FACES

2020
HUMANIZE EVERY CLICK™

WOMEN'S APPAREL

Convenience is of the utmost priority for the contemporary consumer. Marketers, meanwhile, are constantly in pursuit of understanding what consumers really want, and market leaders differentiate themselves by anticipating and acting on these wants. This report highlights some of the "whys" of high-value consumer behavior in the women's apparel industry during the holiday season compared to behavior during the pre-holiday season.

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TIME OF PURCHASE

PRE-HOLIDAY		HOLIDAY
10PM	TOP PERFORMING HOUR OF THE DAY	.... **8**PM

Because consumers are constantly comparing products and prices among various retailers, they start feeling the pressure as deal deadlines approach to finalize their purchase.

According to a study published by Adobe Digital Insights regarding holiday shopping trends of 2019, the hours between 7pm and 11pm are the most profitable hours of the year, with almost 30% of Cyber Monday's revenue concentrated during that time. Our primary data tends to support this trend. Thus, we can assume that conversion rates double during these "golden hours" more so than earlier in the day because people want to avoid missing the day's deals.

TOP DAY OF WEEK

PRE-HOLIDAY

HOLIDAY

FRI ··· BEST DAY OF THE WEEK IN TERMS OF PURCHASES MADE ··· MON

With every change in season, clothing stores make way for new styles by sending the previous season's clothing to the sales rack. That's when most consumers pounce.

One can find the best deals across products, especially as part of weekend sales, because retailers try to clear out stock. Many of the clothing stores start lowering the prices of products if they are still unsold about six weeks after they have arrived. According to a post published by lifehacker, the biggest sales on accessories like jewelry, belts, and scarves are mostly scheduled on Friday.

That said, however, the scenario changes a bit during the holiday season, as some days have a reputation for better deals. For instance, based on our primary data, apparel shoppers generally tend to shop more during Cyber Monday than on Black Friday. This shift can be attributed to Cyber Monday's sitewide offers as opposed to Black Friday's item-specific discounts.

LATENCY

168 HOURS · · · · · · TIME FROM THE FIRST WEBSITE LANDING TO PURCHASE · · · · · · **128** HOURS

With only 22 days between Cyber Monday and Christmas, 6 days fewer than last year, the urgency among consumers sets them into overdrive during key holiday events as they don't want to miss out on limited-time offers.

This results in a smaller number of hours between the first click and purchase of products. We found that latency decreased significantly during this holiday season.

We attribute this behavior to two key reasons: One, retailers started their sales earlier this year due to the shortened holiday season. Some retailers even offered far more lucrative deals during Cyber Weekend, such as cashback and a percentage off. Two, as the fear of missing out sets in (like fear of the offer changing or stock dwindling), users are compelled to make their purchases faster before time runs out.

WEBSITE LANDINGS

PRE-HOLIDAY		HOLIDAY
33 ······	PRIOR TO PURCHASE	······ **24**

As mentioned earlier, it is common for users to browse a website during a sale period looking for deals, and the apparel industry is no exception (Deloitte U.S. Industry Outlook 2020). However, according to the annual survey conducted by McKinsey & Co., "The 2019 holiday season", most users are busy conducting in-depth research well in advance in preparation for the holiday shopping fray. Not only have they planned specific budgets for the season, but they also spend time investigating what and where to buy, with only a small segment shopping spontaneously.

Thus, as we observe in the data, we do anticipate a decline in the number of visits before a purchase made during the holiday season, as most holiday shoppers have clear preferences for what they value.
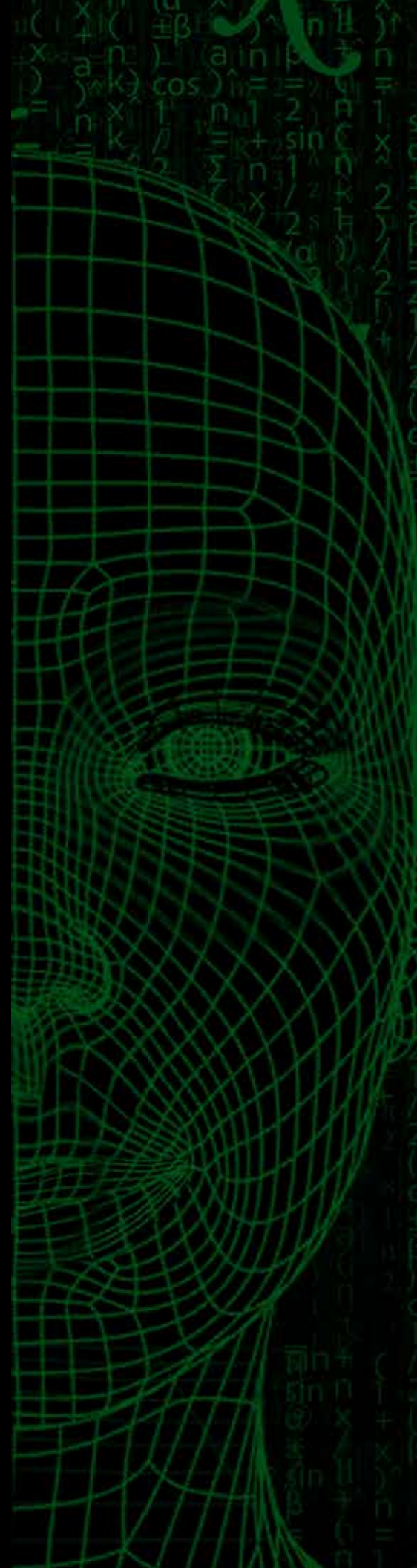
DEVICE LEVEL INSIGHTS

PRE-HOLIDAY		HOLIDAY
56%	······ FIRST VISITS ON MOBILE ······	57%

More apparel stores strive to make shopping from mobile devices a better experience for the user, and mobile shopping is becoming faster and easier in terms of pages visited and time spent per visit (Adobe Digital Insights 2019 Holiday Predictions). Therefore, more than 50% of consumers choose to shop on a smartphone even when they have a desktop or laptop available. The data collected for both the pre-holiday and holiday season also seems to resonate with the growing share of smartphones as the first touch point for more than 50% of users landing on the website.

Additionally, ecommerce retailers are constantly trying to match the desktop experience on smartphones during checkout, which helps them gain additional revenue with more and more users seamlessly completing their purchase journey on mobile.

CART SIZE AND COMPOSITION

PRE-HOLIDAY		HOLIDAY
$102 ·····	AVERAGE ORDER VALUE (AOV) OF CART	····· $125

Growth during the holiday season came through the concentration of sales among high-income markets with a median HHI of $100K. However, regardless of income, everyone looked to take advantage of holiday weekend deals with the revenue per visit (RPV) increasing significantly during the five-day Cyber Weekend (Adobe Digital Insights 2019 Holiday Predictions).

Additionally, our data collected through primary sources indicate that apparel retailers had lucrative deals around luxury brands, thereby leading to an increase in the AOV during Cyber Week.

Both these factors helped retailers to increase their AOV.

ITEMS PER ORDER

PRE-HOLIDAY   **HOLIDAY**

3.37 ······ ITEMS ORDERED TOGETHER IN ONE PURCHASE ····· 3.67

During the months of November and December, the industry giants see almost double the boost in sales compared to their smaller competitors (Adobe Digital Insights 2019 Holiday Predictions). This surge in demand, when combined with the fact that almost two out of three consumers are willing to combine smaller online purchases into one order to avoid shipping costs, significantly increases the number of items purchased in a single order.

Despite heavy discounts available during the holiday season, the AOV has increased, which can also be attributed to an increase in the number of items ordered. Our data supports our hypothesis of people tending to buy more during the holiday season.

In the last few years, we've seen a paradigm shift in the way consumers are interacting with brands. Today, consumers want apparel that represents who they are. They research far in advance and are well aware of what they value. As a result, it becomes important that retailers align their marketing strategies with changing demands to better capture consumers at the right moment. As more purchases happen on smartphones, leaving

bigger devices for research, it is imperative that retailers up their game to improve the user experience on mobile. With consumers' propensity to spend on the rise and brands continuing to offer lucrative deals across luxury brands, the apparel industry is understanding its perfect fit.

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