



# The State of Fashion

If fashion brands want to survive and thrive after the pandemic, they must urgently review, rethink and reshape the industry's culture and approach. This includes establishing recovery strategies and adopting an innovative mindset to prepare for a post-COVID-19 world.

## Review: Examine the State of the Industry



The pandemic will shake out the weak, embolden the strong and accelerate the decline of companies that were already struggling before the pandemic.

– BoF, The State of Fashion 2020: Coronavirus Update



## 80%

of fashion companies are projected to go bankrupt in the next 12 to 18 months



### 34% of listed fashion brands in North America and Europe

showed distress at the beginning of the pandemic



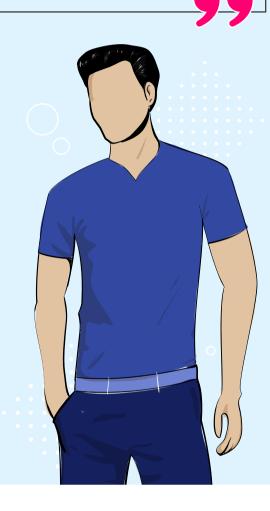
27% - 30%

decrease in revenue for apparel and footwear



35% - 39%

reduction of luxury goods revenue





#### **Rethink: Digital Escalation** Social distancing and stay-at-home mandates have highlighted

the importance of digital channels and elevated their importance.



## 159%

boost in transaction volume in WeChat for fashion brands



700%

brand-to-shopper livestreaming on Taobao



## 25%

their spend via social channels

of US and European shoppers to increase

## Reshape: Discover a New Normal

fashion brands are presented with an opportunity to shift how they will move forward. This is the right time for innovators and disruptors to design a new normal.

As the world remains on pause while the pandemic runs its course,



### Fashion brands need to bring on-demand products

On-Demand Manufacturing

to market quickly and cost-effectively. On-demand production allows fashion brands to reduce their upfront cash needs and minimize excess inventory. In other words, on-demand production is both economical and sustainable.



#### Local vs. Global Local production and warehousing of inventory

allows brands to sell online and deliver to consumers within days. This could resolve crippling supply chain bottlenecks caused by a crisis like a pandemic.



The End of Seasons According to Forbes, sustainability can uncover new revenue streams, improve business models and reduce risks. Shifting to "seasonless" makes sense in the framework of sustainability because the fewer seasons to prepare for, the less

waste produced. Chaos breeds opportunity, and 2020 has been nothing but a chaotic

year. Fashion brands have a chance to reimagine their strategy for the

future, but they must act swiftly if they seek to succeed, and survive. Will fashion brands step up and embrace the new normal?



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