2021 FOOTWEAR + APPAREL TRENDS

CLARKSTON CONSULTING

It’s no secret that the footwear and apparel industry are being heavily impacted by COVID-19, and the trends for 2021 readily reflect that. As stores closed and shoppers turned to online, businesses across multiple industries were forced to rapidly evolve. As we approach 2021, businesses must prepare to grow and adapt in order to compete in this quickly evolving COVID-19 world.

TREND #1
Omnichannel strategies are a must after living in a virtual world

The novel coronavirus pandemic has led to the temporary or permanent closure of many brick-and-mortar stores and caused a surge in online sales. As the implementations of omnichannel strategies swells, this increase in will only continue in 2021. This also ties into the growing prevalence of businesses using DTC as a major distribution strategy and the correlating adoption of various digital technologies to promote supply chain automation. This omnichannel trend also creates an atmosphere where shoppers will feel more **comfortable making online purchases than ever before,** even without necessarily having the opportunity to interact physically with the apparel or footwear products prior to purchase.

Connecting customer experiences through both **digital and physical platforms** can provide features that drive sales and make shoppers happy. Especially considering the rise in mobile device usage for shopping, many customers would enjoy being able to conduct research and learn about products through websites or apps on their phones before making a purchase. Through omnichannel strategies, consumers are able to see which products are available in their local stores and purchase pick-up orders online, while also being able to more quickly interact with the physical products – lowering the high return rates that have developed as online shopping grows in popularity.

Fashion makes up 28% of online sales with 22% revenue growth in the last year, and apparel took 66% of share while footwear was 14% of the market.

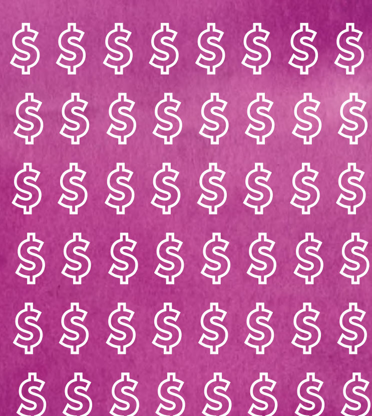
SOURCE

TREND #2

Both fast fashion and luxury are accelerating simultaneously

In 2021, the apparel and footwear industry will see a major divide through a simultaneous rise in the popularity of both fast fashion and luxury products. **50% of consumers see low pricing as relevant, while 35% appreciate luxury and premium products**, demonstrating how both types of products will be a major focus in 2021.

Fast fashion has emerged as retailers desire to bring fashion trends originating from social media and fashion shows to stores in rapid time, as exemplified in the business goals of companies like Zara and H&M. Trends in 2021 may revolve around **revivals and nostalgic pieces,** and to best meet the need for these on-trend products and quick delivery, fast fashion companies must assess their supply chains, designers, and distributors, maximizing affordability coming from economies of scale. At the same time, they must also combat common critiques of the segment as harmful to the environment and workers.



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While fast fashion seems to be increasingly popular for younger consumers, older shoppers are seeking out luxury brands. With more **accessibility to e-commerce channels,** customers are gaining exposure to premium products and expanding their brand awareness, which is already higher for apparel and footwear than other consumer products industries - **46% and 47% of US internet users** pay attention to clothing brands and footwear brands, respectively. Especially since the global pandemic has impacted consumer behavior towards the purchase process for luxury brands, it will be important for luxury brands to continue building brand awareness in 2021, meeting increasing customer demand and better serving a growing market share.

TREND #3

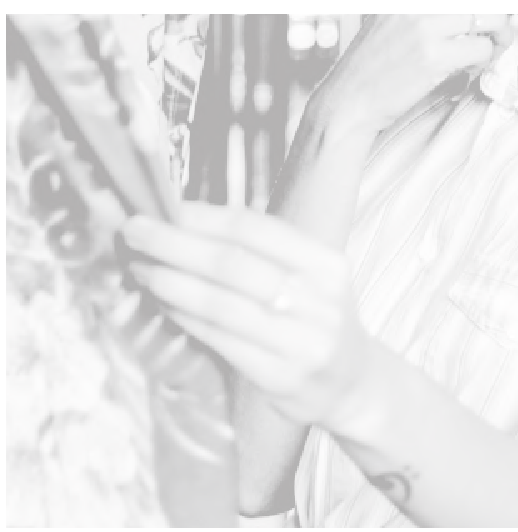
Conscientious consumers prioritize health – for the planet and themselves

Sustainability has become increasingly important for apparel and footwear consumers, resulting in a special niche where consumers seek out products that will be **high quality, affordable, convenient, and sustainable.** Using alternative substitutes to promote sustainability, apparel and footwear companies can reach consumers with interest in these types of products. A large majority of active adults would pay higher prices for products made with eco-friendly materials, **62% of Milennials and Gen Z'ers prefer to buy from sustainable brands,** and in the last year, **27% of consumers purchased second-hand clothing** in the US, showing how important efforts demonstrating sustainability are to consumers.

Health-conscious consumers are also changing the apparel and footwear industry. While the non-athletic footwear segment maintains overall, the overall size of the footwear category market is expected to grow in 2021 based on increasing health awareness. The rise in exercise frequency is also specifically tied to **higher demand for athletic footwear,** as well as higher-end, high-tech performance apparel. These consumers frequently shop at sporting goods chains or sports specialty stores, as well as online, which makes up **23% of these purchases.**

63% of active adults are willing to pay more for apparel or footwear with eco-friendly fabrics and materials

SOURCE



TREND #4

Global issues will continue to drive operational challenges and opportunities

The apparel and footwear industry will rapidly shift as demographic changes and global factors shift in 2021. It is becoming increasingly urgent for apparel and footwear companies to diversify because of **global market integration,** so industry players should consider where they stand on a broader level to best reach customers worldwide.

In addition to playing on a global scale, reconsidering which countries are determined to be optimal suppliers for producing products should be at top of mind. Countries like China are becoming more and more expensive to produce in as labor costs have risen considerably and will continue to rise in 2021. Other countries in the Southeast Asia region like Vietnam, Indonesia, and India are proving to be cheaper; labor costs in the Philippines only rose 29% between 2015 and 2019 while in China, costs rose 45%. While global scaling should be in focus in 2021, operating **short-run and replenishment facilities** more locally in North America can also provide US companies with the opportunity to participate in fast-fashion trends and prevent future supply chain issues as demonstrated throughout 2020 as a result from the coronavirus pandemic.

TREND #5

Media can propel brands into the future

With various forms of media and technology developments in mind, social media and the effect of influencers have greatly impacted the way that apparel and footwear marketing strategies should be developed. In 2021, social media, influencers, and digital connections with consumers will become more and more important to shoppers as they make purchase decisions.

Social media can be particularly helpful for customers as a channel able to provide product information. It also serves as a platform for influencers to reach new customers through various marketing strategies such as promotions, which **footwear companies** will be offering more often in 2021.

In terms of the impact of social media influencers, according to studies, **approximately 33% of consumers** in the US bought clothing in the last year that had been promoted by influencers. Influencers can participate through many platforms such as YouTube and blogs, but one trend to note is the increasing popularity of using K-pop names to promote products. Influencer marketing is providing an opportunity for brands to stay visible to consumers and also take a stance on issues, as demonstrated by Nike's choice to select Colin Kaepernick as a brand ambassador. Right now, **71% of social media marketers** shared that they have a budget set for influencer marketing, and that number will only continue to grow in 2021.

Approximately 40% of Twitter users made a purchase as a direct result of an influencer's Tweet

SOURCE

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