

APPAREL AND ACCESSORIES

Millennials, mobile leading fashion ecommerce growth: Criteo

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Millennials are the main growth driver of fashion ecommerce. Image credit: Saks Fifth Avenue

By SARAH JONES

While baby boomers and Gen Z consumers are pulling back on their online fashion spending, millennials are making more apparel purchases via ecommerce.

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According to a new report from Criteo, millennials spent 4 percent more on clothing and accessories online last year, showing a greater preference for fashion ecommerce than their younger Gen Z counterparts. As these generations become a greater part of the luxury business, luxury brands need to be ready to meet their disparate multichannel shopping habits.

"Fashion retailers certainly cannot ignore the power of today's younger shoppers," said John Roswech, executive vice president of brand solutions at **Criteo**, New York.

"In 2017, millennials were the only generation to see growth in online apparel sales to the tune of 4 percent, which represented \$2 billion in incremental sales," he said. "But these same retailers also need to understand and fulfill the desires of millennials' even younger counterparts, Gen Z.

"While this age group, typically still under the age of 22, have not yet launched their careers, many have significant spending power fueled by allowances and part-time jobs. The opportunity for fashion ecommerce marketers is centered around the curation of experiences in two separate, but very connected places for these generations: mobile and IRL (in real life)."

Ecommerce behavior

All of the growth in apparel ecommerce in the first three quarters of 2017 came from mobile shopping. While desktop still accounts for a greater portion of online apparel sales, revenues from these devices have recently decreased.

Criteo notes that even though Gen Zers spend the most time on their mobile devices, they still show an affection for bricks-and-mortar browsing.

About a third of this generation regularly researches items online and then buys in store, preferring to make

purchases in-person.

"Gen Z shoppers are particularly passionate about in-store shopping experiences, yet they spend the most time on mobile devices compared to all other age groups," Mr. Roswech said. "Retailers need to make it seamless for these shoppers to find what they desire online while also inspiring them to be repeat customers in-store.

"Gen Z consumers are already comfortable with newer offerings like click and collect and click and ship as they weave in and out of webrooming and showrooming habits," he said. "Reserve and try, as famously piloted by Nordstrom, is another program that continues to gain traction among shoppers.

"They love the ability to browse and select items online, but then have the clothing ready in a brick-and-mortar dressing room for a tactile experience that can also cut down on issues with returns. Fashion retailers can launch or amplify such programs to become a go-to stop on the omnishopping journey of millennials and Gen Z."



Gen Z likes to shop in-store. Image credit: Bloomingdale's

Men and women shop differently for clothing, with men making purchases 8 percent quicker than women. However, both genders tend to buy fashion within a week of first seeing a garment or accessory online.

When shopping for clothing, consumers across generations are more apt to browse through a retailer or brand's online store than using the Web site's search function. Almost two-thirds of page views on fashion retailers come from clicks rather than searches.

This calls for product pages and Web site features that help consumers find what they are looking for through detailed information and content. Retailers can also use promoted search to connect with consumers who are seeking out a particular style.

Consumers are also keen on being able to filter products. This is especially important for categories in which there are many different styles to pick from, such as women's tops.

Lastly, reviews can help guide shoppers to the right merchandise for them.

As innovations such as augmented reality and voice assistants become more mainstream, consumers are expected to move even more of their shopping online.

The majority of consumers who have shopped online using augmented reality would be willing to give up the apparel in-store buying experience entirely, according to a recent report from Adataxi. While the luxury buying process is largely still driven by physical stores, technology could make more consumers willing to forego the bricks-and-mortar experience in the coming years ([see story](#)).

Holiday prep

The holiday season, followed by spring, are the top two times for online fashion purchases. Around April and May, consumers boost their average order values and retailer sales increase.

Ahead of the December holidays, browsing begins to rise as early as October. To successfully reach consumers around the November Black Friday peak, Criteo suggests gaining visibility in September.

Page views also get a boost after the holidays and before the New Year, as consumers make returns and buy for themselves using gift cards.

At the same time, shopping patterns shift, as traffic to women's apparel categories drops. Criteo attributes this to women buying for the men in their lives instead of themselves.



Consumers shop online during the holiday season. Image credit: Neiman Marcus

Based on the analysis of sales spikes, accessories, activewear and coats are commonly gifted items, while items such as pants and shoes are less likely to be given as a present.

Per a Deloitte report, affluent individuals whose net worth exceeds \$100,000 planned to do 57 percent of their holiday shopping online and 39 percent in store last year.

Gifting is not the only spending that occurs during the holiday season, as half of consumers say they shop for themselves while shopping for others ([see story](#)).

"The importance of starting early cannot be emphasized enough," Mr. Roswech said. "The coats and jackets category provides a prime example. Browsing for these items, which are sometimes considered to be big-ticket, increases in pace during September.

"However, conversions do not spike until Black Friday," he said. "Yet, if a retailer waits until then to promote its coats and jackets, consumers will have already decided on and tracked the item somewhere else.

"Big picture, we have seen that if retailers commit to holiday marketing investments by late Q3, the returns will pay off favorably in Q4."