

8 Appendix

Ten themes across three categories will be critical for the fashion business for 2021.

Global economy



Living with the virus

COVID-19 has had an impact on the lives and livelihoods of billions of people, disrupting international trade, travel, the economy, and consumer behavior. To manage ongoing uncertainty, companies need to enable flexibility and faster decision making and balance speed against discipline in the pursuit of innovation.



Diminished demand

Demand for fashion is unlikely to return to prepandemic levels amid restrained spending power, unemployment, and rising inequality. Companies need to seize reshaped opportunities and double down on outperforming categories, value segments, and territories.



Consumer shifts

Digital sprint

Digital adoption soared amid the pandemic, with brands embracing livestreaming, virtual customer service, and social shopping. Fashion players must optimize the online experience and channel mix while persuasively integrating the human touch.



Seeking justice

As consumers become more aware of the plight of vulnerable fashion workers and momentum for change builds, companies need to offer more dignity, security, and justice to employees throughout the global value chain.



Travel interrupted

Travel retail will face continued disruption as international tourism remains subdued. Fashion companies will need to engage better with local customers and make strategic investments in recovering markets to unlock new revenue opportunities.

Fashion system



Less is more

COVID-19 highlighted that more products do not necessarily yield more profits. Fashion companies must reduce complexity while increasing full-price sell-through and reduce inventory levels by taking a demand-focused approach for both new products and in-season replenishment.



Opportunistic investment

During the pandemic, the gap between fashion's best-performing companies and the rest widened. With some players already bankrupt and others propped up by government subsidies, companies will maneuver to take market share and grow their capabilities.



Deeper partnership

Fashion players need to mitigate future supply-chain disruptions, moving away from transactional supplier relationships in favor of deeper partnerships that bring greater agility and accountability.



Retail ROI

Permanent store closures will continue to rise in the postpandemic period while a likely potential power shift from landlords to retailers in most regions could compel fashion players to rethink their retail footprints to improve store-level ROI.



Work revolution

An enduring new model for work is likely to emerge as fashion companies refine their blends of remote and on-premises work, invest in reskilling talent, and instill a greater sense of shared employee purpose and belonging.

McKinsey
& Company

Figure 1: Ten themes for 2021

Source: McKinsey & Company (2021)

Store Atmospherics Variables

Table that categorizes the five atmospheric variables that impact shopping outcomes

| External Variables | General Interior Variables | Layout & Design Variables | POP & Decoration Variables | Human Variables |
|--------------------------|----------------------------|-----------------------------|----------------------------|--------------------------|
| Exterior signage | Flooring & carpet | Space design & allocation | Point of purchase displays | Employee characteristics |
| Entrances | Colour scheme | Placement of merchandise | Signs & cards | Employee uniforms |
| Exterior display windows | Lighting | Grouping of merchandise | Wall decorations | Crowding |
| Heights of building | Music | Work station placement | Degrees & certificates | Customer characteristics |
| Size of building | Scents | Placement of equipment | Pictures | Privacy |
| Colour of building | Width of aisles | Placement of cash registers | Artwork | |
| Surrounding stores | Wall composition | Waiting areas | Product displays | |
| Laws & gardens | Paint & wallpaper | Waiting rooms | Usage instructions | |
| Address & location | Ceiling composition | Department locations | Price displays | |
| Architectural style | Merchandise | Traffic flow | Technology | |
| Surrounding area | | Racks & cases | | |
| Parking availability | | Waiting queues | | |
| Congestion & traffic | | Furniture | | |
| Exterior walls | | Dead areas | | |

Figure 2: Table that categorises the five atmospheric variables that impact shopping outcomes

Source: Press books (2021)

Questionnaire

SECTION 1: DEMOGRAPHIC QUESTIONS

1. What is your gender?
 - Male
 - Female
 - Prefer not to answer
2. What is your current age?
 - Below 18 years
 - 18-24 years
 - 25-39 years
 - 40-54 years
 - Above 55 years
3. What is your present employment status?
 - Unemployed
 - Part-time employment
 - Full-time employment
 - Other

SECTION 2: CONSUMER BEHAVIOUR QUESTIONS

4. Are you aware of the concepts of consumer behaviour and its impact on the normal consumer purchasing decisions?
 - Yes
 - No
 - Cannot be said
5. What is the core factor that attracts you the most towards a brand?
 - Price
 - Quality
 - Perceived value
 - All of the above
6. According to you, which methods suits you most while purchasing products?
 - Variety seeking buying behaviour (searching many products)

- Habitual buying behaviour (decision from previous experiences)
 - Limited decision making (time-bounded or cost bounded decisions)
 - Extended decision making (seeking for new options without any restrictions)
7. What is the core benefit that you look for in the fashion industry?
- Demand for personalisation
 - Demand for sustainability
 - Demand for quality
 - The demise of brand loyalty
8. How celebrity endorsement affects your buying behaviour in the fashion industry?
- Increases awareness
 - Increases familiarity
 - Increases trust
 - Improves decision making
9. Which factor mostly affects your purchase decision in the fashion industry?
- Perception
 - Status and roles
 - Culture
 - Social class
10. How your experience can be improved in the fashion industry?
- Offering unique offers on first purchasing
 - Personalised promotion
 - Streamline the buying process with real-time updates
 - Getting visitor's emails for further experience