

COVID19 Analysis Retail & Fashion

A person wearing a red jacket is holding a smartphone in their right hand and a coffee cup in their left hand. The background shows another person wearing a tan jacket. The image is overlaid with a semi-transparent red filter.

Facts & Opportunities

Summary.

In 2019, the fashion business was worth \$1.3 trillion and was forecasted to hit \$1.5 trillion by the end of this year. COVID-19, however, has brought the **industry** to a complete **stop with the majority of physical stores shut down** and **high profile events cancelled**. Deepening the impact is the fact that much of manufacturing and design is done in China and Italy, two of the worst hit countries. **Retailers are now focusing their efforts on online sales** in the hope of minimizing potential losses.



Marketing Strategy

Retail brands may feel the losses at the moment but they should try to **maintain some form of brand awareness**. Clothing and luxury goods are considered emotional purchases and consumers will return to purchasing these items, especially as the initial shock of the crisis subsides. Furthermore, **once this situation ends** and things start normalizing, consumers will likely flock back to shops and **brands will want to be top of mind** once this happens.



Industry losses

Total **retail traffic is already down 9% since January**. Clothing and apparel stands at minus 4% but it is the luxury goods market which has taken a huge hit, currently down 15%, as consumers are cutting back on unnecessary purchases.



Social Media Rol

Fashion brands should continue to use **Facebook and Instagram** but this would be an opportune time to test other platforms like **Snapchat** and **TikTok** as audience density would be much higher in this period. They can **replace conversion campaigns for more reach and branding**.



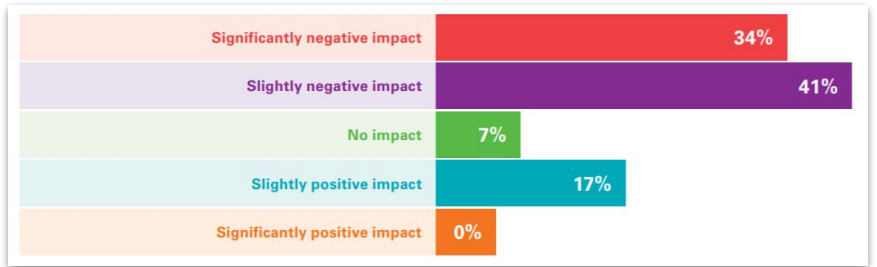
Market notes

Across the U.S. and in Europe, retailers and stores have been closing their doors (either by mandate or voluntary). However, in **China**, where life and the economy are slowly on a path to recovery, **stores have begun reopening and foot traffic is steadily returning.**

Sample companies



If the coronavirus persists, what impact do you think this will have on your sales?



Source: Squire Patton Boggs, UK Retailers, 2020

Some tips from our Team.

Short Term

Transparency and empathy will be key in all forms of communication with customers, from online interactions to receiving feedback. The objective should be to survive the crisis but not at the expense of people, their health and their resources.

Mid Term

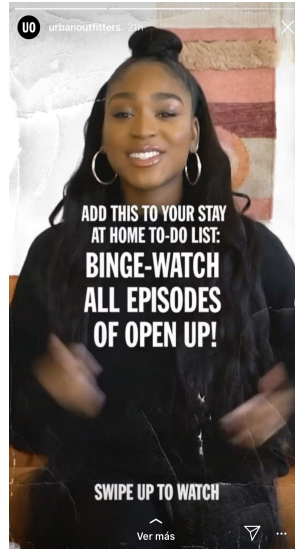
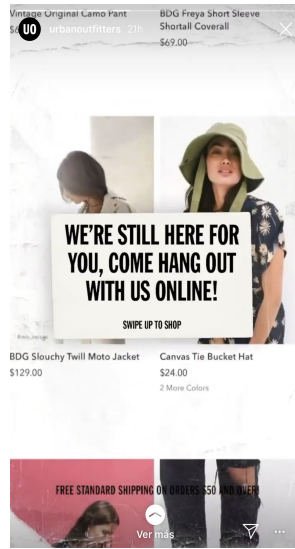
Remaining relevant and top-of-mind with customers, ensuring that their needs can be fulfilled. This is also a great time to start assessing the different channels of marketing and sales, and whether you are present at every touchpoint.

Long Term

Brands will have to plan on how to recuperate from these setbacks. The positive side is that the crisis is occurring early in the year which gives brands time to readjust their strategies to move forward stronger. Marketing investments will have to be flexible and adaptable, and contingency plans should be set in place to mitigate any future crises.



How brands are reacting.



Urban Outfitters

Strategy on IG Stories:

Engaging interaction with users showing their activities during lockdown.

Encouraging visits to brand's Youtube Channel.

Inviting clients to go online clarifying the shipment procedures.

Contact us

Thank you

communication@adsmurai.com

www.adsmurai.com





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