



# The State of Fashion

If fashion brands want to survive and thrive after the pandemic, they must urgently review, rethink and reshape the industry's culture and approach. This includes establishing recovery strategies and adopting an innovative mindset to prepare for a post-COVID-19 world.

## Review: Examine the State of the Industry



**The pandemic will shake out the weak, embolden the strong and accelerate the decline of companies that were already struggling before the pandemic.**

– BoF, The State of Fashion 2020: Coronavirus Update



**80%**

of fashion companies are projected to go bankrupt in the next 12 to 18 months



**34%**

of listed fashion brands in North America and Europe showed distress at the beginning of the pandemic



**27% - 30%**

decrease in revenue for apparel and footwear



**35% - 39%**

reduction of luxury goods revenue



## Rethink: Digital Escalation

Social distancing and stay-at-home mandates have highlighted the importance of digital channels and elevated their importance.



**159%**

boost in transaction volume in WeChat for fashion brands



**700%**

brand-to-shopper livestreaming on Taobao



**25%**

of US and European shoppers to increase their spend via social channels

## Reshape: Discover a New Normal

As the world remains on pause while the pandemic runs its course, fashion brands are presented with an opportunity to shift how they will move forward. This is the right time for innovators and disruptors to design a new normal.



### On-Demand Manufacturing

Fashion brands need to bring on-demand products to market quickly and cost-effectively. On-demand production allows fashion brands to reduce their upfront cash needs and minimize excess inventory. In other words, on-demand production is both economical and sustainable.



### Local vs. Global

Local production and warehousing of inventory allows brands to sell online and deliver to consumers within days. This could resolve crippling supply chain bottlenecks caused by a crisis like a pandemic.



### The End of Seasons

According to Forbes, sustainability can uncover new revenue streams, improve business models and reduce risks. Shifting to "seasonless" makes sense in the framework of sustainability because the fewer seasons to prepare for, the less waste produced.



Chaos breeds opportunity, and 2020 has been nothing but a chaotic year. Fashion brands have a chance to reimagine their strategy for the future, but they must act swiftly if they seek to succeed, and survive.

Will fashion brands step up and embrace the new normal?

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