THE 2019 U.S. FORECAST ON APPAREL SHOPPING TRENDS

How Shoppers Will Browse And Buy Apparel In 2019

cpcstrategy | ELITE SEM

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Introduction

This study was created to explore and understand changing consumer behaviors that are driving the growth of online apparel retail in 2019 and beyond.

Today's shoppers are becoming more and more comfortable with purchasing apparel online — a finding that correlates with larger trends that show strong year-over-year growth in an industry projected to reach a value of $118 billion in 2019.

Leading this growth is Amazon. The Marketplace has attracted big-name apparel brands, launched over 60 private label apparel brands of its own, generated over 5 million apparel sales on Prime Day, and is projected to surpass Walmart as top apparel retailer.

Although not all brands want to be on Amazon — and not all shoppers want to buy their clothes from Amazon — the ecommerce giant has undeniably set the cadence for what apparel brands need to adopt to remain competitive and grow their business in 2019.

At the heart of this equation are Generation Z and Millennials, who will drive ecommerce apparel growth with a collective purchasing power of over $200 billion.

These demographics bring a unique set of expectations and opportunities for apparel brands.

For example, today's shoppers don't want to pay for shipping — they expect it. They want to browse and easily check out from mobile devices. They are more likely to consider unfamiliar brands and private labels in certain categories over others. They are drawn to the convenience of Amazon, yet also have an affinity for brand websites that can deliver a meaningful experience.

Understanding all of this and more will be key to attracting shoppers and growing your business in 2019, and we've got the data and actionable insights for each.

Key Takeaways

- **Consumers Are Becoming More Comfortable With Purchasing Apparel Online**
  Shoppers that purchase apparel online regularly (at least once a month) and frequently (once a week) have both increased since last year's survey.

- **Casual, Active, & Outerwear Are Top Categories For Shoppers**
  A majority (59.2%) of shoppers are buying casual wear online, a number that jumps to 70% when looking at Generation Z only. Active and outerwear are also popular clothing categories for most age groups.

- **Generation Z & Millennials Strongly Prefer Amazon & Brand Websites**
  Over 63% of Gen Z and 57% of Millennial shoppers purchase clothing from Amazon — far more than any other website. Gen Z also has a strong affinity for buying directly from brand websites.

- **Mobile Is Catching Up To Desktop With Young Shoppers**
  A majority (63%) of shoppers are still using desktop for apparel shopping, however, 42% of these same consumers also use mobile — a number bolstered by Gen Z and Millennial shoppers.

- **Free Shipping Rated Top Feature For Apparel Websites**
  A clear majority of respondents (53.9%) value free shipping more than any other feature when it comes to making apparel purchases online — far more than customer reviews, easy returns, and the ability to filter items.

- **Shoppers Willing To Explore Private Label Basics**
  Nearly half (47.4%) of shoppers said they would consider purchasing off-brand casual apparel over a name brand. These shoppers are also more open to trying unfamiliar brands that sell active and outerwear.

Consumers Will Buy Clothing Online More Than Ever In 2019

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We asked respondents **how often they purchased clothing online** and discovered that those who answered “regularly” and “frequently” increased several percentage points since our same survey last year.

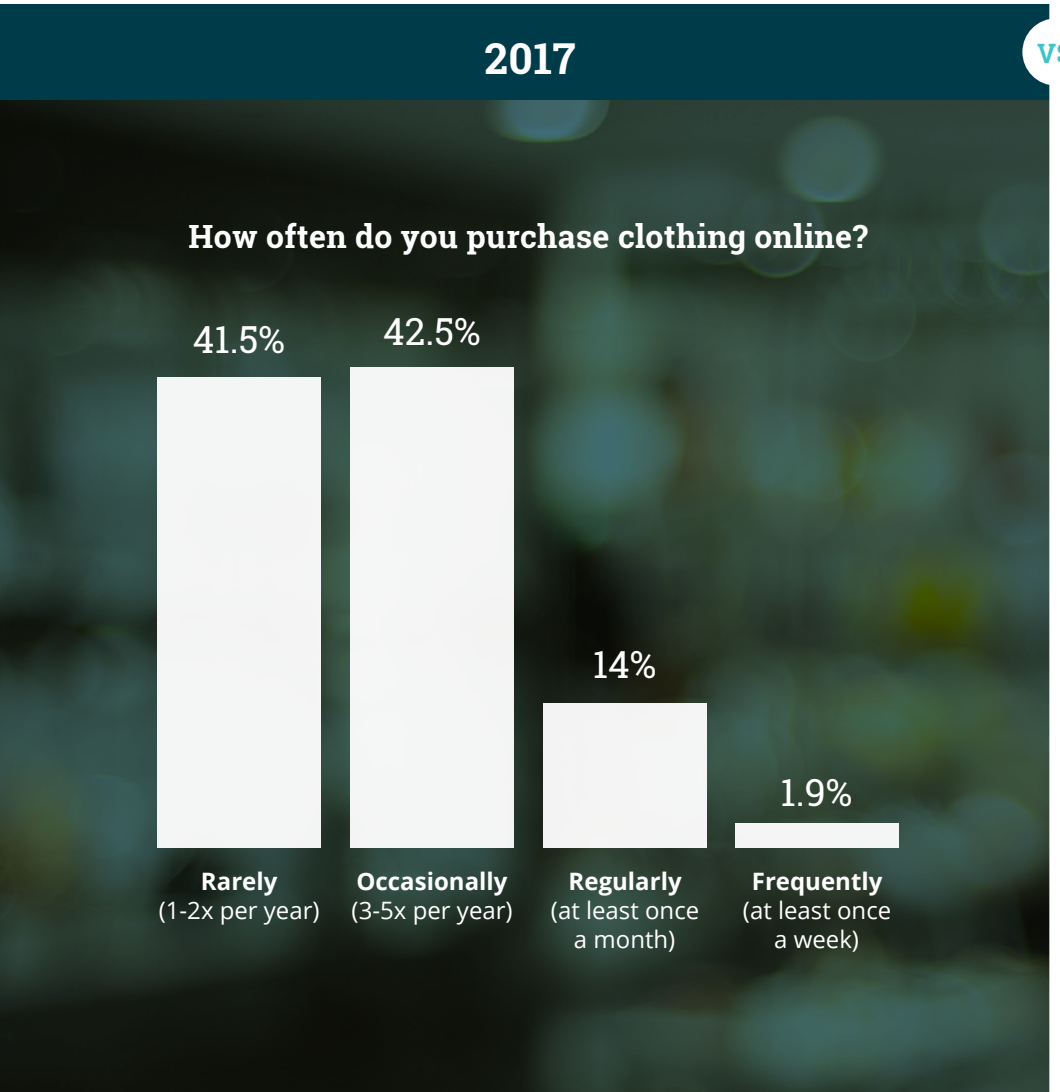
Those that purchased clothing online **regularly** (at least once a month) jumped from 14% in 2017 to 18.3% in 2018.

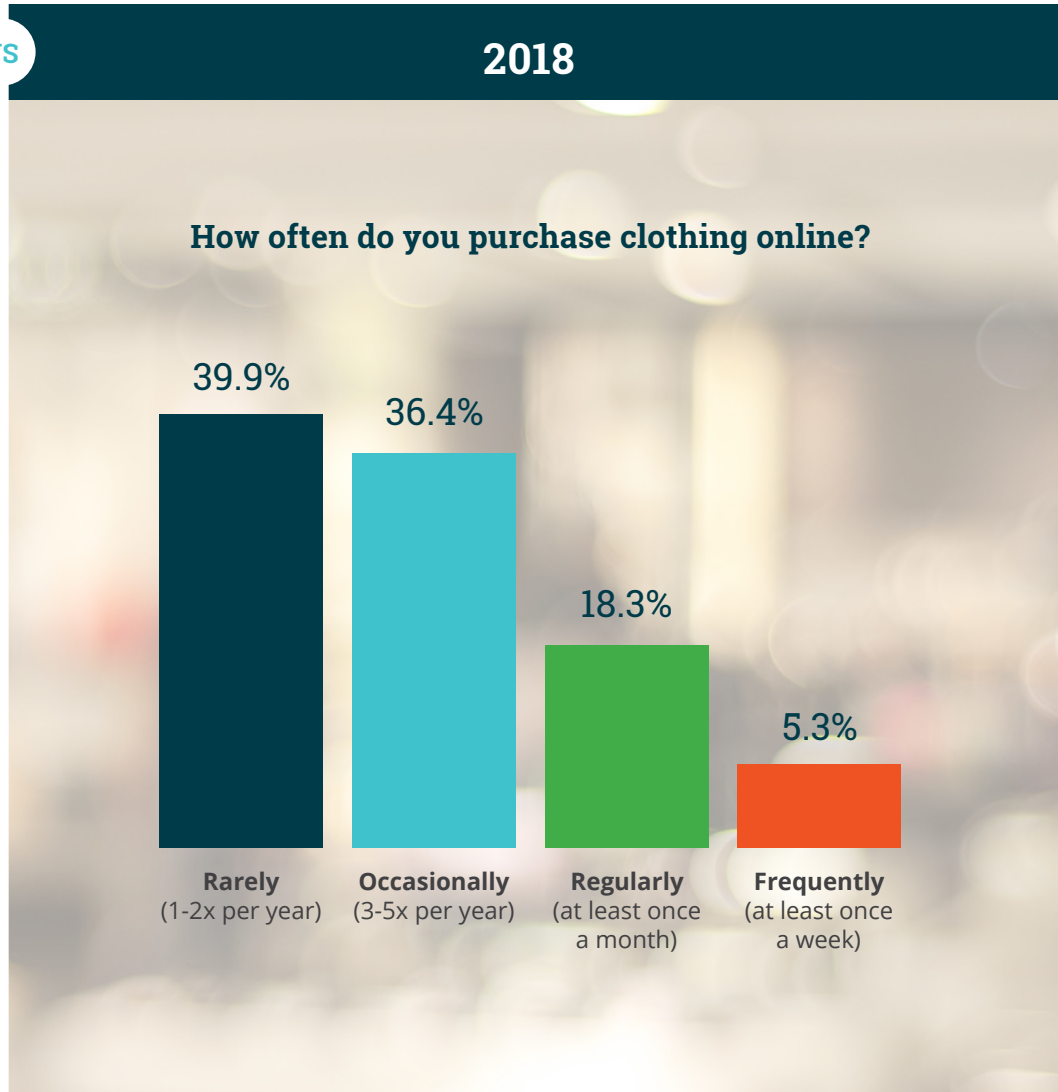
Frequent online apparel shoppers (those that purchase apparel online at least once a week) also increased from 1.9% in 2017 to 5.3% in 2018.

As frequent and regular apparel shoppers have increased since last year’s survey, those who identified as **“rare”** and **“occasional” online shoppers both decreased by 1.5 and 6.5 percentage points** — a signal that indicates that these consumers are becoming more comfortable with online apparel shopping and joining their “frequent” and “regular” cohorts.

This increase in shopping frequency appear to correlate with larger trends that show strong growth in digital apparel, with online clothing sales increasing by 18.4% in 2017 — and the overall ecommerce apparel market projected to reach $118 billion in 2019.

Brands that want to capture their share of that $15 billion in apparel growth this year will need to know what clothing, websites, shopping features, and devices are most impacting consumer purchase decisions in 2019.





Casual, Active, & Outerwear Are Top Categories For Shoppers

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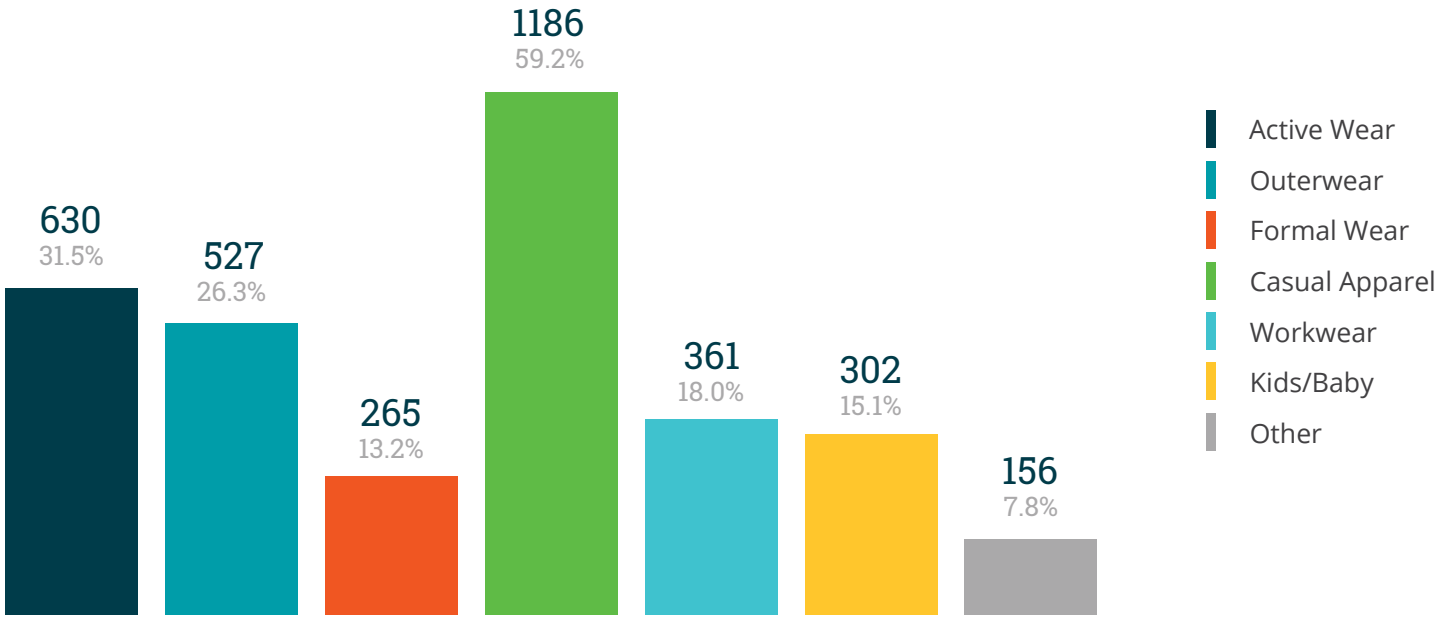
We know that consumers will be buying more apparel than ever online in 2019, but what types of clothing are they drawn to buying online as opposed to in-store?

We asked respondents which categories of clothing they have purchased online in the past six months, and found that **a staggering 59.2% have purchased casual wear** — far more than any other category of apparel.

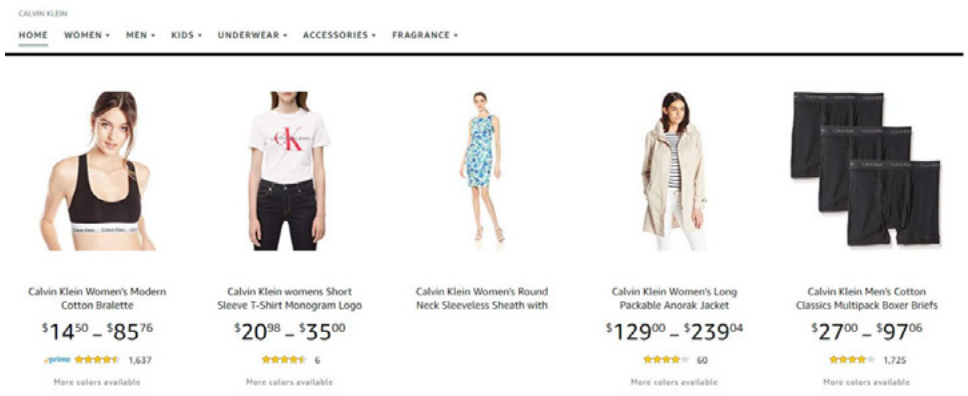
BEST SELLERS FROM AMAZON ESSENTIALS

Which of the following items have you purchased online in the past six months? Please select all that apply.



Of those same surveyees, we found that **31.5% also purchased activewear** and **26.3% purchased outerwear**.

All of these categories skew more budget-friendly, which may help explain why consumers feel the most confident about purchasing clothing basics online.



Amazon, which we will later learn is the website of choice for respondents when it comes to apparel, has greatly expanded on its offering in all three of these categories by partnering with more name brands (Calvin Klein, Nike) and launching low-budget private labels (Basics) of its own — an investment that is clearly paying off.

Apparel Categories Change With Age, Life Priorities

Unsurprisingly, apparel preferences shift with each demographic — with the most dramatic changes taking place between the 18-24 and 25-34 age groups.

A Staggering 70% Of Generation Z Buy Casual Wear Online

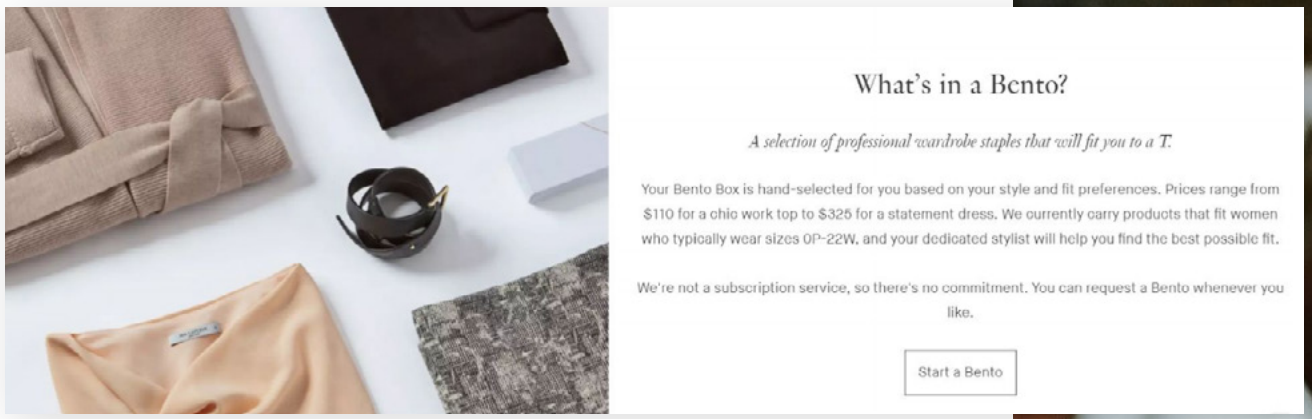
When controlling for **Generation Z (18-24 year-olds)**, we discovered that those who **purchased casual wear in the last six months skyrocketed by ten percentage points to 70%** — in addition to activewear and outerwear jumping four points each to 35% and 30.9%.

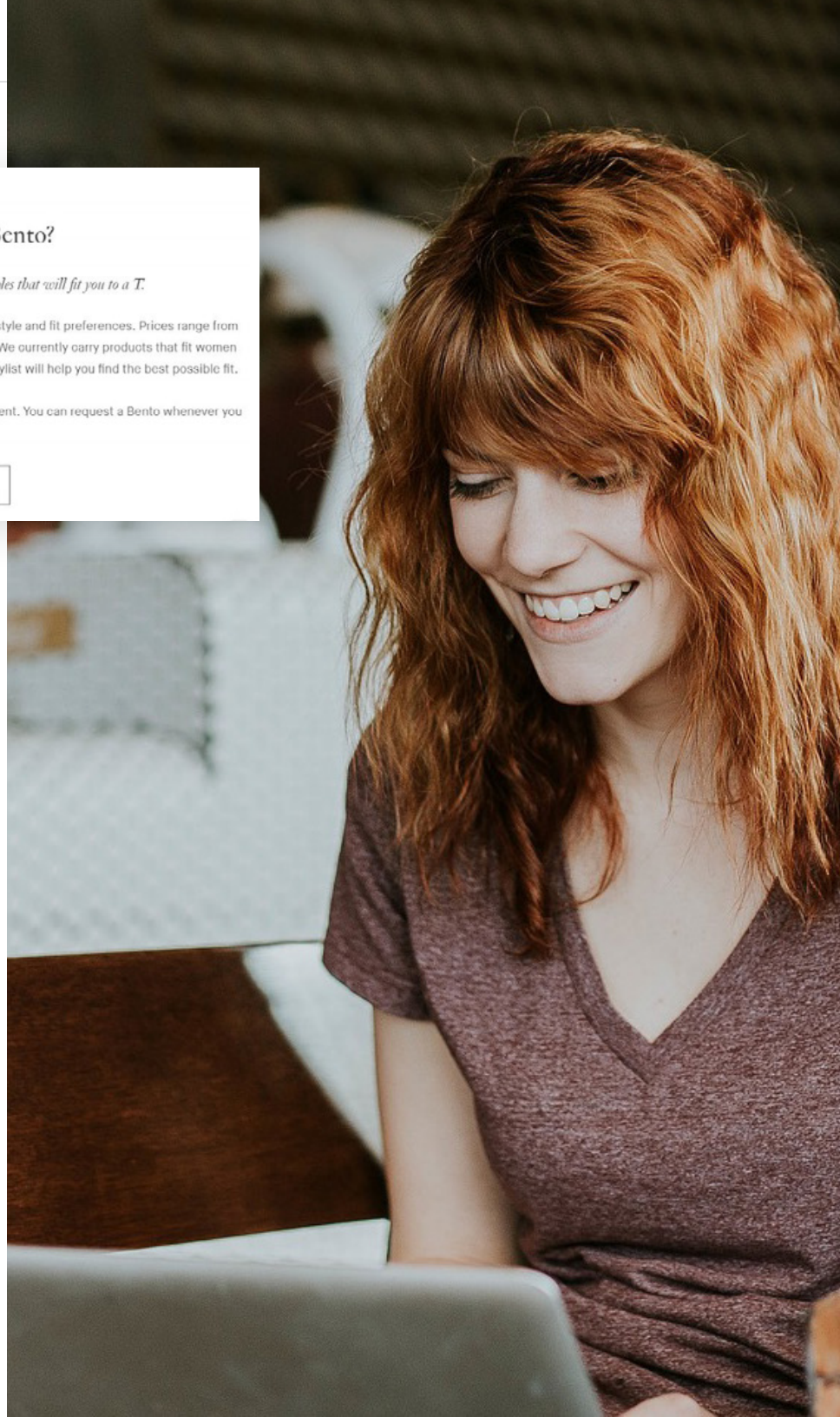
This group of shoppers overall had higher percentages for nearly every clothing category except for workwear and baby apparel.

Millennials Buy Slightly Less Casual, But A Lot More Baby & Work Apparel

As younger consumers enter the workforce and start families, they turn their purchasing power toward babywear and workwear — a significant shift that begins with the 25-34 age group.

A significant 29.5% of the 25-34 age group had purchased babywear in the last six months — a 14-point increase compared to other age groups.





This same age group also buys more workwear than their younger and older counterparts — with **26.5% saying they had purchased work apparel in the last six months**.

This data correlates with larger trends, like the growth in online baby apparel, and the rise of digitally native brands that can execute on consumer demand for niche categories such as Monica + Andy for toddlers and MM.Lafleur's Bento Box for women's workwear.

Generation Z & Millennials Strongly Prefer Amazon & Brand Websites

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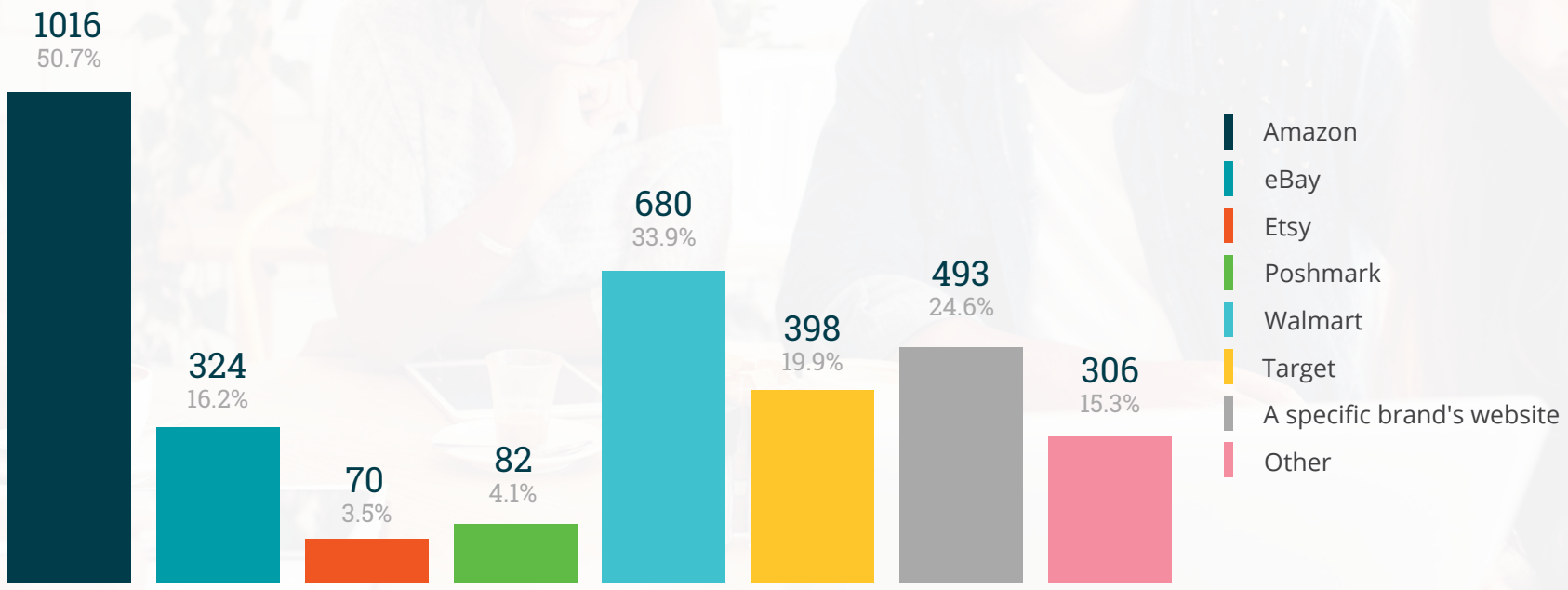
Shopping channels do matter when it comes to apparel, especially when looking at different age groups.

When asked which websites they purchased clothing from in the last six months, a majority **(50.7%) of respondents said they had purchased apparel from Amazon** — followed by Walmart (33.95%) and brand websites (24.6%).



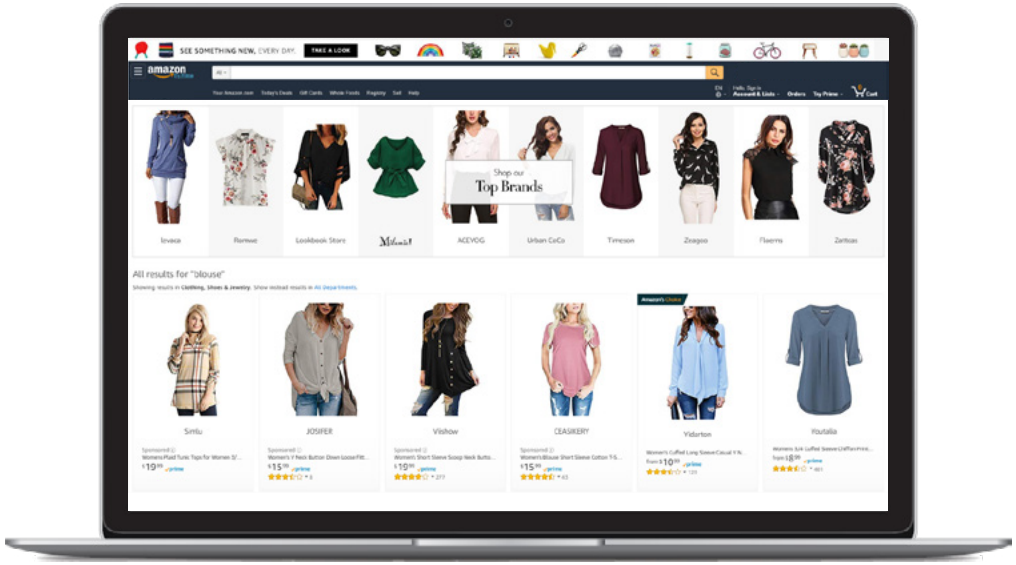
Amazon Most Popular Website For Younger Age Groups

However, when we segment respondents by age, we see that younger shoppers skew even more in favor of Amazon and brand websites, while older cohorts prefer Walmart and Target.

63.4% of 18-24 year-olds and 57% of 25-34 year-olds responded that they had purchased apparel from Amazon in the last six months — a 13 and 7-point increase from all age groups surveyed.

We later asked these same shoppers what features of apparel websites they valued most — and found that free & fast shipping, low prices, and convenience were considered the most important when buying apparel online.

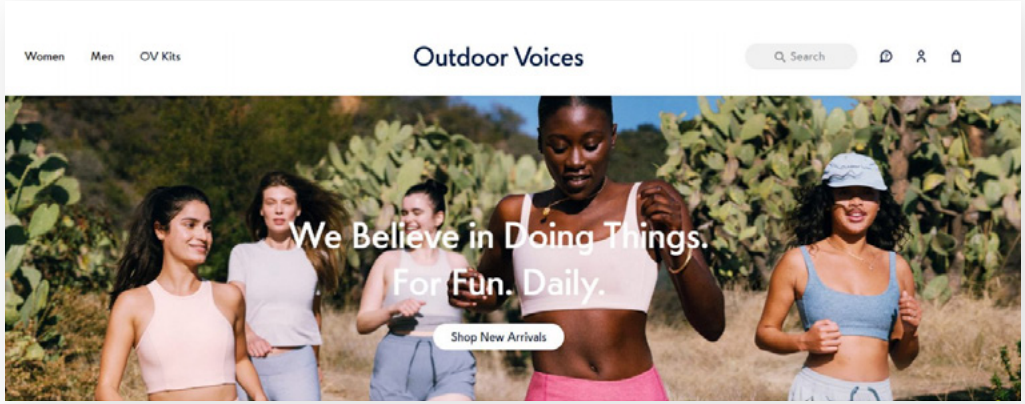
Amazon delivers on all of these features with two-day shipping for most items, lower price points, and easy-to-navigate search results that includes user reviews, ratings, and recommended items that help the shoppers find what apparel they're looking for.



Generation Z Shows An Affinity For Brand Websites

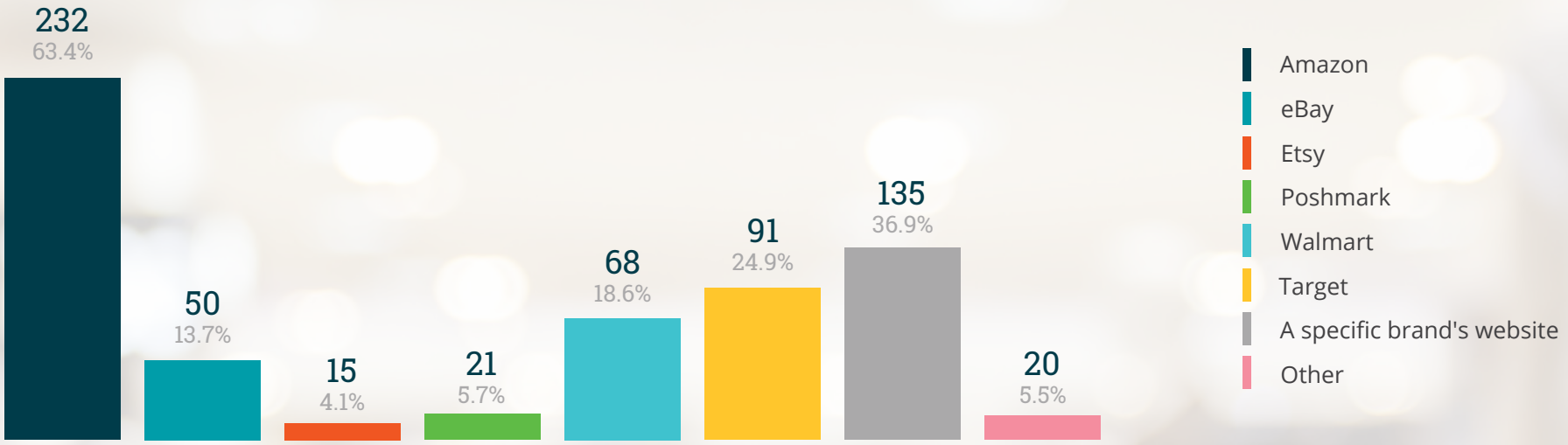
Those aged 18-24 also showed a strong affinity for brand websites, with 37% of those respondents saying they had purchased directly from an apparel brand's website — a 12-point increase from all age groups surveyed.

This speaks to the larger narrative of how building up that brand equity around a specific category can draw younger shoppers. Outdoor Voices is a great example of a brand that has delivered a lifestyle catalog that caters to the "everyday athlete" with their target audience.



This is also important when you consider that shoppers spend far more when buying directly from brand websites when compared to multi-brand retailers.

In the past six months, what websites have you used to purchase clothing? Please select all that apply.



Amongst 18-24 year-olds, Amazon and brand websites are favorites.

We've seen a lot of discourse (and data) that shows younger shoppers willing to spend more on brands that are authentic and promote shared values — and this bodes well for apparel brands that can build up value-based equity with Generation Z and Millennials.

Big box retailers still struggle with building that brand experience, and it shows: only 18.6% of 18-24 year-olds reported buying apparel from Walmart.com — a 15-point dip from the rest of the age groups surveyed.

That's not to say that retail giants Walmart and Target are out of the picture. In fact, our study shows they're still strongly preferred by older age groups when it comes to online apparel.

Gen X & Boomers Still Trust Walmart, Target

It's no secret that Walmart and Amazon are in a heated battle for online apparel. Amazon has moved aggressively into almost every apparel vertical over the years with both name brands and private labels while major department stores like Sears and JCPenney have stumbled and crashed.

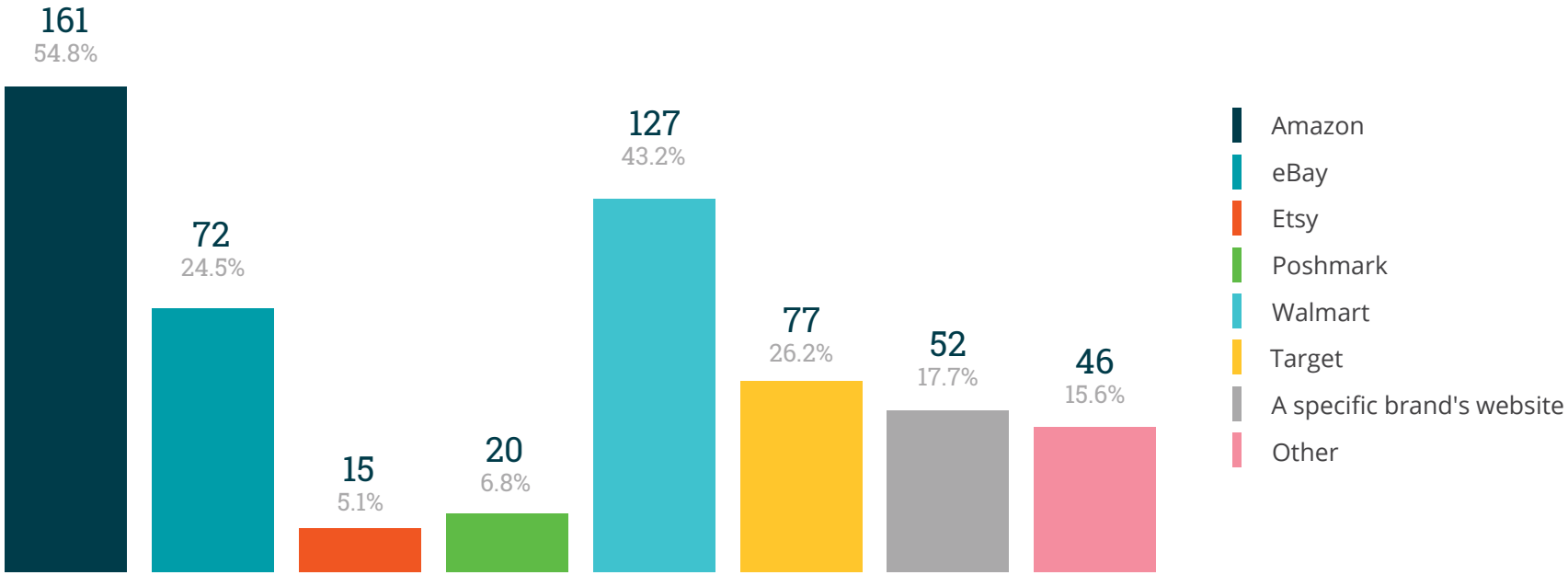
Although Amazon and brand websites are the preferred apparel shopping destinations for younger cohorts, we see this change dramatically beginning with shoppers over the age of 35.

Of 35-44 year olds surveyed, 43.2% reported that they had purchased from Walmart.com — a 9-point increase from the overall survey results.

Walmart is relatively well-known as a market leader for budget apparel, but not necessarily for style. That could change. The retail giant recently launched new fashion-forward clothing styles for both men and women in 2018 that includes both private labels (Time and Tru, George) as well as brand partnerships with influential celebrities like Elizabeth Stewart and Ellen DeGeneres.

It's also worth noting that Target holds its own with this age group as well, with 26.2% of respondents having purchased apparel from Target in the last six months — a 6-point increase from all age groups surveyed.

In the past six months, what websites have you used to purchase clothing? Please select all that apply.



Amazon is still king, but many of those aged 35-44 still shop at Walmart for apparel.

If you take anything from this chapter, it's that consumers aren't just shopping at one destination -- they browse and purchase apparel from multiple websites. Which is why apparel retailers must invest in a multi-channel strategy for the most shopper exposure.

Which is why it's more important than ever to drive traffic to Amazon's Marketplace for the most conversions while also using Facebook and Google to drive traffic to your ecommerce website to deliver that unique brand experience.

Webinar: Capturing Demand & Driving High-Value External Traffic to Your Amazon Store

Mobile Is Catching Up To Desktop For Young Apparel Shoppers

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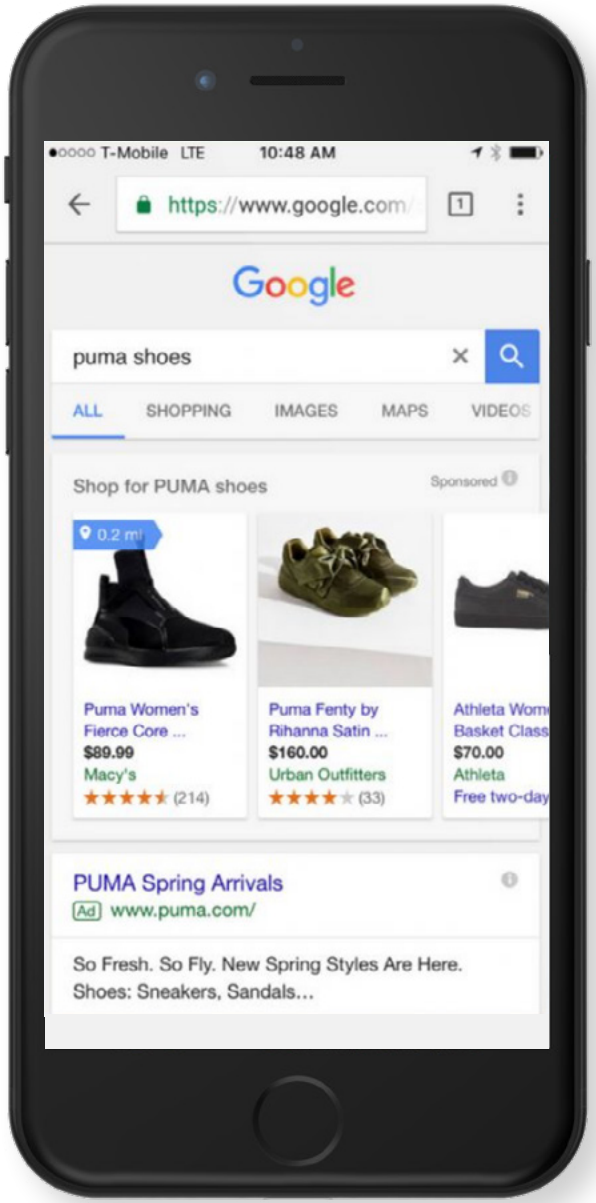
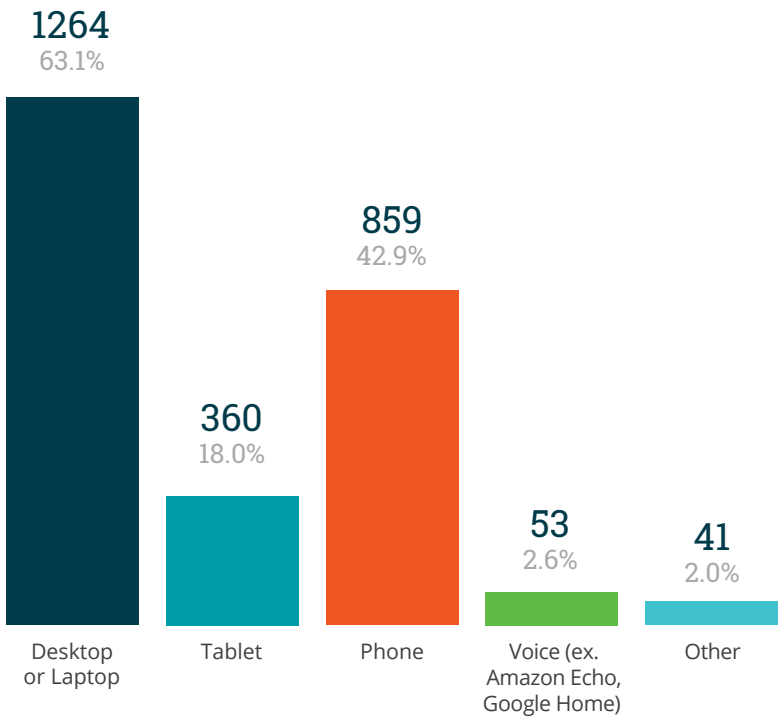
We know what websites apparel shoppers are buying from, but on what devices?

When asked which devices they prefer to use to shop for clothing, **(63.1%) still prefer to use desktop, with mobile following about 20 points behind at 42.0%**.

However, when controlling for age, we found that **53% of shoppers aged 18-24 and 25-34 chose mobile as a preferred device for apparel shopping** — a ten percentage point increase compared to all other age groups.



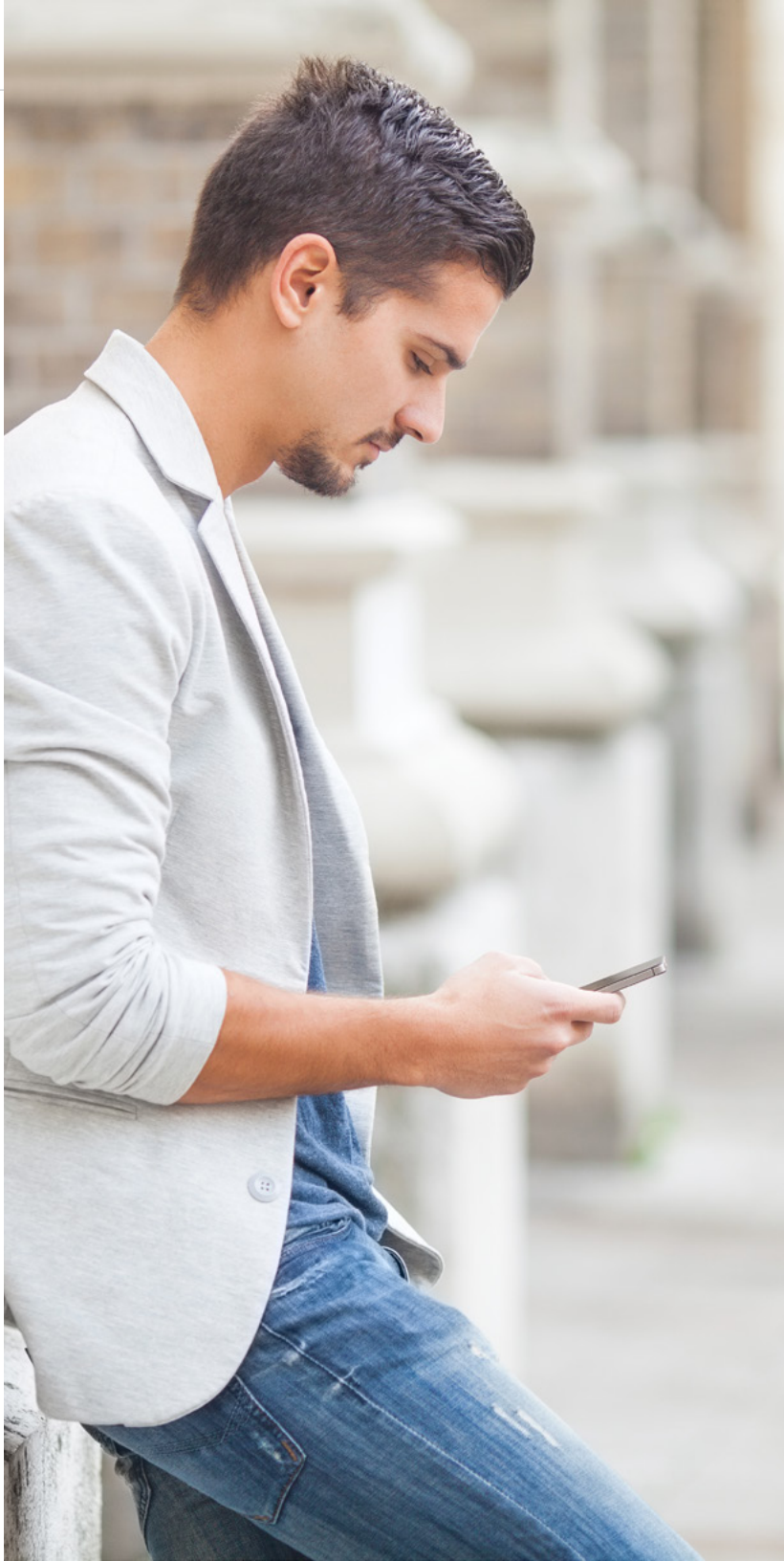
Which devices do you prefer to use to shop for clothing? Please select all that apply.



Younger generations that have grown up with mobile are driving the growth in mobile sales that we see in the larger apparel industry.

> "People are becoming more comfortable with shopping on mobile. Frictionless checkouts, larger screens, and investments in mobile-friendly website experiences are powering this trend."

Josh Brisco
Director
CPC Strategy



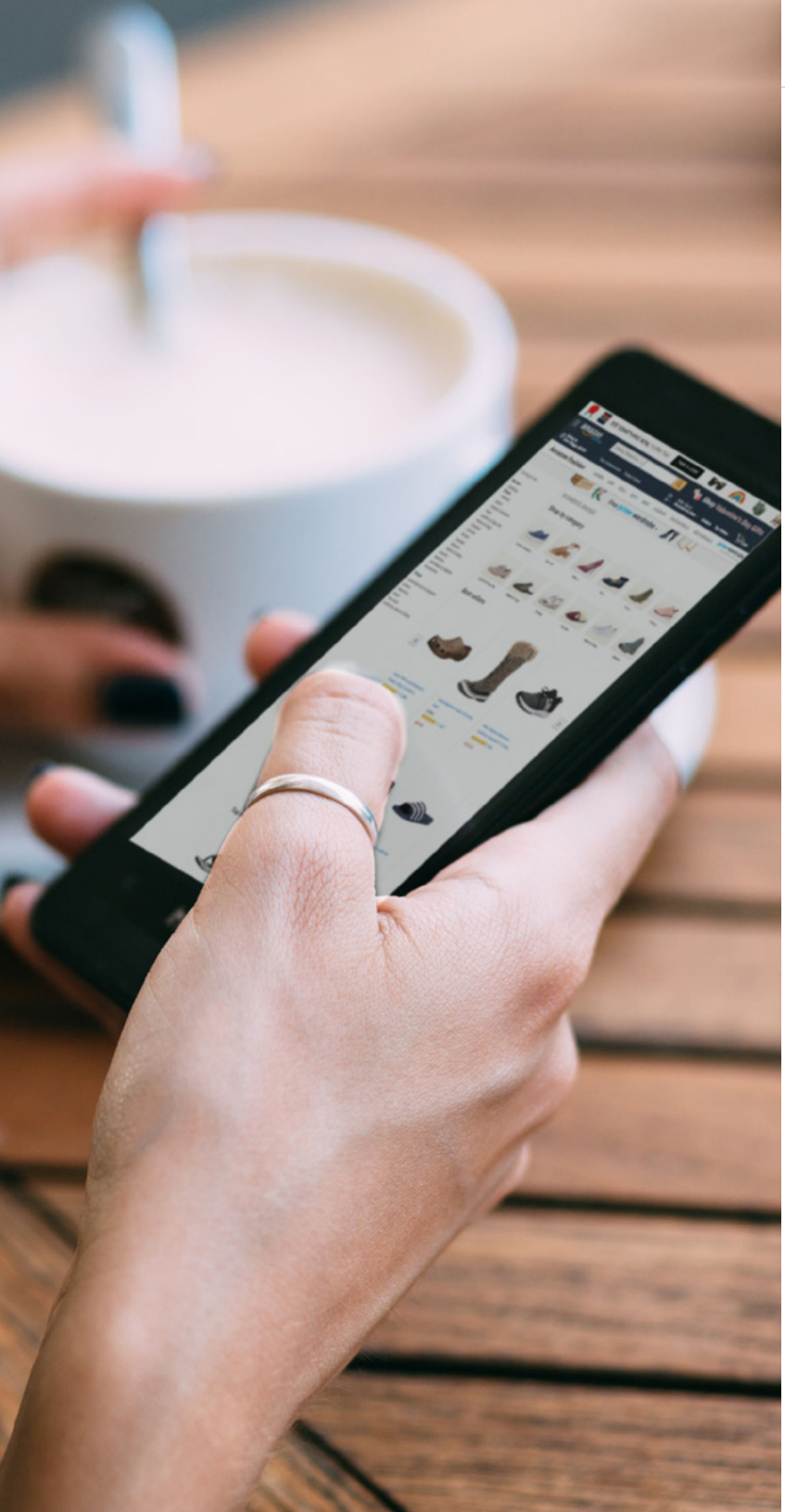
Investments In Mobile-friendly Experiences, Frictionless Checkouts Pay Off

Although desktop may still be the device of choice for apparel shoppers, mobile devices are fueling all sales growth in apparel, according to a report by Criteo.

This correlates with a larger trend of mCommerce (or mobile commerce) becoming a greater portion of total ecommerce across all verticals — apparel included.

Mcommerce sales are predicted to make up 44.7% of total US ecommerce sales in 2019, up from 39.6% in 2018.

Source: Apple



Early stats from Black Friday 2018 prove that more customers than ever are shopping via smartphone: Adobe analysts have determined that just over a third of online Black Friday sales were completed on smartphones — up from **29.1% just one year earlier**.

The increase in mcommerce is impossible to ignore. Retailers can no longer afford not to have a mobile-optimized website. Make sure that your online store is easy to navigate on all major mobile phone and tablet operating systems.

> "Mobile traffic continues to increase year-over-year, and people are using their mobile device to buy even more. Brands and retailers that can engage their target audience throughout the buyer's journey using campaigns optimized for mobile targeting will see the most growth."

Lewis Brannon
Senior Retail Search Manager
CPC Strategy

Today's (and tomorrow's) shoppers want to scan customer reviews, easily filter items, return orders, and enjoy a fast and friendly shopping experience — all while on their phones.

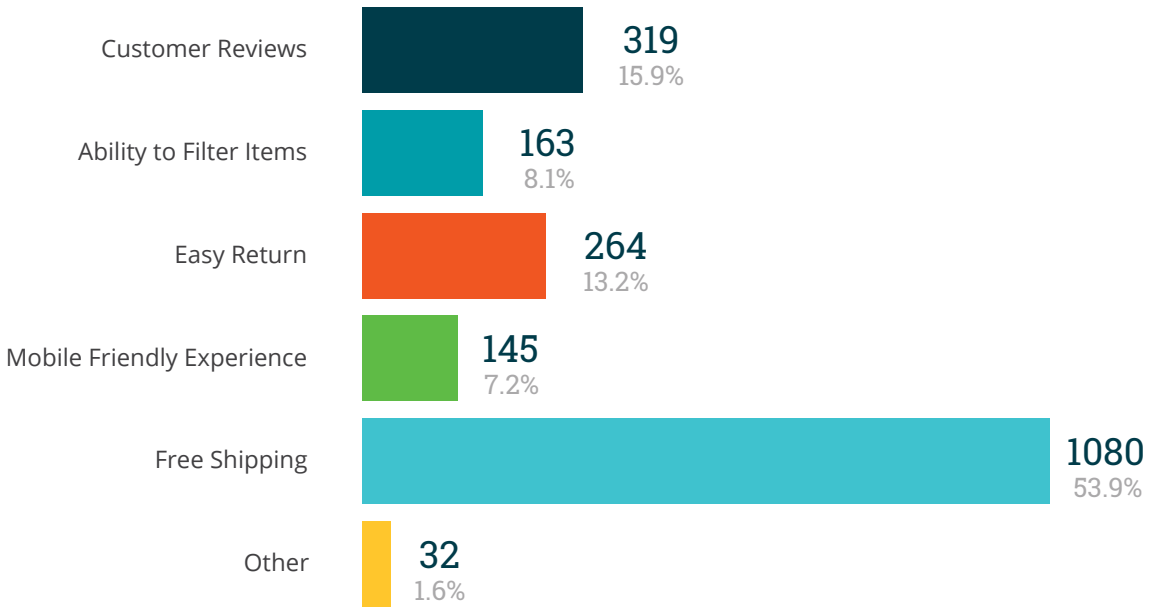
Free Shipping Is Not A Luxury — It’s An Expectation

Free Shipping Is Not A Luxury — It's An Expectation

We know that Amazon and Walmart lead the pack when it comes to buying apparel online — but what specific elements of these websites drives customers to convert?

We asked respondents which features of a website they value most when it comes to purchasing apparel — and there's one feature that has far more impact than any other.

Which of the following website features do you value most when shopping for clothing online?



A clear majority of respondents (53.9%) value free shipping more than any other feature when it comes to making apparel purchases online — far more than customer reviews (15.9%), easy returns (13.2%), and the ability to filter items (8.1%).

The message here is that apparel shoppers don't want to pay for shipping. In a market where 100 million consumers are now Prime Members (that's one-third of the entire US) — paying for shipping is an afterthought — even if that means the shipping cost is hidden away in the membership or sale price.

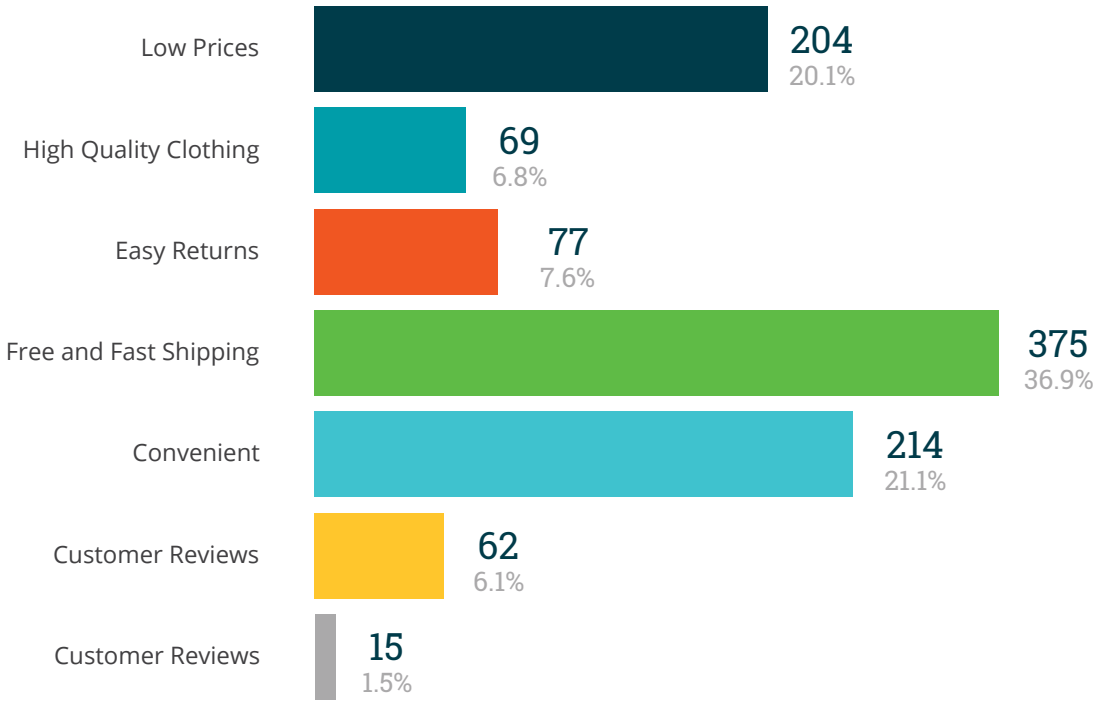
Retail giants Walmart and Target have already invested in eroding Amazon's edge here, as both retailers have expanded their 2-day shipping capabilities over the past year — something that brands across the board will need to offer if they want to remain competitive.

What Do Shoppers Value Most About Amazon?

We asked respondents who purchased apparel from Amazon in the last six months the same question — what feature they value most when buying apparel.

Here's what we found:

If you purchased clothing on Amazon in the past six months, which of the following reasons best describes why?



Free and fast shipping again is the clear favorite at 36.9%, followed more closely by a near-tie for convenience (21.1%) and low prices (20.1%).

We've seen Amazon continue to hit on all three of these features since last year, with the addition of Prime Wardrobe and the "try before you buy" model that has received a lot of buzz with the successful wave of subscription box apparel companies like Stitch Fix.

Introducing

prime wardrobe

Start shopping below, or simply look for the prime wardrobe logo as you shop.

We also know that low prices are an important factor when it comes to shopping online — especially when it comes to younger shoppers that are more budget-sensitive.

Brands and retailers that have any hopes of competing on or off Amazon's Marketplace need to consider that two-day shipping, convenience, and low prices are all baseline expectations of today's apparel shoppers.

Article: Order Fulfillment in 2019: What Shoppers Expect

What Does Generation Z Value Most?

When it comes to buying apparel online, Generation Z strongly prefers Amazon, and free and fast shipping is the most valued feature for that choice.

But what happens when we look beyond free shipping?

We see notable increases in two categories for this age group when compared to the overall results: **clothing quality** and **customer reviews**.

For Generation Z shoppers on Amazon, **quality of clothing rises four percentage points to 10.8%**.

The number of those aged 18-24 that indicated they value customer reviews also increased by **six percentage points to 21.9%**.

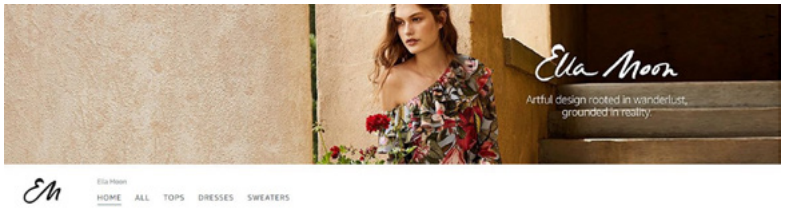
As free shipping has become more of an expectation rather than a luxury, brands will need to look to other features to differentiate themselves from competitors — customer reviews and higher quality clothing are both good places to start for added value propositions.

Private Label Casual Wear Is A Safe Bet For Shoppers

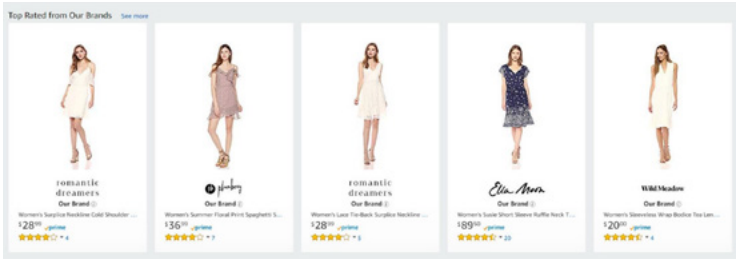
Private Label Casual Wear Is A Safe Bet For Shoppers

Amazon now has 76 private label brands that it owns and operates on its Marketplace.

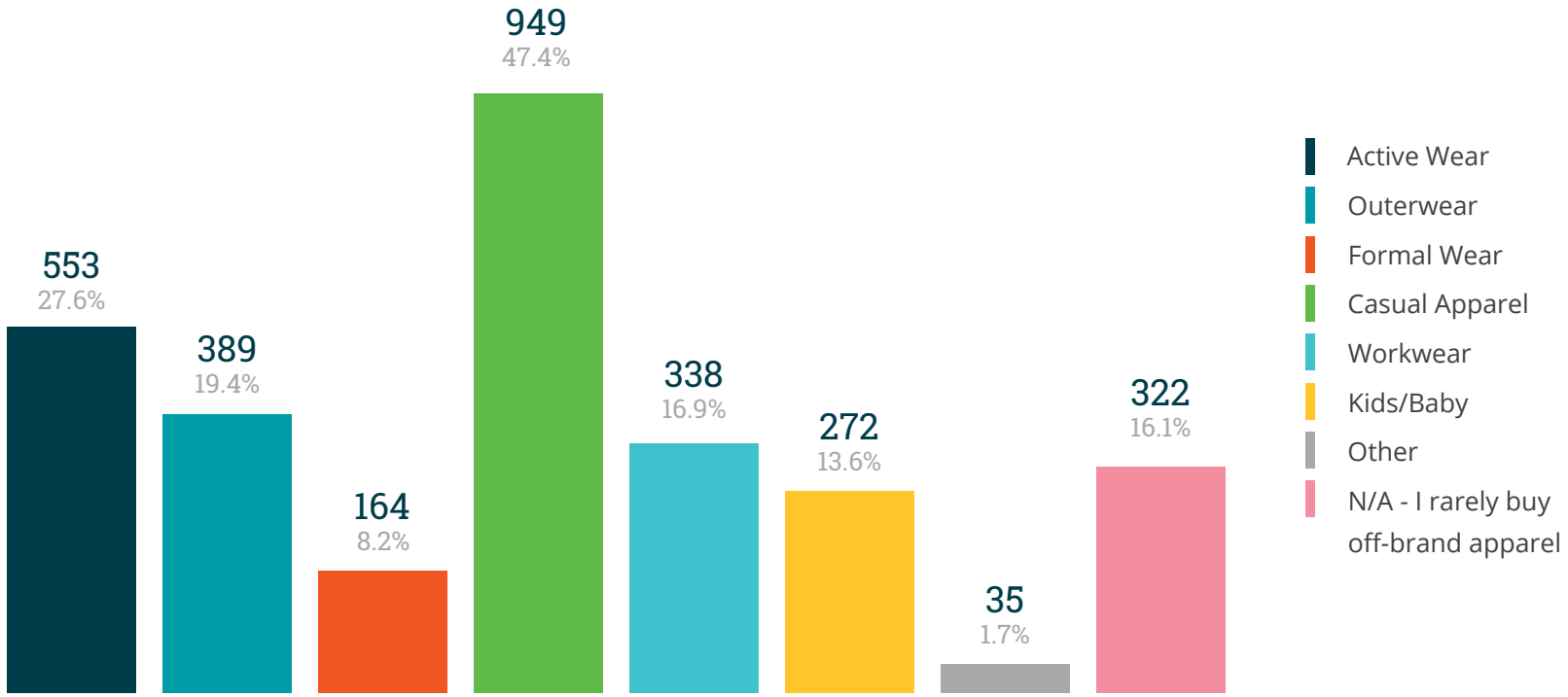
Over 60 of them fall into the apparel category, and they cover just about every niche market imaginable; from boho-chic dresses (Ella Moon) to ethically sourced performance denim for men (Rugged Mile Denim), to 100% cotton essentials for kids (Moon & Back).



For brands that operate within these niches, these private labels can pose a significant threat. They typically feature lower price points, Prime shipping, and are featured across the Marketplace with Amazon's "from our brands" advertising that runs across search results.



From which of the following categories are you most likely to consider buying off-brand/generic apparel (e.g. Kirkland, Amazon Essentials)?



We know that private labels will only grow in number, so we wanted to understand which categories shoppers were most likely to consider purchasing a private label brand rather than a name brand.

We asked respondents which clothing category they were most likely to consider buying off-brand or generic label, and found that **47.4% of shoppers said they would consider purchasing off-brand casual apparel online**.

Casual apparel is in a clear lead here, with activewear (27.6%) and outerwear (19.4%) in a distant second and third place.

The results largely mirror our second question, in which we asked respondents which types of clothing they had purchased online in the last six months.

This finding can be taken two different ways: On one hand, Amazon private labels pose significant threat to name brands in these categories because of their lower price points, free Amazon advertising, and Prime shipping.

On the other hand, new brands in these verticals can take advantage of a shoppers' willingness to consider unknown or off-brand casual, active, and outerwear. The catch is that they must compete with the pricing, reviews, and advertising placements of Amazon's private labeled brands.

What Can Brands Do About The Proliferation Of Private Labels?

The proliferation of private labels on the Marketplace isn't going anywhere — it will only continue to increase as Amazon collects more customer data, optimizes their product lines, and launches into more categories.

Brands that are looking to succeed on the Marketplace (and off) will need to sharpen their digital strategies to remain competitive with Amazon.

If you're committed to selling on Amazon, then investing in premium content on (A+, EBC, Stores) is no longer an option — it's a necessity.

This calls for building up your brand equity with your target market, getting strategic with your advertising across multiple channels, driving traffic directly to your store for lower funnel conversions, and shortening the shopper journeys with easier checkouts.

Relevant Webinars:

- Convert Customers Confidently & Power Sales Using Amazon's A+ Content
- Leveraging Amazon's EBC To Improve Conversion Rate & Drive Sales Volume
- Driving Sales Volume & Customer Loyalty via New Amazon Stores

Conclusion & About The Audience

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There are a lot of takeaways from this year's survey.

Here are some of the big ones that apparel retailers should arm themselves with going into 2019:

Know What Apparel Your Target Shoppers Are Already Buying Online

When it comes to buying apparel online, shoppers are clearly more comfortable with purchasing casual, active, and outerwear. In certain age groups, these categories become even greater opportunities for retailers — take Generation Z for example — where 70% of respondents had purchased casual apparel in the last six months.

However, taking a deeper look at the age of your target demographic can reveal additional insights into what your shoppers are willing to explore in purchasing online — like Millennials being more open to purchasing baby and work apparel.

Brands that understand what categories of clothing their target market is open to buying online will have more opportunities to improve their catalog and sales in 2019.

Shopping Channels Matter

Understanding which websites your target audience is already buying from is just as important as understanding which types of apparel they're purchasing.

If you are looking to reach Generation Z, then you need to consider the fact that 63.4% already purchase apparel from Amazon's Marketplace. This means you need to own your visibility on and off Amazon.

This age group also has an affinity for brand websites, which means there's solid growth opportunity for your website if you invest in an authentic brand experience that speaks to your target audience.

To succeed in 2019 you'll need to build your visibility across multiple channels. That could mean improving the functionality and features of your ecommerce website on desktop and mobile, investing in premium content if you're on Amazon, and implementing a paid media strategy to scale traffic to each.

Shoppers Expect Free Shipping & Mobile-friendly Experiences

If you aren't offering free and fast shipping or a mobile-friendly shopping experience in 2019, then you are already behind your competitors. More specifically, you're behind Amazon.

Apparel shoppers want a frictionless shopping experience, that means not worrying about shipping costs, lengthy checkouts, or a glitchy mobile experience.

Brands that want to go beyond simply keeping up with Amazon need to also hit on secondary features that have a major impact on purchase decisions — such as building customer reviews and creating a quality product.

Private Labels Can Be Your Threat — Or Your Opportunity

Shoppers are becoming more willing to try out new, unfamiliar brands from Amazon's casual, active, and outerwear categories because they present lower price points, free and fast shipping, and special "from our brands" advertising real estate across the search results.

However — apparel shoppers' willingness to buy clothing from Amazon's private labels is also a testament to their capacity to try unfamiliar brands in general, meaning there is opportunity for newcomers on the Marketplace.

For those apparel retailers that may not be new, it's time to build up your brand equity with your target market, so they are less liable to choose private label alternatives. This means investing into your premium content on Amazon, getting strategic with your sponsored ads, and driving traffic directly to your Amazon Store or your ecommerce website to capture shoppers before they convert elsewhere.

About the Audience

We surveyed 2000 online respondents ages 18 - 65 between November 16, 2018 and November 21, 2018 via the Survata platform.

All respondents were screened with the question “Have you ever purchased clothing online?” and only those who responded “yes” participated. The majority of these shoppers aren’t apparel shopaholics. Only 18.1% of respondents claimed they shop for clothing online about once a month, while 76% reported only shopping for clothing online 1-5 times per year.

Methodology Details

This survey was commissioned by CPC Strategy and conducted by Survata, an independent research firm in San Francisco. Survata interviewed 2000 online respondents between November 16, 2018 and November 21, 2018. Respondents were reached across the Survata publisher network, where they take a survey to unlock premium content, like articles and ebooks. Respondents received no cash compensation for their participation.

More information on Survata’s methodology can be found at survata.com/methodology.

About CPC Strategy & Elite SEM

Founded in 2007, CPC Strategy is a retail-focused performance marketing agency that drives paid media strategy and management for brands like Reef, The Honest Company, Unilever's Seventh Generation, and Nestle. CPC's Amazon Sales Acceleration Program (ASAP) is the industry-leading growth solution for brands on Amazon.

In 2018, CPC was acquired by Elite SEM, an award-winning digital marketing agency founded on Search and focused on holistic performance-driven digital marketing. Elite's services span all stages of an integrated marketing strategy, allowing leading industry brands to strategically evaluate digital marketing spend and increase cross-channel performance.

Together, CPC and Elite form the most capable Paid Search, Paid Social, and Amazon performance marketing practice in the industry, with established complementary solutions in CRM/Email Marketing, Analytics, SEO/CRO, and Integrated Marketing planning.

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Take the Next Step

Schedule Your Amazon Strategy Evaluations

CPC Strategy's Amazon Audit is a complimentary 60-minute analysis and assessment of brand's existing Vendor Central account, advertising programs, product order (PO) volume, and profitability metrics.

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