



FUTURE FASHION RETAIL

Baseline study on the future of fashion retail in Germany

The July edition of Fashion Talk featured the first findings of our Future Fashion Retail study. Here, we would like to present some pioneering shop concepts from our trend scouts for the German fashion retail industry as well as show you how

we, on the basis of our study, can work with you to develop a customized Future Fashion Shop concept for your company.

"It shouldn't only be about clothes. It's also about art, music, food, etc. Ideally, a showroom should constantly be pushing the boundaries so that I am always surprised with a new event at the weekend, a new theme or new fashion in a new location."

(Niels Holger Wien, trend analyst and color expert at the German Fashion Institute)

18 experts in fashion, trade, industry, marketing, architecture, design, and town administration have developed a number of visionary shop concepts for the German fashion retail industry in a workshop and online using a moderated GfK sociolog platform. The most prominent aspect of the concepts is advanced digitalization, which offers countless possibilities for the implementation of future trends.

Future Fashion Shop concepts

Retail trends on the basis of expert workshops



Here, we briefly present three of these concepts:

- **The Fashion Live Simulator:** With programmable monitor mirrors (or hologram mirrors), changing rooms will be transformed into real-life spaces where your customers can try on their items and simulate a near-real environment. Your customers can also see themselves in other locations (Paris, mountain peaks, the beach), feel different temperatures and seasons (warm, cold, summer, winter), smell the surroundings (flower meadow, the North Sea) and hear sounds (wind, disco). Your customers experience their new clothes in various real-life situations, and can make video recordings, which they can also share online with friends, to help them decide whether or not to buy the items.

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- **The FASHION APARTMENT** allows your customers to enter a residential space designed with a personal touch that gives them an insight into a different lifestyle and way of enjoying life. The furnishings and items on offer reflect the personal taste of another person, and his or her sense of style and preferences. Specific brands and individual pieces hanging invitingly in the wardrobes or lying on the bed are intended to be discovered

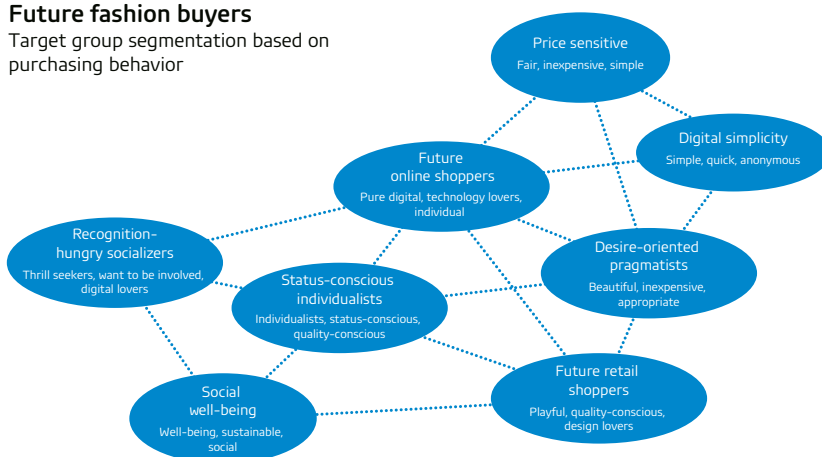
and explored. In addition to fashion items, books, accessories and furniture can also be sold in a FASHION APARTMENT.

- **The CLICK+FIT+COLLECT STORE** not only offers clothing available at their shop, but also cooperates with a network of brands and retailers. It is the address where customers can collect their online orders. The store need only be functional and small with low-key fittings. The opening hours take into account the needs and desires of customers, who can also use the store to try out and select products as well as collect their orders and return items after standard store closing times.

We also analyzed the future desires and needs of customers with regard to fashion purchasing before evaluating them quantitatively using the GfK textile panel of 16,800 participants. In this way, we could identify customer segments with different needs and requirements in terms of fashion purchases.

The result was eight clearly differentiated consumer types that currently determine the fashion market in Germany and will continue to do so in the future. By connecting these segments with actual fashion purchasing behavior from the GfK textile panel, we can demonstrate which buyer types are relevant for your company. The buyer types differ in terms of their shopping behavior, the structure of their social and emotional needs, sociodemographic data, how they spend their leisure time, brand preferences, etc. When comparing the types, for example, the “status-conscious individualists” (75% female, high income class, college graduates, purchasers of brands, highly status-conscious, disproportionately frequent buyers of designer brands, want individual consultations and wish to distinguish themselves from others through an individual style, etc.) with the “desire-oriented pragmatists” (54% female, low income class, fashion is important for them, they buy in accordance with their desires but often only at inexpensive prices, clothes are a symbol of belonging for them), it is apparent in how much detail the differences between the buyer groups are described and how the segmented target groups can be assigned to the entire spectrum of the German fashion retail market.

Future fashion buyers
Target group segmentation based on purchasing behavior

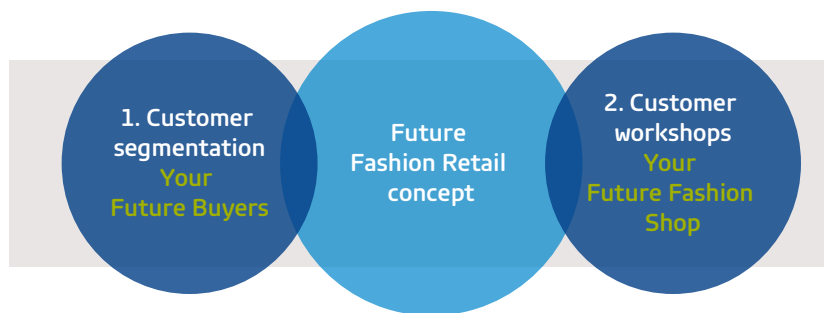


In order to better meet the expectations of consumers who are consistently becoming more educated and less loyal, we can work alongside you to develop your bespoke Future Fashion Shop concept. Although the concepts envisaged by our trend scouts are imaginative and visionary, in their

current form they are, of course, infeasible for bricks-and-mortar retail. Neither will every shop concept be suitable for your target group's tastes. The study's findings constitute a valuable basis on which we can work alongside you to design a customized forward-looking concept for your fashion retail company in five steps.

Your customized Future Fashion Shop concept

Developed with you, for you



Step 1:

In an internal kick-off meeting (**Internal Vision Group**) with the managers of your company and GfK's project team, we first work toward achieving a common understanding of your specific needs. Any existing ideas and conceptual elements are also introduced and discussed at this stage.

Step 2:

On the basis of actual purchasing behavior from the GfK Fashion Panel, we identify the future fashion buyers who are relevant for your company (**data-based shopper segmentation**). These are then described in detail with regard to their values and attitudes, desires and preferences when purchasing clothes as well as their specific fashion purchasing behavior. They also provide the basis for the recruitment of participants for the next step.

Step 3:

The main element in the development of a customized future fashion concept is working with customers on site at your place of business. Firstly, some initial spontaneous observations regarding possible areas for improvement are collected during a group tour through the store (**customer walks & talks**).

Step 4:

During this stage, intensive group work is carried out between these customers and the managers of your company (**T groups: client & customers reflection**). Here, we use a unique method, the primary benefit of which is the provision of direct feedback between the customer and the company.

Step 5:

The work ends with a joint management workshop (**creation workshop**). Here, GfK first presents the findings of the T groups before explaining the first opportunity fields and approaches for creating the concept. These are discussed with the managers of your company, and possibly developed further and refined as well as assessed for their feasibility. At the end of the process, you will have a concrete recommendation for your customized Future Fashion Shop.

Do you have any questions? Our expert will be happy to help you:

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About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.