

IN FOCUS FROM  
THE  
**INDUSTRY**  
.FASHION

**The COVID consumer:**  
how fashion shopping is being changed for good

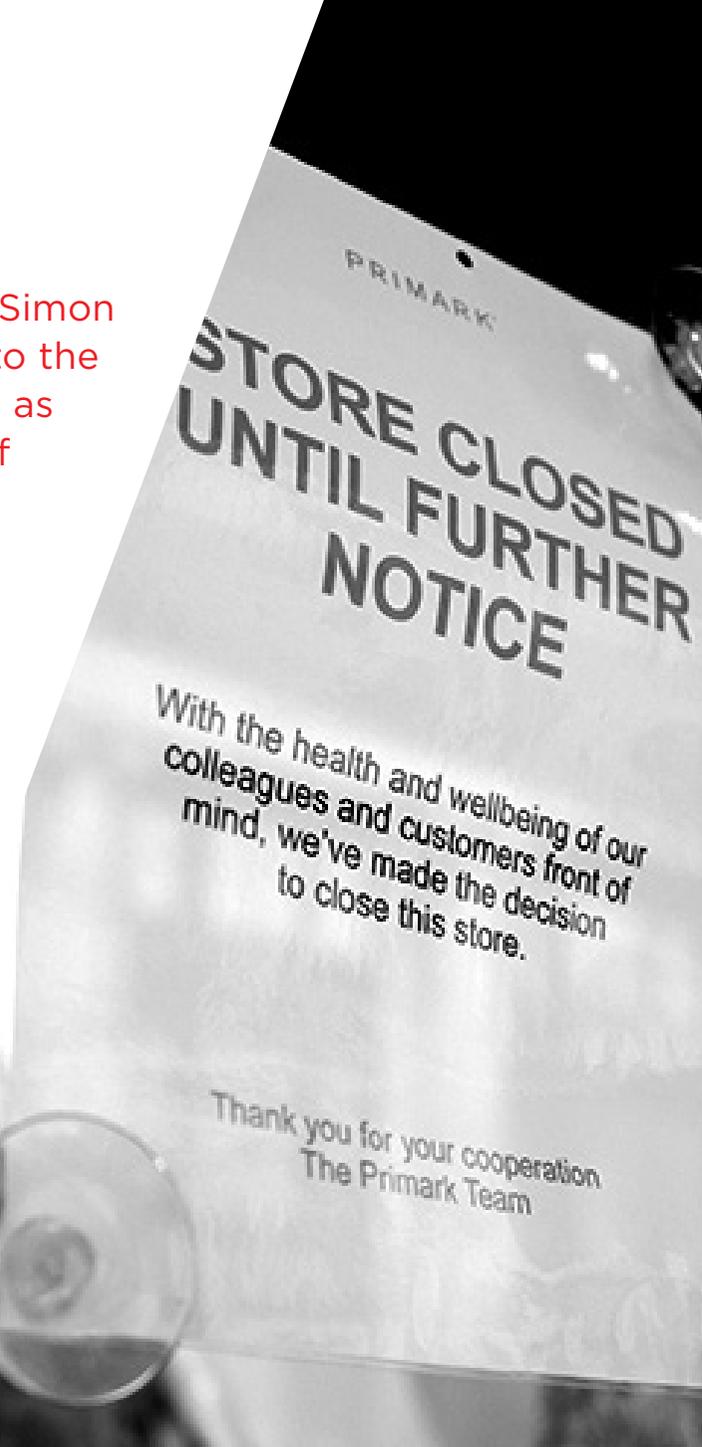
# Introduction

“People do not buy a new outfit to stay at home.” So said Next CEO Lord Simon Wolfson as he announced a 30% plummet in sales in the days leading up to the UK’s COVID-19 lockdown. It’s a logical statement (though not entirely true as we shall discover) and fashion is set to be one of the hardest hit sectors of all as a result of the Government’s enforced closure of non-essential retail.

GlobalData estimates that UK fashion will lose £14bn in sales this year and contract by 26.1%. Best case estimates suggest that fashion retail will be allowed to open at the start of June and even then it’s unlikely all stores will all re-open at once (indeed many will simply stay shut for good) as retailers opt for a phased approach to target areas where demand picks up first. Social distancing measures, limiting the number of shoppers in-store at any one time, seem likely to be imposed as well. This, and shoppers’ reluctance to mix in crowds, is likely to continue to suppress demand.

However, Lord Wolfson’s comment, while broadly true, isn’t strictly true. British shoppers are still shopping for fashion, despite being allowed out for essential shopping and a short bout of daily exercise only, and they intend to do so when the country is liberated from its current restrictions.

It is estimated that even the most robust of retailers will take at least two years to recover from the crisis and to clear the mountain of stock that is building up in their warehouses. But, as our study of 2,000 nationally representative fashion consumers shows, there are opportunities to stimulate demand for fashion now and in the future. But habits, particularly among young consumers, are being changed by lockdown, and will likely be changed for good. Those brands and retailers that will benefit first, and in the long-term, from any bounce-back are those that can get ahead of those changes and this report should help you do just that.



## Part One | Is anyone actually buying any clothes right now?

In a word yes. Some 31% of our respondents said they had already shopped for adult clothing during lockdown with 17% having bought footwear and 12% footwear. 11% had bought childrenswear and 10% underwear and nightwear. The figures for intended spend during lock-down are broadly the same (see charts overleaf).

Of course the most striking bar on our chart is the more than half of consumers who have bought no fashion at all and have no intention of doing so.

However, looking at the demographics behind those figures, will help brands and retailers to understand who best to target their marketing at this time and immediately post lock-down.

Looking at the adult clothing, 45% of 16-24 year-olds we surveyed said they had bought from this category while locked-down along with 44% of 25-34 year-olds and 40% of 35-44 year olds. The figures then take a significant drop to 27% of 54-54 year olds and taper off from there. The lowest engagement understandably comes from older consumers who are likely to be locked down for longer.

It makes sense that the younger consumer is still buying as they are most likely to be posting on social media and attending online work meetings during lock-down and still want to look presentable. YOOX NET-A-PORTER CEO Federico Marchetti revealed in a social media post recently that the luxury group had seen a surge in orders for tops during lock-down, which clearly suggests people are dressing up their top halves for Zoom work meetings and social events.

ASOS said that its sales dropped 20%-25% as the COVID-19 crisis hit and it had noted a similar pattern across all of its market of an initial noted slump in sales as the lock-downs came into force, followed by a stabilisation of demand as people settled into the “new normal”. Of course, ASOS is

fortunate to be placed firmly in the age group that is still most keen on shopping for fashion (and indeed footwear and sportswear) at this time. Extraordinarily its smaller rival Boohoo has said that after an initial drop in demand, its sales for April are tracking ahead of those of last year.

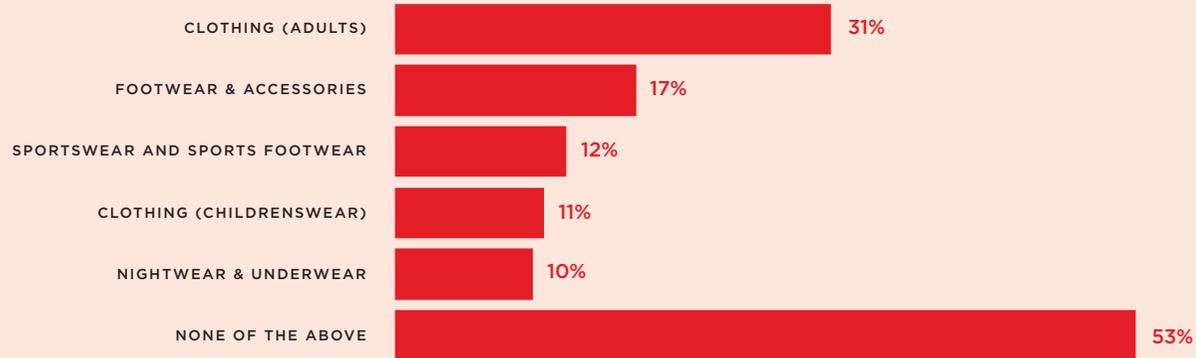
But those that are not do have some opportunity to make sales too. 20% of customers in the 35-44 year old group have already bought childrenswear during lockdown and 25% have the intention to buy more of it. Childrenswear is an obvious opportunity since children are normally in school uniform all week and are now at home for an extended period just as the season is changing. They are likely to have grown out of last year’s spring clothes and will need more. It is no surprise that when Next tentatively re-opened its e-commerce operations, after a temporary shutdown, while it instituted social distancing at its warehouse, that it majored on childrenswear first.

Sport is another obvious opportunity with around 20% of all consumers up to the age of 44 having already bought sportswear and a similar number intending to do so. Demand is still set to be reasonable among 45-54 year olds with 13% saying they will buy some activewear as many people start to incorporate exercise in their daily routine.

For nightwear and underwear demand is set to be strongest (17%) among 25-44 year olds as the nation spends more time in its pyjamas and upgrades its underwear draw.

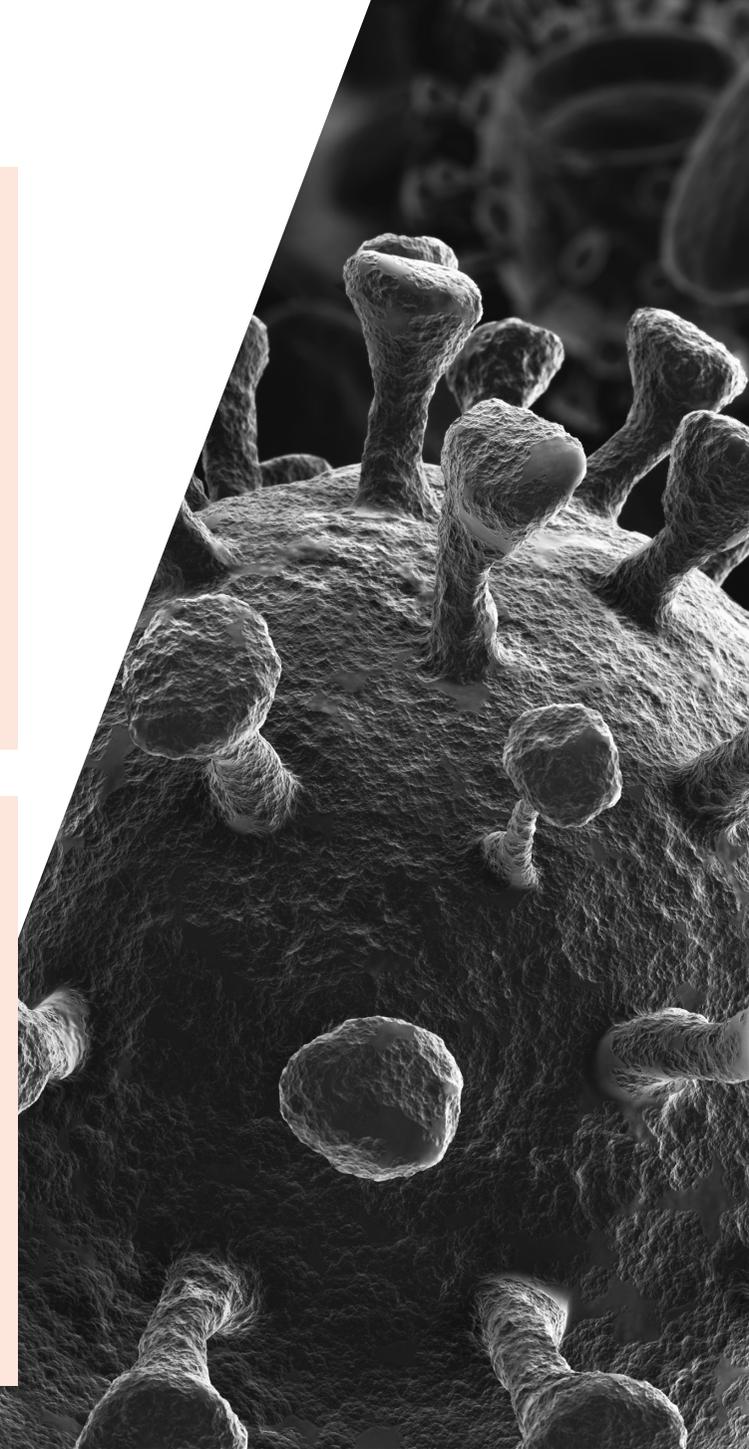
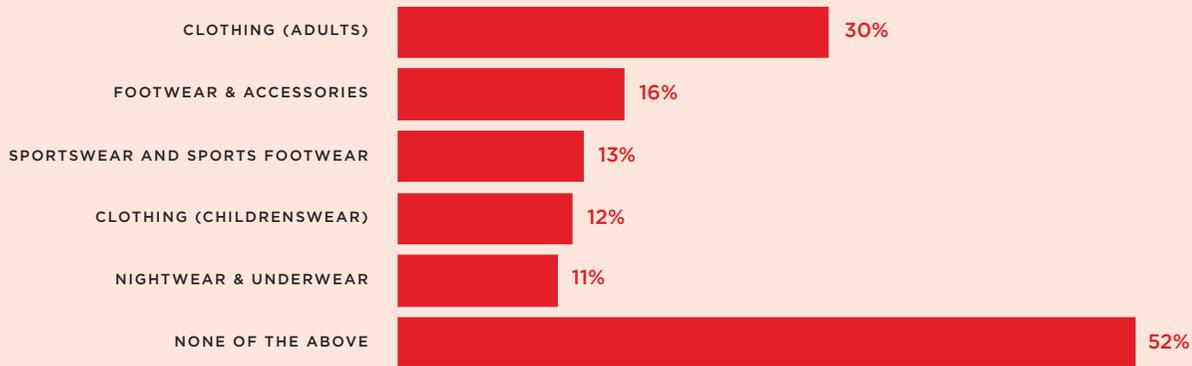
MARCH 20 Q1

During the shutdown of non-essential retail, have you bought any of the following product categories online?



MARCH 20 Q2

During the shutdown of non-essential retail, do you have any intention of shopping for any of the following categories online?



## Part Two | How can people be persuaded to buy fashion right now?

In a word, discounts. Most retailers (at least those who have an online site through which to sell at this time) are offering discounts to encourage spending and it's widely believed that retailers will conduct a huge fire sale when physical stores open to clear their stock mountains. Savvy consumers will know this too and are likely to be holding out for that, assuming they emerge from the lockdown with their jobs and spending power intact, which of course many will not.

While offering discounts in-season is a depressing thought and in normal times not a route that prudent retailers want to go down, in these abnormal times, they may have no choice, particularly if they are chasing an older consumer.

When asked if they had any intention of buying clothes during lockdown, 18% of over-55s and 17% of over 65s said yes. When asked if they might be tempted to do so if a discount was applied then 55% of over 55s and 51% of over 65s said they would.

More than three quarters of 16-24 year olds said a sale would motivate them to purchase, with a similar number of consumers under the age of 44 feeling the same way, so offers might seem the only answer.

However, looking at the performances of certain retailers online since the lock-down began, it's clear that having a good brand and the right product (coupled with a bit of exclusivity) matters more now than it ever did. Next is allowing only a small number of orders on its site each day before closing down and re-opening again the next day. Every day since

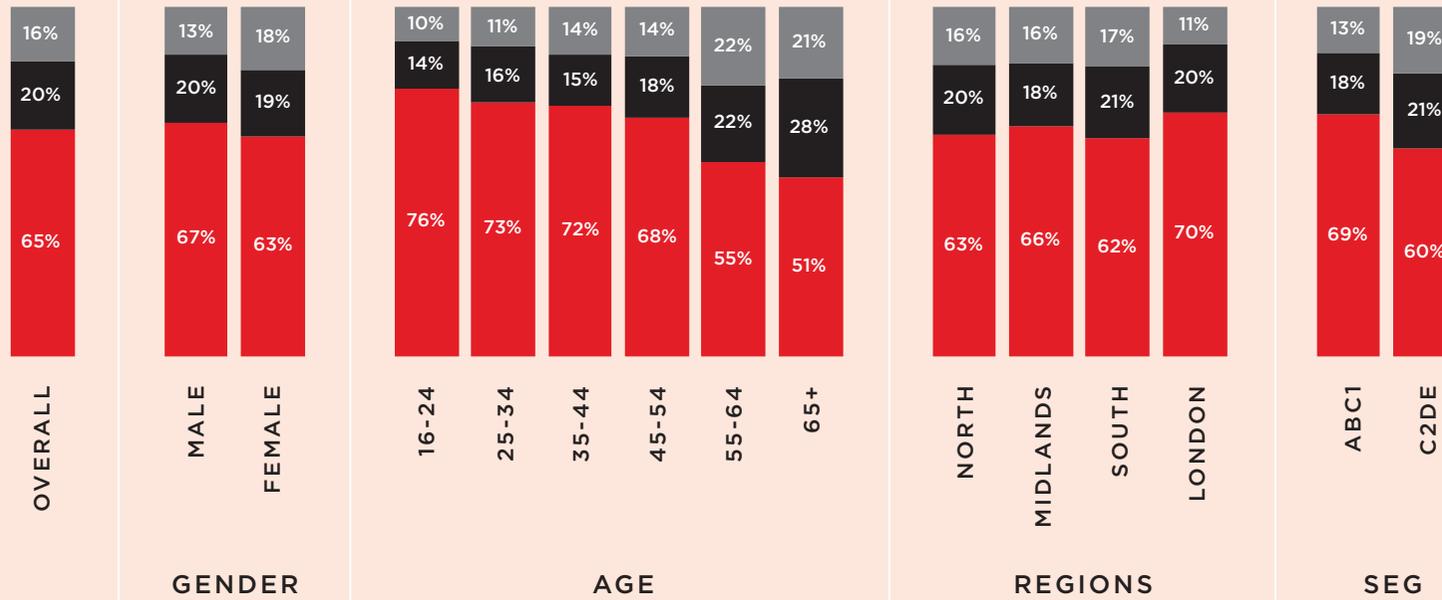
re-opening it has hit its limit within a few hours and nothing on its site is discounted.

Marks & Spencer, which competes with Next and Primark, for the title of Britain's favourite fashion retailer had, at the time of writing, offered no notable discounts on its clothing offer online. It has been able to keep its food halls open during the pandemic but clothing stores have been closed. In some food halls that operate alongside a clothing offer, a small selection of essentials such as t-shirts, underwear, leggings and kidswear is available to buy in-store. Some of its more popular childrenswear lines are still selling out.

Of course, whatever retailers manage to shift online, for those with closed stores, it will not make up for lost sales but it does at least keep cash coming in, stock going out and the relationship with the customer on-going.

PROFILE MARCH 20 Q3

During the shutdown of non-essential retail, might you be persuaded to buy clothing online if it were discounted?



KEY

- Yes, I might buy clothing online if it were discounted
- No, I won't be buying clothing even if it were discounted
- Don't know

## Part Three | Do customers even want to hear from fashion brands right now?

In a cash crisis, however it is brought about, the first spend to be cut is marketing. And no doubt in many fashion retailers up and down the country, marketing and social media teams will have been furloughed along with store staff. While it makes sense to cut back, it doesn't make sense to cut off communication from customers completely. Bear in mind the lesson of Boohoo, its sales have held up even with its customers locked up at home, but then it spent £116m in marketing last year and the two facts are linked.

According to our study, overall 32% of fashion consumers continue to follow fashion brands on social media, while 13% have stopped. Among the 16-24 year olds some 59% still follow fashion brands and a not-insignificant 18% have stopped. In the 25-34 year old category, 54% of shoppers still follow fashion brands while 16% have stopped. 44% of 35-44 year olds are still following while 15% have stopped. Social media followings do drop off over the age of 45 but there is still a sizeable chunk of consumers willing to receive content.

When it comes to influencers, follower numbers are lower with the highest engagement among 16-24 year olds with 56% following and 11% having stopped following. Just under half (47%) of 25-34 year olds still follow influencers with 15% having stopped, with just over a third of 35-44 year olds following influencers. After that the influence of influencers drops considerably so brands targeting these consumers may be advised to communicate with consumers via their direct channels.

So, what should brands and retailers say at this time? Well, given the enthusiasm for discounts as discussed in the prior chapter, information on offers came out on top with 30% of consumers overall still interested in receiving them.

It is, however, very clear that retailers' behaviour, in particular towards their staff, is of paramount importance to customers right now and it will affect

how they spend their money when lockdown is lifted, as we will discover in the next chapter. The second most popular form of communication that consumers would like to receive right now is information on how staff are being treated.

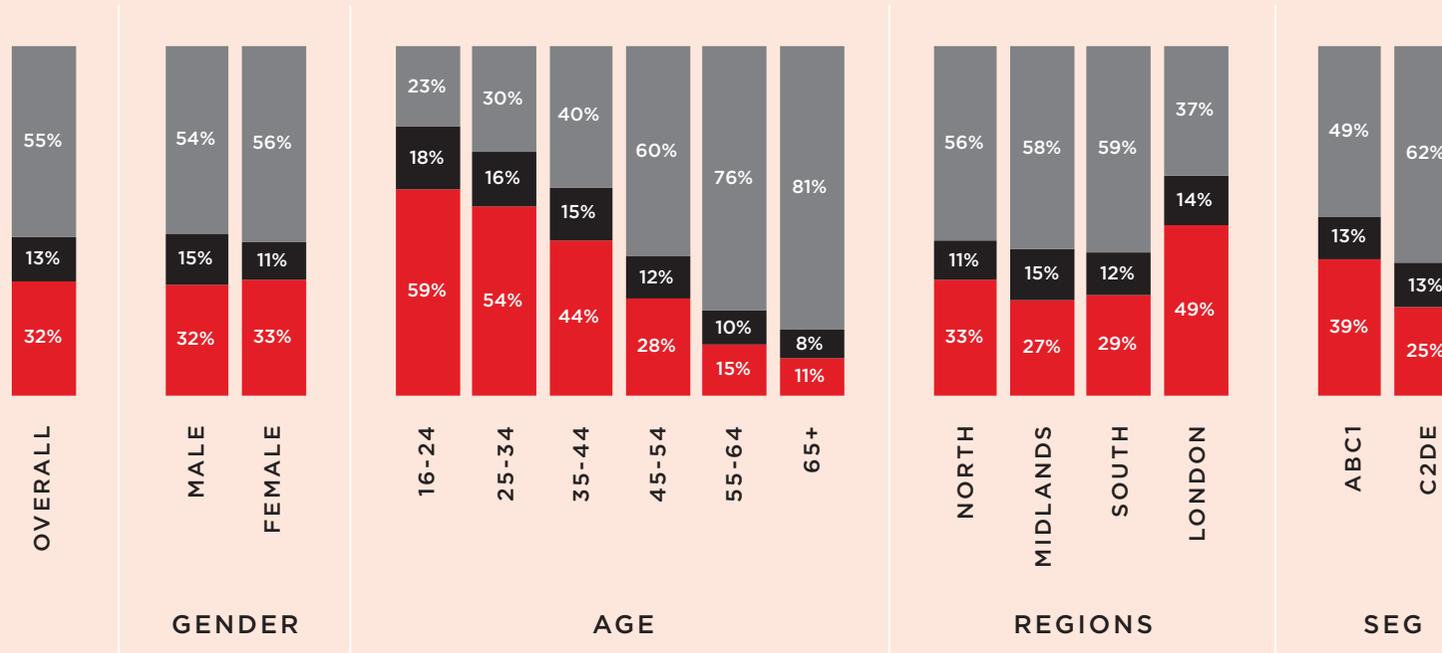
Tales of staff walking out of warehouses as they do not believe social distancing measures are being adhered to or staff being laid off at short notice will not play out well. If your business has instituted measures to ensure staff safety at this time or has offered bonuses or pay rises, then it's worth telling consumers about it. That way they will feel more comfortable about any purchases they do make as a result.

Many brands are pivoting their content away from pushing pure product to offering useful tips be it baking, fitness or gardening. All of these help people get through lockdown and 18% of consumers overall (and 30% of Gen Z consumers) said they would appreciate this content. Information on community projects would also be welcomed.

If brands are unsure what to post or send at this time, then the simplest answer is to ask customers and followers what they want. If they still want outfit inspiration (some do), if they want humorous content or something more worthy, they will tell you. The important thing is to remain true to the values of the brand. If you are not known for being humorous and cheeky, clearly now would not be a good time to start.

PROFILE MARCH 20 Q4

While you are unable to shop in physical retail stores, do you continue to follow fashion brands on social media?

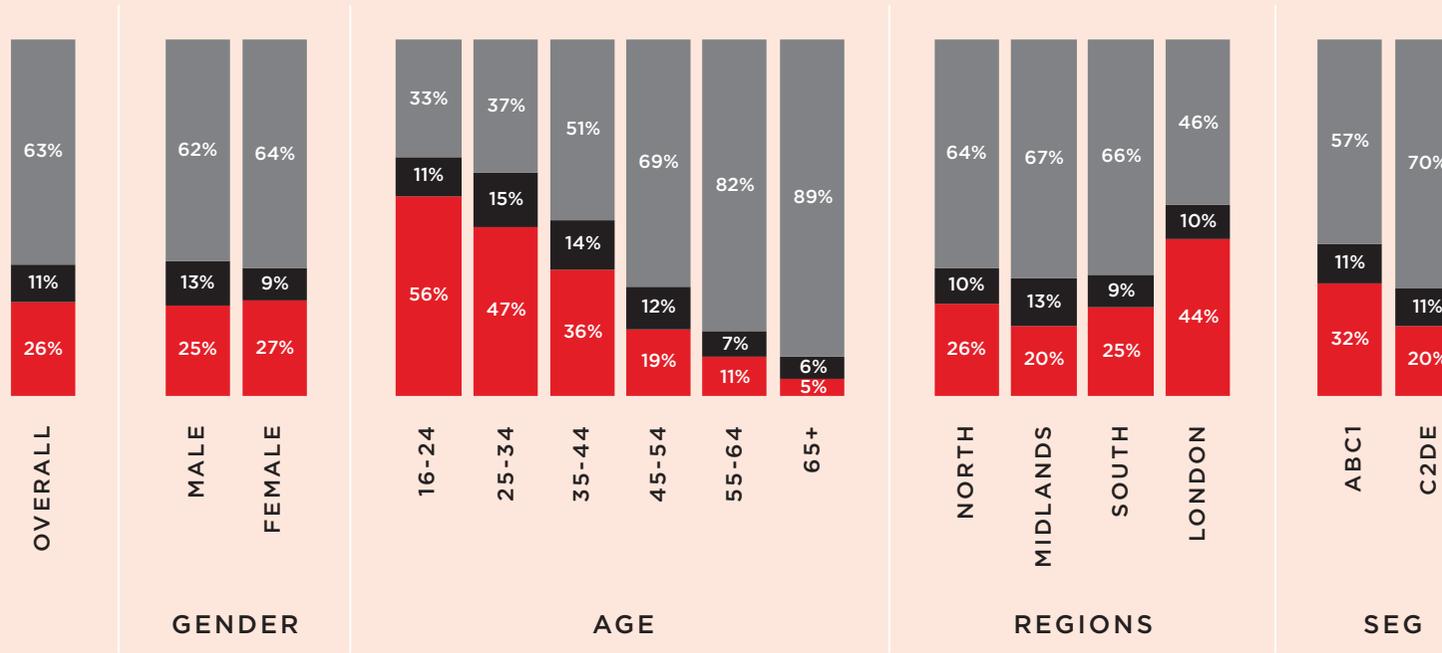


KEY

- Yes, I continue to follow fashion brands on social media
- No, I have stopped following fashion brands on social media
- No, I have never followed fashion brands on social media

PROFILE MARCH 20 Q5

While you are unable to shop in physical retail stores, do you continue to follow fashion influencers on social media?

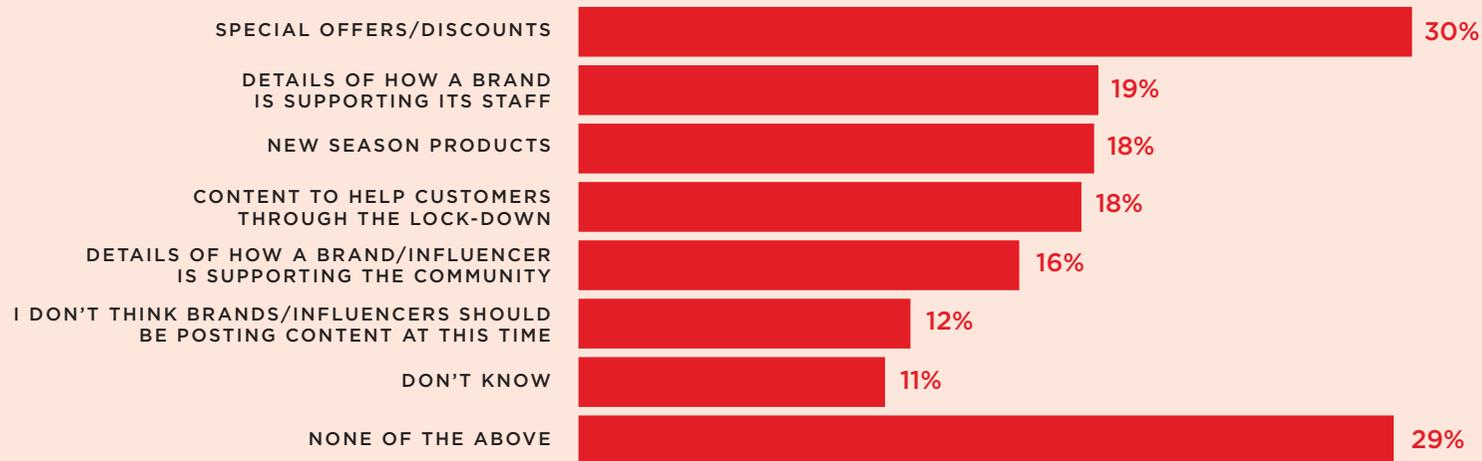


KEY

- Yes, I continue to follow fashion influencers on social media
- No, I have stopped following fashion influencers on social media
- No, I have never followed fashion influencers on social media

MARCH 20 Q6

If you follow fashion brands/influencers on social media, which of the following kinds of content would you like to see at this time?



## Part Four | How will customers' behaviour change after lockdown?

As mentioned in our previous chapter, information on how brands are treating staff was the number two most requested form of content from customers, and here's why it's important. Of all of our consumers not far off half (45%) said they would be more inclined to spend their money with brands who had treated their staff well during the crisis once it is over. It was a high scorer across all age groups with Gen Z, at 52%, placing the most importance on this.

There has been much speculation that the lockdown will change people's habits for good forcing them to shop nearer to home and buy more online than perhaps they had done in the past. Our figures do seem to support these theories but there is also an argument that shoppers will go and support physical stores to help them back on their feet after lockdown, rather than sticking with e-commerce.

A conscious support of smaller brands after lockdown was on the mind of consumers of all age groups with roughly 30% of all them saying they would do this. Millennials tend to be most minded to do this however.

Older consumers (27% of over 55s) say they will support more physical stores as a result of the crisis and Gen Z are not far behind at 24%. It's unlikely shoppers will want to rush to crowded malls and high streets as soon as lockdown is lifted but for those who have stores, there may be some comfort in knowing that after an enforced abstinence many consumers will make a conscious effort to support the physical retail experience. This of course puts pressure on retailers to ensure that experience is a good one.

When it comes to supporting local brands, again it's the older consumer that says it will make more of an effort to do with 31% of over 55s and 34% of over 65s saying they will do so. In many respects that stands to reason since older consumers are likely to shop closer to home and, being in the more vulnerable category, will want to continue to do that for some time to come.

Interestingly shopping more locally is not really resonating with very young consumers, only 15% of Gen Z consumers said they would be doing more of that, while 22% of 25-34 year olds agreed. Of more importance to them than location is supporting a small brand and one that has behaved ethically towards its staff and the community.

So, what of online? We have all been forced, whether we are natural online shoppers or not, to buy much of what we want and need at this time via the online channel as non-essential physical retail has been shuttered.

For some retailers operating safely online was also a challenge and big names such as Next, River Island, QUIZ, Schuh and Fenwick all took their e-commerce operations down for a period before re-opening them. The UK government actively supported non-essential retail trading online during lockdown with Business Secretary Alok Sharma writing to them and also thanking them for their resilience.

For many retailers this ability to trade online will help lessen the impact of the crisis. John Lewis said its online sales spiked 84% during the first three weeks of lockdown. This will not offset lost store sales by some margin but it certainly helps.

Primark on the other hand, is a famous e-commerce refusenik, and in normal times this looked like a smart move as its physical stores were packed while others struggled. During a pandemic and enforced retail shutdown, having

no e-commerce looks less smart. Its sales have gone from £650m a month to £0. If your business has sold as much as a pair of socks in the past month, then you have turned over more than the UK's number one fashion retailer. However, despite this, Primark insists it will not be launching any e-commerce soon and will clear its stock mountain through its store. One can't help thinking if it had an e-store, it would be doing a brisk trade right now.

Some 20% of all consumers say they will be shopping more online after the pandemic, with 16-44 year old all most likely to say this (around 27%). Older consumers, who are spending very little anyway, are less likely to agree (around 10% of over 55s).

The most worrying statistic, however, is the 30% of consumers who say they will buy fewer clothes via any channel. There isn't a great deal of difference among the age groups answering this question either. 31% of Gen Z respondents agree with this and 28% of over 65s.

Of course much of this will be to do with insecurity of income but equally being forced to have less is making people realise they can cope with less. News of less pollution and animals returning to city centres has encouraged people to think about their impact on the natural world and that is a sentiment

that is likely to endure. But, as ever, it presents opportunities. Retailers with ethical stances and a willingness to embrace new models, such as rental and resale could do very well indeed.

With many traditional brands falling by the wayside during this period (Oasis, Warehouse, Cath Kidston and Debenhams have all been placed into administration) opportunities will emerge for new players and those willing to adapt quickly to a new post-COVID world.



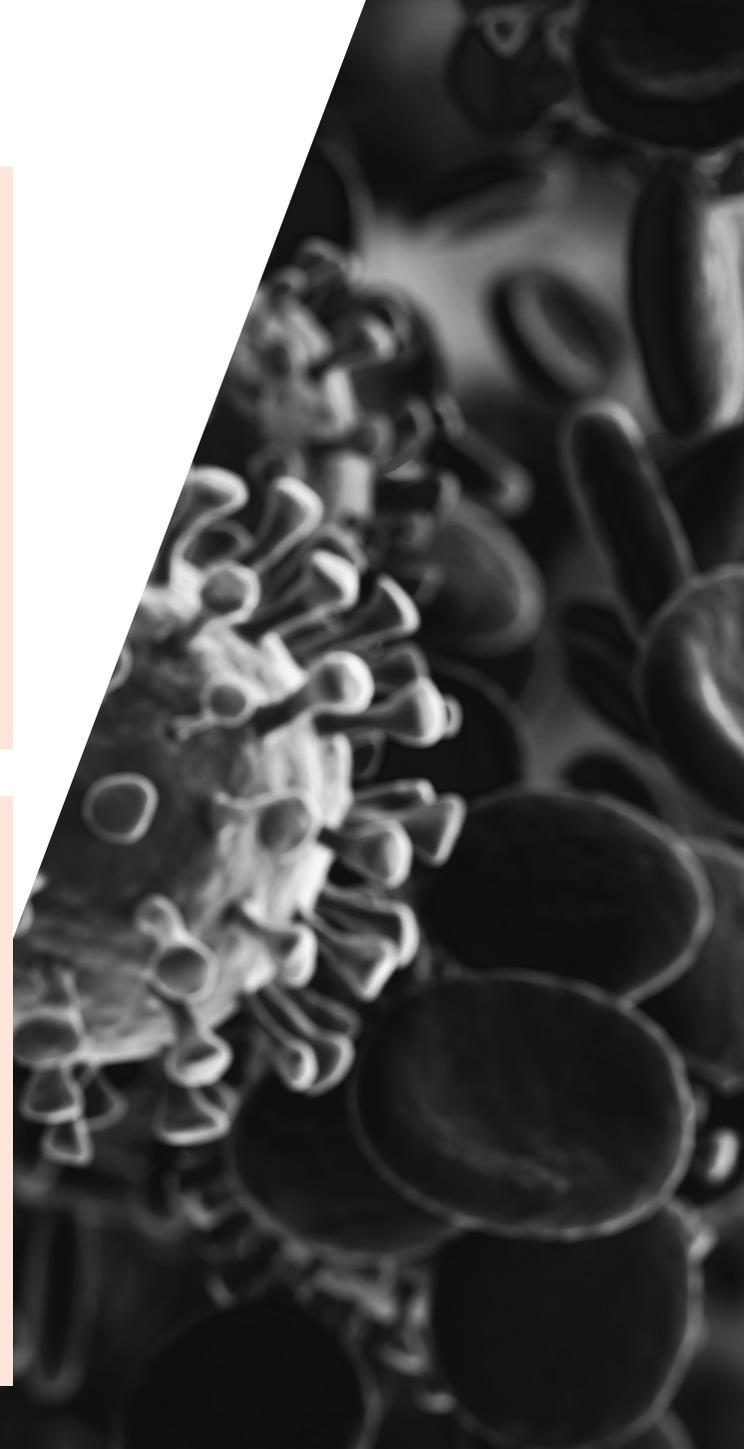
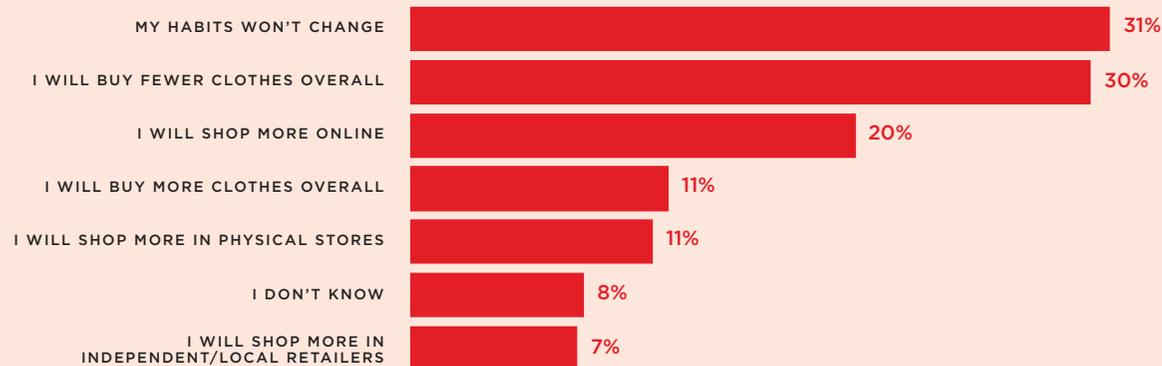
MARCH 20 Q7

This is a difficult time for individuals and businesses, when we emerge will it change the way you think about the brands you support and if so how?



MARCH 20 Q8

Thinking about your clothing shopping habits once the UK emerges from the lock-down, how do you imagine they will change?



# The Information

TheIndustry.fashion surveyed 2,000 consumers between 1 and 5 April 2020.

Respondents were 50% male, 50% female broken down by age group as follows  
16-24 (11%); 25-34 (17%); 35-44 (16%); 45-54 (18%); 55-64 (15%); 65+ (22%).

The respondents were equally split between regions and socio-economic groups and the survey was conducted by leading research experts Savanta.

To learn more about our consumer studies and enquiries about bespoke research, please contact:

**Antony Hawman**

Chief partnerships officer

TheIndustry.fashion

**antony.hawman@theindustry.fashion**

**T: 020 3912 0001**

**www.theindustry.fashion**