The Future of Apparel

Featuring insights from Marshal Cohen and Matt Powell

In 2017, the apparel market declined 2.4 percent. Consumers were more selective than ever regarding how they allocated their spending. Overall spend is shifting; consumers have more committed spending, leaving less money for retail purchases.

New platforms and retail outlets are disrupting the way consumer shopping is evolving and how it will change in the future.

Here’s what we expect the future of apparel to look like in 2018 and beyond.

**MARSHAL COHEN**
Chief Industry Advisor – Retail
The NPD Group

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**Healthcare will continue to erode disposable income.**
Healthcare premiums and deductibles have skyrocketed much faster than inflation and earnings in the U.S., taking up a significant portion of workers’ earnings. That leaves less wallet share for discretionary spending.

**Consumers will take advantage of automatic replenishment.**
Consumers want convenience and a seamless shopping experience. Essentials and basic items will become more automatic, and consumers will auto-replenish regularly. Automatic replenishment will account for 30 percent of committed consumption by 2025.

**Direct-to-consumer will grow, and subscription will return.**
As brands fight for retail outlets to sell in, they must sell directly to consumers to maintain volume. Retail growth and dollars also will come from the subscription model, which declined but is again increasing in popularity across fashion, food, home, and juvenile products.
Private label will continue to thrive.
While total apparel fell 2 percent in 2017, private label grew 6 percent. Private label will take a giant leap forward, coming back in vogue with retailers as they try to build unique assortments and control their pricing more closely. More retailers will use private label as a defense against how promotional other brands have become.

Athleisure will win.
The future is bright for the athleisure market. Consumers’ affinity for dressing more casually and comfortably will drive growth, although that growth will slow as we pass the acquisition phase and move into replenishment.

Uniqueness will drive the market.
Gen Z was asked to describe itself in one word; that word was “unique.” This group wants unique products by unique brands, sold by unique retailers.

When it's time to make critical decisions that have an impact on the future of your business, imagine how much more confident you'll be when you know what that future holds. Our new report, The Future of Apparel, includes two-year forecasts for six main categories and more than 175 subcategories based on our Retail Tracking Service — Total Measured Market (TMM). Plus, it gives you the in-depth consumer insight needed to understand exactly how current and future apparel buyers play into our predictions.

Learn more about the Future of Apparel. Contact your NPD account representative.