

APPAREL

KANTAR BRANDZ

APPAREL TOP 10:



DEFINITION:
The apparel category is comprised of mass-market men's and women's fashion and sportswear brands.

EVERYTHING, ALL AT
ONCE/ APPAREL FOR
ALL OCCASIONS

Category Brand Value
Year-on-Year Change

+20%

Apparel Top 10
Total Brand Value

\$ 216,595 m

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The apparel category has proved remarkably resilient to the disruptions of COVID-19 - and this past year was no exception, as leading brands continued to rise in brand value.

Even as spending on travel, dining, and other out-of-home pursuits has remained depressed, people have continued to buy new clothes and shoes (often with the money they'd saved from not being able to travel, dine, and otherwise venture into the wider world). Furthermore, the “Athleisure” trend that dominated the industry in the late 2010s, has meshed well with shoppers’ current desire for comfort and flexibility. As a result, many top apparel brands (especially on the athletic side of the business) haven’t had to adjust their product mix much because of the pandemic – though they *have* had to shore up their supply chains and delivery channels.

Now, as offices partially reopen and nightlife revs back up, you might think the forecast would call for a return of formal wear and a shift away from Athleisure. Not so. Instead, the apparel category is very much planning for a shopping climate of “everything, all at once.”

“Everything, all at once” means that consumers will still want to buy Athleisure for their weekend, fitness, and work-from-home pursuits. *And also*, they are willing to entertain new, colorful fashion propositions for the return of “going out”: whether that’s to festivals, weddings, or a night on the town.

“Everything, all at once” means an end to traditional trend cycles, replaced by a fashion free-for-all. Consider the rise of TikTok, and that platform’s ability to constantly generate and sustain several niche trend waves at once. In the denim market, for example, the big story of the 2010s was the persistence of skinny jeans. Today, the big story in denim is that there *is* no one big story. Multiple retro revival eras are occurring simultaneously - which means that 80s high-waisted jeans are in vogue; but so are early-noughties low-slung looks; and so are baggy 90s rave-wear styles; and so are 70’s bell-bottoms. And, of course, skinny jeans never truly went away.

“Everything, all at once” means being able quickly to design, produce, and ship a wider-than-ever range of products. This “range play” is well suited to Gen Z shoppers’ disdain for sartorial monoculture – instead, they value the ability to sample the “long tail” of fashion microtrends. Ultra-fast-fashion brands like Shein, FashionNova, and PrettyLittleThing are at the forefront of this new reality, building on models pioneered by the likes of ASOS and H&M. (It’s no surprise, then, that TikTok owner Bytedance recently announced plans for its own fashion label; the idea is that it can move even faster – ultra, *ultra*-fast - by embedding TikTok-employed designers and trend-spotters in the very site where new trends are born.)



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Does the rise of these ultra-fast-fashion brands spell trouble ahead for more established fashion brands? Not necessarily - especially because the ultra-speedys have, as of yet, failed to meaningfully crack the athletic performance space. Brands like Nike, Adidas, Puma, ANTA, Lululemon, and Li-Ning have built up reputations for innovation, quality, and reliability that allow them to command meaningful premiums in the market. This allows them to earn profits of a magnitude that still dwarfs the ultra-fast players.

Another advantage established players currently enjoy over ultra-fast fashion brands is the ability to build up “hero products” - of the kind that help more established brands drive repeat, premium-tier sales. Ultra-fast brands’ product array is, by design, constantly in flux, and sold at extremely low prices. This strategy helps them to satisfy customers’ desires for instant fashion gratification - but it leaves online brands vulnerable if their trend bets start to miss, or a buzzier new competitor starts to steal their “cool.”

By contrast, even in difficult years, a brand like Uniqlo is able to rely on demand for “hero products” like its Heattech range of wintertime clothing. (The same is true of many high street brands, which - whatever their challenges - still do a brisk business in staples like socks and underwear). H&M, meanwhile, is investing in sustainable innovations that may someday lend a “heroic halo” around clothes made from inputs like cactus leather, food waste, and even greenhouse gas.

Athletic brands can build “hero products” cultural assets like Nike’s Jordan range - or around proprietary innovations like Adidas’s Boost and Primeknit technologies. These “star players” can easily be mashed up with the most of-the-moments trends. But these assets can *also* stand apart from the trend landscape, in offerings that trade on more “timeless” propositions. Timely, and timeless: big brands can offer both at once, and increasingly, they need to.

Indeed, there’s an important cultural insight behind the rise of Shein and Fashionnova that apparel marketers shouldn’t miss. It’s an insight that’s analogous to how brands like Nike have used marketing to support the notion that *everyone’s an athlete*. Today, on TikTok, it could be said that *everyone’s a content creator* - which is to say that *everyone’s a star*, or, at least, a star-in-training.

Big brands know how to help a shopper dress like they’re an athlete - for starters, it means selling them the same shoes and clothing worn by pro sports stars. For now, the implications of “dressing like a star” are more unsettled. What does “pro-tier” content creator gear look like? And how much of a premium can it command?

One interpretation of “dressing like a celebrity” implies a dressing with the kind of quirkiness, variety, and flash that the online “ultra-fast” are so good at purveying. Celebrities never wear the same outfit twice on red carpets - and now, thanks to the low prices of outlets like Shein, even ordinary teens can banish repeat outfits from their social media grids.



Another route to “dressing like a celebrity” involves communing with enduring star images throughout the ages. Much of the glamour of this decade’s various “retro revivals” comes from the fantasy of recasting oneself in the role of, say, 90’s Kurt Cobain (in his mohair sweater) or Y2K Jennifer Lopez (in her velour tracksuit). Today, ultra-fast fashion sites are awash in retro recreations. But existing brands have the “authenticity advantage” of having actually *been there* for the inception of the retro trend.

Thus the rise of the “archival rerelease” phenomenon. Witness Nike Tennis’s recent recreations of the day-glo kits first worn by Andre Agassi in 1990 (now remade in sweat-wicking technical fabric). Or Adidas’s collaborations with the designer Grace Wales Bonner, which draw on the way Bob Marley and Jamaicans in Britain wore the “Three Stripes” in the 1970s and 80s.

Wearing luxury clothing is another route toward “dressing like a celebrity”: in TikTok parlance, designer duds simply feel more like “main character clothes.” Recent collaborations like Simone Rocha for H&M, or Yeezy Gap Engineered by Balenciaga, continue to bring to these luxury aspirations into more people’s reach.

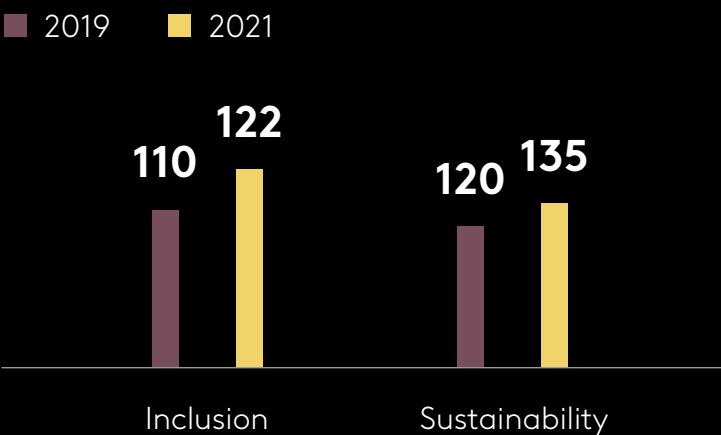
Then, of course, there are celebrity-backed labels like Beyonce’s Ivy Park for Adidas, and Drake’s Nike Nocta. And, especially, Rihanna’s Savage x Fenty lingerie venture - which exemplifies the “Everything, All at Once” approach as applied to influencer marketing. Every year, the brand invites together mass, midi- and micro-influencers alike, to participate in the label’s annual fashion show (streamed exclusively by Amazon). There, they are anointed as brand stars by the biggest star of all, Rihanna herself.

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BRAND SPOTLIGHT



Based on its growth trajectory, Nike could well become a future member of the BrandZ Global Top 10. For now, Nike’s focus on inclusion in both its marketing and corporate strategy has reinforced its positioning as a leader and a force for good. At the same time, its clear focus on community and the “everyday” athlete has instilled a sense of purpose beyond profit.

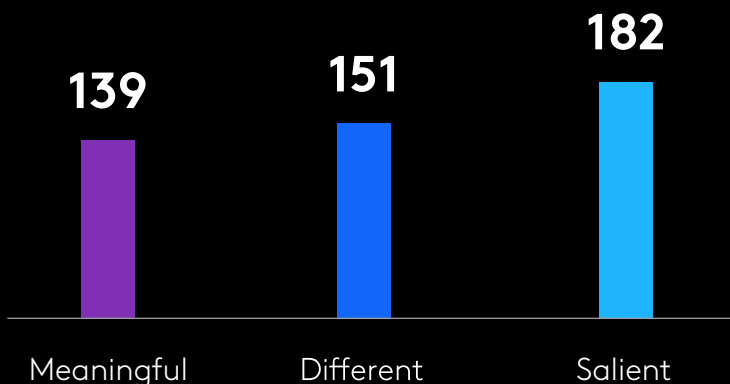
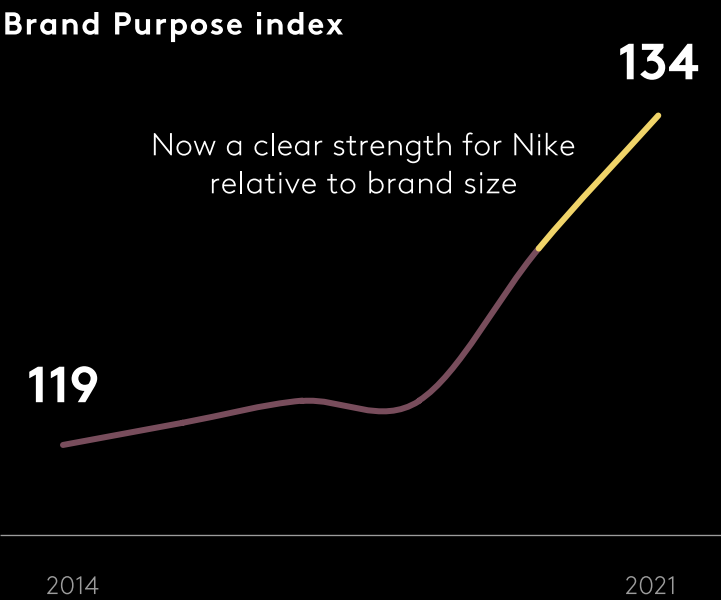


2022 BRAND VALUE

\$109,601M

2021 Brand value \$83,709m

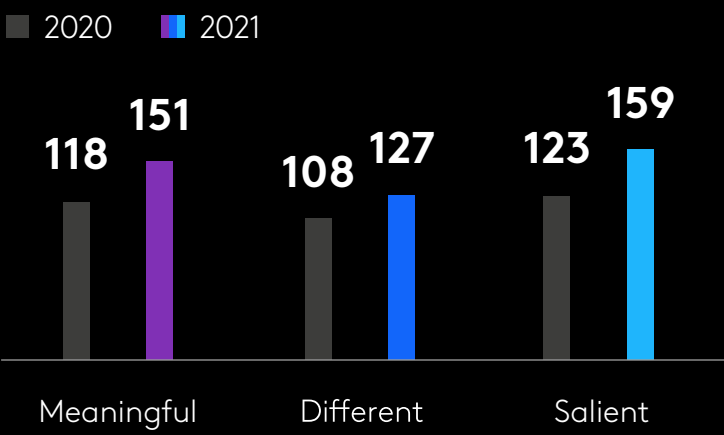
+31% year on year



BRAND SPOTLIGHT



Like Lacoste in France and Nike’s Jordan brand in the US, Li-Ning is an example of a successful apparel brand being built on the image of a beloved sports hero: in this case, the gold-medal-winning Olympic gymnast Li Ning, who started his eponymous label in 1989. In China, both the pandemic and the 2022 Winter Olympics helped turbocharge consumer interest in sports and fitness – at the same time that surging national pride has elevated homegrown brands like Li-Ning and its competitor Anta.



Li-Ning surpasses Nike to become No. 1 sportswear brand in equity terms in China with good momentum for future growth

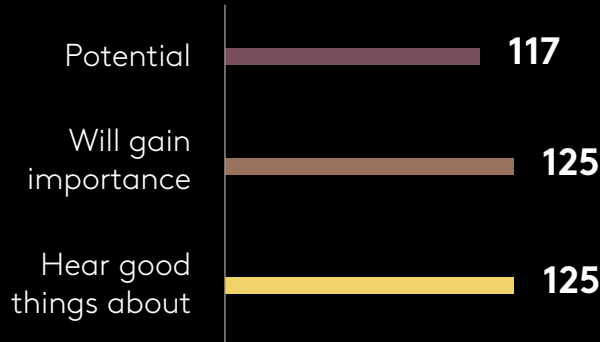
2022 BRAND VALUE

\$3,767M

2021 China T100 Brand Value \$2,024m

+86% year on year*

Brand Power- China



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ACTION POINTS/ BRAND BUILDING

1

REDEFINE SUSTAINABILITY

In 2021, Kantar’s Sustainable Transformation Practice surveyed a worldwide audience to determine the global development issues that consumers most expected apparel brands to prioritize. Among the UN’s 17 Sustainable Development Goals, apparel brands were expected to lead on issues like overconsumption and overpackaging, while also contributing to the fight against worker exploitation worldwide.

2

PURSUE GEN-Z GENDER PARITY

Very few apparel brands attract equal numbers of male and female customers. For the likes of Nike and Adidas, women remain a huge market for potential growth; the same is true for men, for a brand like Lululemon. Apparel brands have long recognized the upside of a more even gender split, of course – but weren’t quite able to achieve it back when Millennial shoppers were locking-in their formative brand loyalties. Now apparel brands have a fresh start with the Gen Z shoppers who are now emerging into young adulthood. Brands should do everything they can to make sure they’re effectively researching and reaching this demographic, reaching across all demographics, embracing diversity and championing inclusion.

3

EMBRACE THE FIRST-PARTY REVOLUTION

Moreso than other industries, apparel brands have ability to weather the upcoming shift away from cookies and other third-party trackers in the e-commerce sphere. They have much more room to play in the realm of first-party customer data – if they invest in getting the tools right: fit-finder tests, style quizzes, newsletters, presale lotteries, and loyalty programs can all be rich sources of consumer marketing intelligence, if designed correctly.