

Fashion ecommerce trends for 2022

The COVID-19 pandemic has both accelerated online shopping and the fashion industry which has historically relied on bricks-and-mortar retail, is seeking innovative approaches to online commerce to meet emerging customer expectations.

Boosted by the pandemic, global fashion ecommerce revenues amounted to \$759 billion in 2021; the figure is expected to grow to \$1 trillion by 2025¹.



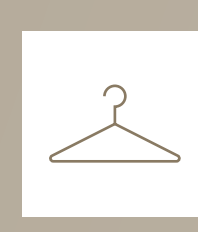
KEY MARKET DATA



China and the US are the largest fashion ecommerce markets, having reported revenues of \$284 billion and \$181 billion respectively in 2021¹.



In 2021, mobile shopping accounted for 66% of online sales in the fashion industry and for 76% of online traffic².



In 2021, clothing was the top segment to shop for online both locally and cross-border among consumers globally³.



LATEST FASHION ECOMMERCE TRENDS



Social commerce on the rise

The use of social media to discover and shop for fashion articles soared over the course of the pandemic, as consumers were forced to limit physical interactions. Indeed, 74% of consumers say that they are now more influenced to shop via social media than they were before the pandemic⁴.

The surge of social commerce is also driven by the significant credibility and popularity of influencers and ambassadors on social media.

For example, 86% of women look for advice and recommendations on social media to help them with their purchasing decisions⁵. This approach enables fashion brands to build a strong sense of community while having control over their customers' data and leveraging it to offer personalized items and experiences. According to McKinsey, 70% of consumers cite clothing as one of the product categories they shop for most on social media.

Omnichannel presence becomes crucial

Emerging customer needs shaped by the COVID-19 pandemic are leading many fashion retailers to offer a "phygital" shopping experience that combines in-store elements with ecommerce operations, mobile strategies, and social media communications to create an omnichannel shopping environment for their customers.

Today, consumers expect a seamless, connected and contactless shopping experience, and the opportunity to interact and engage with brands across multiple channels. In fact, customers engage with three to five channels during their purchasing journey⁶, leading retailers to embrace an omnichannel strategy. To blend the online and offline customer experience, fashion brands are launching apps, virtual events and click-and-collect services.



Buy now, pay later functionality gains traction

With the pandemic, buy now, pay later has been growing in popularity, and many fashion retailers have been implementing it as part of their ecommerce strategies. In fact, the global buy now, pay later market size was valued at \$90.69 billion in 2020 and is projected to reach \$3.98 trillion by 2030⁷. This approach enables online shoppers to

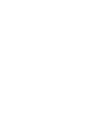
purchase an item in multiple instalments across a defined period, usually between four and six months. Thus, fashion ecommerce brands can make high-value purchases more affordable and accessible to a wider customer base while creating more value for customers and improving their loyalty.

Cyber resilience

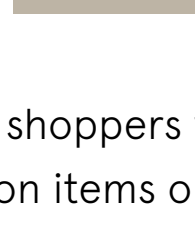
As consumers are shopping online more frequently, cybercrime is becoming increasingly common and sophisticated. In fact, a record number of cyberattacks took place worldwide in 2020, resulting in significant data losses across industries, with fashion retail being the fourth most attacked sector⁸.

A critical challenge for fashion businesses is customer data collection and handling, at a time in which customers are sharing more personal data than ever. Cyberattacks can lead

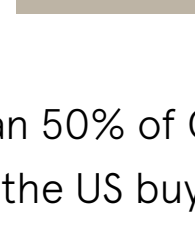
not only to data losses, but also to a sharp decline in customer trust. So, in such a competitive online world, it is imperative for companies to allocate a greater portion of their budgets to cybersecurity, either by turning to external support from cybersecurity firms or building their own in-house teams. To learn more about THG Ingenuity's proprietary fraud reduction tool THG Detect, click here THG Detect - Ingenuity



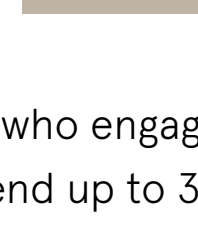
LEADING CONSUMER INSIGHTS



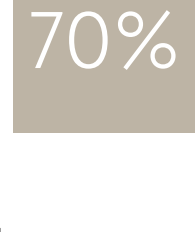
61% of online shoppers worldwide buy fashion items online⁹.



More than 50% of Gen Z and millennials in the US buy fashion items on social media⁹.



Customers who engage on multiple channels spend up to 30% more than single-channel customers and tend to be powerful advocates for the business¹⁰.



70% of customers are set to show greater loyalty to fashion brands that implement AR into their shopping experiences¹¹.



One-third of shoppers worldwide have used buy now, pay later financing and 81% of them say they would use it again¹².



65% of online consumers say they are more concerned about cyberattacks after COVID-19³.