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GLOBAL
VOICES

AN INTERNATIONAL EXPANSION GUIDE

for Apparel and Luxury Brands

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EXECUTIVE SUMMARY

Global luxury, apparel and footwear brands have access to more shoppers than ever. Ecommerce has opened new doors to new markets around the world. But brands also face challenges. Consumers demand that brands are sustainable and treat workers with dignity. Factories face raw materials shortages. Warehouses are seeing inventory overruns. Trend cycles are accelerating. All while global conflicts persist, and economic conditions remain unpredictable.

Nevertheless, there is great opportunity for brands wanting to enter global markets. Ecommerce lets shoppers discover and shop with new brands. And sophisticated technology architecture lets those brands meet and exceed customer expectations which leads to greater customer lifetime value.

To enable brands to seize global market opportunities, ESW conducted a survey of 16,000 consumers in 16 countries around the world. We asked them about their future spending intent and what they expect when shopping online.

This report aims to give brands the insight they need to make data-driven expansion decisions that grow business.



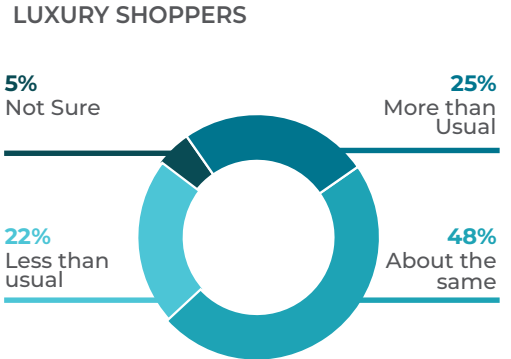
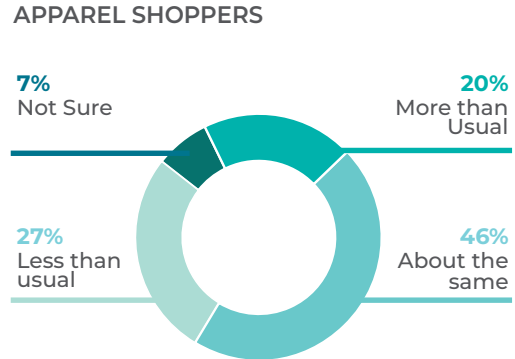
GLOBAL ECOMMERCE DEMAND REMAINS HIGH

ONLINE SHOPPING INTENT IS NOT WANING

Despite changing economic conditions, a majority of cross-border apparel and luxury shoppers plan on spending as much or more this year.

MOST SHOPPERS WILL MAINTAIN OR INCREASE SPENDING

Consider the next 12 months and your online spending intent. Are you planning on spending More than Usual/Less than Usual/About the Same?

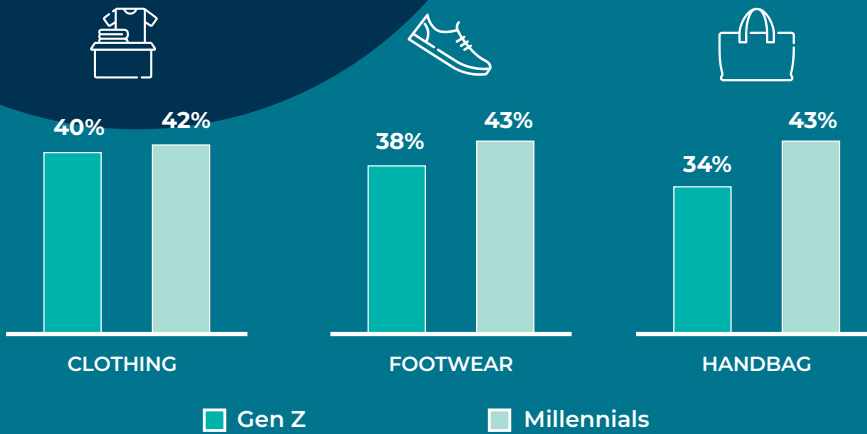


N=8,073; Source: Global Voices Survey conducted November 2022

CROSS-BORDER SHOPPERS SPEND ON SOFT LUXURY

YOUNG SHOPPERS BUY SOFT LUXURY CROSS-BORDER

Consider when you have purchased luxury outside your country, what type of products have you purchased?



Percent of respondents who shopped luxury cross-border in the last 12 months. Gen Z (N=805) Millennials (N=1,953)
Source: Global Voices Survey conducted November 2022



ONLINE APPAREL AND LUXURY SHOPPERS HAVE STRONG CONNECTIONS TO BRANDS

More than 2 out of 3 online apparel and footwear shoppers report high brand affinity. These shoppers feel connected to their favourite brands and want to buy directly from them.

SHOPPERS VALUE DIRECT RELATIONSHIPS WITH BRANDS

How strongly do you agree with the following statements in relation to purchases you've made inside and outside your country?

LUXURY SHOPPERS



83%

A brand name means high quality



76%

A brand name means high value



74%

I feel more connected to the brand when I shop on their website

APPAREL SHOPPERS



70%

A brand name means high quality



66%

A brand name means high value



64%

I feel more connected to the brand when I shop on their website

Values are percent of shoppers that Strongly Agree or Agree with the statement. N=8,073 Source: Global Voices Survey conducted November 2022

BOTTOM LINE:
Apparel and footwear enterprises looking to open new markets can expect a receptive and enthusiastic audience that is ready to spend money with the brands they love.



STRATEGIES THAT ENSURE LONG-TERM MARKET SUCCESS

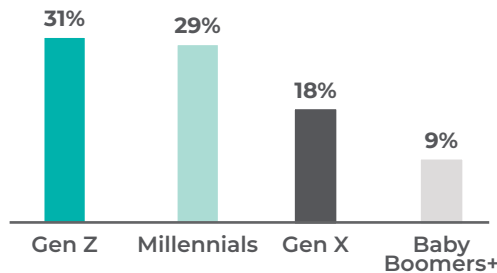
SEGMENT SHOPPERS AND TAP INTO BUYER MOTIVATIONS

Each geographic market is different and shoppers within that market are also unique. Brands that properly segment their audiences can target them with the offers that are most likely to convert.

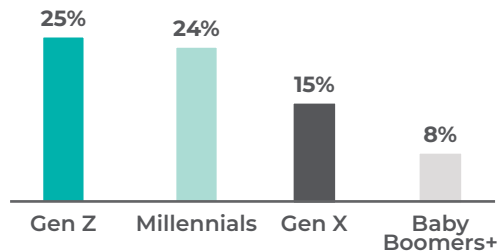
YOUNG SHOPPERS ARE MOTIVATED BY SCARCITY AND EXCLUSIVITY

Which of the following factors make you more willing to pay full price for an item you want?

Being one of the **ONLY** people to have an item



Being one of the **FIRST** people to have an item

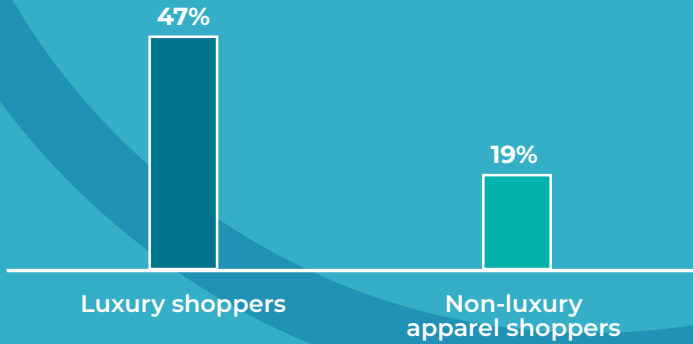


Values are percent of customers who selected the noted response. Gen Z (N=2,286) Millennials (N=5,813) Gen X (N=4,125) Baby Boomers+ (N=2,651) Source: Global Voices Survey conducted November 2022

CROSS-BORDER LUXURY SHOPPERS ARE MORE PRONE TO FOMO

Which of the following factors make you more willing to pay full price for an item you want?

BEING ONE OF THE FIRST PEOPLE TO HAVE AN ITEM



Luxury shoppers (N=8,692), Non-luxury shoppers (15,875); Source: Global Voices Survey conducted November 2022

YOUNG SHOPPERS ARE MORE LIKELY TO DELAY A PURCHASE

I am willing to risk that an item I want will be out of stock if I wait to get a lower price.



Values are percent of customers who selected the noted response Gen Z (N=2,286) Millennials (N=5,813) Gen X (N=4,125) Baby Boomers+ (N=2,651); Source: Global Voices Survey conducted November 2022

LOCALISE PRICING AND DISCOUNTS

Not every market or age group responds the same way to pricing and discount strategies. Brands should have in-depth market expertise to maximise revenue from day one.

PRICE SENSITIVITY VARIES BY GEOGRAPHIC MARKET

I am willing to risk that an item I want will be out of stock if I wait to get a lower price.



N=940-1,080 per country; Source: Global Voices Survey conducted November 2022



MOTIVATE THE FULL-PRICE CUSTOMER

While some shoppers prefer to wait for discounts, brands can entice them to pay full price by offering the right products and optimising the delivery experience.

HALF OF CUSTOMERS WILL PAY FULL PRICE TO GET EXACTLY THE ITEM THEY WANT

Which of the following factors make you more willing to pay full price for an item you want?

GUARANTEED TO GET THE EXACT ITEM YOU WANT

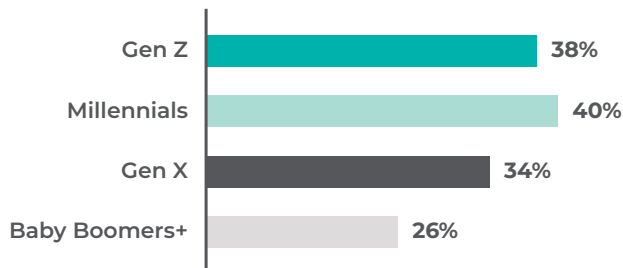


Values are percent of customers who selected the noted response. Gen Z (N=2,286) Millennials (N=5,813) Gen X (N=4,125) Baby Boomers+ (N=2,651)

DELIVERY SPEED MOTIVATES YOUNG SHOPPERS

Which of the following factors make you more willing to pay full price for an item you want?

THE ITEM IS GUARANTEED TO ARRIVE FASTER



Values are percent of customers who selected the noted response. Gen Z (N=2,286) Millennials (N=5,813) Gen X (N=4,125) Baby Boomers+ (N=2,651)

BOTTOM LINE:

Brands that know their unique customers in each market can deploy marketing and pricing strategies that generate more full-price sales around the world.

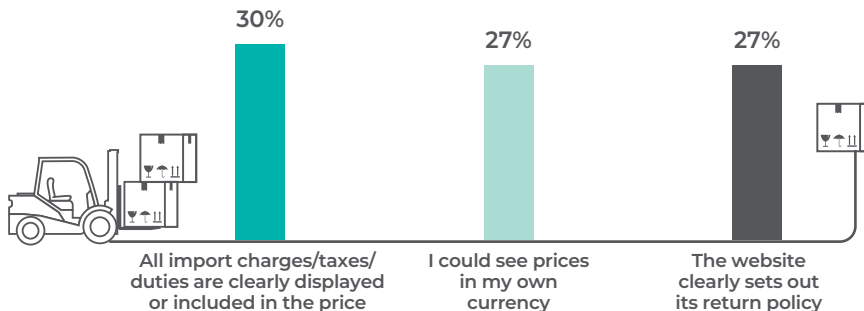
KEYS TO SUCCESSFUL GLOBAL EXPANSION FOR LUXURY AND APPAREL BRANDS

BUILD TRUST THROUGH TRANSPARENCY

Apparel shoppers are more likely to buy internationally if they feel the brand honestly communicates total costs as well as terms and conditions like return policies.

APPAREL SHOPPERS VALUE TRANSPARENCY

What would make you more likely to make an apparel or footwear purchase from a website outside your home country?



N=15,13 ; Source: Global Voices Survey conducted November 2022

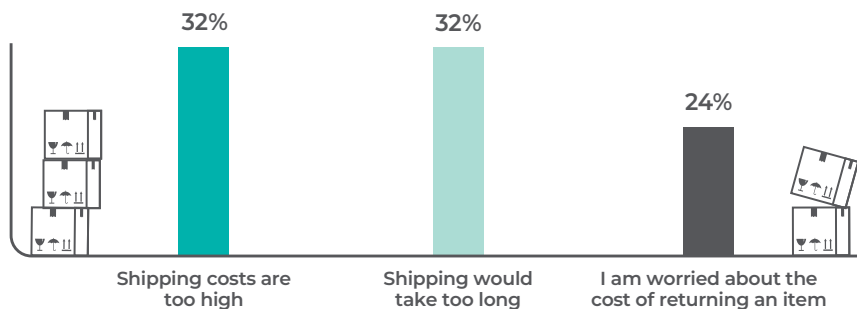
CREATE MULTI-LOCAL LOGISTICS EXPERIENCES

Online shoppers expect fast, no- or low-cost shipping. To compete globally, brands must have a robust, reliable logistics network that provides a near domestic equivalent experience for the customer.



APPAREL AND LUXURY SHOPPERS WANT LOCALISED DELIVERY EXPERIENCES

Why have you not purchased apparel or footwear from another country?



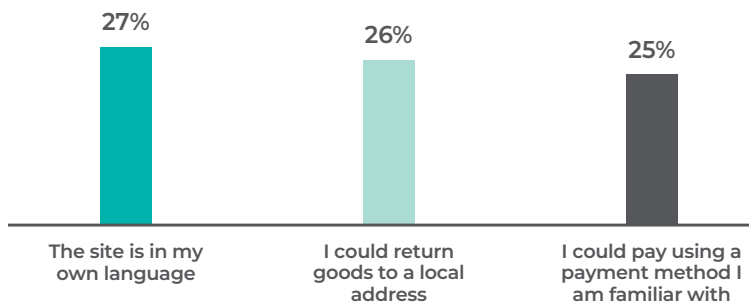
N=15,133 ; Source: Global Voices Survey conducted November 2022

LOCALISE THE PURCHASE EXPERIENCE

Shoppers are more likely to buy from a brand outside their own country if the language, payment methods and delivery options are the same as if they purchased from a domestic brand.

SHOPPERS WILL RESPOND TO MULTI-LOCAL EXPERIENCES

What would make you more likely to purchase apparel or footwear from a website outside your home country?



N=15,133 ; Source: Global Voices Survey conducted November 2022

BOTTOM LINE:

Brands that prioritise localisation and transparency are best positioned for strong market entry and long-term success

CONCLUSIONS AND RECOMMENDATIONS

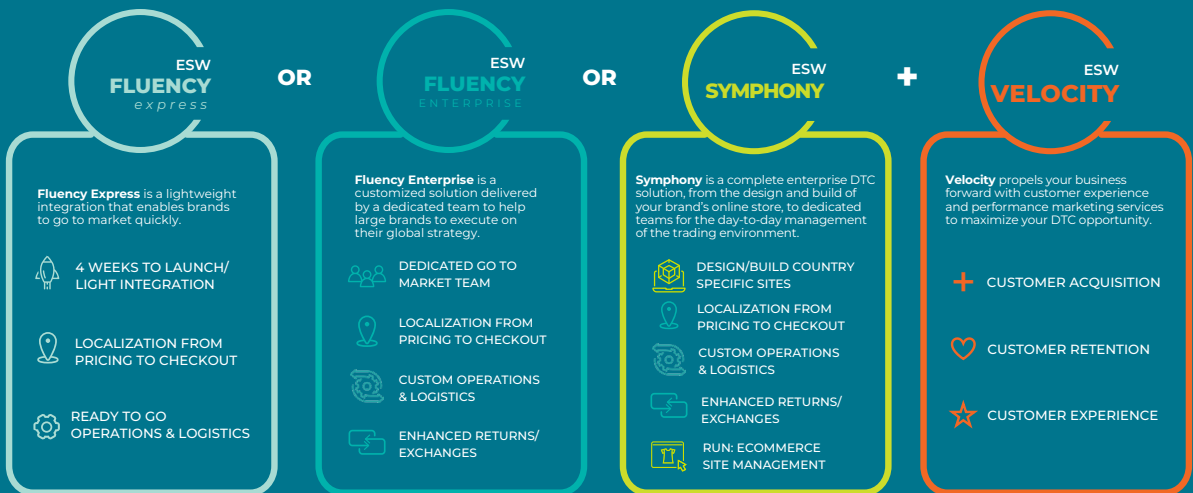
Luxury and apparel brands have tremendous opportunity in global markets. To achieve success, brands should prioritise customer segmentation, localisation and logistics.

- + **73% of luxury and 66% of apparel** shoppers plan to spend as much or more on online purchases this year
- + **74% of luxury and 64% of apparel** shoppers feel connected to a brand when shopping a brand's site
- + Luxury shoppers are highly motivated by FOMO
- + Younger shoppers prioritise fast shipping and delivery
- + **30% of shoppers** would buy globally if taxes and duties were transparent
- + **32% of shoppers** would buy globally if shipping was fast and inexpensive



ESW ENABLES GLOBAL GROWTH WITH A MULTI-LOCAL SOLUTION

ESW helps the world's best-loved brands accelerate DTC growth and meet shoppers' expectations with a suite of solutions that deliver a superior end-to-end consumer experience.



Contact us at growmybrand@esw.com or visit esw.com

Methodology: ESW's latest *Global Voices* consumer survey was conducted in November 2022 in 16 countries (Canada, the United States, Mexico, the United Kingdom, Switzerland, Spain, France, Italy, Germany, South Africa, the United Arab Emirates, India, China, South Korea, Japan and Australia) with 16,557 people responding. In this report Gen Z is defined as those between 18 and 24; Millennials as those ages 25-40; Gen X as those ages 41-56; and Baby Boomers defined as those ages 57-75.