

US Consumer Analysis: *Apparel and Footwear*

February, 2017





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About this Report

About this Report

This report is a collaboration between Fung Global Retail & Technology and Prosper Insights & Analytics. It uses propriety data from surveys conducted by Prosper in the US that track shopping behaviors and the future purchase intentions of consumers.

Survey Methodology

The Prosper Insights & Analytics *Monthly Consumer Survey* provides insights into the US consumer market from multiple datasets and multiple sources. It surveys more than 6,000 consumers 18+ in the US on an ongoing basis.



Key Takeaways: Brick-and-Mortar to Remain the Dominant Transaction Channel for US Apparel and Footwear

1. The majority of US consumers have purchased apparel both online and offline, however, brick-and-mortar is still the dominant transaction channel.
2. In fact, US consumers' attitude towards fashion and their purchase behavior has changed little over the past five years.
3. We expect brick-and-mortar to remain the dominant store format for US apparel and footwear retail in the near future.



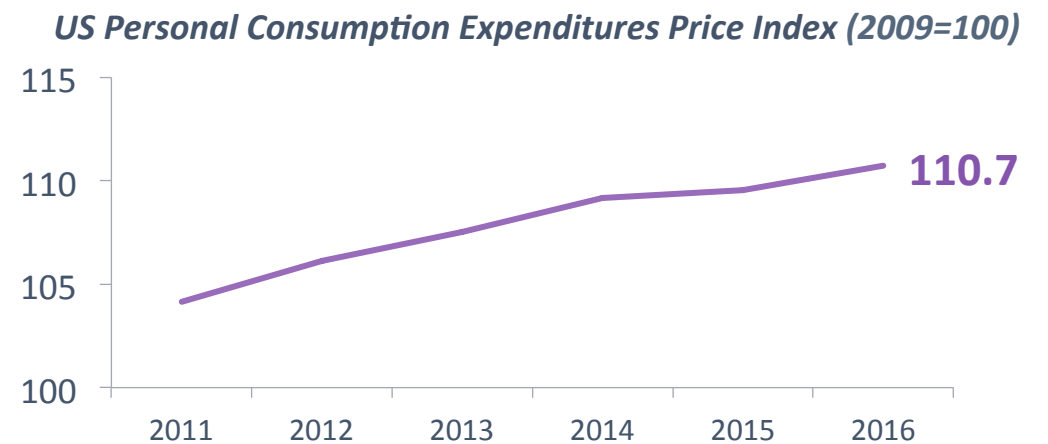
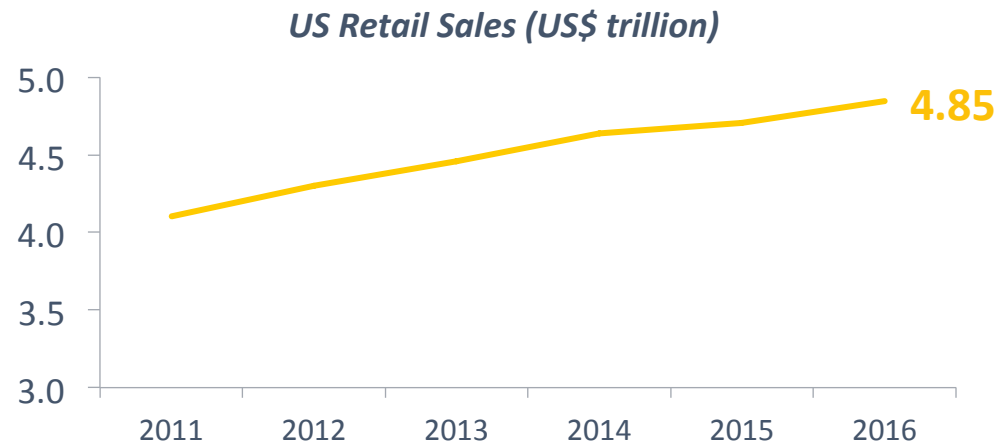
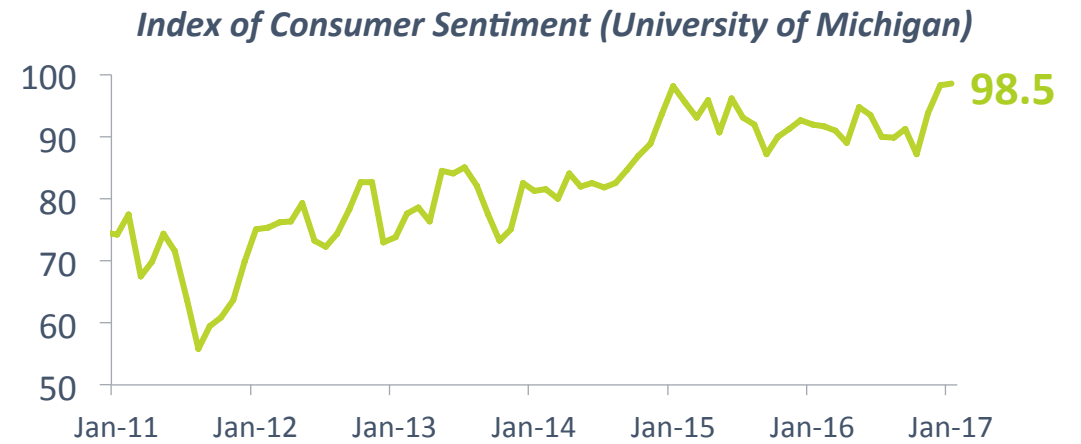
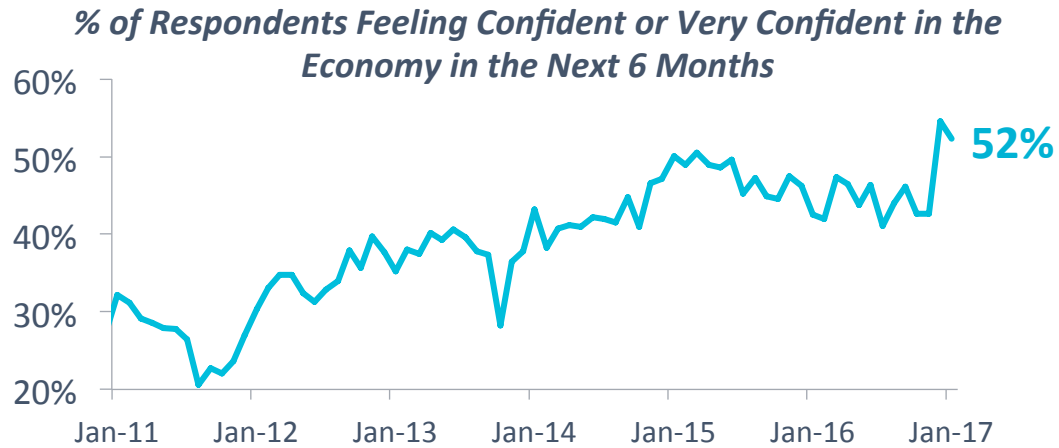
Key Takeaways: Social Media has Become a Major Influencer in Apparel Purchases Among Millennials

1. As retailers have shifted their budgets to digital advertising, the influence of all major media channels has decreased in the past five years, except for social media and mobile video.
2. Among millennials, the influence of social media on apparel purchases is on par with traditional media like TV and magazines.



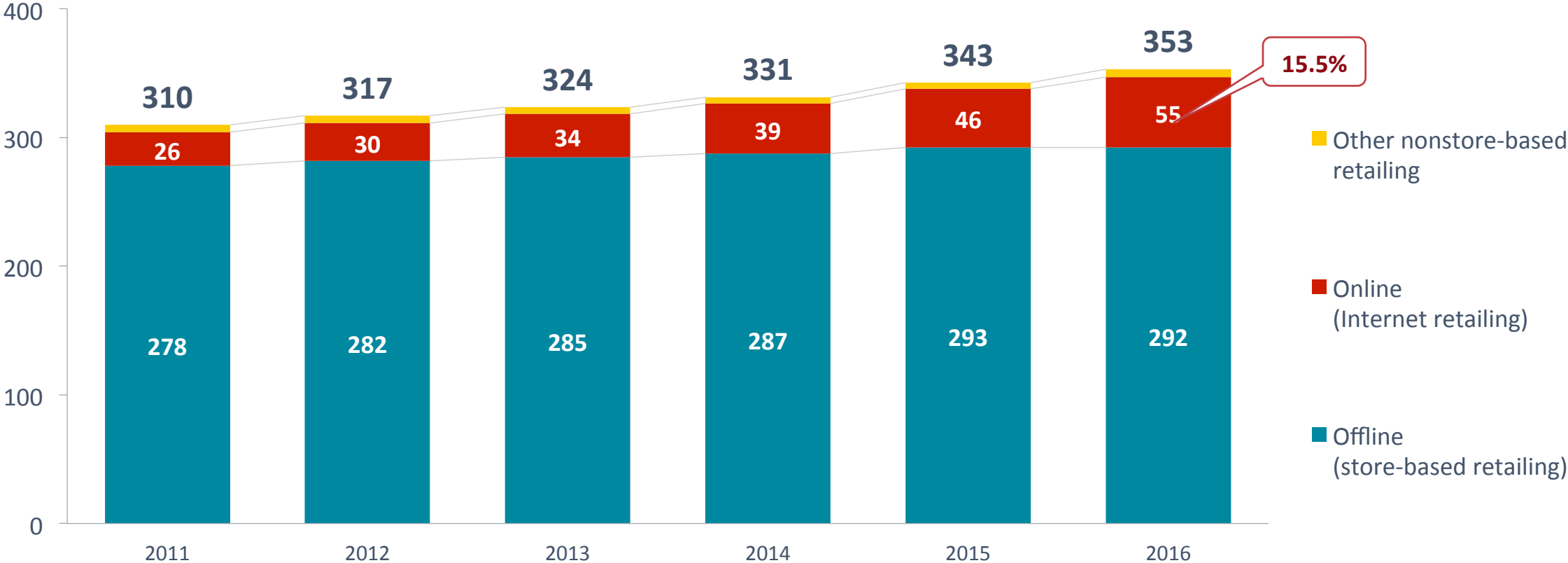
Consumer and Category Insights

US Consumer Confidence Solid in 2016, Following an Improvement in 2013–2015



The Internet is Not Yet a Significantly Large Channel in Terms of Apparel and Footwear Purchases

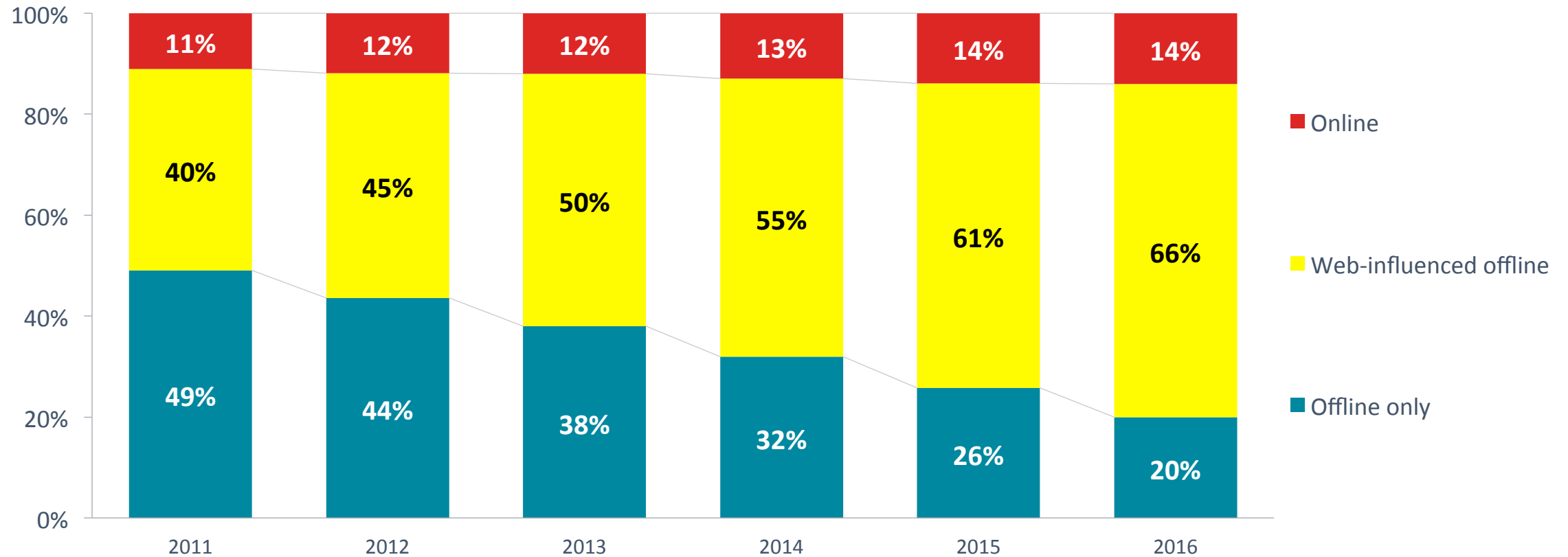
Size of US Apparel and Footwear Market (US\$ billion)



Source: Euromonitor

But it Increasingly Influences How Consumers Shop for Apparel Offline

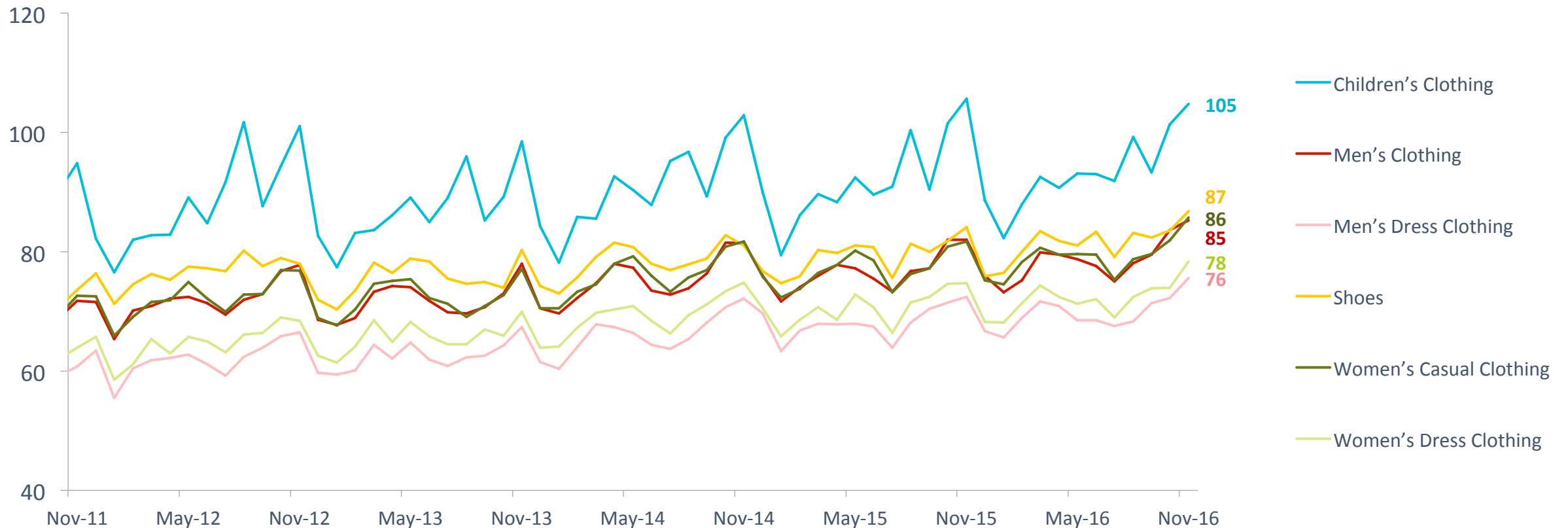
Apparel Retail Sales in the US, by Type



Children's Clothing Shows the Most Seasonality in Apparel, Affected by Back-to-School and Holiday Shopping

Spending Score of Respective Apparel Category

A spending score higher than 100 means more consumers are planning to spend more on that category over the next 90 days than are planning to spend less on it.



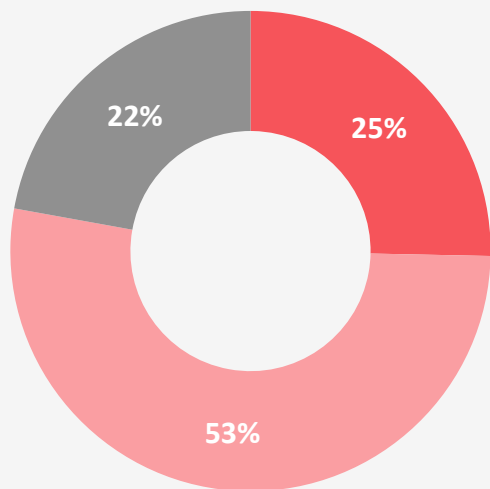


Consumer Purchase Behavior: Online or Offline

The Majority of Consumers Search and Purchase Some of Their Apparel Online

78% of Consumers Searched for Clothing/Footwear Online

Frequency of Clothing/Footwear Online Search (Jan 2016)*

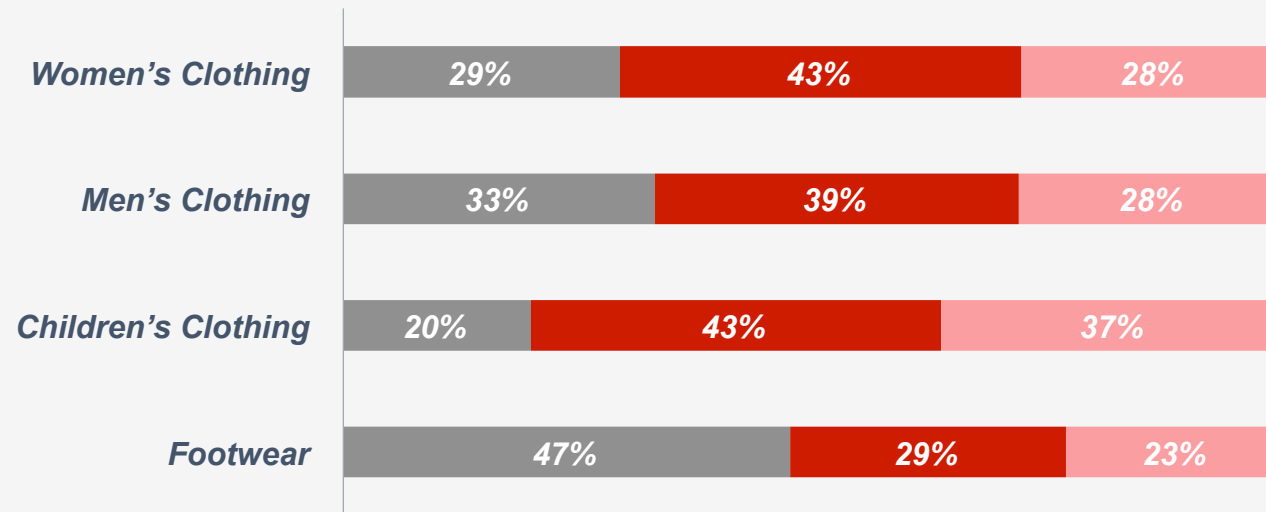


■ Regularly ■ Occasionally ■ Never

* No significant changes in the past five years

80% of Consumers Who Purchase Children's Clothing Shop Online

% of Respective Item Purchased Online (2016)



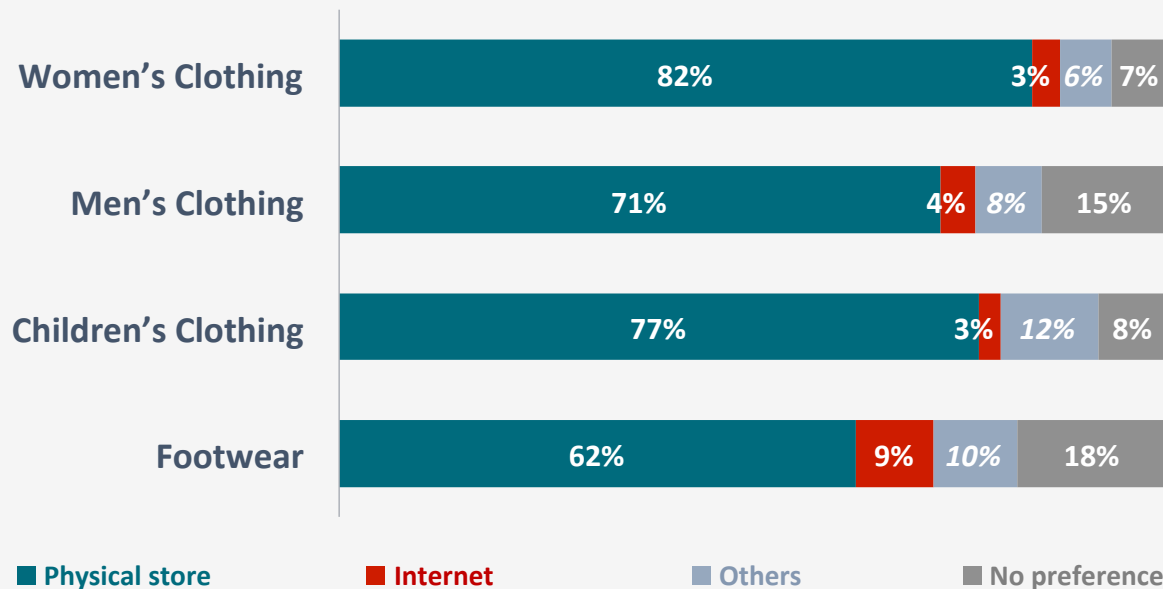
■ 0% (do not buy online) ■ 1%-50% bought online ■ 51%-100% bought online

* Sample: Moms with kids aged 9 and below

Brick-and-Mortar Still the Dominant and Most-Used Channel for Apparel and Footwear Purchases

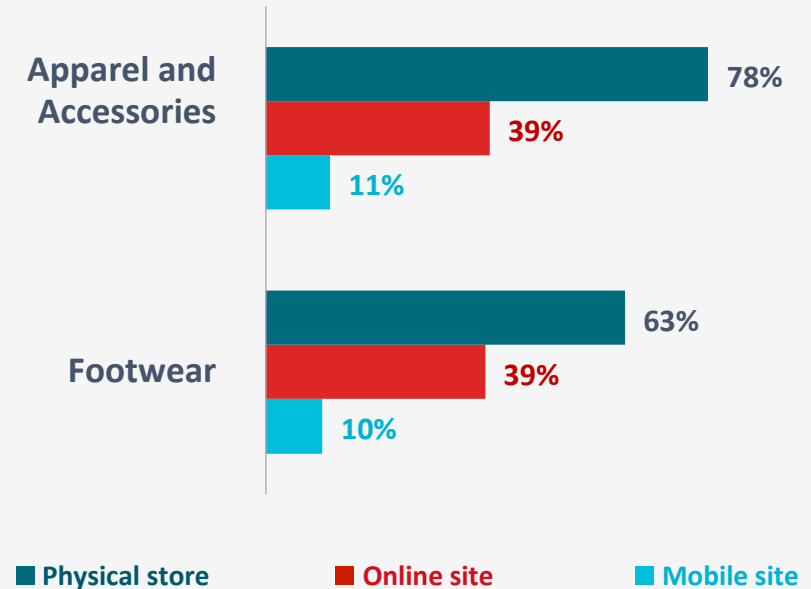
Brick-and-Mortar is the Most-Used Store Format

Most-Used Store Format to Purchase Respective Items (Nov 2016)



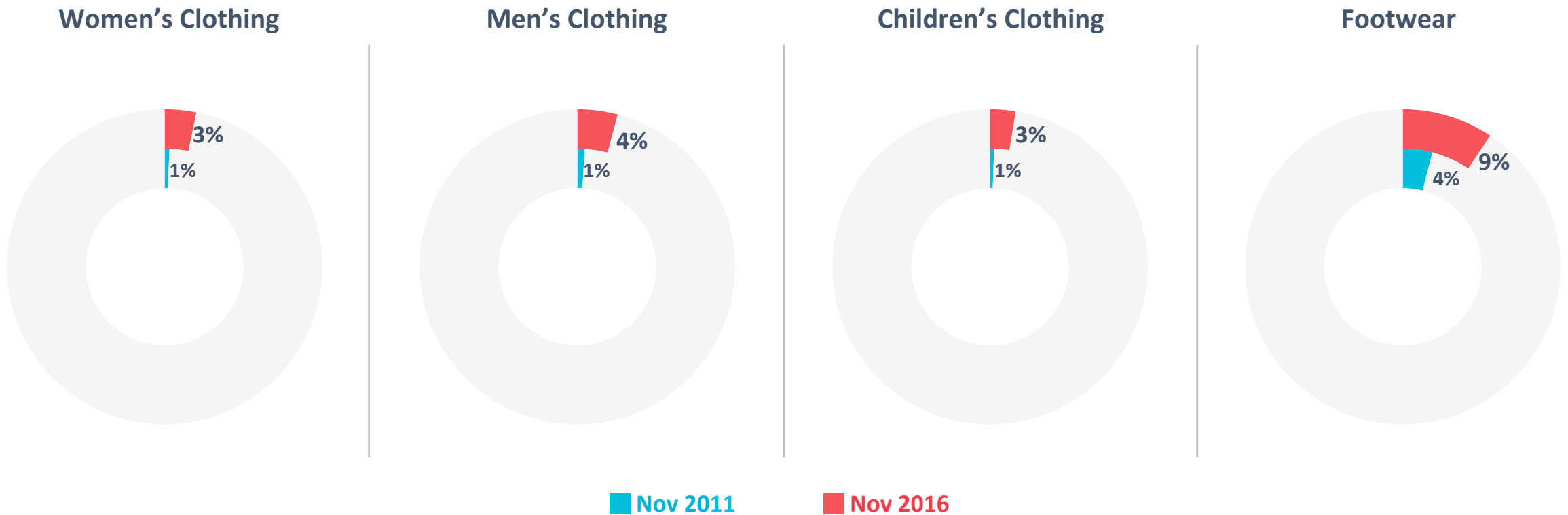
Around 10% of Consumers Made Purchases via Mobile Sites

Shopping Method Used in the Past 30 Days (Nov 2016)



More Consumers Use the Internet the Most Often to Purchase Apparel, but are Still a Niche Segment

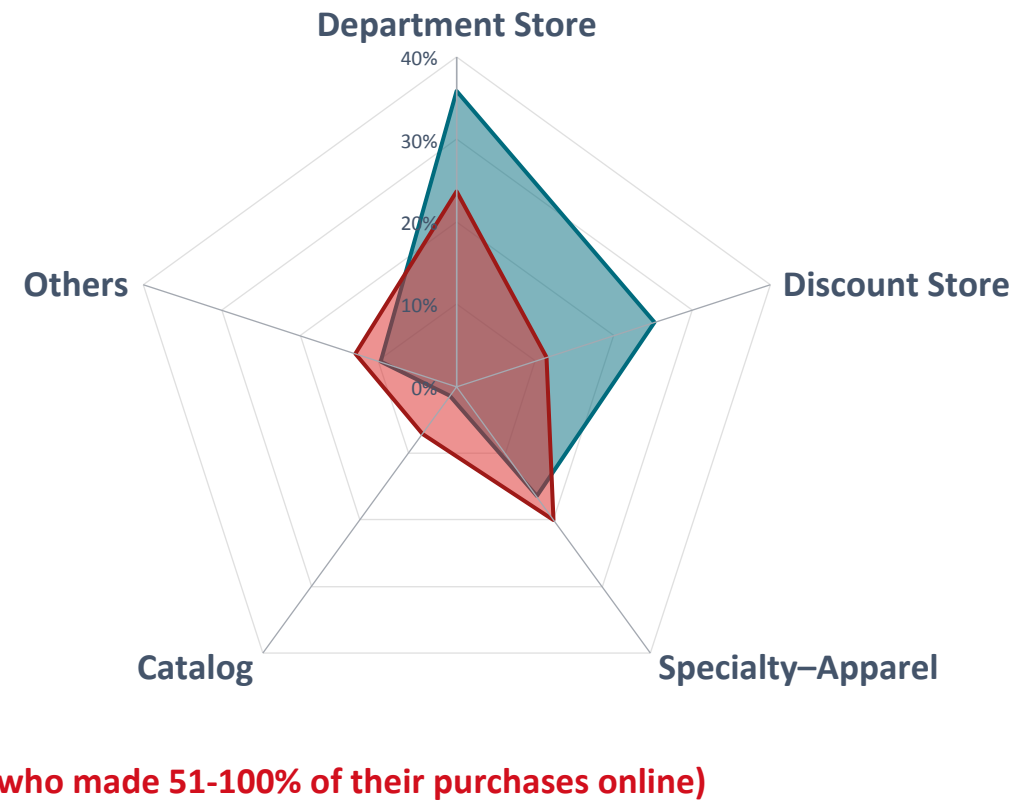
Those Who Use the Internet the Most to Purchase Respective Items (Nov 2011 and Nov 2016)



For Women's and Men's Apparel, Heavy Online Shoppers Show a Preference for Specialty Stores

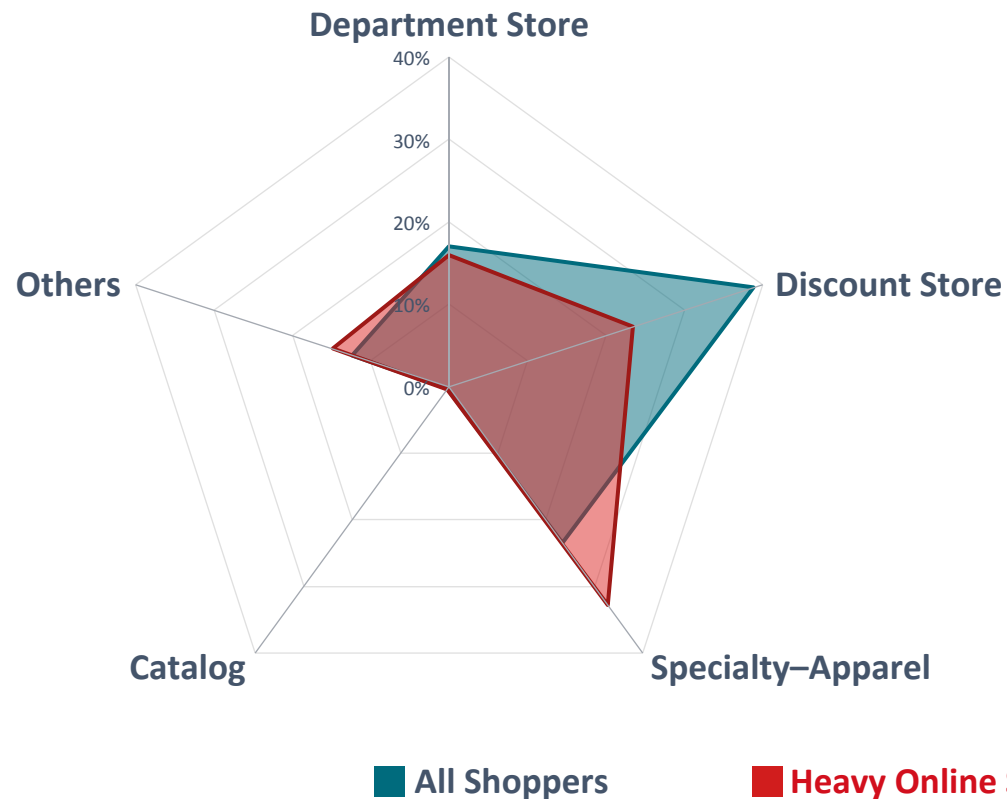
Most Often Shopped Retail Category for Women's Clothing (Excluding Internet, April 2016)

Most Often Shopped Retail Category for Men's Clothing (Excluding Internet, June 2016)



Heavy Online Shoppers Also Show a Preference for Specialty Stores in Children's Apparel and Footwear

Most Often Shopped Retail Category for *Children's Clothing* (Excluding Internet, October 2016)

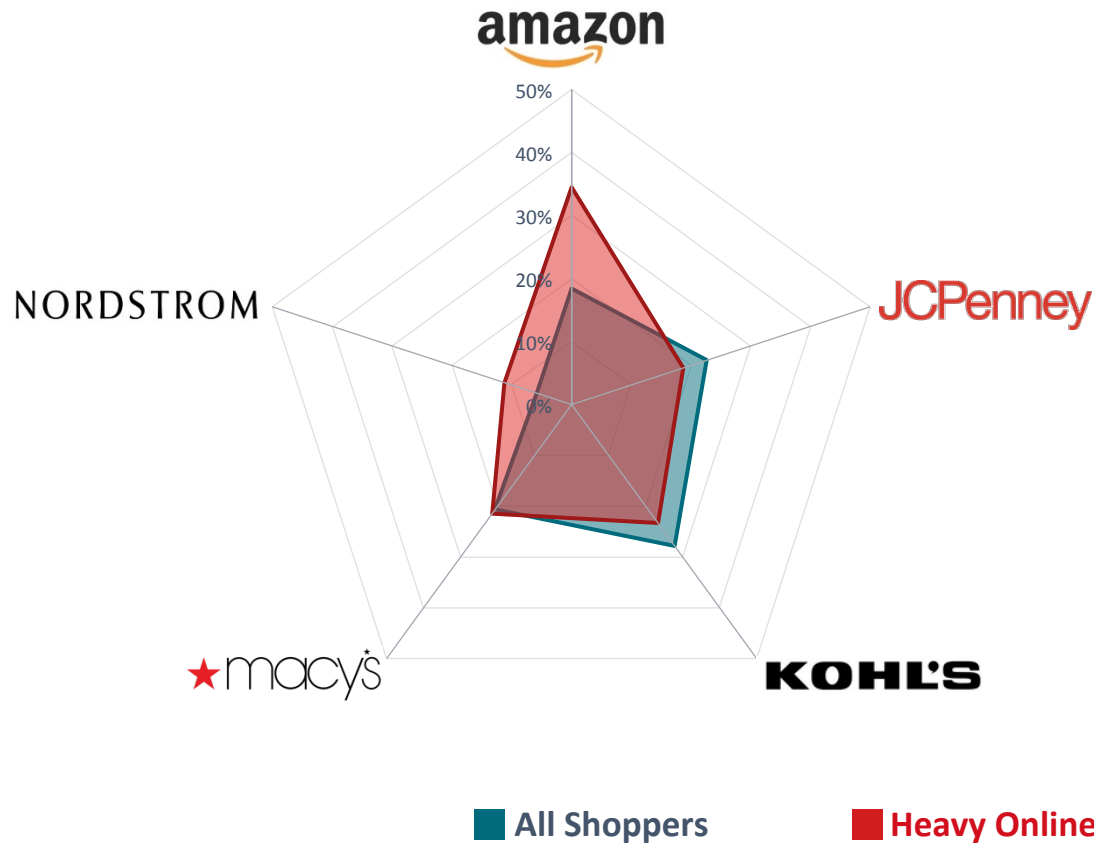


Most Often Shopped Retail Category for *Footwear* (Excluding Internet, July 2016)



Macy's and Nordstrom are Relatively More Popular Among Heavy Online Shoppers

Retailers Shopped at in the Past 90 Days for Women's Clothing (April 2016)



Retailers Shopped at in the Past 90 Days for Men's Clothing (June 2016)



In the Children's Clothing Category, Specialty Stores are Relatively More Popular Among Heavy Online Shoppers

Retailers Shopped at in the Past 90 Days for Children's Clothing (October 2016)



Retailers Shopped at in the Past 90 Days for Footwear (July 2016)

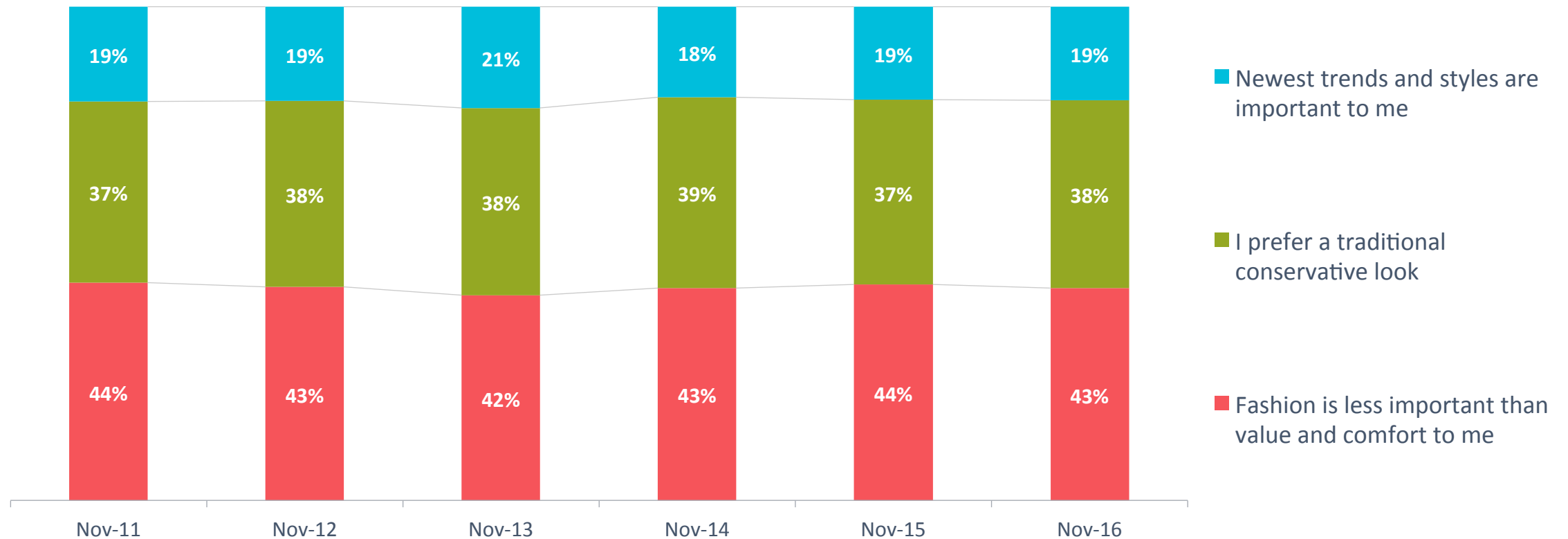




Consumer Purchase Behavior: Attitudes

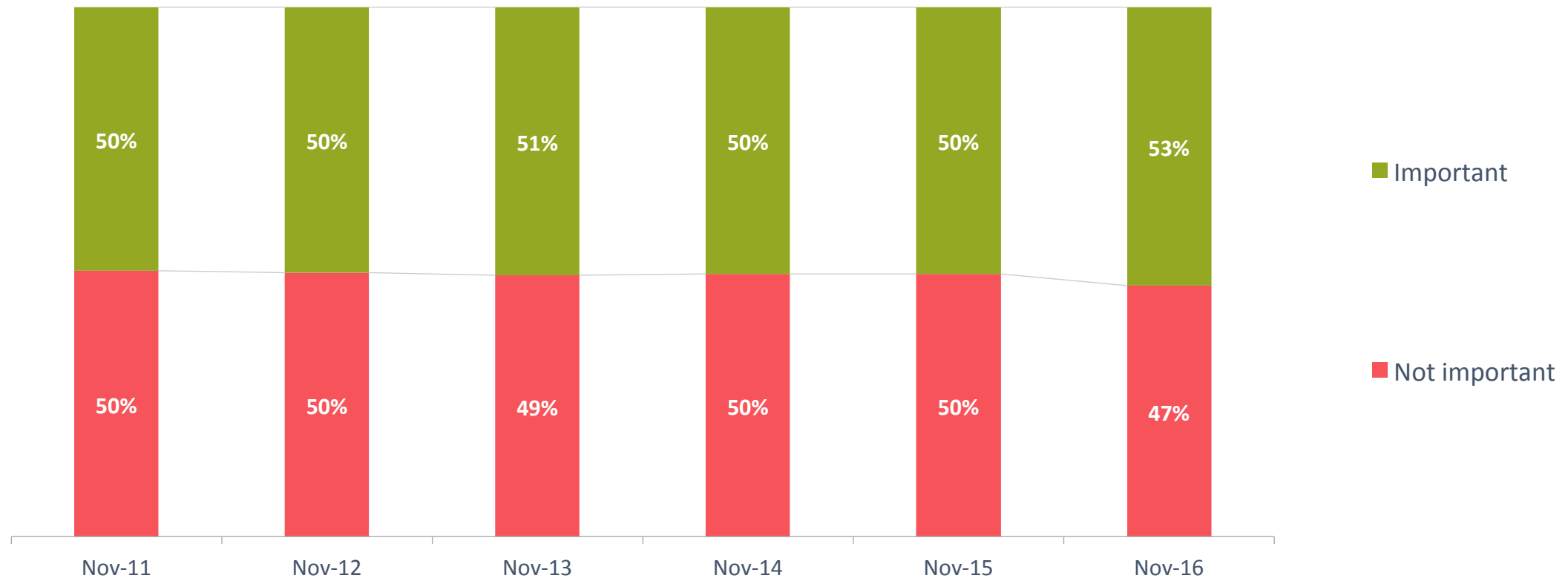
Consumers' Attitude Toward Fashion has Changed Little in the Past Five Years

Feelings about Fashion (2011–2016)



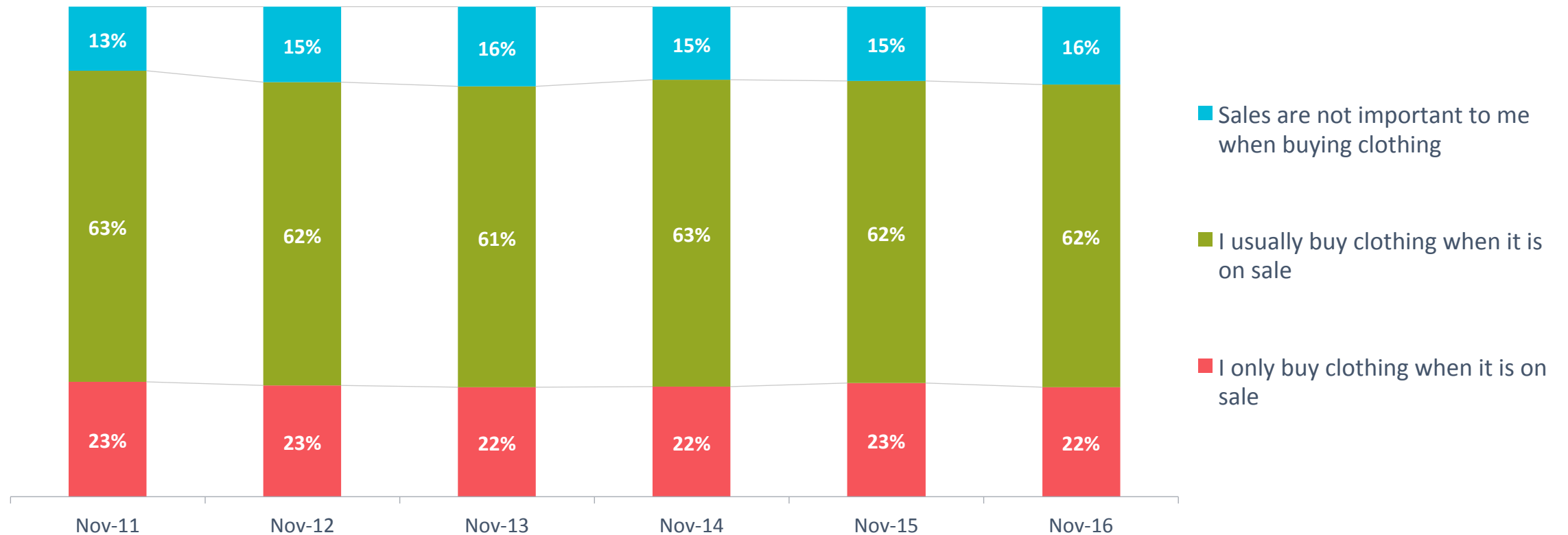
Slightly More Consumers Regard Labels as Important Compared With Last Year

Importance of Labels When Buying Clothes (2011–2016)



The Majority of Consumers Usually Buy Clothing When it is On Sale

Importance of Sales (2011–2016)

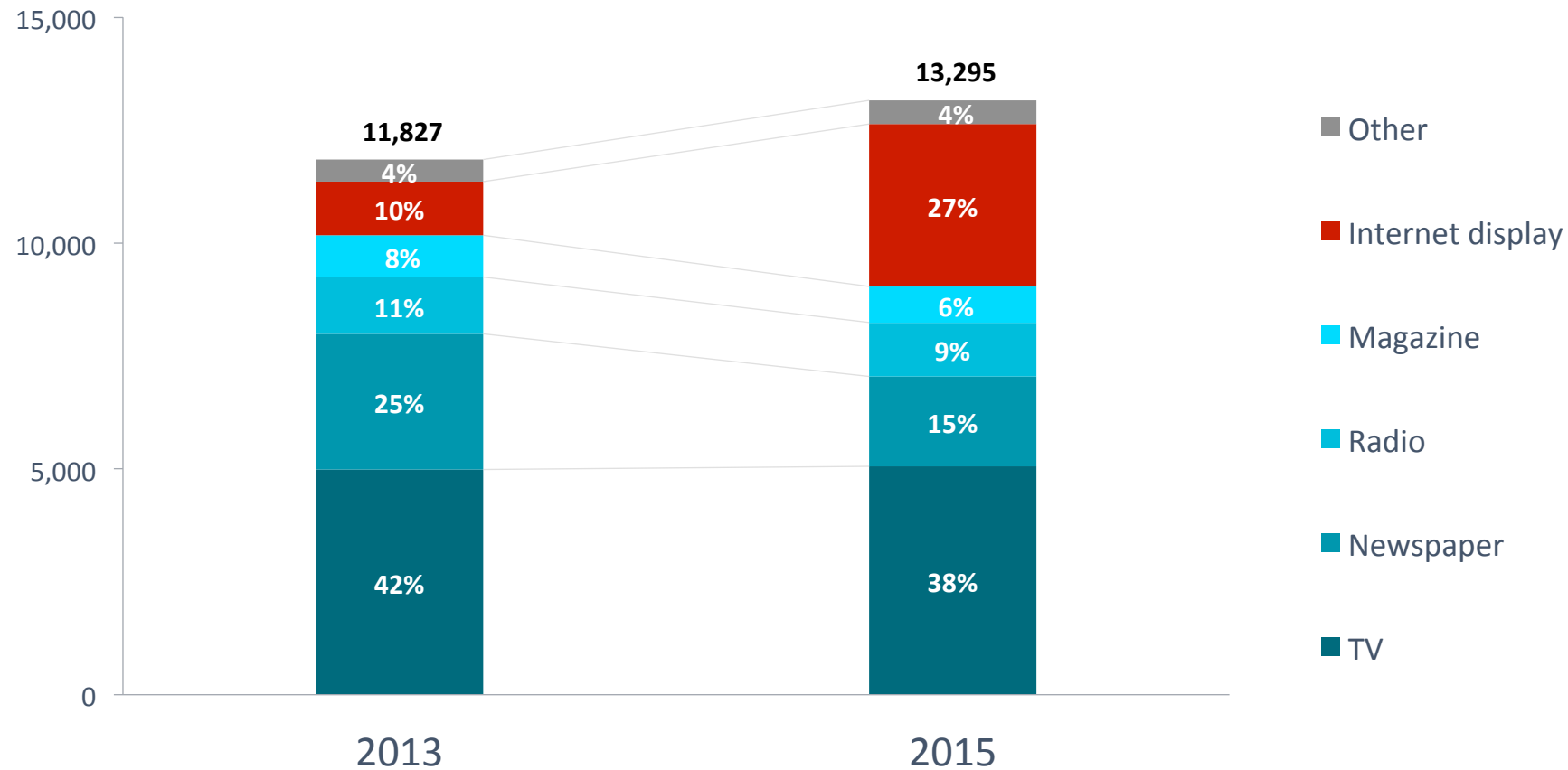




Media Influence on Apparel Purchases

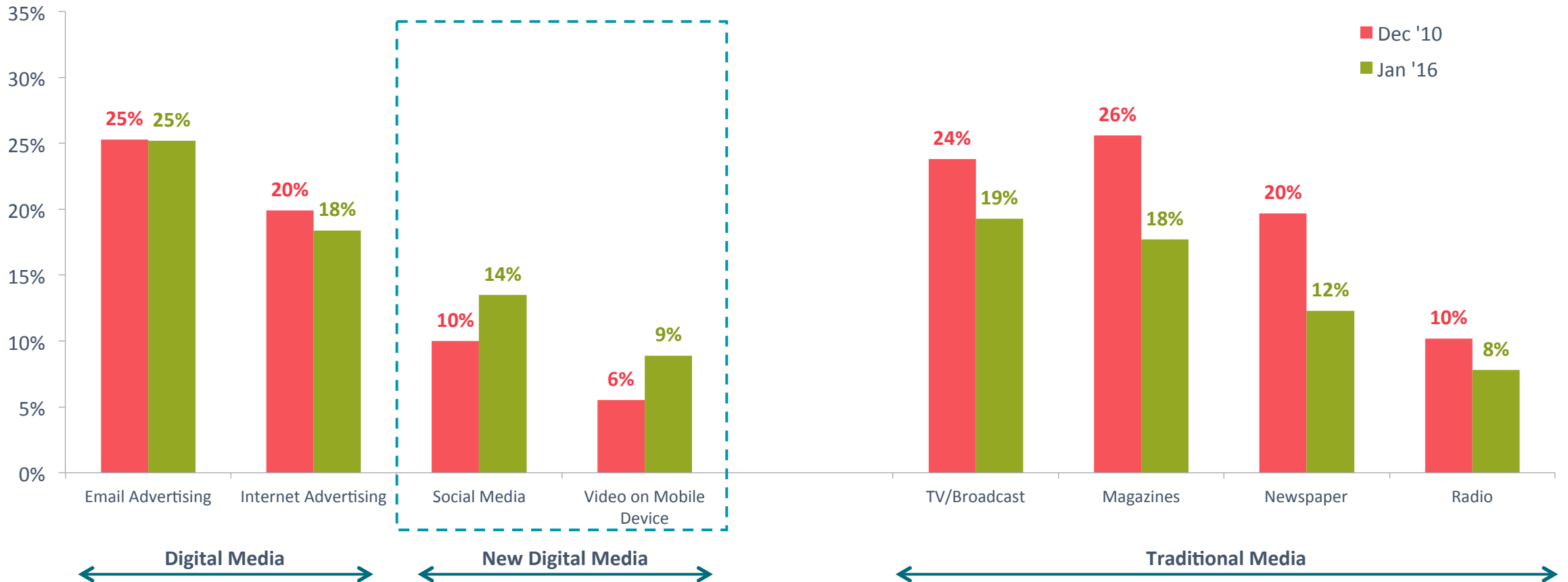
Retailers are Shifting Their Focus to Digital Advertising

Advertising Spending of the US Retail Industry, 2013 vs. 2015 (US\$ million)



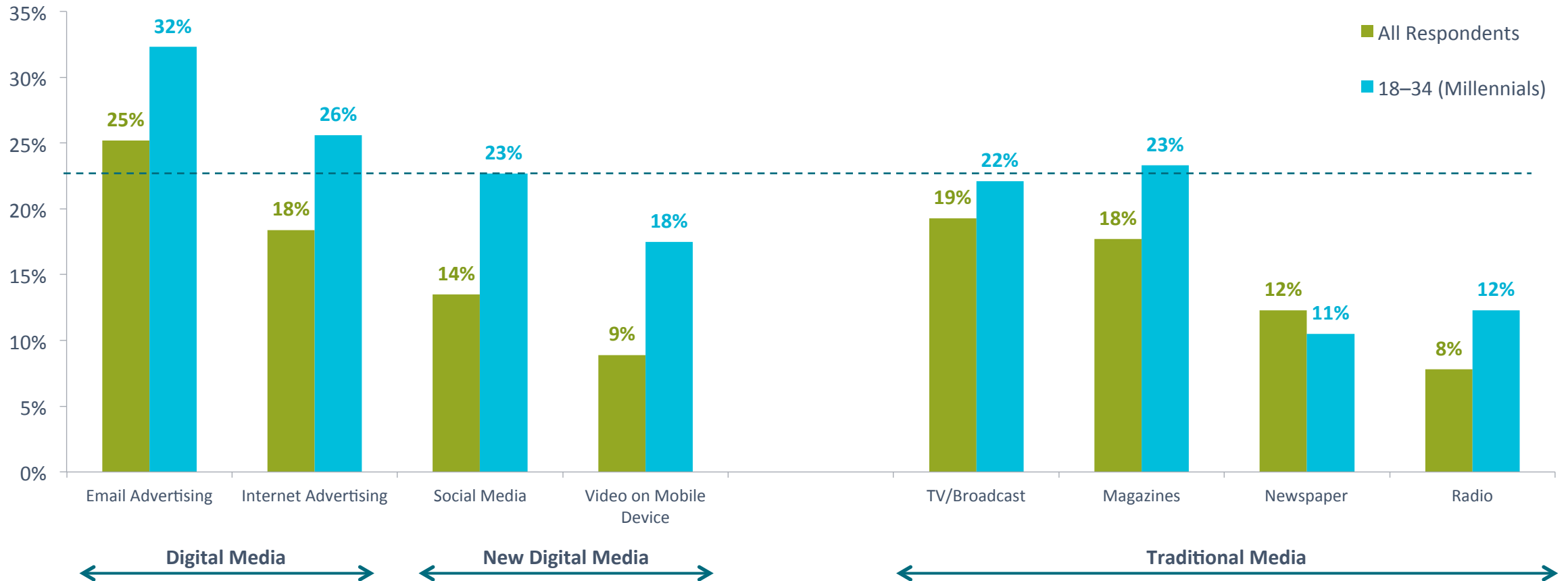
The Influence Power of All Major Media Channels has Decreased for Apparel Purchases, Except for Social Media and Mobile Video

Those Who Were Influenced by the Respective Media Channel when Purchasing Apparel, 2010–2016



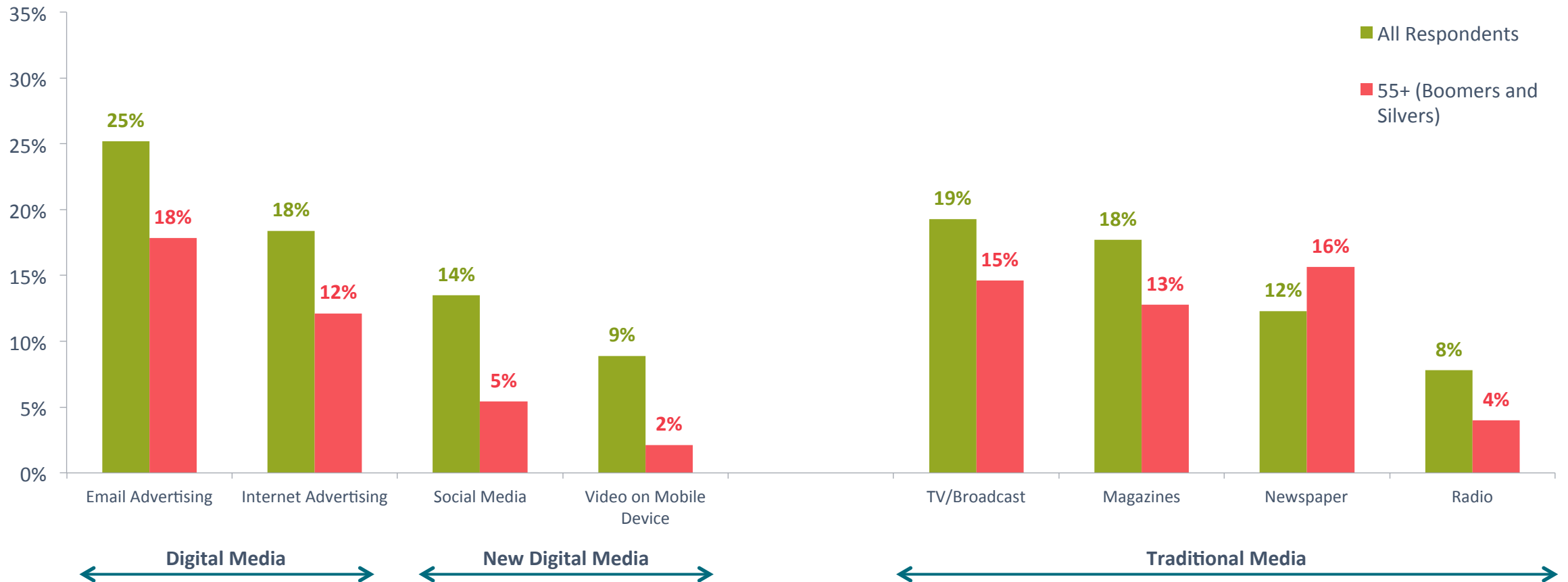
Influence of Social Media is On Par with TV and Magazines Among Millennials

Those Who Were Influenced by the Respective Media Channel when Purchasing Apparel, Jan 2016



Boomers are Less Influenced by Both Digital and Traditional Media Channels, Except Newspaper

Those Who Were Influenced by the Respective Media Channel when Purchasing Apparel, Jan 2016





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