

Fashion took a backseat during the pandemic but people are stepping back into the world in style. They want to look great, so spending in the beauty and fashion verticals started to go jump to sky-high levels in 2021. But the global fashion industry growth has not been uniform, thanks to reversed lockdowns, global economic slowdowns, supply chain disruptions and changing customer shopping habits brought real challenges to fashion retailers. Our latest future of retail report explores the global data around consumer behaviors and how fashion brands can reach the right shoppers at the right time.

UNBOXING THE FASHION CONSUMER

DISCOUNT AND LUXURY RETAILERS WILL GROW, AND MIDMARKET BRANDS MAY FEEL THE SQUEEZE

Things started looking good in 2021 for a strong economic upturn but now the world is again staring at a slowdown. We found that four in ten households globally saw a reduction in income which means they had to lower their discretionary spending. This is true for the middle and lower classes while incomes across affluent households continue to grow.

But even with smaller incomes, two in five global households are likely to make fashion purchases now while another third are monitoring

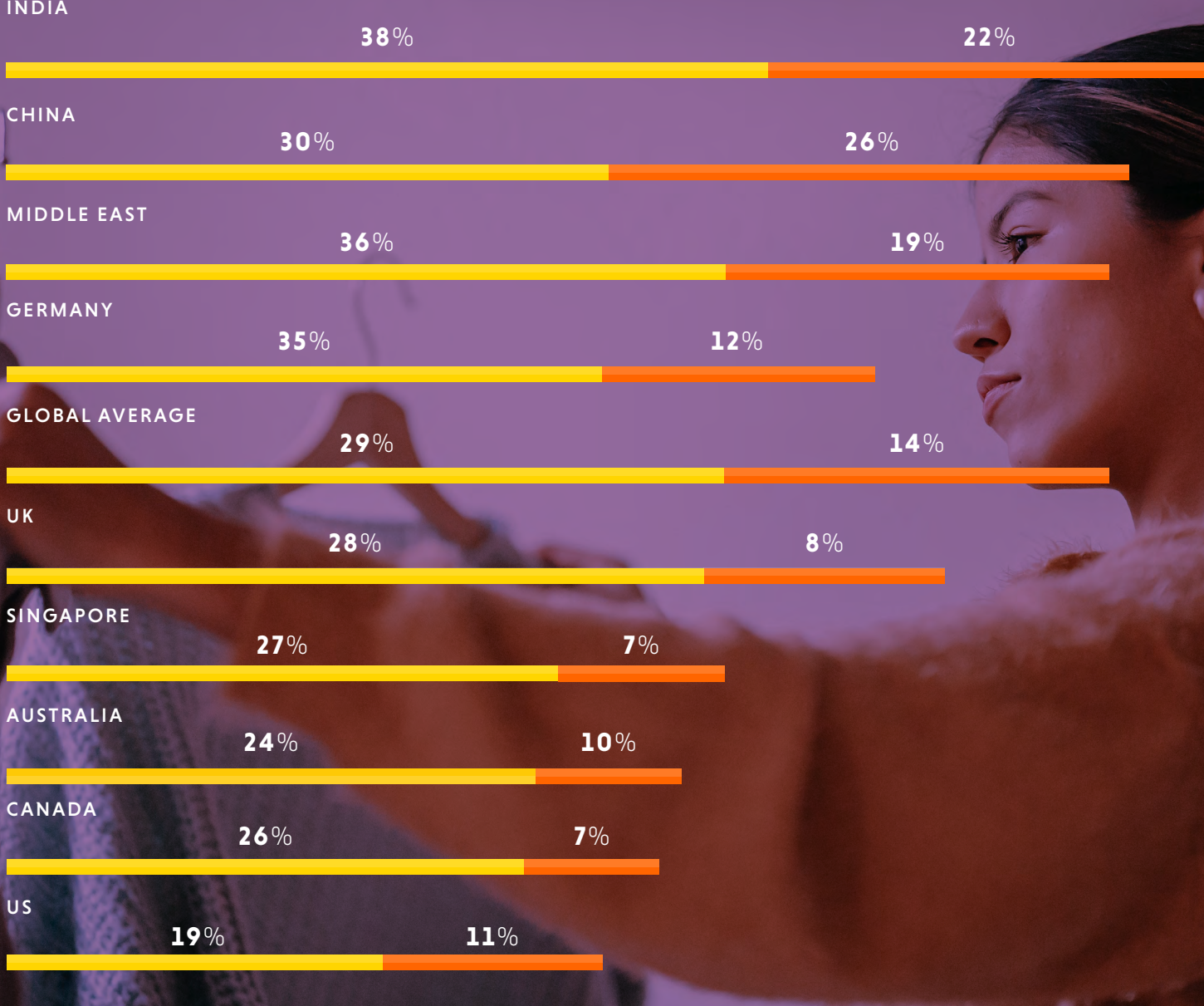
sales to make the final purchases. Millennial consumers in China, India, and the Middle East will be leading the recovery, while the American and European consumers are more conservative in their fashion spending. Pricing, discounts, and availability will be big factors that drive consumer spending on fashion over the next six to eight months.

We found that discount retailers are in a better place to make the most of the opportunity.

HOW LIKELY ARE YOU TO MAKE A FASHION PURCHASE IN THE NEXT 6 MONTHS

PERCENTAGE OF RESPONDENTS

MOST LIKELY **DEFINITELY**



HYBRID SHOPPING BEHAVIORS TO GUIDE CONSUMER SPENDING

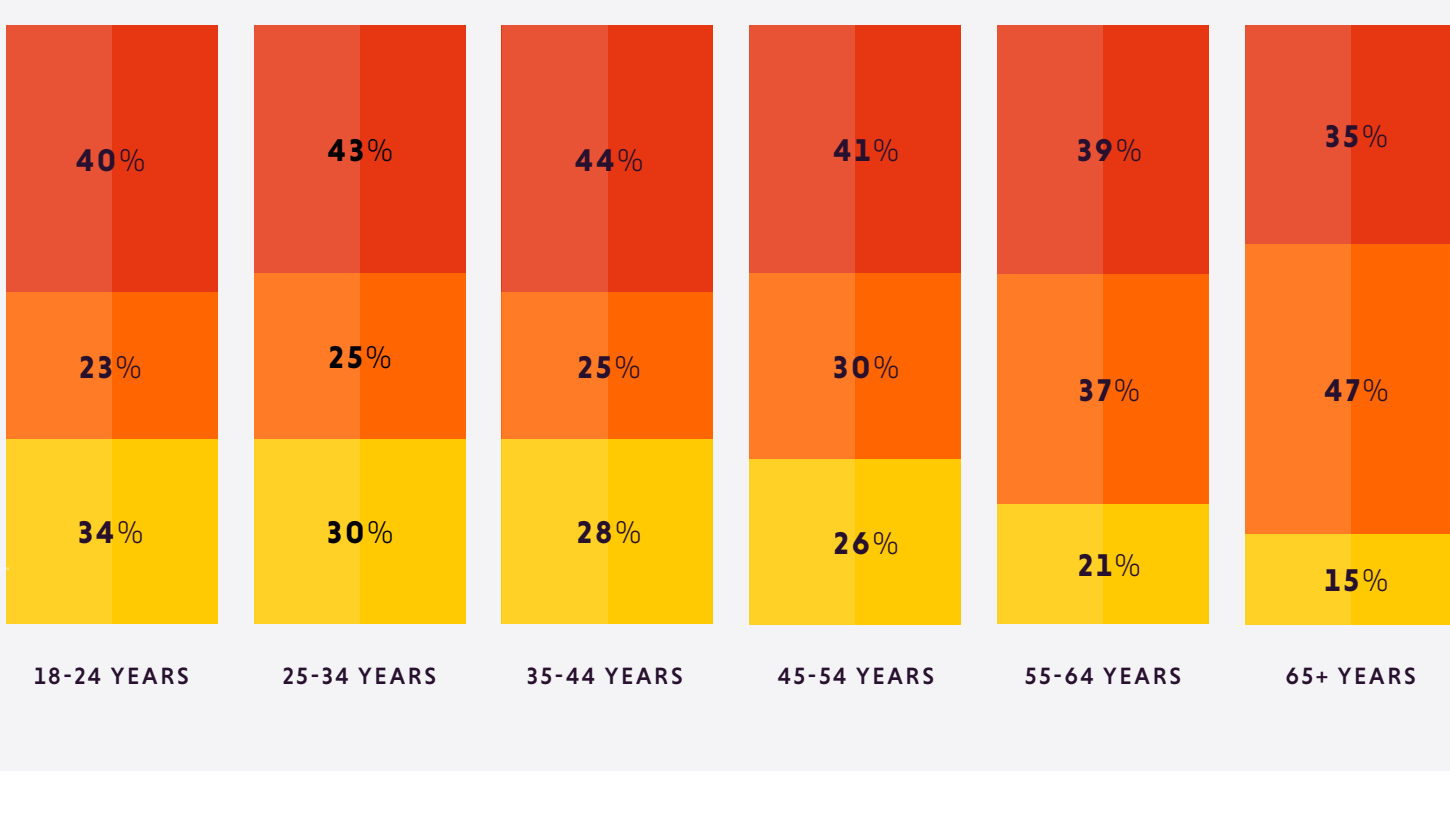
Offline shopping behaviors over the last 12 months have been increasing but hybrid shopping habits will continue to dominate consumer spending habits. What is driving people to choose to purchase from online D2C platforms or aggregator sites? Product availability, quicker delivery, and competitive pricing. The factors for people who prefer offline shopping are trust and urgency. We see

younger people in developing countries around the globe reacting positively to hybrid shopping behaviors options like research online, and buy offline. While mature consumers are still looking to head out to shop for fashion in person. Luxury offline retail is also slated to dominate online shopping trends this year.

LUXURY SHOPPING JOURNEY, BY MODES

PERCENTAGE OF RESPONDENTS

MOSTLY ONLINE **MOSTLY OFFLINE** **MIX OF ONLINE AND OFFLINE**



CHANGING RESEARCH BEHAVIORS

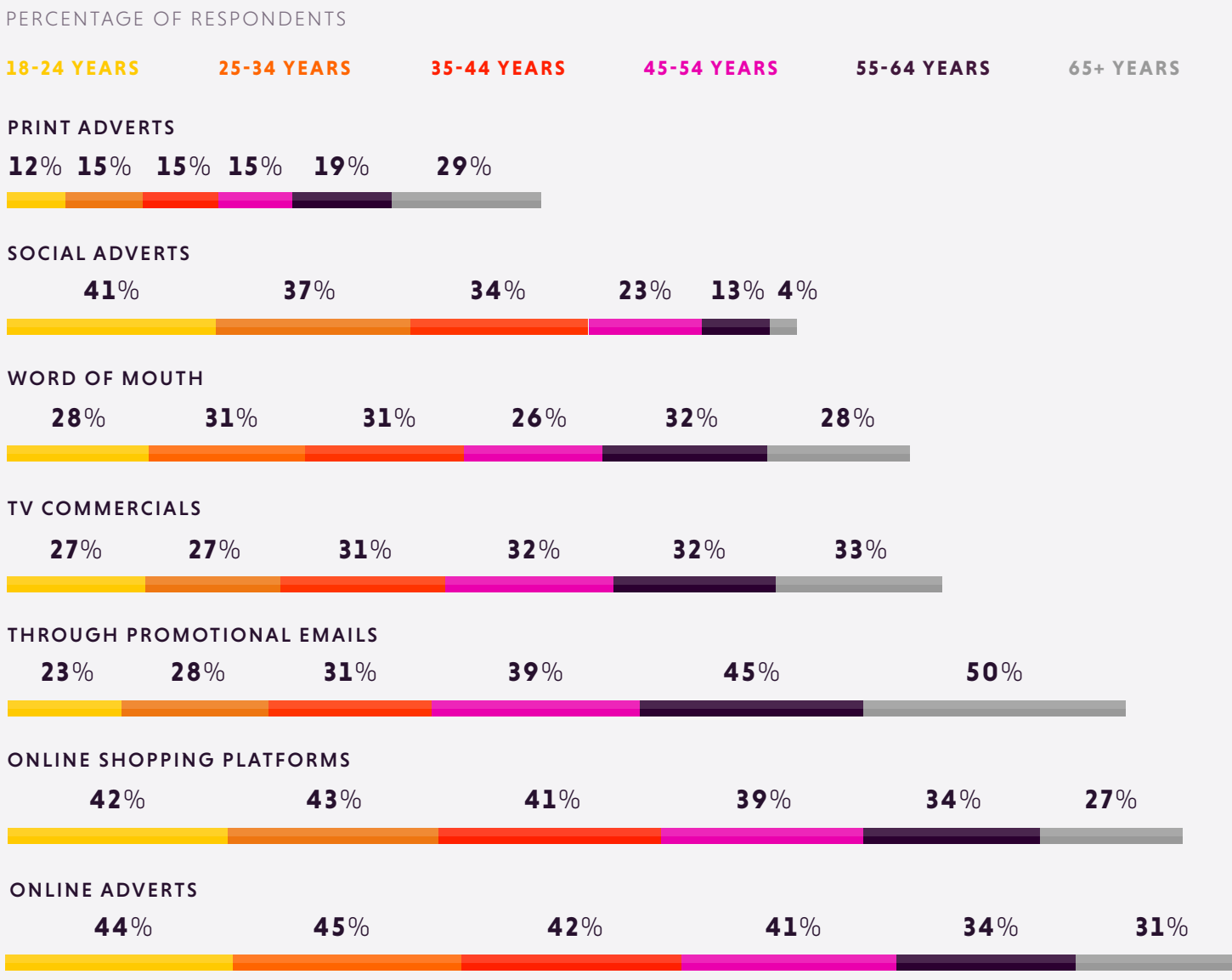
With discretionary spending falling for many people, consumers are on the lookout for the best deals. This can be a big win for brands to personalize offerings since online research tendencies across open and closed web platforms are growing. Brands can identify and model user preferences when there is more searching going on.

But research across online platforms is not the only way people find upcoming deals and offers. Younger audiences react to online and social ads, while promotional emails is how older audiences receive their information.

HOW PEOPLE HEAR ABOUT UPCOMING OFFERS AND SALES EVENTS

PERCENTAGE OF RESPONDENTS

18-24 YEARS **25-34 YEARS** **35-44 YEARS** **45-54 YEARS** **55-64 YEARS** **65+ YEARS**



Other factors that influence fashion audiences are country of origin, online reviews, and celebrity promotions.

THE CROSS-DEVICE JOURNEY

We know that there is a lot of research going on. In fact, six in ten shoppers are spending over a day researching fashion products before buying, either online or offline. The trends point to consumers in the eastern hemisphere as more active researchers than their western counterparts. During their purchase journey, three in ten consumers globally use multiple devices to carry out their research. The first search may happen on desktops and laptops, but as they move deeper into the funnel, mobile activity ramps up. Social commerce is also a big deal on mobile. When it's for that final swipe

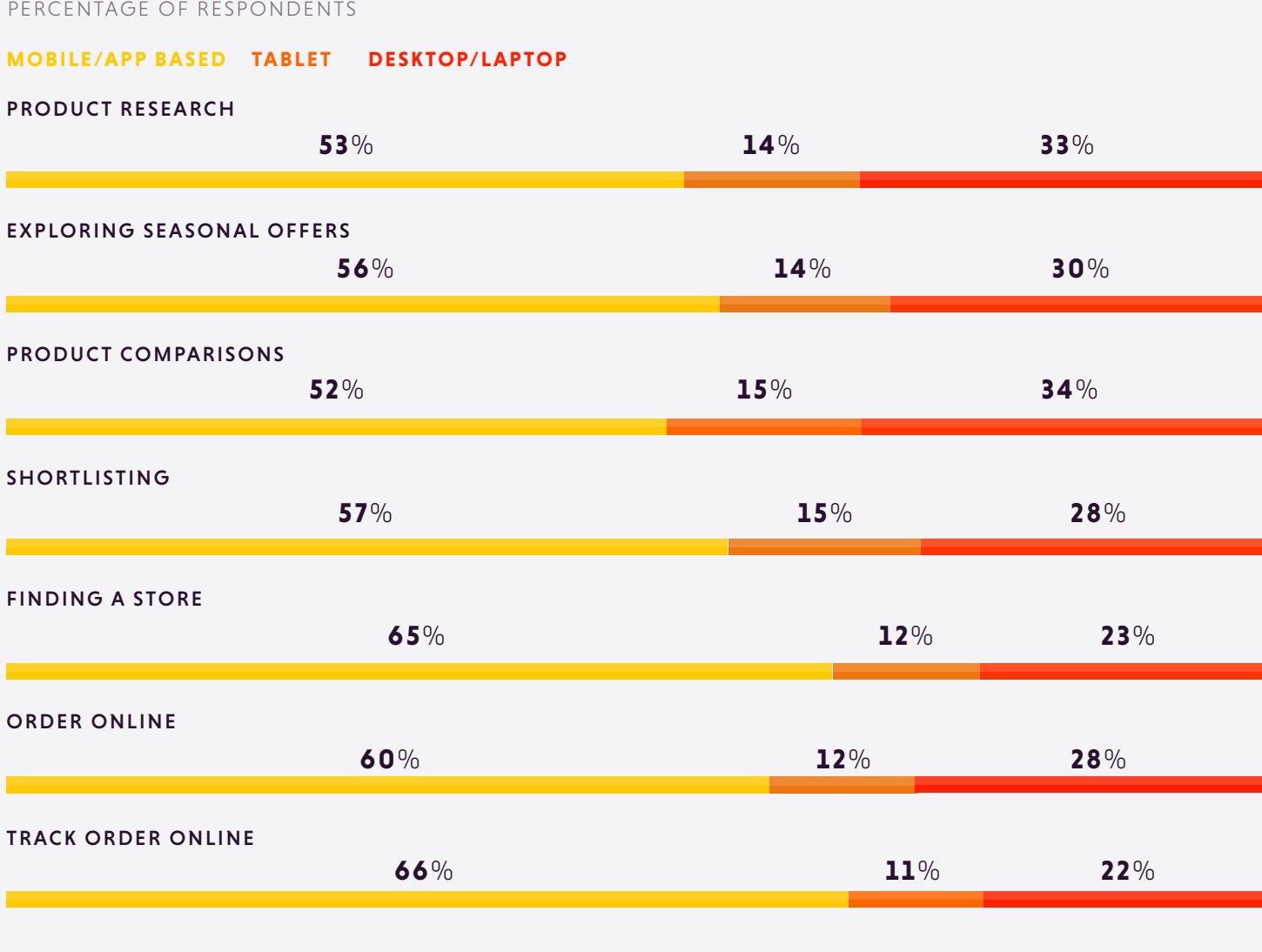
of the credit card, we see most purchases coming through on mobile devices. For marketers, a strong mobile strategy is really important but you can't forget about the other platforms that brought the consumer to their final stage of the funnel.

Marketers should treat consumer attention as finite currency and optimize ad serving across different platforms through data-enabled personalization. This will drive meaningful consumer interest for your brands.

RESEARCH JOURNEY BY DEVICE TYPE

PERCENTAGE OF RESPONDENTS

MOBILE/APP BASED **TABLET** **DESKTOP/LAPTOP**



TIPS FOR MARKETERS

- 1. Know your new audience**
Consumers are constantly evolving so if you look at their new shopping plans and how their budgets have changed, you can reach them. Work with a partner who can identify your audience and conduct research for a campaign to optimize your buy before it starts.
- 2. Connect your cross-media efforts**
The future is cross-platform and now they are even easier to execute. Using current technology, you can identify your audiences across the different platforms and target them where it matters the most. Mapping consumer journeys across the hybrid space can help build efficient cross-media activation and measurement plans. A partner can help identify and activate omnichannel opportunities to deliver higher ROIs.
- 3. Use personalization and high-impact creative formats**
Stand out from the crowd
Consumers are looking for a product that speaks directly to them with so many choices. Creative personalization of your brand can drive deeper engagement. Dynamic creative optimization (DCO) and interactive shoppable creatives are other ways to drive creative.
- 4. Planning for the worst, hoping for the best**
Global markets are still struggling with high inflation and stress on supply chains, so you have to be agile and plan for different situations. Planning in consultation with experienced programmatic experts can help marketers circumvent seasonal fluctuations and macroeconomic developments.

CASE STUDY:

MiQ helped a major sports brand in the UK increase sales for a new line of products while growing its SoW among a specific consumer segment.

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