

WOVN

Consumer fashion shopping trends

2021



The year that changed everything

It's impossible to overstate how radically and abruptly consumer tastes and habits changed in 2020. As we enter 2021, it's worth taking a look back at the year that reshaped everything and assessing how the landscape has shifted.

Globally, consumer spending is down dramatically. The global consumer class shrank in 2020 for the first time in fifty years⁽¹⁾. But the decreases in spending have not been spread evenly across consumers or spending categories; in the United States, consumer spending on goods *increased* 7.2% from January to September⁽²⁾.

We wanted to dig in to what has changed for consumers and why, especially as it relates to their fashion and apparel shopping habits.

We also wanted to understand how consumer views on sustainability in fashion have changed over the past year.

We surveyed over 500 consumers to find out how their shopping habits and their views on sustainability have changed since the pandemic began. It will shock no one that across the board, respondents reported decreased overall spending. But that's not where the story ends: the data reveal some surprising narratives about the specific ways in which consumers are making changes.

Fascinating, too, are the ways in which consumers tell us the pandemic has changed their thinking around sustainability. Consumers' expectations of brands and themselves have evolved significantly to meet the moment.



Thinking more, spending less

The dramatic lifestyle changes brought about by the pandemic translated into equally dramatic shifts in wardrobe spending. Overall, respondents reported reducing their total consumer spend by 25% as a result of Covid.

Category by category, there was a wide spread in reported spending changes. The single clothing category where consumers reported spending more as a result of Covid was loungewear, where respondents reported a 13% average increase.

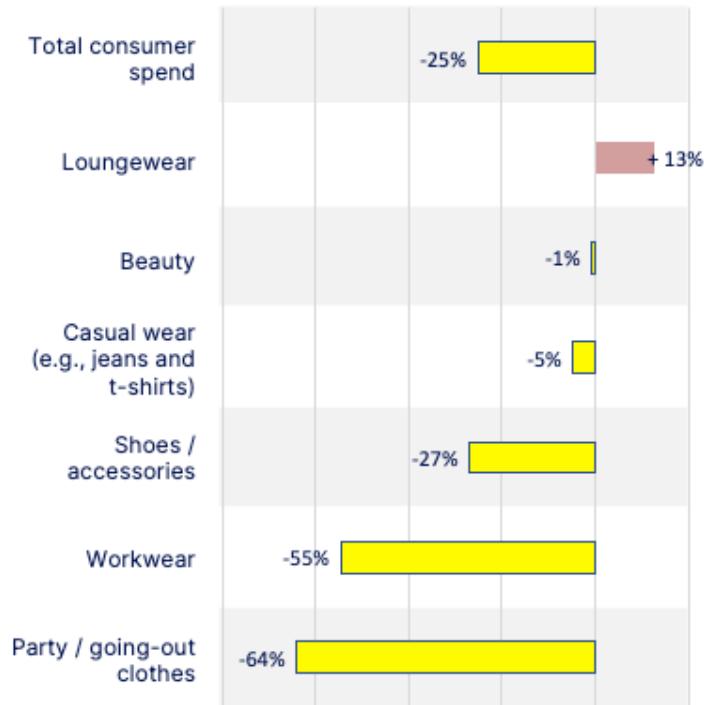
Spending on beauty was essentially flat, falling by just under 1%. With more time at home, and much of the time out of the house spent wearing a mask, makeup has become less of a priority for many consumers. At the same time, an inability or unwillingness to visit salons in person has translated into increased spending on at-home skincare and beauty treatments⁽³⁾.

The single clothing category where consumers reported spending more because of Covid was loungewear.

Though spending was down on the whole, there were categories where consumers reported increasing their spending. It's no surprise that grocery was the category where the largest number of people reported increasing their spending.

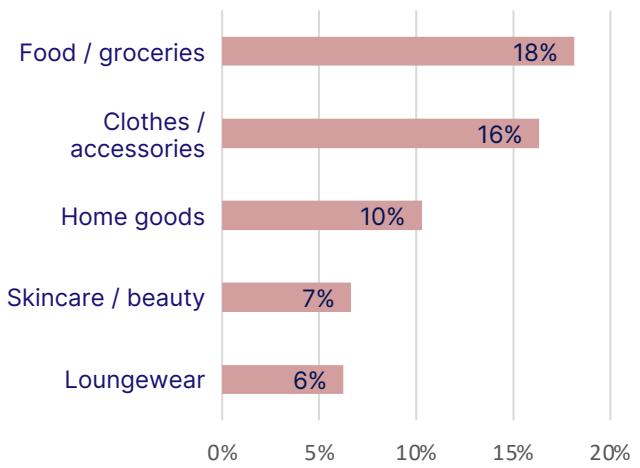
Somewhat less intuitively, the second most reported category for increased spending was clothing and accessories; though on average clothing spending dropped sharply in 2020, there appears to be a subset of consumers who spent more, perhaps because of more time spent at home and on screens browsing.

How has your spending in each category changed due to Covid?



Are there any categories where you've increased your spending?

Free text response; percentages of total respondents whose response fell into each category.



It's not only the amount of money consumers are spending that has changed, but the way they spend it. It's no secret that with consumers unable or unwilling to venture into bricks-and-mortar shops, a huge volume of consumer spending has shifted online. By some estimates, the Covid crisis has accelerated a broad shift to e-commerce that was already underway by as much as five years⁽⁴⁾.

In our survey, we asked respondents what percentage of their clothing shopping happened online pre-Covid versus today. The oldest consumers were not only the least likely to have shopped for clothing purchases online pre-Covid; they also showed the smallest shift to online purchases of any age group.

Perhaps more surprisingly, it's not the youngest consumers who are the most likely to shop for clothing online. The age group reporting the highest average percentage of online clothing purchases was the 35 – 44 year old group. Gen Z consumers (those 24 and under) were more likely than millennial consumers (those 25 – 44) to do their

clothing shopping in-store. It's possible that these younger consumers are generally more inclined than their older counterparts to see clothing shopping as a social activity. As physical retail returns to importance in 2021, brands will need to think about how to monitor these shifting preferences.

Every age group is now more likely to shop for clothing online than in-store, a sharp change from before the pandemic.

Across age groups, the percentage of clothing shopping occurring online rose by an average of over 23%, an astonishing increase in less than one year. Strikingly, even consumers over the age of 55 are now more likely to buy their clothing online than in-store. In fact, both the youngest and the oldest consumers went from being more likely to shop in-store to being more likely to shop online.

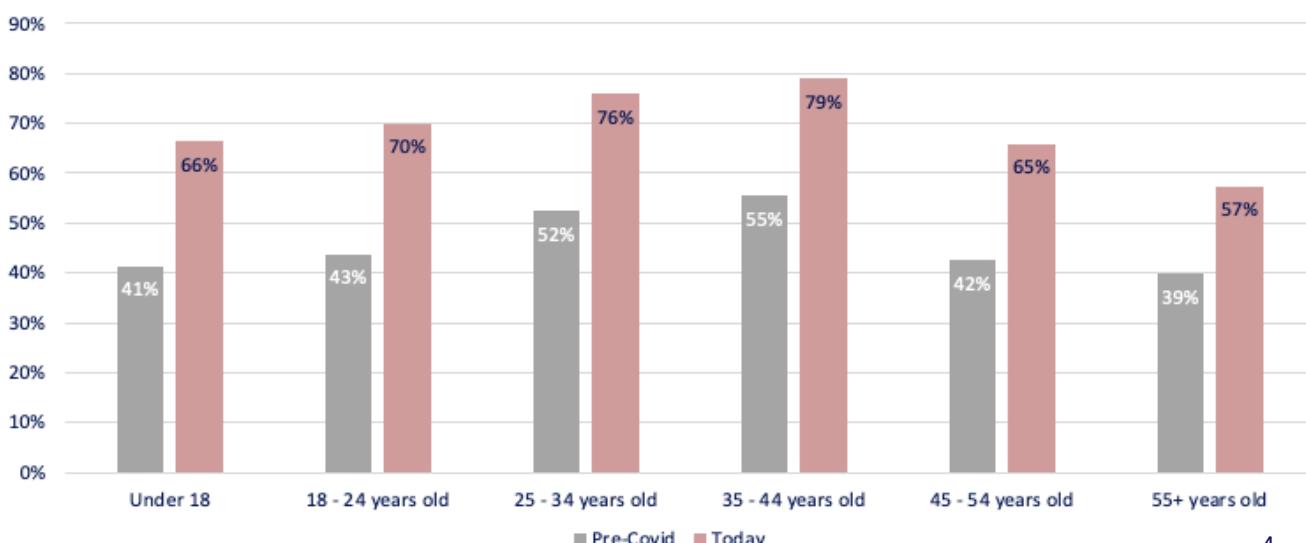
What percentage of your clothing shopping happened online pre-Covid, and what percentage happens online now?

Average pre-Covid:

47%

Average today:

71%



Consumers choosing quality over quantity

There were other changes consumers reported making to their shopping habits in 2020, and the overarching trends were toward more careful spending and more attention to sustainability.

Many consumers reported that the clothes they buy now are more expensive; only a fifth as many reported buying less expensive clothes.

When asked which specific changes they have made to their shopping habits in the past year, a majority of respondents reported that they are trying to buy less fast fashion (69%) and that they care more about sustainability (63%). It should be noted that not all fast fashion retailers have suffered a drop in sales over the past year; in September, Boohoo reported that its sales had increased by 45% during the pandemic⁽⁵⁾, so it remains to be seen whether consumers

Are there other ways in which your clothing shopping habits have changed?

Multi-select; percentages of total respondents who selected each option.

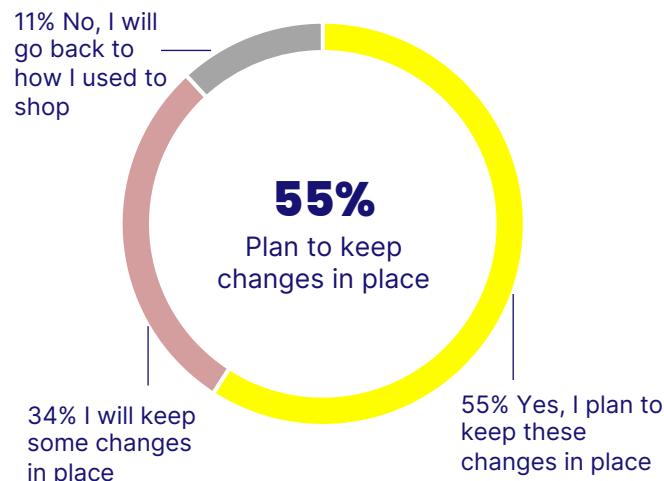


will follow through.

Despite the total drop in clothing spending, a large cohort of consumers (40%) report that the clothes they buy now are more expensive. Meanwhile, only 8% say the clothes they buy now are less expensive. The implication is a trend toward more mindful shopping, with consumers choosing to buy fewer clothes that are more expensive and presumably of higher quality.

When asked if they think Covid-related changes to their clothing shopping will be permanent, an overwhelming majority (89%) said at least some of them would be. Those who said they would keep some changes in place were asked to report which ones, in free-form. The most popular categories of responses were “buying less” (39%) and “shopping more sustainably” (19%). Smaller numbers of respondents also reported that they would plan to shop from smaller businesses, buy more second hand, buy more online, and focus on higher quality items.

Do you think Covid-related changes to your clothing shopping will be permanent?



Consumers want to hold brands to account

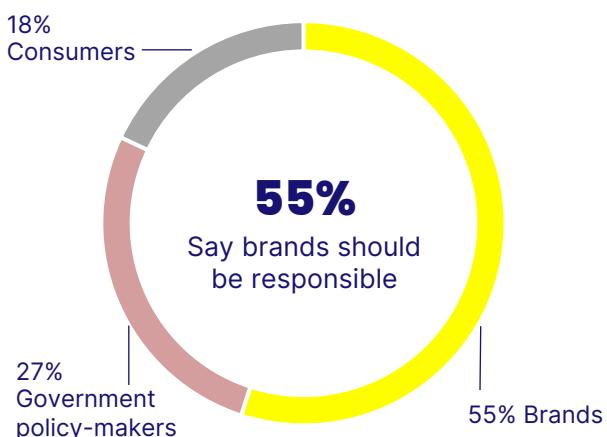
Consumers are more aware than ever of the impact of the fashion industry on the climate. With all the hours spent at home, people had more time to think about and investigate sustainability issues. Keyword searches for terms like “sustainable,” “ethical,” “Fair Trade” and “eco-friendly” clothing were way up – July 2020 saw an 84% increase in such terms compared to the 2019 monthly average⁽⁶⁾.

Despite intense public focus on how consumers can reduce their own footprints, most say they hold brands accountable for the industry's environmental impact.

In a previous survey, we found that 84% of respondents were willing to pay more for clothing from a sustainable brand⁽⁷⁾. The results of our more recent survey make clear that not only are consumers seeking out more sustainable brands; they're also more broadly holding brands to account for the industry's environmental impact.

When asked who should be most responsible for reducing the industry's environmental impact, a majority (55%) said brands. Despite intense public focus on how consumers can reduce their own footprints, only 18% of respondents said consumers should be primarily responsible.

Who do you think should be most responsible for reducing the environmental impact of the fashion industry?



Expectations of brands have changed

Not only do consumers hold brands to account for addressing the industry's environmental issues; they have specific expectations that align with this objective.

Consumers expect brands to focus on sustainability and ethical labour practices and to produce higher quality clothes.

When asked what they hope to see fashion brands doing differently in 2021, 86% of respondents said they wanted brands to focus more on sustainability and / or ethical labour practices.

In line with "quality over quantity"-type modifications to their personal shopping habits, consumers expect brands to produce higher quality clothes (77%).

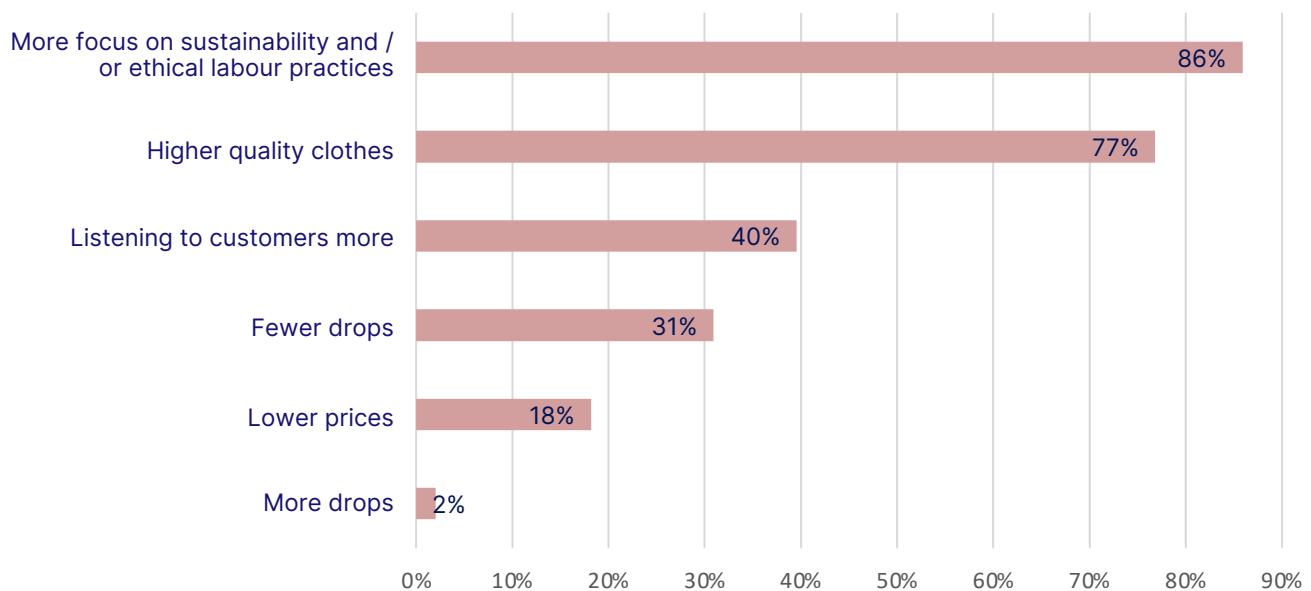
And while almost a third of respondents (31%) said they would like to see brands do fewer drops in 2021, very few (2%) said they wanted to see more drops.

Respondents also expressed a desire for brands to listen to customers more. If brands are going to become more sustainable and produce fewer drops, they would do well to spend more time talking to their customers. Not only is this what customers want, it also reduces risk for brands. It provides them with a way to ensure that if they produce fewer items, every item they do produce will be a winner.

Only 18% of respondents indicated that they expect brands to lower prices, perhaps signalling a growing consumer understanding that ethical production of quality clothes isn't cheap.

What do you want to see fashion brands doing differently in 2021?

Multi-select; percentages of total respondents who selected each option.



There is notable consistency between changes consumers have already made to their shopping habits, the expectations they have of brands, and their shopping goals for 2021. Respondents broadly reported that in 2021 they plan to shop more sustainably (63%) and invest in higher-quality items (62%).

Consumers do not expect that they will buy more clothes in 2021. Perhaps they have adjusted to consuming less and plan to keep it that way.

Only 15% of respondents said they have no shopping goals for 2021, and almost none (2%) said they plan to buy more clothes. The low percentage of consumers planning to buy more clothes in 2021 is notable given the overall dip in clothing sales in 2020. Either consumers do not expect that things will mostly return to normal in 2021, or they do

expect things to return to normal but have adjusted to consuming less and plan to keep their new shopping habits in place. If brands expect pent up demand to spur a surge in sales in 2021, they may want to reconsider.

What are your personal goals for your clothing shopping habits in 2021?



Looking ahead to 2021

It's clear that the pandemic has forced sweeping changes not only to consumers' day-to-day habits, but also to their longer-term values and outlook when it comes to shopping.

Consumers aren't just buying less; they're planning to keep it that way. They're spending time and energy to consume more thoughtfully and to purchase fewer, higher-quality items. They're researching the industry's impact and refusing to take brands' sustainability claims at face value.

Like every industry, the fashion industry has changed more radically in the past year than at any other time in modern history. As economies were roiled and shopping habits changed overnight, dozens of major brands disappeared or shuttered their brick-and-

mortar presence. But the change is far from over. No one knows exactly what 2021 will bring or whether consumers will stick to their new habits as much as they say they will. If anything is for certain, it's that things will look significantly different a year from now.

If one thing is for certain, it's that the landscape will look significantly different a year from now.

The brands that survive will be the ones that are nimble and understand how to tap into and respond to rapidly changing consumer tastes, habits, and sentiments. Genuinely more sustainable practices and more listening to customers will be absolutely essential for survival.



About Wovn:

We help fashion brands access real-time insights through social audiences to better predict demand and engage with new customers. Find out more at www.wovn.co

Endnotes:

1. "When will the global consumer class recover?", The Brookings Institution, 25 November 2020, <https://www.brookings.edu/blog/future-development/2020/11/25/when-will-the-global-consumer-class-recover/>
2. Casselman, Ben, "Eight numbers that explain the American economy", The New York Times, 3 November 2020, <https://www.nytimes.com/2020/11/03/business/economic-snapshot-election.html>
3. Schiffer, Jessica, "The beauty trends customers are buying during Covid-19", Vogue Business, 12 August 2020, <https://www.voguebusiness.com/beauty/the-beauty-trends-customers-are-buying-during-covid-19>
4. Perez, Sarah, "COVID-19 pandemic accelerated shift to e-commerce by 5 years, new report says", Techcrunch, 24 August 2020, <https://techcrunch.com/2020/08/24/covid-19-pandemic-accelerated-shift-to-e-commerce-by-5-years-new-report-says/>
5. Butler, Sarah, "Boohoo reports sales surge despite Leicester supplier scandal", The Guardian, 30 September 2020, <https://www.theguardian.com/business/2020/sep/30/boohoo-reports-sales-surge-despite-leicester-supplier-scandal-covid>
6. Rositch, Kaley, "What 2020 taught fashion about sustainability and where to go from here", Women's Wear Daily, 21 December 2020, <https://wwd.com/sustainability/business/sustainable-fashion-ethical-clothing-consumer-trust-1234682104/>
7. "Consumer views on Sustainability in Fashion", Wovn, 18 September 2020, <http://www.report.wovn.co/report.pdf>