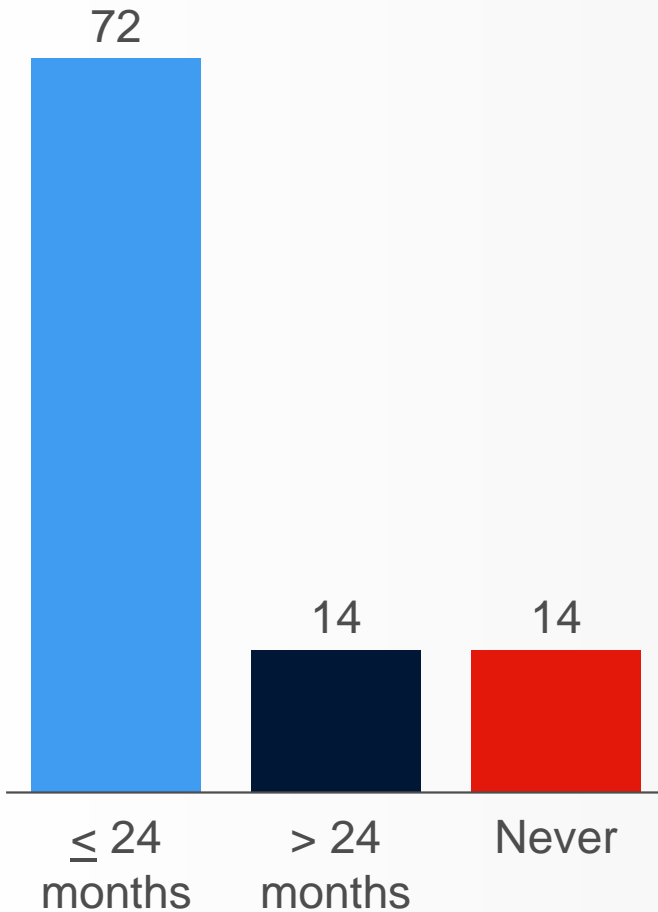


Pulse Survey: Fashion 2021

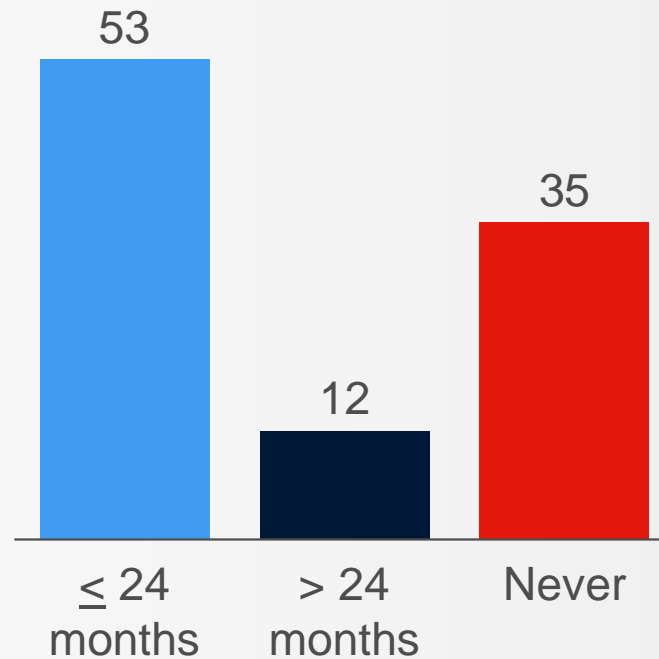
Survey of key stakeholders (manufacturers, retailers, financiers) in the fashion industry on the current situation, key challenges and strategic initiatives

When will stationary fashion sales return to pre-Corona levels?

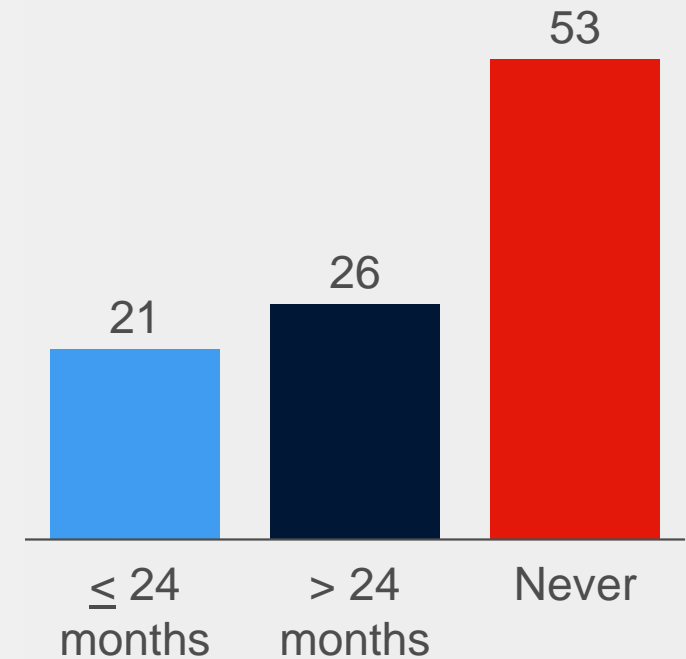
Survey, % of responses per participant group (n=82)



**Fashion
retailers**



**Fashion
manufacturers**



**Financiers,
credit insurers**

When will stationary fashion sales return to pre-Corona levels?

Survey (n=82)



Fashion retailers

Optimistic – three quarters expect recovery within the next 24 months



Fashion manufacturers

Expect slower recovery; one-third does not expect full recovery



Financiers, credit insurers

High level of scepticism regarding a full recovery

Fashion retail: Biggest challenges within the next 36 months

Survey, response by participant group (n=81)



Fashion retailers

Creating experiences

1

Stationary retail must develop into a 'place of experience'

Casualization

2

Less business/classic fashion, adaption of the assortment

Discount culture

3

Conditioning of the consumer to 'permanent sale' prices



Fashion manufacturers

Creating experiences

1

Stationary retail must develop into a 'place of experience'

Casualization

2

Less business/classic fashion, adaption of the assortment

Lower margins

3

Increase in yield not expected in the medium term



Financiers, credit insurers

Casualization

1

Less business/classic fashion, adaption of the assortment

Lower margins

2

Increase in yield not expected in the medium term

Creating experiences

3

Stationary retail must develop into a 'place of experience'

Other answers: Visitor frequencies continue to decline even after Corona; increased ecological awareness – demand (quantity) decreases

Which strategic initiatives need to be addressed in the near future?

Survey, response by participant group (n=71)



**Fashion
retailers**



**Fashion
manufacturers**



**Financiers,
credit insurers**

Significantly increase
digital/e-com expertise

1

Significantly increase
digital/e-com expertise

1

Significantly increase
digital/e-com expertise

1

Decrease assortment

2

Raise qualities
and prices

2

Thin out the brick-and-
mortar store network

2

Raise qualities
and prices

3

Decrease assortment

3

Decrease assortment

3

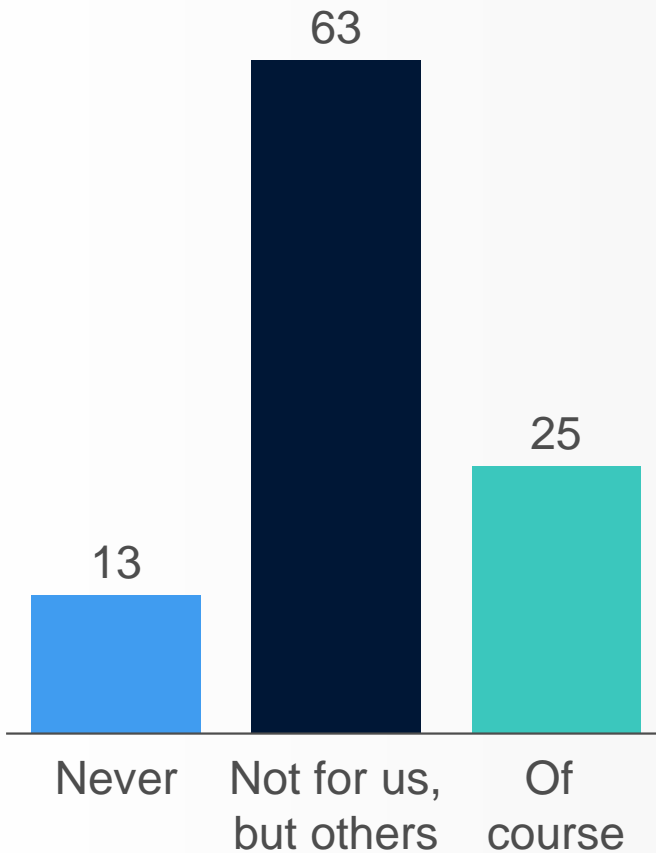
Other answers: Expand online sales to third-party platforms; heavily invest in marketing

Social Media platforms are becoming more important as sales channel than a company's own online shop

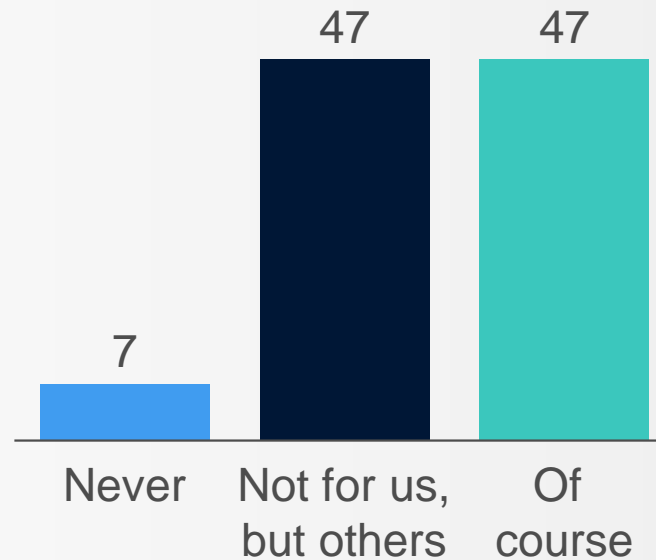
Survey, % of responses by participant group (n=79)



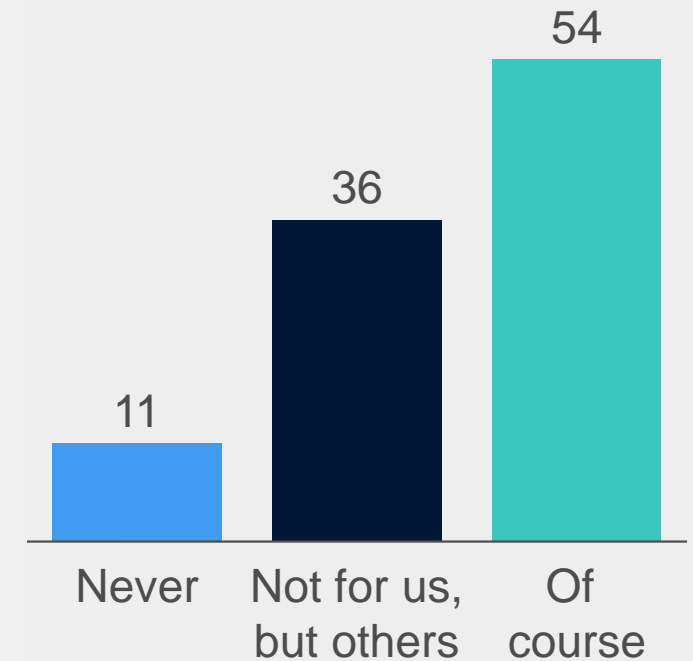
Fashion retailers



Fashion manufacturers



Financiers, credit insurers



(related to borrowers)

How important are the following ways to reduce high inventory levels (F/W 2020/21)?

Survey, response by participant group (n=75)



- Retailers
- Manufacturers
- Financiers



Note: The further out the line, the higher the relevance attributed

CONCLUSION



The more one's business model depends on stationary trade, the more optimistic the forecast; but: **Retailers and manufacturers should not be guided by hope now, but by realistic assessments**



Strategic challenges and initiatives are assessed similarly – however, diverging market expectations increase the **danger that the right conclusions will not be drawn**



Example 'Social media as a sales channel': Only a minority of retailers assume that it will become the most important sales channel – unlike manufacturers and financiers. Therefore, it can be assumed **that only a minority of retailers are creating the necessary conditions**



Excess inventories must be reduced: While all options are being considered by financiers, retailers and manufacturers are focusing on specific options. Due to the high economic pressure – and **existing sales risks in the next season – all options must be examined now**

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