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## ANNOUNCEMENT

### **Online, pricing & gender fluidity: Men's Fashion is blurring the codes**

**The IADS and NellyRodi regularly take stock of the new trends induced by the Covid-19 pandemic through a series of monthly product category workshops. Their last one, which also hosted IMG members, was dedicated to Men's Fashion and highlighted the structural shifts the category is going through.**

Between 2019 and 2020, the menswear category revenue globally decreased by 19%. While an estimated 17% rebound is expected this year and a return to its 2019 turnover levels by 2022, the pre-Covid estimates for 2023 and beyond should not be reached.

Menswear fashion represents on average 13% of the business for IADS members and 42% for IMG members, a share that remained stable from 2019 to 2020. However, this apparent stability hides the fact that internal dynamics of the category are different when the focus is placed on pricing or lifestyle.

When it comes to e-commerce, which represented, at the global level, 13.6% of sales in 2017 and is expected to reach 24.4% in 2023, both IADS and IMG members' performances are well above these averages, with noticeable performances in the Premium segment (41% of sales) and Mid-range (37%).

### **Growth will be fuelled by luxury in speciality stores & mid-range prices in department stores**

On average, the Luxury segment accounts for 68% of IMG members' turnover and 9% for IADS members. Despite uncertainties regarding international tourism, IMG members expect the segment to grow in the future, thanks to e-commerce, new brands or new products. Department stores also expect an increase in the long range, but are more cautious due to their dependence on foreign shoppers.

Mid-range prices, the most important part of the business with 34% of IADS members' average business, are expected to significantly fuel department stores' business in the future, thanks to their own private labels or sustainable brands appealing to a new type of customer.

In between, the Premium segment (31% of the business on average for both IADS and IMG members) is expected to remain stable or grow, as this is the other core of the business for both channels, and a key element of their value proposition to customers. At the bottom of the pricing pyramid, the Entry level (25% of the business on average) is also expected to remain stable.

### **Will the over-dominating casual wear allow a return to office wear?**

Casual wear has been more of a tidal wave than a trend in the past years, and the Covid-19 pandemic doubled down on that phenomenon. The segment respectively represents 79% and 65% of IADS and IMG members' Men's Fashion businesses now, and all members expect it to grow again in the future, with the support of sub-categories such as streetwear, loungewear, and a larger acceptance of relaxed outfits in the workplace.

However, in parallel, after such years of "casualisation", the market is expected to make some room again for office wear, currently representing 21% of IADS members and 26% for IMG members' business, as social life returns to normal and customers are hungry for self-expression. However, office wear will probably never return to its pre-Covid level.

### **The category is evolving at its core, following the societal shifts**

In terms of core trends, Menswear fashion is today shaping up according to two directions: sustainability and gender fluidity.

Even though there is a considerable gap between markets in terms of customers' demand, all IADS and IMG members reckon the importance of the sustainability topic and make efforts into addressing it. It can go through arbitration in the brand assortments, or collaborations with brands to echo their own efforts in sustainability.

However, the most important shift taking place is the appearance of new perceptions of masculinity. While GenX and Millennials are still defining themselves according to a single version of masculinity, GenZ is claiming the notion of multi-masculinities. As a consequence, the notion of "gender fluidity" impacts the choices made by retailers in building up their assortments, leading to the creation of dedicated gender fluid offers in their stores. Also, this shift opens new opportunities as female customers become also potential targets for this new part of the offer.

## **Brand Panorama**

Nelly Rodi listed 24 interesting brands to be followed according to the trends they identified:

- "Fashionable show-off": Tagliatore, Kenneth Ize, Les Hommes, Manors, Casablanca, Frescobol Carioca, Pigalle, Mastermind.
- "Honest fashion": Aimé Leon Dore, Belstaff, Assos, Rhone, Buck Mason, Holzweiler, Entireworld, Handred.
- "Fashion without complexes": Etudes, Orange Culture, Heaven by Marc Jacobs, Reception, OAMC, Wacko Maria, Daily Paper, Carne Bollente.

IADS and IMG members also reviewed the new and/or successful from their own assortments: 42 Luxury brands, 55 in the Premium segment, 42 in the Mid-range segment, and 5 in the Entry-level segment (list available upon request).

## **Men's Fashion is blurring the codes: towards a more diverse offer for a more complex client**

Major changes are happening in the category: in addition to the development of e-commerce, casualisation has tremendously developed in the past few years, shifting the business from traditional workwear to more relaxed styles infusing all price segments. While life goes back to normal, formal wear is starting to slowly gain traction again, requesting constant adjustments in the offer. On top of such changes, the sustainability question, as well as the redefinition of masculinity towards gender fluidity, are adding up new layers of complexity to the category.

### **About NellyRodi**

NellyRodi is a consulting agency in Business and Creative Intelligence.

Based in Paris, Tokyo and New York, it is a global reference for foresight applied to industries and services. Our business, based on understanding new consumer standards and new uses, is to support brands, investment funds and institutions on their desirability and performance levers.

Backed by NellyRodi's international future-forward expertise, we not only provide strategic support at the highest levels, i.e. to senior management and investors, but also at the field and operational level.

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### **About IADS - International Association of Department Stores**

The IADS is the most exclusive and oldest professional department store think tank in the world. Its uniqueness lies in the close relationship between its member CEOs, making it a very powerful asset for decision-making at the highest level.

Today, the Association gathers a group of 12 members across the world, all leaders or key players on their respective markets, and represents more than €31bn cumulated annual turnover, achieved through more than 490 stores with 233,000 associates in 19 countries. Members are: Centro Beco (Venezuela), Beijing Hualian Group (PRC), Breuninger (Germany), El Corte Inglés (Spain), El Palacio de Hierro (Mexico), Falabella (Chile), Galeries Lafayette (France), Lifestyle International Holding (Hong Kong), Magasin du Nord (Denmark), Manor (Switzerland), The Mall (Thailand), SM (Philippines).

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### **About IMG**

Founded in 1958, the IMG is an International Association of family owned and managed multi-brand luxury fashion retailers.

Today, the Association gathers a group of 10 members across the world: Harry Rosen (Canada), Troelstrup (Denmark), Braun (Germany), Louis Copeland and Sons (Ireland), Del'Oglio (Italy), Santa Eulalia (Spain), Bon Génie Grieder (Switzerland), Oger (The Netherlands), Beymen (Turkey), Mitchells (USA)

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