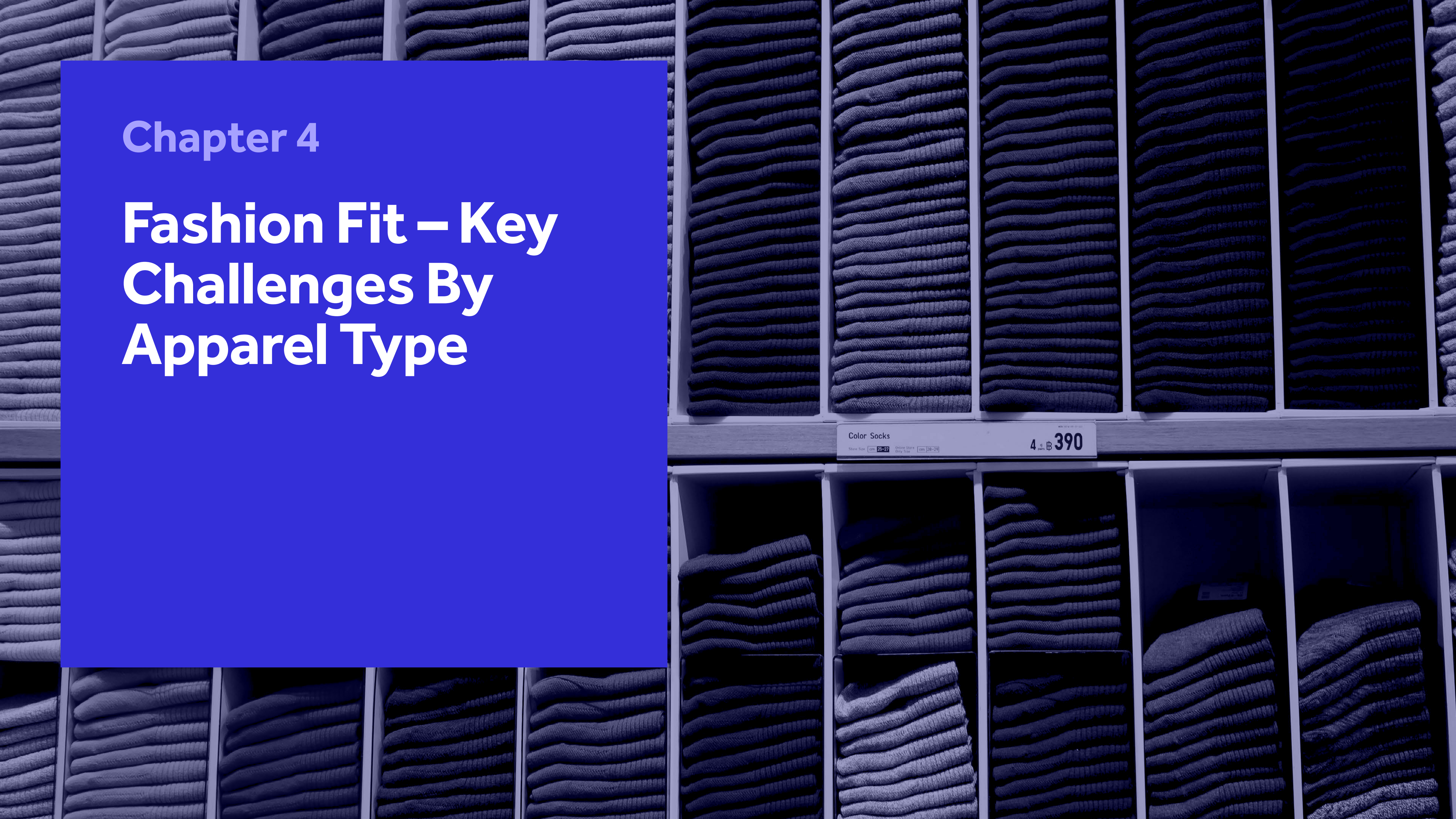
Each size group has its own weak spot, often directly tied to the operational maturity curve they're trying to climb.

Ultimately, ERP satisfaction is not a matter of vendor loyalty. It's a question of fit, and right now, mid-sized businesses are wearing systems a size too small while larger ones are busy tailoring their own.



Chapter 4

Fashion Fit – Key Challenges By Apparel Type



Fashion retail encompasses many different market segments, ranging from high-end luxury to low-cost, fast fashion. This is obviously key to note because depending on where a business sits in the overall market, its specific wants, needs, and challenges will be different.

There is no one-size-all approach.

In 2024, we uncovered disparities in how different apparel categories experience ERP systems.

Unsurprisingly, the narrative hasn't changed much this year. Here are the key findings:

Denim

Denim respondents continue to face familiar hurdles, particularly around budget constraints (36%) and the complications introduced by third-party system add-ons (31%). A further 29% cite a lack of ERP functionality and change management challenges.

Functionally, core ERP weaknesses remain persistent. Just 25% report strong support for

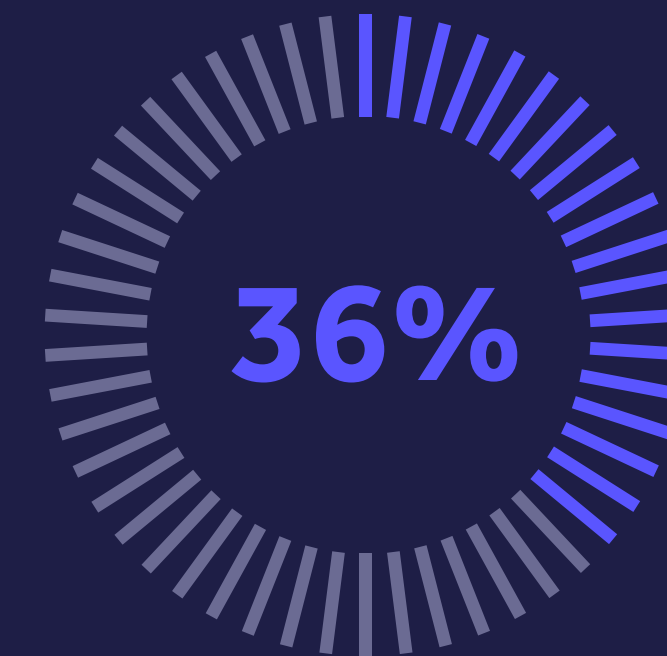
fit and measurement standards, and only 36% say their system manages lifecycle phases with alerts. Even centralised style masters, critical for tracking product history, are underused, with just 33% adoption.

Despite these limitations, denim companies show a strong focus on operational detail. 92% say their ERP provides granular product insights, and 90% highlight flexibility in post-order modifications, suggesting that while systems may not be perfect, adaptability is a clear strength.

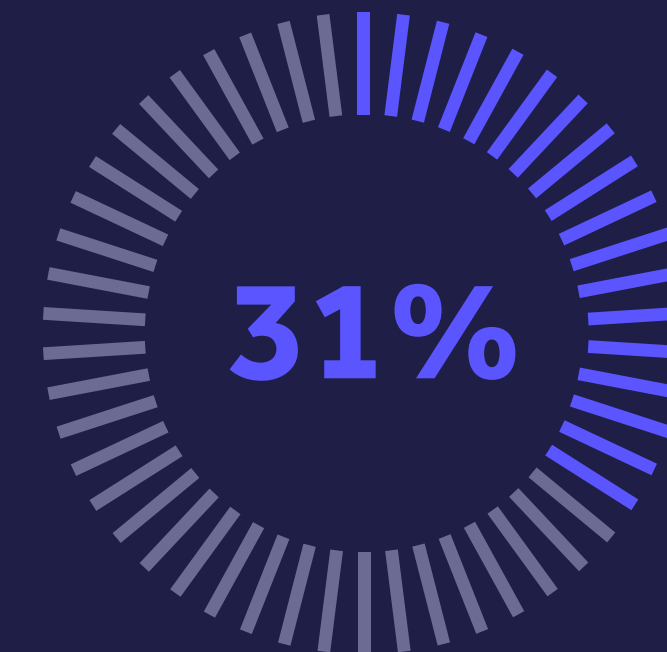
Swimwear

Swimwear respondents, like denim, show consistently low satisfaction in PLM and channel management and have made minimal gains year-on-year.

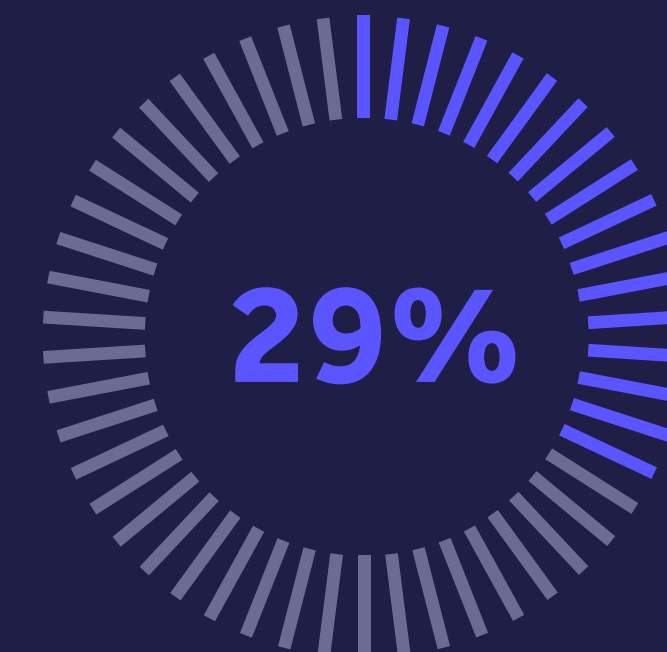
This group, however, also reveals one of the most technically underserved profiles with regard to our newest question. Only 28% report support for sample-specific costing and just 43% say their ERP enables BOM-led procurement with MOQ and lead time visibility. This is a significant concern in a category



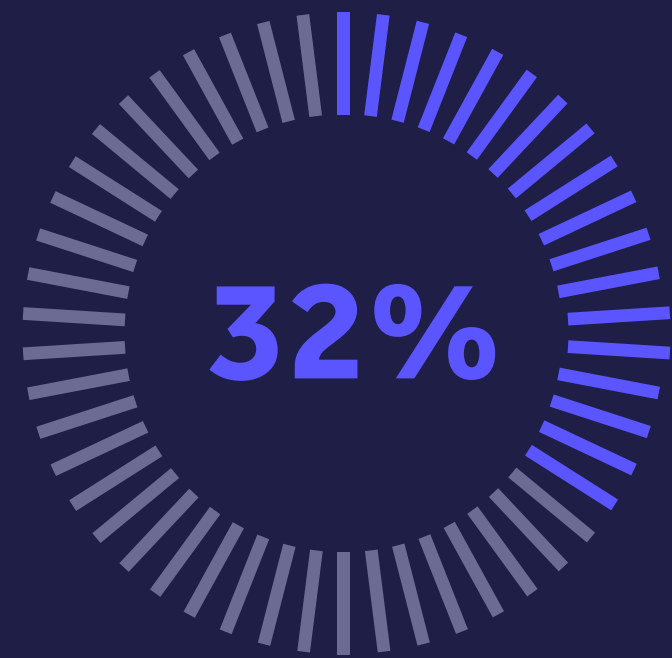
of **Denim** respondents say they experience budget constraints



of **Denim** respondents say they experience complications introduced by third-party system add-ons



of **Denim** respondents say they experience a lack of ERP functionality



of **Outdoor** respondents say their ERP supports managing lifecycle phases with alerts and activity assignments

where materials are niche and collections are seasonal.

These limitations closely reflect 2024 insights, especially the prevalence of change management as a top blocker. That's still the case.

Outdoor

Outdoor wear producers face perhaps the most frustrating gap of all, that being highly technical products and underwhelming systems. 32% say their ERP supports managing lifecycle phases with alerts and activity assignments, and just 29% support sample-specific costing.

PLM is another weak area, with just 28% of respondents citing their ERP as excellent here.

In a market that relies heavily on raw material planning and production staging, these omissions are costly, both in terms of money and customer satisfaction.

The ERPs used by outdoor businesses are clearly still below par.

Notably, this aligns with 2024's geographic

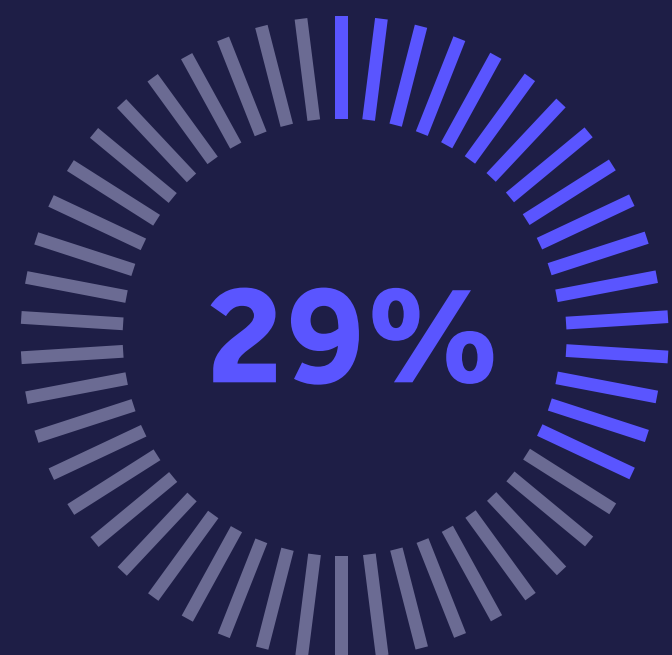
split, where US outdoor respondents rated their ERP 9/10, which was more than 3x higher than their UK counterparts. This disparity remains evident in 2025, with US outdoor respondents continuing to rate their ERP systems significantly higher than their UK counterparts.

Sportswear & Sporting Goods

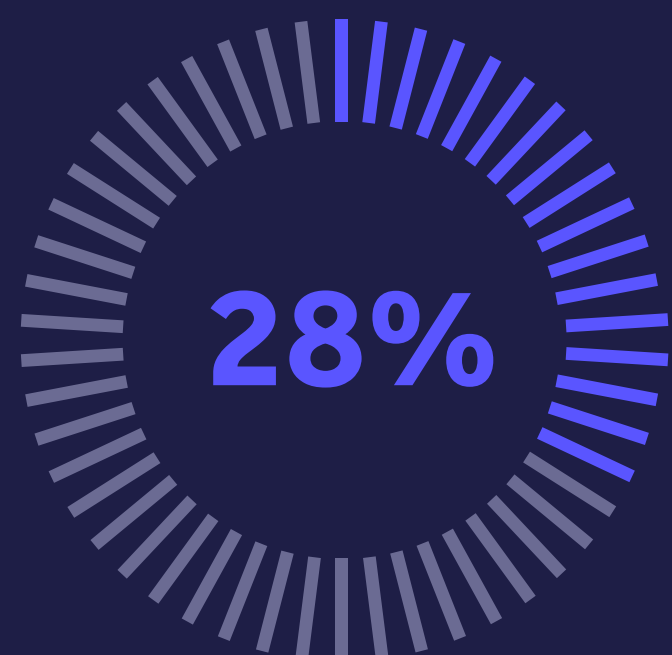
Both categories mirror each other and continue to report a lack of depth in their ERP functionality. Less than 30% rate their systems as excellent in PLM, and only a quarter say their ERP is capable of handling raw material scarcity alerts.

Our new question also reveals another pain point: just 35% of both sportswear and sporting goods respondents say their system supports variant-level production orders. For brands that live and die by product drops and pre-season planning, this is a significant and glaring gap.

Again, budget and internal buy-in top the list of barriers. The systems aren't there, and neither is the c-suite buy-in to support the upgrade.



of **Outdoor** respondents say their ERPs support sample-specific costing



of **Outdoor** respondents say their ERP is excellent at PLM

Uniform

While generally more satisfied, uniform respondents still face technical hurdles.

For instance, only 25% say their ERP supports sample-specific costing, which is surprising for a category built on exacting standards and production consistency. This is compounded by weak support for fit and measurement templates, with just 34% saying their ERP offers this capability.

Respondents in this cohort still note their top hurdles as change management and executive resistance, a familiar problem across all categories.

Luxury & Formalwear

Luxury respondents likewise find that their ERP strains under pressure. While they rate the importance of raw material alerts and CSR highly, just 41% say their ERP delivers on either.

The latest question tells us that only 32% of formalwear and 28% of luxury respondents say their ERP supports sample-specific costing, a

staggering statistic given how central samples are to these segments.

The pain is unchanged from last year, when raw material scarcity was already flagged as a critical gap for luxury respondents, especially in Europe.

Luxury businesses want detail, control, and planning agility, but what they have is an ERP that knows how to sell products... not how to develop them.

Footwear

Unsurprisingly, the operational friction for footwear businesses persists.

The most prominent challenges flagged by respondents include budget constraints (33%) and change management (31%), both of which continue to impede respondents.

A further 30% cite ERP functionality limitations as critical. Just 34% say their ERP effectively supports lifecycle phase management with task alerts, and the same proportion report support for fit and measurement templates,



a foundational and mission-critical need in footwear.

The core challenge for footwear remains similar, balancing fulfilment strength with the functional depth required to manage lifecycle precision, fit control, and the nuanced needs of footwear manufacturing.

Accessories & Jewellery

These categories remain inconsistent, not relatively underserved, but rarely well-

supported. Accessory respondents, for instance, report slightly higher satisfaction overall but are weak in season management (only 29% rate as excellent).

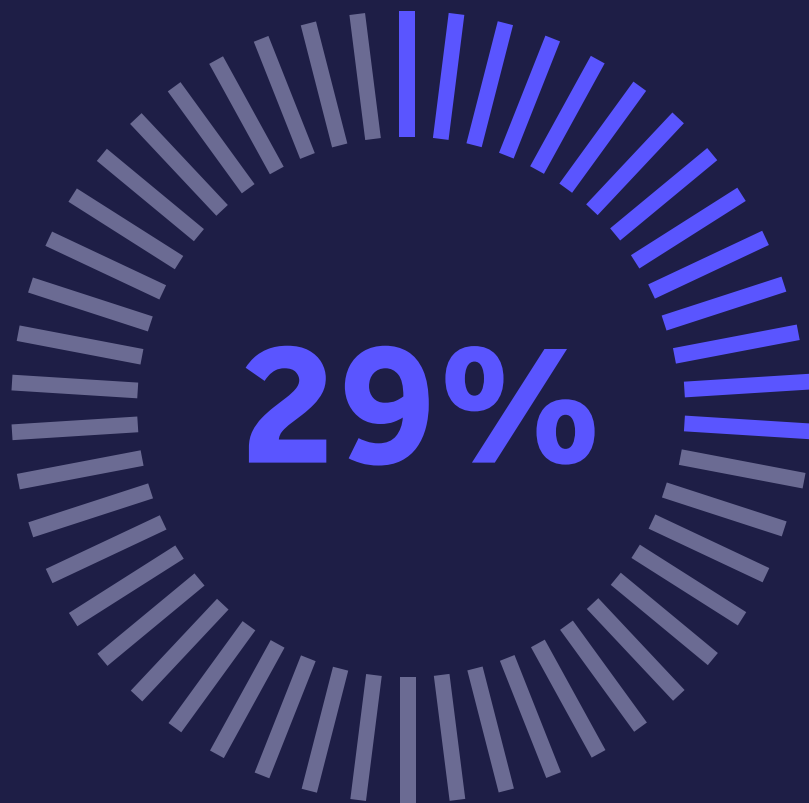
Jewellery respondents note severe gaps in channel management (only 30% say excellent), and 44% say their ERP supports centralised style masters.

Across the two, sample-specific costing is the lowest-supported functionality from the latest question, with just 25–32% reporting they have

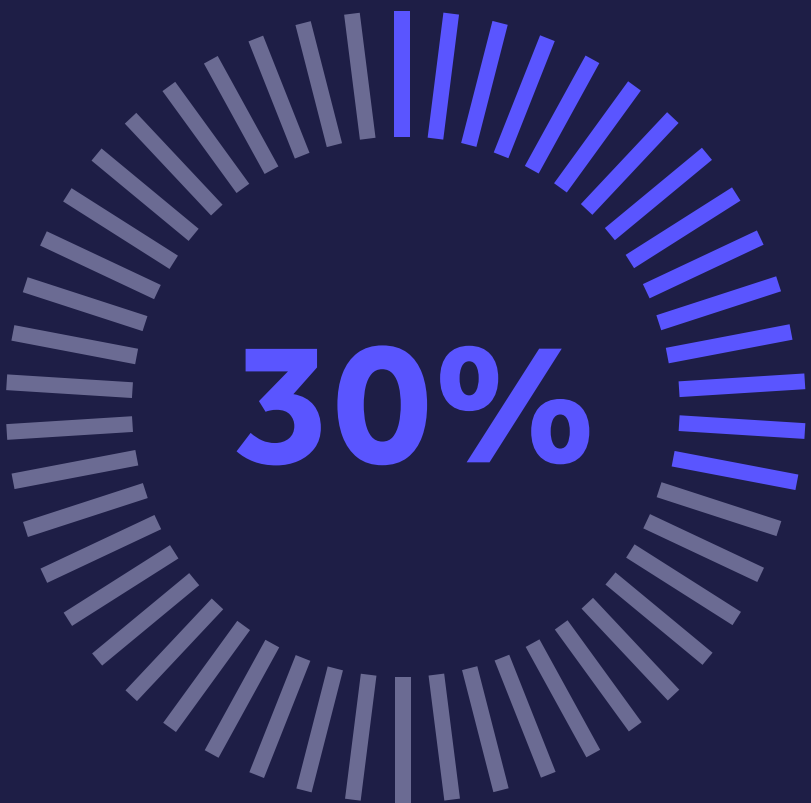
support in this area. This highlights a shared weakness. These categories often involve high product customisation, but ERP systems are still built for standardisation.

Common Threads

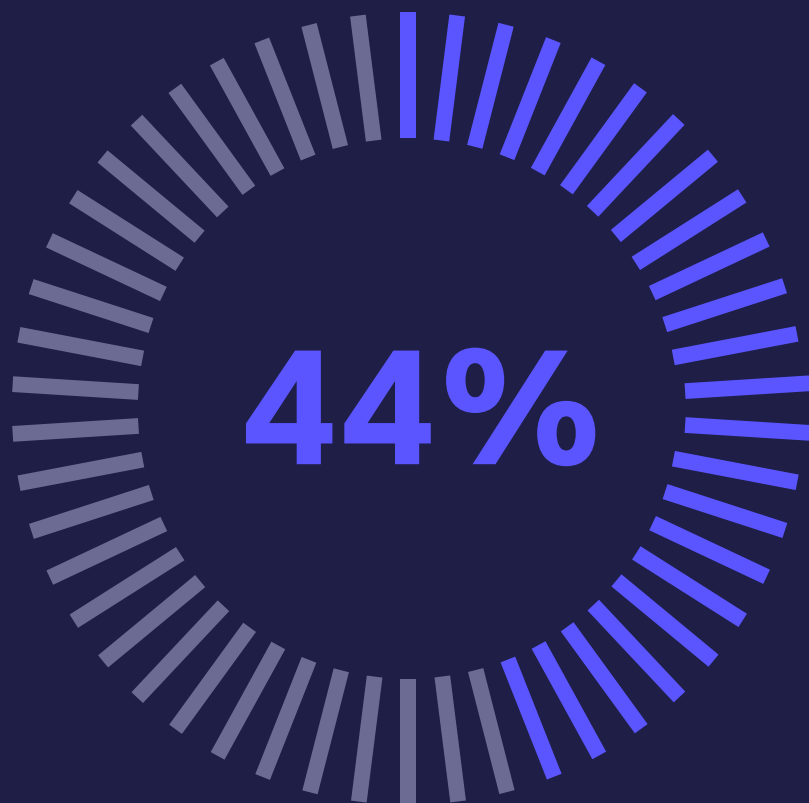
Last year’s recurring themes were budget, c-suite buy-in and change management. Those haven’t changed. They remain obstacles. But the newly introduced question does surface something new, that being that no category truly has nuanced technical support.



of participants from **Accessory** respondents rate their ERP’s season management as excellent



of participants from **Jewellery** respondents rate their ERP’s channel management as excellent



of participants from **Jewellery** respondents say their ERP supports centralised style masters.

For example:

- Categories requiring heavy sampling (luxury, denim, formalwear) consistently lack support for sample-specific costing
- Technically complex categories (outdoor, sportswear) struggle with BOM visibility and lifecycle alerts
- Precision-driven categories (uniform, footwear) lack measurement templates and granular production control

These aren't edge-case requests; they're fundamental to the way these brands operate.

Until ERP vendors recognise that different apparel types don't just need different features but different frameworks, their customers will continue to stitch together solutions

They'll struggle and waste time and budget persisting with a system that wasn't designed for them.



Chapter 5

Regional Realities



ERP systems don't operate in a vacuum. Geography is an important variable to consider, not just because of regulatory pressures but because of digital maturity to vendor presence and implementation support.

Once again, this year's data confirms what we saw in 2024. Regional disparities in ERP satisfaction aren't just persistent; they're structural.

This year, the picture sharpens further. Australia was removed from the survey to narrow the focus to core markets across Europe and North America. What remains is a fragmented map of ERP performance, with some regions pulling ahead, others falling behind, and many still stuck somewhere in the middle.

The United Kingdom

The UK continues to grapple with underwhelming ERP support in several key areas.

83% of respondents rate inventory management as good or excellent, which is one of the lowest scores across all regions. The

new question deepens the concern, with just 37% saying their ERP enables lifecycle phase management with alerts and activity tracking.

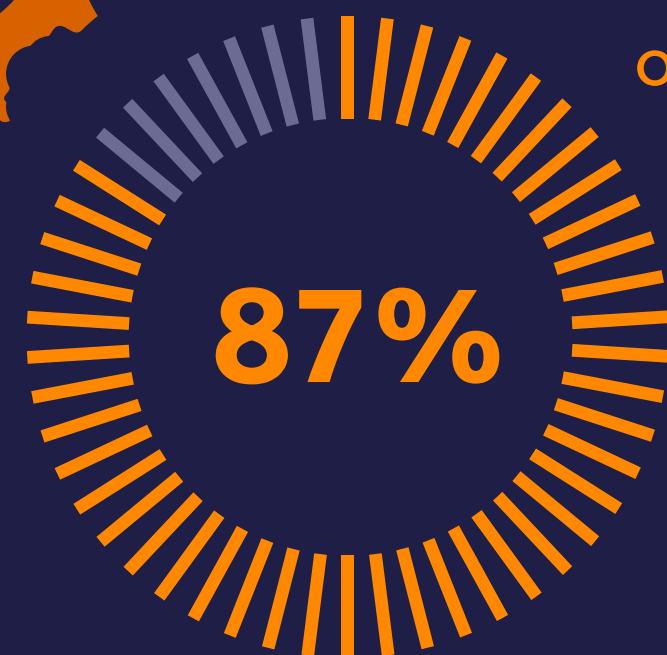
Perhaps more concerning, only 50% of UK respondents say their ERP can effectively silo stock across business channels. (Though, it is worth noting that an additional 47% say their ERP facilitates this to some extent.) In a multi-channel environment, it's a serious operational risk that only half say their ERP can categorically support multi-channel inventory splitting.

The overall message is that UK fashion and retail businesses are hungry for digital maturity, but they're still working with fragmented, inflexible systems that don't meet their needs.

In terms of YoY comparisons, little has changed. UK businesses already reported the lowest confidence in areas like season management (only 17% said excellent in 2024).

The market remains ambitious, yet it is held back by fragmented systems and weak investment appetite.





of **US** respondents say they are satisfied with their ERP's inventory management capabilities

The United States

The US continues to outperform Europe in many core areas. For instance, in terms of overall satisfaction, order fulfilment sits at 87%, inventory management is also at 87%, and data management is slightly lower at 80%.

The region also leads in overall satisfaction for raw material alerting (90%) and CSR tracking (97%), showing more substantial support for sustainability and risk visibility.

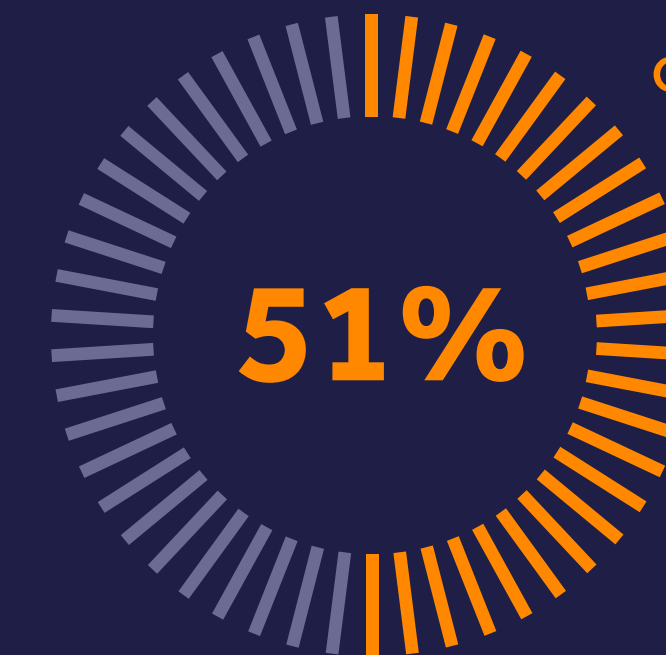
The new question reinforces this. US respondents are among the most likely to report advanced functionality support across multiple areas. With that said, only 43% report variant-level costing, and just 47% say their ERP

uses a centralised style master. The infrastructure is better, but the sophistication still varies.

These strong 2025 results build on 2024's lead indicators, where US respondents consistently rated their ERPs higher – especially in outdoor, luxury, and PLM categories. The US continues to benefit from a stronger alignment between ERP capability and business complexity.

Germany

Germany continues to report some of the highest overall satisfaction scores across core functions, particularly in the supply chain (90%) and inventory (83%). The country also leads in support of the new functionalities examined:



of **German** respondents say their ERP supports variant-level BOM creation

51% say their ERP supports variant-level BOM creation.

37% report the ability to manage vendor production sites and CSR classifications.

These scores suggest that German businesses have taken a more structured approach to ERP implementation with a focus on depth and control.

Compared to 2024, where German respondents lagged in PLM (only 20% said excellent) and were mid-table on raw material alerting (53%), the 2025 gains are real, albeit incremental.

Germany's strength seems to be in steady ERP maturity, not rapid transformation.

France

French respondents continue to report middling ERP performance across most metrics.

Inventory and data management sit at around 90% and 80%, respectively, for overall satisfaction. Customer satisfaction, likewise, remains lower than average at 73%.

In terms of the new functionalities studied,

adoption appears uneven. While 70% of French businesses use third-party add-ons, only 20% say their ERP supports sample-specific costing.

Just 23% report lifecycle management features, a figure that is low considering the region's strong presence in the luxury and formalwear sectors.

There does seem to be progress, but it's partial and not enough to cover the demands of high-

margin, detail-driven product categories.

This largely mirrors 2024 findings, where just 17% of French respondents rated their ERP's PLM features as excellent, and only 37% had ERPs that could calculate future inventory to determine whether they could fulfil an order.

France continues to operate with solid core systems, but at the same time, these systems were seemingly not built with luxury or agile product development in mind.





Benelux

This year, Benelux is the joint least reliant on third-party add-ons (50%, tied with the Nordics), whereas last year, it was the highest (80%). This is a very substantial development.

Meanwhile, the majority (87%) rate their ERP as good or above for data management, and more than two-thirds (73%) say the same for customer engagement.

With that said, there are still issues that persist.

Benelux underperforms across virtually all of the newly studied functionalities. A third say their ERP enables inventory ringfencing and the same report that their ERP supports BOM-led procurement processes.

Benelux may be less reliant on external tools than last year, but ERPs in the region are unable to handle more specific and nuanced requirements for fashion.



Nordics

Nordic respondents continue to show promise in digital ambition but struggle to leverage their ERP capabilities fully. There was an interesting data point emerge in that Nordic respondents report the highest overall satisfaction with inventory management (93%), yet only 27% rate their ERP as excellent in this area.

This reflects a broader trend across the region. Systems are generally stable and reliable, but

often lack the depth or refinement needed to truly excel.

The biggest standout from the new question for the Nordics was that only 37% of this group said their ERP could facilitate variant-level production.

This is a key requirement for any fashion retail company.

Overall, ERP satisfaction in the region correlates with lean operations and a strong digital culture, but there's still a lack of depth in

functionalities that matter to high-SKU, highly seasonal categories.

In 2024, Nordic respondents reported the lowest belief in ERP's role in seasonal planning (just 17% said it was pivotal). That perception is shifting (it's now 37%), but the functionality still hasn't caught up.

Functionality vs Geography

The most notable takeaway here is that while vendor market share may look similar across regions, the depth and relevance of ERP

functionality vary massively.

Cultural expectations, product category focus, and digital maturity all shape how well systems perform.

Compared to 2024, very few regions have meaningfully shifted position. Satisfaction may rise or fall a few points, but the structural story, i.e., who's leading, lagging, or treading water, holds steady.

Next up, we'll explore how businesses are addressing these gaps in their ERPs by supplementing them with third-party tools.



Chapter 6

The Patchwork Of Third-Party Tools



If there's one truth the fashion ERP landscape refuses to shake, it's that most businesses aren't running a single, unified system. They're running a stitched-together stack.

In 2024, we revealed that 71% of respondents were relying on third-party tools to fill functionality gaps in their ERP.

This year, the number may drop to 63% (with 6% also saying they don't know), but it is still far too high. External tools breed complexity while simultaneously raising the total cost of ownership for businesses.

Add-Ons Are The Norm For Most

Across all business sizes and regions, third-party tool usage is consistent:

- 63% of companies with fewer than 99 employees use them
- 76% of mid-sized companies (100–199) rely on them, the highest of any group
- 51% of enterprise organisations (1,000+ employees) use third-party tools to patch gaps

The implication is clear. ERPs, on the whole, do not provide proper support for fashion- and retail-specific processes. For instance:

- Only 38% of respondents say their ERP enables inventory ringfencing for customer prioritisation
- Just 45% support different purchase order types for samples
- Fewer than half offer BOM-led procurement support tied to MOQ and lead times

These are not niche requirements. They're daily operational needs in fashion and when ERP vendors can't meet them, businesses look elsewhere.

In 2024, we saw this too. Even Microsoft and SAP users reported high reliance on add-ons, with 67% of Microsoft customers using third-party tools. That reliance hasn't changed, and neither has the underlying problem.

Add-Ons By Segment: Who's Plugging What?

The reliance on third-party tools varies depending on business size, geography, and category.



Mid-sized companies (100–199 employees) report the highest usage, likely due to being too complex for entry-level ERP but without the resources to build fully custom systems.

Benelux is now tied with the Nordics as the least reliant on third-party add-ons (50%), with the US the most reliant (77%), followed by France (70%) and the UK (67%).

From an apparel category lens, luxury, sportswear, and denim brands show high reliance on all segments with complex technical or supply chain requirements.

This reflects an ecosystem where core ERPs can't keep pace with business complexity, so companies compensate with external tools.

In terms of business size, mid-market businesses, especially those in the 100–199 employees bracket, report the highest reliance on third-party tools at 76%, while the largest organisations (1,000+ employees) are the least reliant at 51%. The other segments (less than 99, 200–499 and 500–999) all clock in at 63%.

The Cost Of Add-Ons

It's worth noting that third-party tools aren't just a financial cost. There are other elements that make them less than ideal for businesses looking to have a clean and straightforward tech stack.

Integration headaches:

Real-time data flow between ERP and add-ons is rarely seamless. Misalignment in BOMs, inventory counts, or customer data can lead to poor planning and fulfilment errors.

User experience fragmentation:

Multiple interfaces, different logins, and inconsistent workflows can slow teams down and create training overhead.

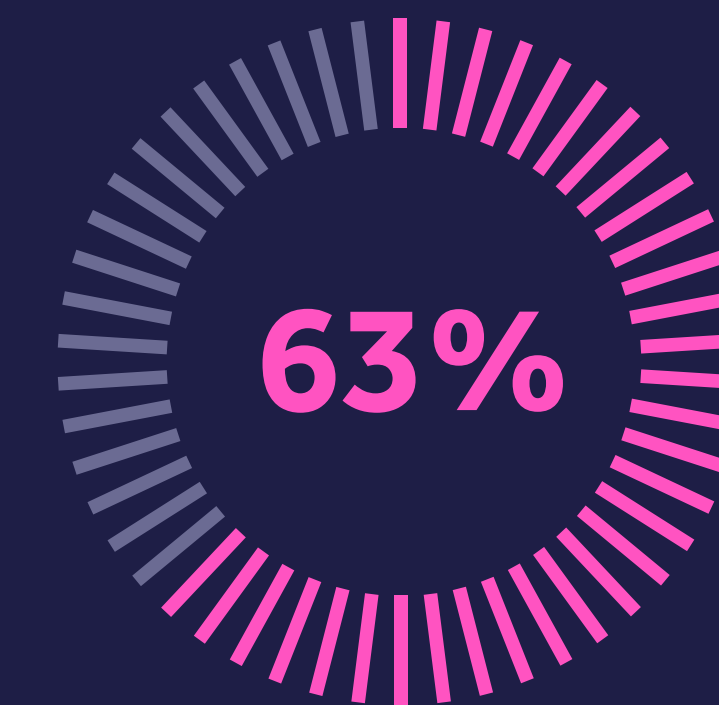
Version management:

Updates to the ERP may break compatibility with add-ons, especially when the vendor doesn't guarantee forward compatibility.

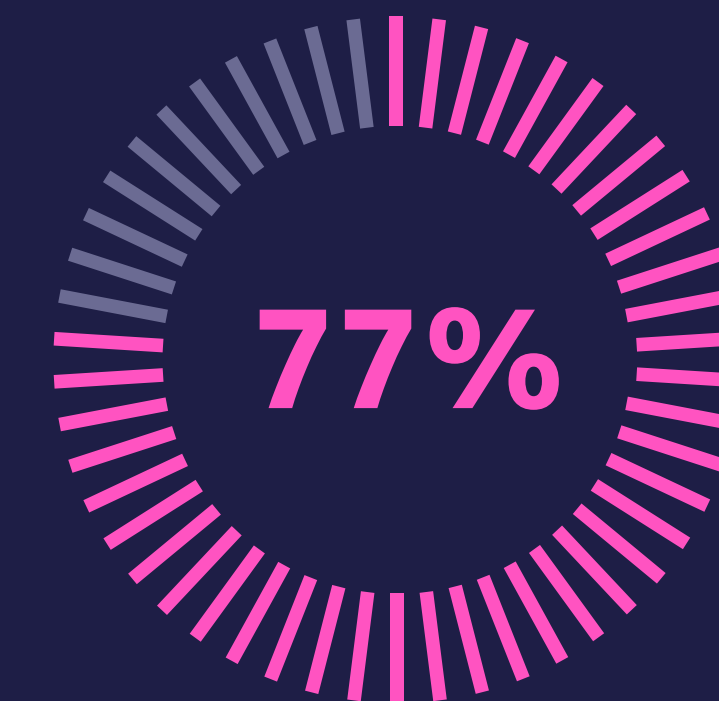
Total cost of ownership (TCO):

What starts as a functional patch often snowballs into a complex, expensive tech stack, leading to less ROI over time.

Reliance on these tools is especially precarious for mid-market businesses, who face the worst of both worlds: not enough functionality in their ERP and limited bandwidth to properly manage the sprawl that comes with plugging the gaps.



of companies with fewer than 99 employees use third-party add-ons



of US respondents say they use third-party add-ons

Toward Embedded, Fashion-Specific Capability

If the dominant theme in the ERP market is “standard platforms + specialist add-ons,” the ideal future is the reverse: fashion-first systems with standard extensibility.

Businesses don’t want to cobble together capabilities. They want a system that understands BOM variants, collection drops, raw material delays, and ringfenced stock, all out of the box. And while AI and machine learning offer exciting horizons, the fundamentals are still missing for many.

This echoes the 2024 warning that fashion ERPs risk being left behind by AI hype if they don’t first fix their core. It still holds true in 2025.

Until vendors build fashion-specific depth natively into their products, third-party reliance will remain the default. And while that gets the job done, it’s rarely elegant and never efficient.

And that’s it! In the next chapter, we’ll provide a summary of everything discussed to serve as either a quick reminder or a TL; DR.



Chapter 7

The Final Stitch



So, for the skimmers, the speed readers, or those with inboxes overflowing, here's your snapshot summary of Digital Loom 2025!

This year's data shows that the foundational challenges of 2025 remain present. Inconsistent satisfaction, heavy reliance on third-party tools and vendors struggling to meet the specific demands of fashion retail are still here.

However, the introduction of new data, most notably through our new question, reveals even more challenges in today's ERP systems.

Market Leadership & Vendor Performance

Microsoft remains the leading vendor (40%), particularly among mid-sized organisations.

SAP continues to grow its foothold among larger enterprises, now owning over half the 1,000+ employee space.

Oracle maintains consistent appeal through strong data, manufacturing, and CSR capabilities.

Yet, no vendor is delivering across the board. Functionality gaps persist, especially in the product lifecycle, sampling, and variant-level operations.

Regional Realities

US respondents lead in satisfaction (i.e., good or above) across areas like fulfilment (87%) and CSR (97%) and show stronger adoption of the functionalities introduced this year.

Germany ranks high on BOM support and structured supply chain capability. The UK continues to struggle with core ERP depth, relying heavily on third-party tools.

Benelux's reliance on third-party tools has dropped substantially, from 80% to 50%.

The Nordics remain high in operational maturity but fall behind on advanced functionality; e.g. 93% report their ERP as good or above in regard to inventory management, but only 27% rate their ERP as excellent. They also report low scores for the newly introduced features.

France shows incremental improvement (e.g., inventory management at 43% excellent, data

management at 37% excellent) but still lacks luxury-specific features; e.g., only 20% say their ERP supports sample-specific costing, and only 23% have lifecycle management features, core functions for luxury and formalwear segments.

Functionality & Satisfaction

Businesses are most satisfied, i.e., good or above, with inventory management (86%), data management (86%), and order fulfilment (84%).

PLM, channel management, and raw material alerting continue to be weak spots, with only 23% reporting PLM and channel management as excellent and 42% saying their ERP can definitely alert them to raw material scarcity.

The newly studied features like sample-specific costing, ringfenced inventory, and lifecycle phase management are missing from many ERPs despite being essential to fashion workflows.

Business Size Matters

100–199 employee businesses remain the most challenged, with the lowest satisfaction scores across nearly all categories.

For instance, this cohort reports the lowest satisfaction in supply chain management (68%), has the highest third-party tool reliance (76%), and lacks core support in the newly studied features like BOM-led procurement (43%) and lifecycle alerts (32%).

Smaller businesses (<99) report high satisfaction but also have limited functional depth.

Larger organisations (1,000+) have stronger ERP setups but still rely on add-ons (51%).

Each business size has a different “functionality blind spot”, highlighting the urgent need for scalable, tailored ERPs that flex with businesses.

Apparel Category Challenges

Denim and swimwear show low satisfaction overall and display low adoption of the newly introduced functionalities, especially with sample costing and lifecycle phase management.

Like last year, luxury, formalwear, and outdoor categories are hit hardest by missing ERP

support for technical requirements, sampling, and raw material management.

Accessories, footwear, and jewellery face fragmented support, especially around stock allocation and lifecycle control.

Overall, sample-specific costing is the lowest supported functionality in virtually every category.

Third-Party Tools: A Crutch, Not A Cure

Even though the total number of respondents reporting reliance on third-party tools has dropped, it remains high at 63%, with mid-market organisations using them the most.

Similar to 2024, add-ons are being used to fill critical ERP gaps, not to extend capability, but to compensate for under delivery. This patchwork approach ultimately increases cost, complexity, and integration risk.

What fashion businesses want and need is native capability, not more systems to stitch together.



On AI & ERP Readiness

While AI continues to generate buzz across industries, our research reinforces a critical truth, and that is without strong foundational systems, AI is more promise than practice.

Before businesses can automate intelligently, they must first operate coherently.

This is precisely where fashion-fit ERP makes the difference.

Implications For Fashion Businesses:

This year, our top takeaways for fashion and retail businesses are similar. We recommend thoroughly and realistically auditing your ERP environment. Ask yourself: does your ERP meet your operational needs, or are you just tolerating workarounds?

It's easy to think, "That's just the way it is; everyone else struggles too," but that isn't correct. There are ERPs out there tailored to fashion that can do what you need them to do.

We also suggest accounting for the full tech stack when budgeting. It might seem like your ERP is cheaper than alternatives, but when you factor in add-ons, TCO, integrations and the people managing them... your ERP might not be more affordable at all.

Finally, push for fit. Whether replacing, reconfiguring or augmenting, your ERP should align with your business model, not the other way around. There are specialist vendors that provide what you need. Don't settle for less.

Implications For ERP Providers:

Our key takeaways for ERP vendors largely remain the same. We recommend that you quickly close the functionality gap, especially when it comes to super-specific processes like sample management, variant-level BOMs and lifecycle planning.

These functions aren't nice-to-haves; they're essential to modern fashion retail operations. You're only letting your customers down by not having them.

This helps address our second

recommendation, which is to stop forcing your customers to rely on third-party tools. Ultimately, by addressing the functionality gap, you can ensure customer stickiness, improve satisfaction, and make their lives infinitely easier.

Final Thoughts

As we draw to a close, one thing is abundantly clear, and that is that the next chapter of fashion ERPs won't just be about supporting operations; it'll be about driving competitive advantage.

But that only happens if vendors build for the realities of fashion today, not the assumptions of ERP 10 years ago.

Chapter 8

How K3 Can Help



One of the clearest takeaways from this year's findings is that while ERP remains foundational, many systems are still falling short in delivering the fashion-specific functionality businesses need.

At K3, we believe ERP platforms should reflect the real-world processes and pressures of the industries they serve – fashion included. That belief shapes how we've designed our solutions.

Out Of The Box

Many of the functionalities that respondents in this year's survey identified as missing from their ERP are functions that are already supported in our offerings. We don't rely on external tools to deliver industry essentials. Our systems natively support:

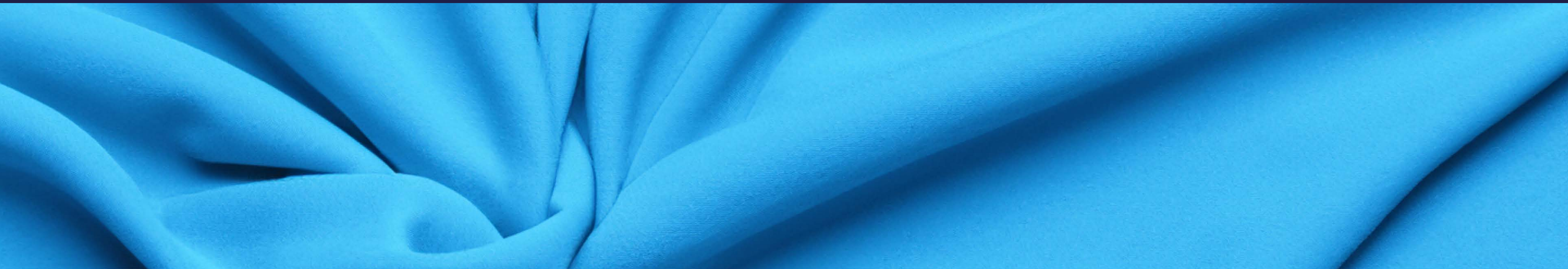
- Sample-specific costing that reflects trade agreements, currency fluctuations, and product complexity
- BOM-led procurement with full support for minimum order quantities and lead times
- Ringfenced inventory for customer prioritisation, channel allocation, and wholesale commitments
- Variant-level costing and production planning, not as an optional extra but as the default
- Lifecycle phase management with alerts and activity triggers, so no task or deadline gets buried in a spreadsheet

While many ERP platforms still treat fashion as a bolt-on vertical, we don't. We understand what makes fashion retail tick, and we're here to support our customers with everything they need.

Let's Talk

If your current ERP feels like it's being held together by spreadsheets, third-party tools and frustration, let's change that. Whether you're replatforming, rethinking, or just reassessing, we're here to help you find a system that fits, not just for today, but for tomorrow.

Get in touch to explore how K3 can help you stitch together a future-ready ERP stack that doesn't need patching every six months.





K3 Fashion Solutions, a leading supplier of fashion business technology with more than 30 years of experience, develops industry-specific tools to support fashion workflows, improve customer experiences, and deliver sustainable growth throughout the supply chain.

Our solutions, K3 Fashion and K3 Pebblestone, are fully embedded in Microsoft's Dynamics 365 ERPs, offering enterprise-grade support from design and production through to retail.

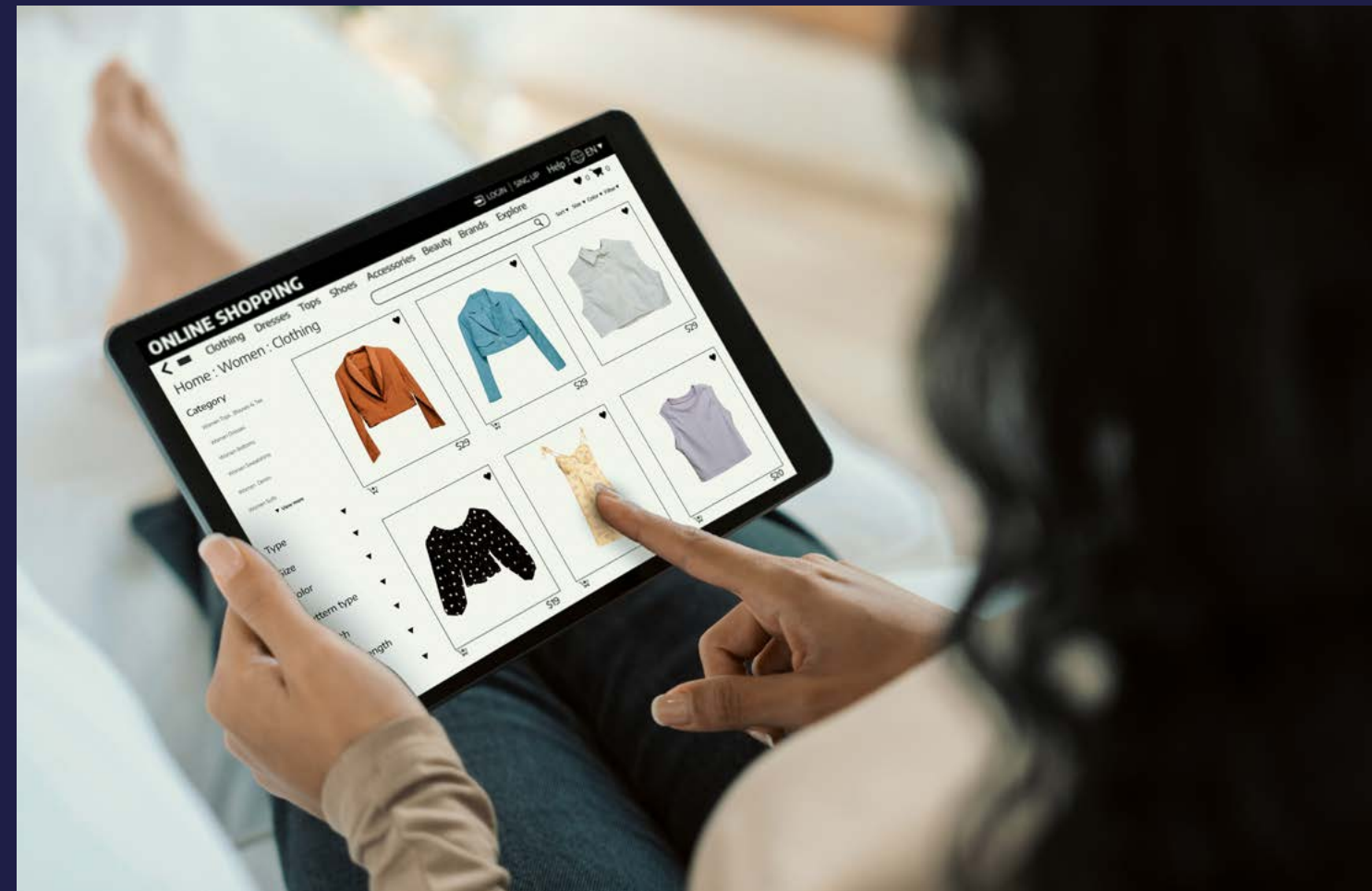
As a leading GISV with a global footprint delivered through our network of Microsoft implementation partners, we are committed to supporting brands of all sizes.





K3 Fashion supports fashion businesses with all aspects of operations, such as planning, design, sourcing, purchasing, logistics, warehousing, and finance.

Fully embedded in Dynamics 365 Finance, Supply Chain Management and Commerce, K3 Fashion presents a single solution to remove technical blockers, unify data sources and maximise margins.





K3 Pebblestone provides brand owners, wholesalers, and manufacturers with an intuitive ERP environment that provides standardised fashion workflows and tools.

Fully embedded in Dynamics 365 Business Central, K3 Pebblestone is a single solution that supports essential processes like planning, design, sourcing, purchasing, logistics, warehousing and finance.



Chapter 9

Methodology

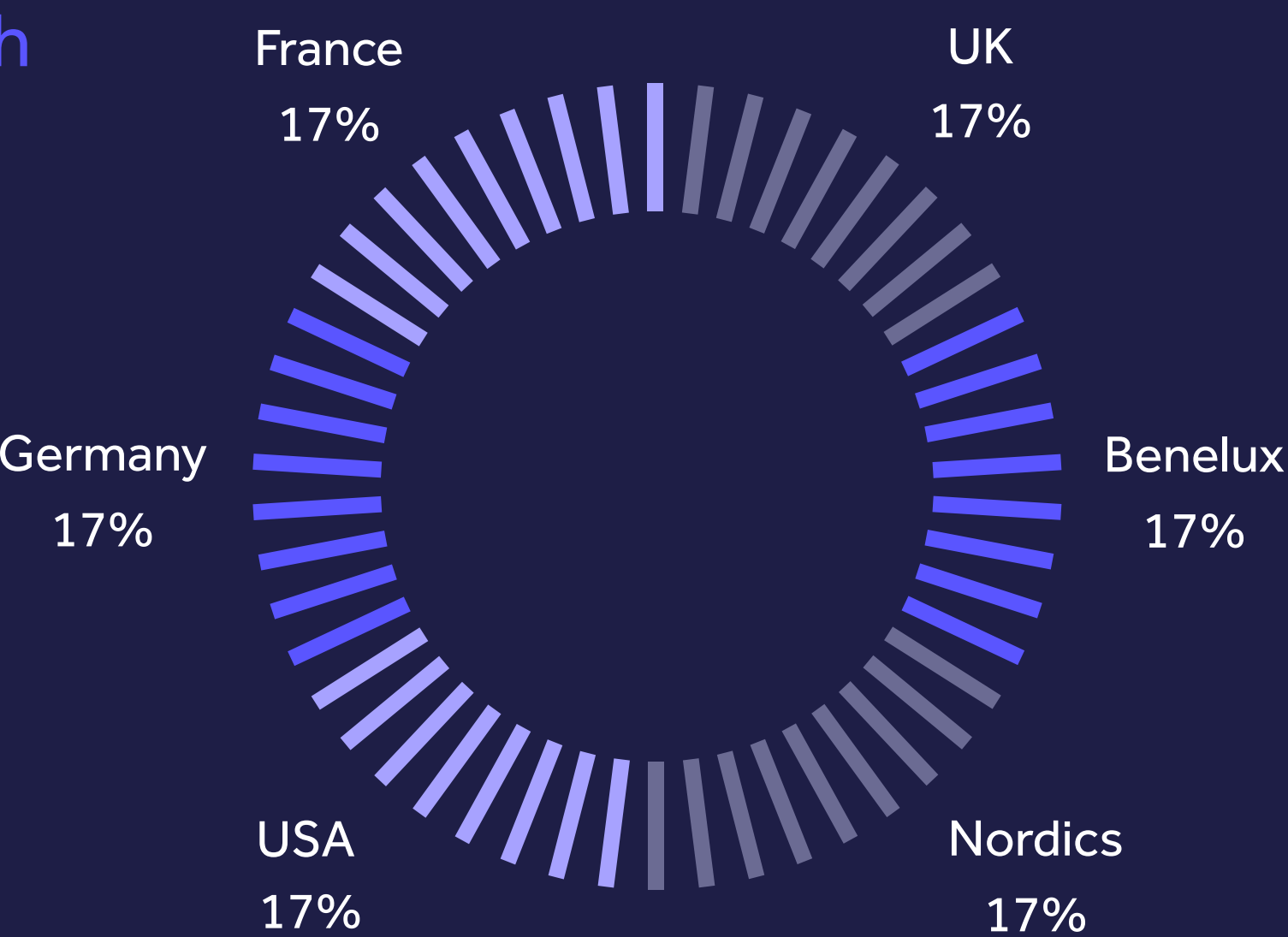


The survey was conducted among 180 decision-makers when it comes to ERP processes and software in the fashion and retail industries across the US, UK, France, Germany, Benelux and the Nordics.

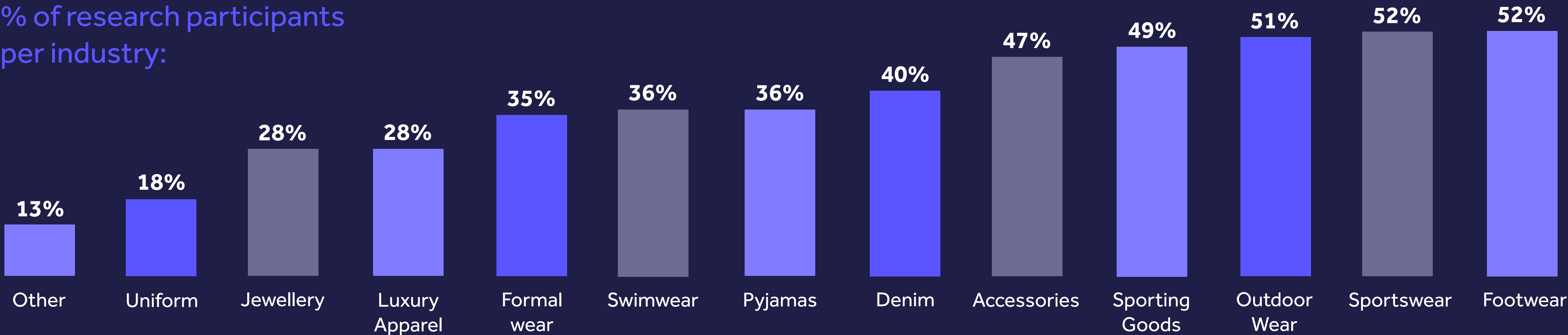
The interviews were conducted online by Sapio Research in May and June 2025 using an email invitation and online survey.

Respondents were split equally between the regions, and the top apparel types sold were as noted below:

% of research participants per region:



% of research participants per industry:



Note: While the sample size and regional split provide a strong directional view, results may vary in other markets or subcategories not covered by the survey.