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ANNOUNCEMENT

Men's Fashion, which successfully recovered from the pandemic, even leading to the reshape of in-store layouts, will need a necessary improvement of the way the category is marketed to its customers, to fuel additional growth.

The IADS and NellyRodi regularly take stock of the retail trends through a series of product category workshops. Their last one was dedicated to Men's Fashion: overall back to pre-pandemic levels, the category is quickly evolving post-Covid leading to many innovations on the point of sale. The potential is high, the category has to find efficient ways to catch over-solicited consumers' attention.

The Covid-19 pandemic and its gradual disappearance has translated into a V-shaped trajectory for the Men's Fashion category in department stores. While sales first decreased in 2020, they picked up back as soon as 2021 to their pre-pandemic levels, reaching on average 14% of the total business. When it comes to online sales, which were favored during the lockdowns, and even though they tend to decrease with life going back to normal, they on average doubled in the pace of two years, from 3% of total sales in 2019 to 6% in 2021.

Department stores are currently adjusting their product offer to both match the long-lasting casualwear trend and the occasion wear revival. In parallel, they are also reinventing their store layout to include the new emerging trends such as genderless fashion. Interestingly, to harness future growth, retailers are aware that the category faces a marketing challenge as they cannot rely on social media to catch male consumers' attention.

Casualwear dominates sales, but occasion and workwear are picking up with life going back to normal

While the price segmentation was relatively stable between 2020 and 2021 - the High Street segment remained the most important with a 44% business share on average, the Premium segment accounted for 28%, luxury represented 13%, and the Entry Level was 15%-, casualwear was still the force driving the category in department stores, representing 59% of the category sales in 2021.

In parallel, with weddings resuming, occasion wear picked up to 9% of the business in 2021, a trend expected to continue at least during the fall-winter 2022-23 season. But this comes with issues as many brands are still facing supply chain issues: as a result, many products are sold out, this translates into missed opportunities to face the strong demand on some markets, especially at **Breuninger** and **Magasin du Nord**.

When it comes to workwear, this category accounted for 18% of sales on average in 2021. With people starting to return to the office, products such as jackets are selling very well at **El Corte Inglés**, and semi-formal styles are increasingly selling, especially at **Sogo** in Hong Kong.

NellyRodi presented its exclusive selection of up-and-coming brands illustrating the importance of casualwear and the rebirth of more formal options:

- **New designers and emerging talents**: Botter, Hed Mayner, Henrik Vibskov, Soulland, S.S Daley, Iso Poetism, M Works.
- **Casual and streetwear**: Frame, Drôle de Monsieur, Holzweiler, Sunflower, Uniforme, Palmes Society, Davi, Ouest Paris, Neighborhood, JJJound, Staple, Richardson, Raeburn, Ranra.
- **Formal**: Sillage, Berner Kühl, Sapio.

Sportswear, multi-brand sections, genderless fashion, second-hand: Men's Fashion store layout is evolving

Including some sportswear in the Men's Fashion section currently represents a safe bet for department stores. Depending on the market, it can be high performance golf products at **Sogo**, or outdoor tech products at **Magasin**

du Nord. Overall, such products represented 8% of the Men's Fashion business in 2021. While the lines are blurring between sports and fashion, this also questions the store layout.

And there is more: as for womenswear, multi-brand areas gathering more confidential brands are developing as a way to differentiate from competitors and to give more flare to the product offer. But this comes with a profitability per sqm issue: layout arbitrations are necessary to increase the efficiency of such sections mainly relying on a few fashion-forward customers. **Galeries Lafayette** answered the question by developing lifestyle multi-brand spaces changing according to seasons (swim, outdoor…), allowing the mix of small and more established brands.

Depending on markets, offering a genderless product offer becomes increasingly important to catch GenZ consumers' attention: finding the most adequate part of the shop floor (men or women?) for such products remains a question mark. Second-hand fashion will soon develop in the menswear department, also requiring layout adjustments.

Men's Fashion has a marketing problem that social media will not solve

Catching male consumers' attention is not easy as they do not spend as much time scrolling as female consumers do. For instance, 80% of **Breuninger**'s Instagram account followers are female. To get around this issue, department stores are creating sport-related in-store events to catch male customers' attention: this also fits post-Covid cravings for live interactions. That is the case with **Beco** and **Magasin du Nord**, whether it is a biking or golf collaborations offering matching father and son products.

Surprisingly enough, events relating to the football world championship starting November 2022 will be mostly lowkey in department stores, sometimes only affecting the electronics department. Some retailers will not even celebrate the event as it is the case with **Breuninger**. Only **Magasin du Nord** will play the football card with pop-up stores and screens to watch the competition.

Men's Fashion is a steady category and should adjust to new trends to grow

The casualization trend, far from being over, profoundly reshaped Men's Fashion in all price segments. In parallel, buying teams now have to deal with a significant spike in occasion wear thanks to ceremonies resuming. Overall, boundaries between lifestyles tend to blur with a part of sportswear sometimes included in menswear, and workwear being more relaxed.

Department stores also question the store layout to take into considerations categories blurring as well as new trends. Marketing represents a challenge as retailers cannot really rely on social media to attract consumers. In-store events are a fair option: whether they are sport-related or not, creating 'moments" and experiences work their magic to answer consumers' need for human interactions.

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 our 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 in 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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