Digital consumer behavior 2.0

How technology, the cost of living crisis, and changing consumer sentiment will transform the fashion marketplace

AVERY DENNISON GWI.

In this report

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Glossary of terms

Digital 'triggers' or 'touchpoints' in this paper refers to interactive data exchange technology including:

QR (Quick Response) codes have become a go-to method for accessing information and creating contactless payment experiences that customers have now come to expect. A QR code can be scanned either with an app or directly with a smartphone camera.

NFC (Near Field Communication) technology allows wireless communication between two compliant devices up to 10 centimeters apart. Thanks to the deployment of NFC in smartphones, this technology is widely accessible and offers seamless access to information with a simple tapping motion by the user.

RFID (Radio Frequency Identification) is a type of tracking system that uses smart tags or labels to identify items. Data is captured by a reader via radio waves. Predominantly used in a retail or supply chain environment, its use-cases span from inventory management to tracking vehicles.

Foreword

MICHAEL COLAROSSI
Vice President of Innovation
and Product Line Management,
Avery Dennison

In a time of widespread technological, environmental, cultural, and organizational transformation, consumers are looking to brands and businesses to guide them through change. When it comes to making purchasing decisions, fashion shoppers are curious to explore, experience, understand and learn, creating an opportunity for brands to foster deeper connections with their customers through their products, especially digitally-connected ones.

Avery Dennison sees value in keeping track of the driving forces of consumer attitudes and desires, and through our partnership with GWI, conducted our second consumer survey that explores digital consumer behavior. This year's survey includes a number of questions that we asked in 2021, and also introduces new ones that dig into new and emerging topics. Furthermore, we have introduced two new markets into this study, thereby expanding our reach and understanding of consumers in Mexico and Japan, in addition to U.S., China, France, Germany and UK.

As the industry continues to address environmental and social impact challenges, consumers, regulators and other stakeholders are increasingly scrutinizing how brands communicate about their sustainability credentials. We understand that to avoid "greenwashing," brands and retailers are under pressure to demonstrate meaningful and credible progress through clear and accessible touchpoints. Responding to that demand is a key challenge for our partners, and the research in this paper takes a deeper look at the types of information consumers want to see, and how priorities and expectations differ across regions.

While we observed a continued shift in consumer awareness for social and environmental impact, there are other factors at play. Geopolitical uncertainty, inflation, the cost of living crisis, and supply chain disruption to name a few. As a result, we do not see significant statistical improvements in overall attitudes towards sustainability and digital tools. Despite the clear headwinds, the ultimate aim for fashion leaders is to balance the realities of short-term crises with long-term strategic priorities.

Avery Dennison continues to drive and support the digital transformation of both supply chains and the consumer experience. Our holistic approach to digital solutions is designed to enable traceability and efficiency, reduce waste across the supply chain, and enable circularity. Powered by digitized triggers on garments, our atma.io connected product cloud platform, and applications, we aim to create value for all stakeholders across the supply chain. Conducting proprietary, focused research into consumer behavior, creates new insights that allow us to evolve our existing solutions and innovate new ones that advance the digital and sustainability ambitions of our customers and stakeholders.

Foreword

CHASE BUCKLE
Vice President of Trends,
GWI

There's plenty to unpack from the findings in this report. One of the most interesting findings helps to debunk something we tend to see a lot of in today's business discourse: something which in almost every case is simply not helpful. When digital disruption is so ubiquitous and so celebrated, people often assume that a new technology or behavior will inevitably cancel out whatever preceded it. We call this the Zero-Sum mentality.

This kind of thinking has tried to dig an early grave for anything from TV, email, social media, and even the in-store retail experience. The pandemic for obvious reasons boosted online shopping's share of commerce, but talk of brick and mortar's demise were misguided.

Our joint study with Avery Dennison is one of the most clear, and relevant examples of why we need to move beyond this Zero-Sum mentality. Far from being replaced by online channels, the report makes clear that because of online behaviors and technology, the in-store experience and beyond is about to become more engaging and informative than ever.

And the implications of this mutually beneficial relationship between in-store and online stretch from point-of-sale to post-purchase. They help the retailer become more efficient, they help the consumer to seek more information and support, and they help society to move towards better sustainability, transparency, and circularity.

Key insights

Technology's role in the offline shopping experience is here to stay

We saw a huge shift towards ecommerce during the pandemic, along with a substantial rise in digital tools encouraging footfall to physical stores. Since then, we've seen this go from being a novelty, to becoming the status quo: retail and technology go hand in hand. Shoppers globally are receptive to digital solutions that improve their physical retail experience, and younger groups like Gen Z and millennials are the quickest to adopt them.

Emerging technology is here to add value for consumers

The rising adoption of virtual experiences and NFTs, especially among fashion shoppers, is very important to note. The pandemic was integral here: we saw a spike in digital fashion platforms that allowed users to wear dream luxury brands digitally, as well as virtual styling services when they weren't able to shop in-store due to lockdowns. We also saw a boom in shoppers using tech within their existing wardrobes – like apps that help users to organize and plan outfits, have visibility of items they own but may have forgotten about, and understand the value of their clothing. This last bit is especially key, if shoppers are to effectively take advantage of the secondary marketplace.

Tech can help meet demands for sustainability

Sustainability continues to be a key priority among fashion shoppers, with high expectations of brands to help them shop more sustainably. Item-level digital ID solutions are paramount here, in enabling shoppers to have a better understanding of how to repair, recycle, and resell their clothes. This will not only continue to encourage more sustainable fashion choices, but also the adoption of new business models.

Counterfeit goods are an ongoing concern, but ID-level solutions can help

Fakes have been a big part of the fashion industry for years, and are of course much more common in some regions than others, causing an inconsistency in shoppers' behaviors and attitudes towards them globally. Despite differing awareness and views, it's clear that shoppers care about whether the items they're buying are authentic or not, and shoppers are receptive to digital tools like QR codes that can help them validate authenticity. Greater transparency and assurances of authenticity will also contribute to a more seamless secondary marketplace.

01

Digital consumer engagement

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The digital retail experience

Consumers are calling out for retail improvements to be implemented to make their shopping experience smoother. Often the success of such improvements depends on the versatility of the technology behind them. Whether it's frictionless touchpoints improving the in-store experience, or digital labels for consumer interaction post-purchase, solutions like QR codes, RFID, and NFC can add value for every stakeholder in the product's lifecycle.

Digital tools continue to drive footfall to physical stores. Over half of global shoppers surveyed say that receiving personalized offers on their phone would increase their likelihood of visiting a physical store. This plateau can also be seen when looking at digital in-store experiences: 4 in 10 say that they'd be motivated to head to a physical store if they had the ability to scan a QR code for product information, and a third say that connected/smart fitting rooms would motivate them to visit – a number that hasn't changed much since 2021.

Only 1 in 10 global shoppers were apathetic to these types of technology solutions, indicating the mass appeal that retailers can likely expect if they were to integrate more of these solutions into their infrastructure. It also indicates that brands using digital triggers to encourage footfall is something that is here to stay in a post-pandemic world. And, Mexico is notable here: shoppers are consistently ahead for saying digital tools would drive them to a physical store.

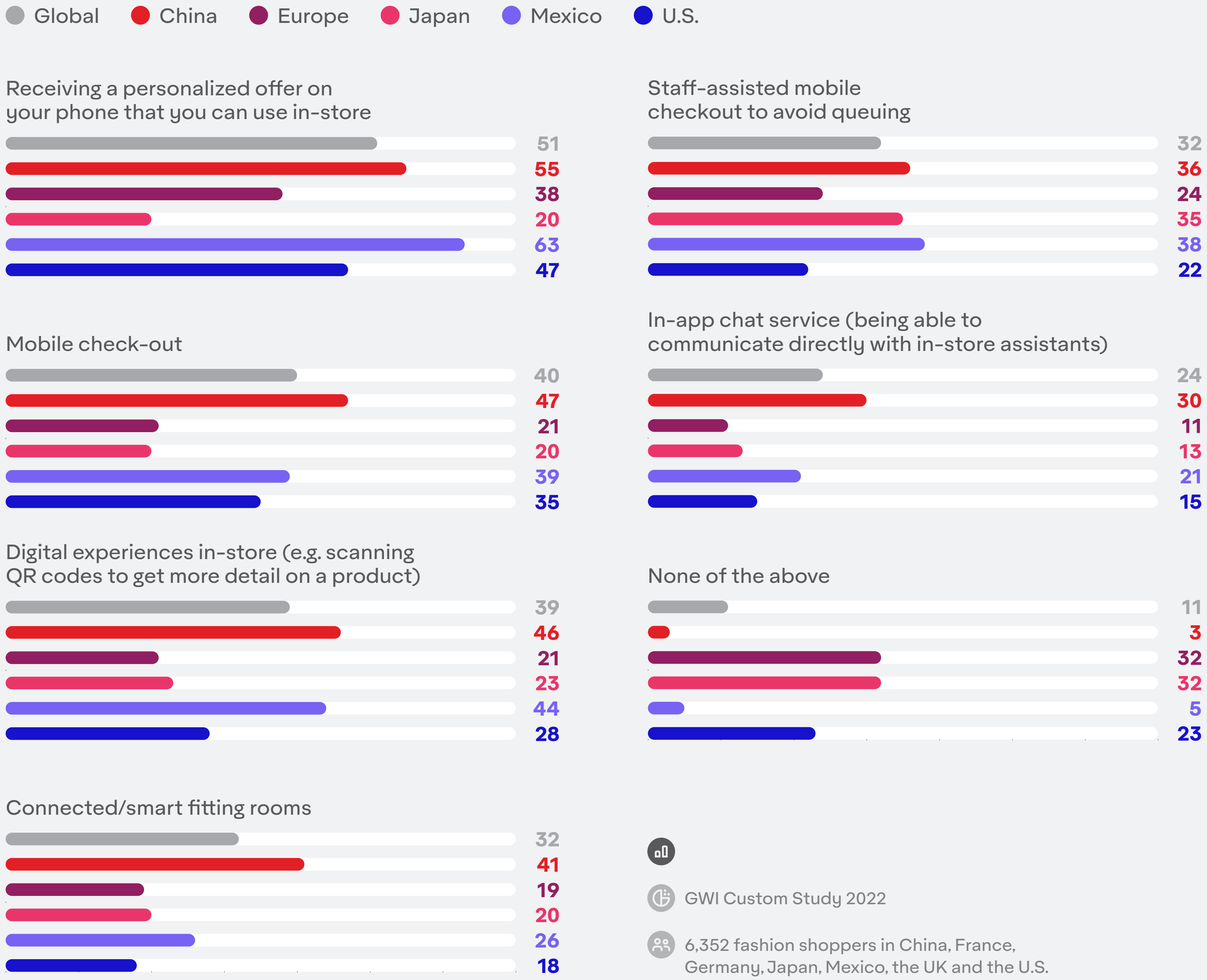
One thing that has changed is the number of older age groups being driven to physical stores by mobile-based features. In fact, the number of 55-64s globally who say mobile check-out would drive them to a physical store has gone up by 19% year on year, while those who are swayed by personalized offers on their phone has gone up by 4%.

The key message here is that while digitally-enabled store experiences were a huge driver post-pandemic, they're here to stay. They're less of a novelty and more 'part of the furniture', and they have a real impact on consumers.

Over half of global shoppers surveyed say that receiving personalized offers on their phone would increase their likelihood of visiting a physical store

Driving footfall in-store

% of fashion buyers who say these would increase their likelihood of visiting a physical retail store when shopping



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6,352 fashion shoppers in China, France, Germany, Japan, Mexico, the UK and the U.S.

Attitudes towards digital triggers

% of fashion buyers who say the following

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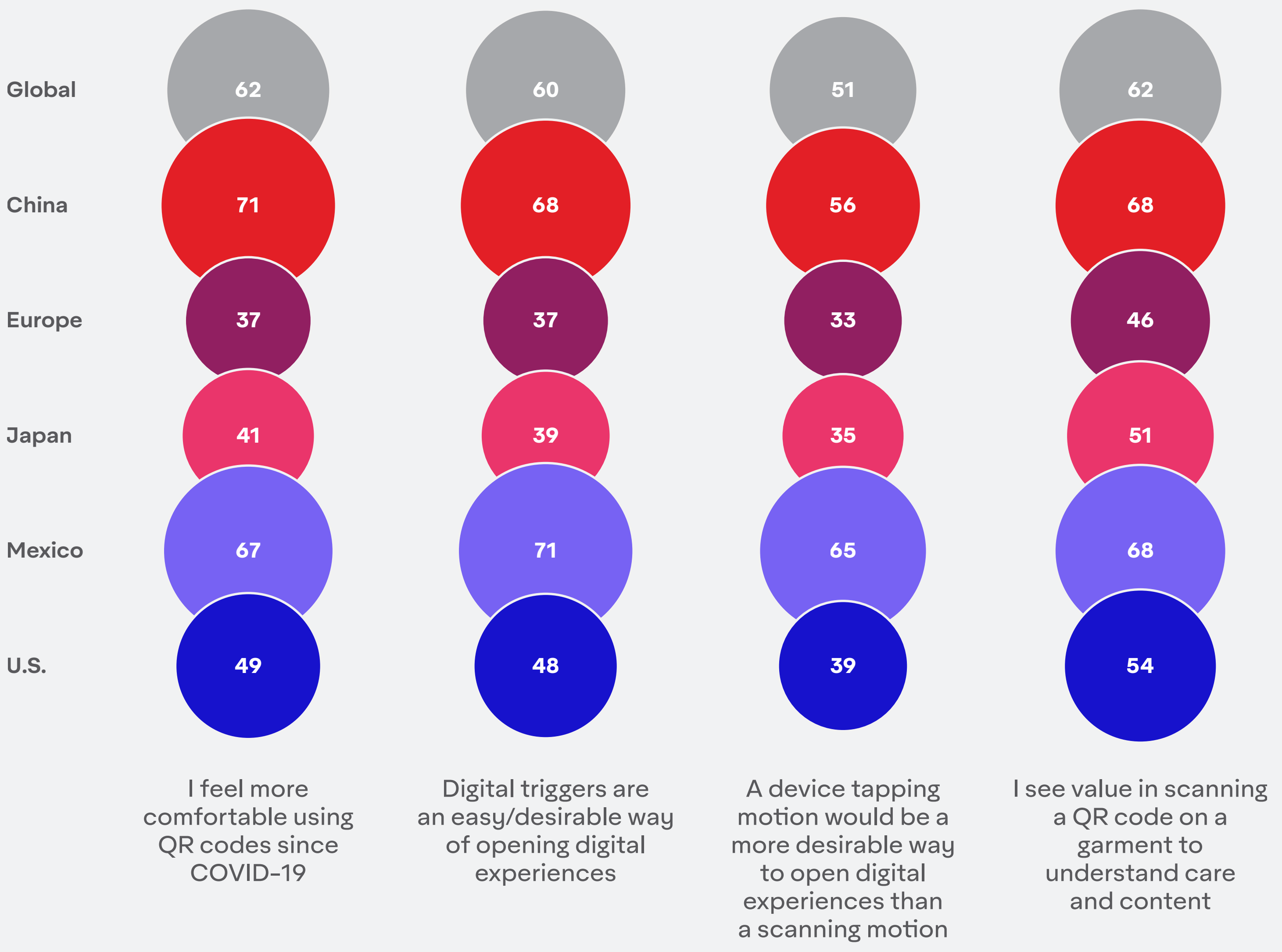

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Engagement with digital tools

The pandemic definitely shifted consumers' comfort levels with tech, but these digital touchpoints are here to stay. In the markets surveyed, monthly usage of QR codes has steadily been rising since 2018, even in Europe where tech engagement isn't as high. Mobile payment usage has also seen a steady increase, and of all markets surveyed, is highest in the UK and U.S.

This could explain why 6 in 10 fashion shoppers say that digital triggers (such as QR codes and mobile tap NFC) are an easy and desirable way of opening digital experiences. Interestingly, one digital tool that stands out globally is using QR codes to understand garment care, especially in Japan and the U.S. Shoppers are more open to new tech when they know it's helping them in a meaningful way, rather than just trying to sell to them.

What's more, in the EU, legislation will soon make it mandatory for important information about the composition of garments to be contained in easily-accessible digital formats, so that users can upcycle or resell items and recycling can be carried out at scale. Digital Product Passports (DPPs) or digital IDs, will be required for every item manufactured, most likely accessed via digital labels on garments. We expect that other jurisdictions, including the United States, will follow this trend.

While it's unsurprising to see digital triggers being so important in China, where tech like QR codes have long been ingrained in daily life, it's interesting to see them being so popular and well-received in Mexico. Meanwhile, figures are slightly lower in Western markets where populations are slightly older and this kind of tech remains relatively nascent. Look over to Gen Z and millennials here and it's clear where this trend is heading – we see significantly greater comfort and usage of all digital tools and experiences among these younger groups.

Proper care extends garment life, and 6 in 10 fashion shoppers globally say they see the value in scanning a QR code to understand care and content

Shoppers in Europe and Mexico are ahead for wanting to scan digital triggers for greater transparency around human and labor rights

Enabling convenience and sustainability

Convenience, sustainability, and circularity are the most important motivators that encourage people to engage with digital touchpoints. This is very clearly seen in our analysis, in which we grouped specific rationale options under umbrella themes. Self-service checkout, ease of returns and brand discovery, for example, were all grouped under the theme of "convenience".

Eco-consciousness is a strong driver for digital trigger usage in China and Mexico, where users want to understand conscious wash care and how to recycle, resell or repair items. Meanwhile, over in the U.S. and UK, we see a bigger emphasis on convenience; self-service check-outs and easy returns come up higher on their list than sustainability. Sustainability still remains high up on the agenda for shoppers, especially with the climate crisis hitting the news more than ever. Likewise, ethical labor has been in the spotlight more and more, and shoppers in Europe and Mexico are more likely to want to scan digital triggers for greater transparency around human and labor rights.

The good news is that digital solutions hold a great deal of potential in bringing the fashion industry toward greater levels of sustainability and circularity, particularly when products are given a unique identity. These digital ID solutions not only drive efficiency through traceability, but give stakeholders instant access to information relevant to that product's entire lifecycle, from manufacture to reselling, recycling, or disposal — all areas of significant impact when it comes to meeting global environmental goals.

Encouraging digital trigger uptake

3

% of fashion buyers who say they would be willing to scan a digital trigger (e.g. QR code, mobile tap NFC) on a garment label or packaging in exchange for the following experiences

	Global	China	Europe	Japan	Mexico	U.S.
Proof of garment authentication	38	42	30	34	48	27
Personalized offers	38	42	25	23	49	31
Conscious wash care instructions	35	41	26	18	32	27
Self-service check-out	35	37	23	28	34	35
Ease of returns	31	28	29	18	41	40
How and where to recycle, resell or repair	27	30	23	20	36	18
Product journey traceability	26	33	21	8	26	11
Brand discovery	20	22	12	24	24	13
Social media sharing	15	18	9	7	18	10
Human and labor rights transparency	12	11	15	7	20	12
Gaming	12	9	13	7	27	14

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Almost half of global fashion shoppers are interested in virtual experiences, while over a third say they'd be keen to purchase digital outfits for their virtual gaming characters in games like Roblox and Fortnite

Emerging technology and the digitized wardrobe

Many fashion shoppers are interested in new technology. The rise in the metaverse, virtual experiences and NFTs hasn't bypassed them. Digital fashion platforms saw a huge boom during the pandemic, which enabled users to fuse fashion and gaming. Many played games that allowed them to wear dream luxury brands digitally, as well as use virtual styling services while they weren't allowed to physically go into a store. These trends are certainly here to stay: almost a half of global fashion shoppers are interested in virtual experiences, while over a third say they'd be keen to purchase digital outfits for their virtual gaming characters in games like Roblox and Fortnite.

Fashion shoppers are also looking to incorporate tech in their existing wardrobes. The pandemic, along with the various lockdowns that ensued, caused people globally to rethink their wardrobes. People weren't leaving the house, and as a result weren't investing in clothes in the same way as before. Now, we're seeing a shift, where shoppers are turning to new tech to help them fall in love with their wardrobes again.

We're seeing a rise in apps that help users digitize their wardrobes – by helping them organize and plan outfits, have visibility of items they own but may have forgotten about, and understand the value of their clothing.

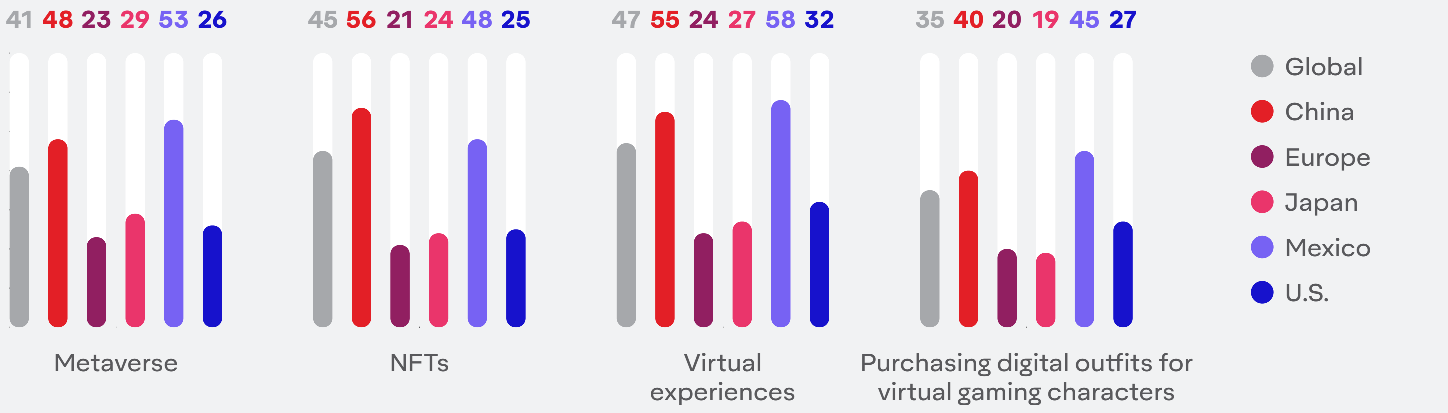
And it's not just the apps that are monetizing this need for digitized wardrobes: fashion brands are also getting involved. Many apps offer styling suggestions based on items that users already own – something that over half of global fashion shoppers say is a feature they'd be interested in using.

Our data also shows that globally, shoppers are most likely to want to digitize their wardrobes to find out the value of the items they already own – and Europe and Japan stand out here. If shoppers want to make more conscious fashion choices and take advantage of the secondary marketplace, understanding the value of their clothes is key.

Interest in technology engagement

4

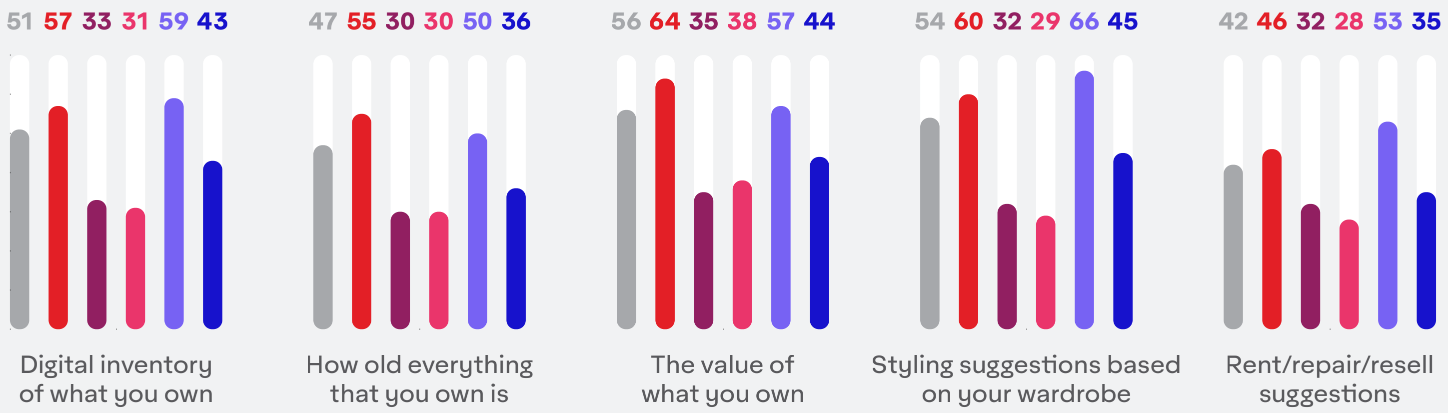
% of fashion buyers who say they are interested in engaging in the following



Interest in digitizing wardrobe

5

% of fashion buyers who say they are interested in digitizing their wadrobe in the following ways



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02

Sustainability, transparency, and circularity

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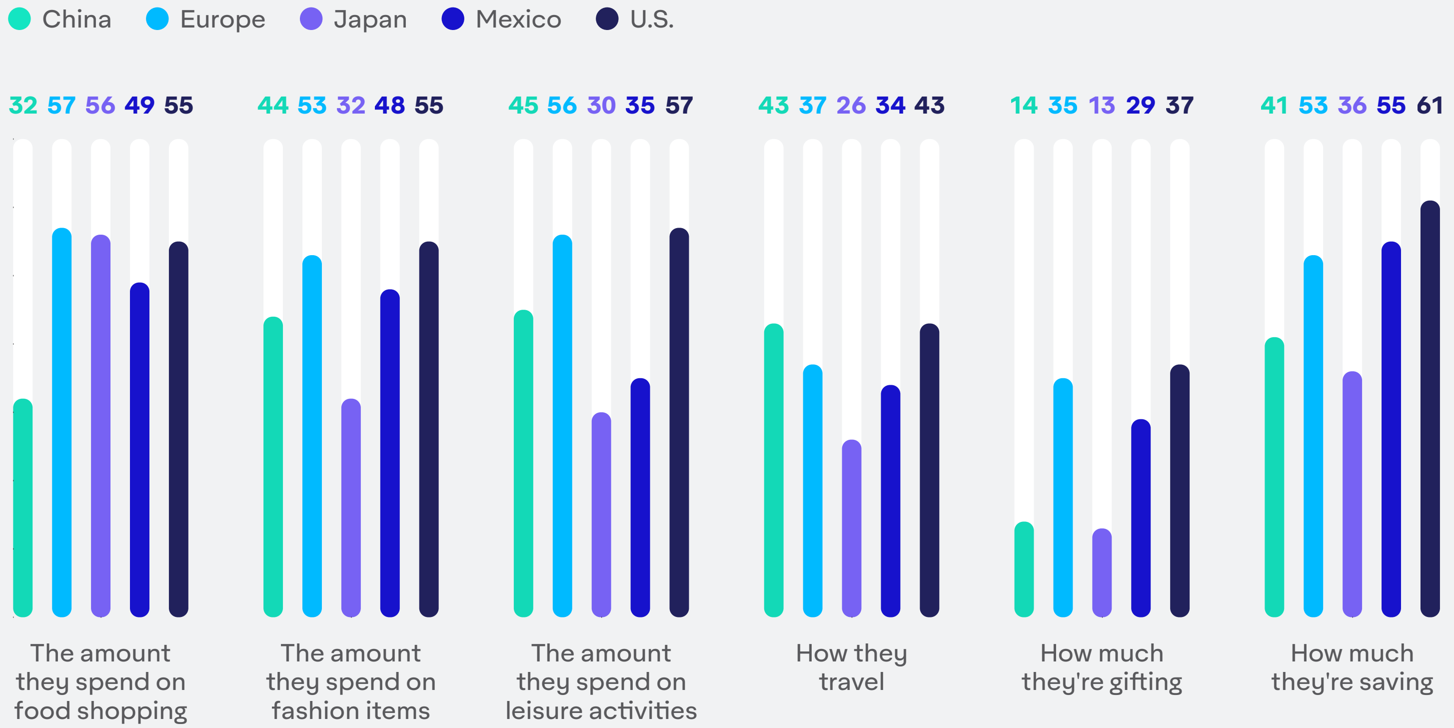
Among those who say they're more open to buying second-hand since the pandemic, almost as many say it's due to a change in financial situation as those who do so for environmental reasons

The impact of cost of living

6

% of fashion buyers who say that compared to 6 months ago, the current cost of living has affected...



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The cost of living and sustainability

It's clear that the impact fashion has on the environment continues to be hot a topic for consumers. Across all markets surveyed, consumers have become increasingly worried about the future.

While consumers are becoming more pessimistic about the future of the environment, their views towards their own finances are following a similar pattern. The heights of the pandemic might seem like a distant memory for some, but a cost of living crisis has swiftly taken its place.

Those in Europe and the U.S. have felt the strain the most, especially when it comes to how much they're spending on fashion, gifting and leisure. Globally, 3 in 4 fashion shoppers say their fashion spending has fallen because of the cost of living, and this figure jumps to 80% in Europe and 81% in the U.S.

Despite financial strains, second-hand shopping, online rental platform usage and interest in garment repair have all decreased since 2021. And, in markets like Europe and the U.S., which have felt the financial impact the most, value for money is more important than ever. When asked about what draws them to certain fashion brands over others, price is more important than things like sustainability and quality, suggesting that fast fashion is simply the more convenient and cost-effective option for them.

That said, it's not the end of the road for sustainability. Just as an example, among those who say they're more open to buying second-hand since the pandemic, almost as many say it's due to a change in financial situation as those who do so for environmental reasons. Consumers need to be reminded that sustainability efforts and cost-effectiveness can go hand-in-hand with equal measure of importance.

Globally, 3 in 4 shoppers say their fashion spending has fallen because of the cost of living, and this figure jumps to 80% in Europe, and 81% in the U.S.

The importance of transparency

It's no secret that sustainability is a cornerstone when it comes to fashion today. Fashion shoppers have high expectations of fashion brands to drive sustainability and social responsibility forward, and emerging tech is a great tool for brands to meet these expectations head on. Shoppers across all markets are calling for fashion brands to use recycled fabrics and materials, use sustainable packaging and use carbon neutral shipping, but it goes deeper than that. They have high expectations from the fashion industry to help consumers live more sustainably, and want brands to be transparent about things like manufacturing practices. In many markets, expectations around transparency about ethical practices are more important than the more obvious eco-friendly efforts. This is especially true in Mexico, and also in the U.S. where there has been an uptick compared to 2021.

Globally, 2 in 3 shoppers want to have accessible information about the journey their clothes went on before they purchased them, and over 4 in 10 are interested in seeing where they go in their second/third life, and beyond. There's also a demand for scannable garment labels which can help consumers make better sustainable decisions. 28% say they would scan a digital trigger to understand the product journey traceability, and over a third say they would scan a digital trigger to gain a better understanding of wash care instructions. This is especially true in the U.S., where we've seen a notable increase since 2021.

Overall, it's key to note that brands need to get on board with this new technology to keep up with growing consumer demands and legislative requirements. In fact, item-level digital ID solutions could help shoppers make better, more sustainable fashion choices, and bring significant value towards better sustainability in the fashion industry: something that will benefit all stakeholders.

2 in 3 fashion shoppers want more transparency about the journey their clothes went on

Sustainability in fashion

7

% of fashion buyers who agree with the following statements (in descending order based on aggregate results)

	Global	China	Europe	Japan	Mexico	U.S.
It is important to me that fashion brands use sustainable packaging	66	58	57	34	79	49
I try to buy environmentally-friendly fashion products/brands	69	70	44	29	69	46
I try to buy from fashion brands that are socially responsible or environmentally-friendly	68	70	42	31	72	46
It is important to me that fashion brands have eco-friendly or carbon neutral shipping	64	56	51	32	70	47
It is important to me that fashion brands use recycled fabrics and materials	62	57	45	29	66	43

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Transparency in fashion

8

% of fashion buyers who agree with the following statements (in descending order based on aggregate results)

	Global	China	Europe	Japan	Mexico	U.S.
It is important to me that fashion brands are transparent about their manufacturing practices	71	66	60	37	77	59
The fashion industry has a responsibility to help consumers live more sustainably	70	66	59	43	73	57
It is important to me that fashion brands source materials ethically and sustainably	69	67	57	34	79	60
I want to have accessible information about the journey my clothes went on before I purchase them	67	64	47	31	68	45
It is important to me to know the carbon footprint of the entire production process of a garment	61	54	42	28	64	39

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Circularity, recycling, repair

Globally, we can see that fashion shoppers have high expectations from fashion brands to offer post-purchase support, in the form of helping consumers take better care of their clothes, as well as information on how to recycle, resell or repair items they no longer want. Those in China and Mexico feel most strongly about this.

Without this relevant information, a product's life cycle could fall short of its potential, and the forward value and authenticity of that product can be compromised. Brands then can't fulfill their sustainable efforts and take advantage of the growing second-hand and resale market. 4 in 10 fashion shoppers say they buy second hand (Europe, Mexico and the U.S. lead the way here), and a third have said they'd be more open to doing so since the pandemic. Without tools to help facilitate the resale exchange smoothly, the industry leaves value on the table. Digital tools which can track the value and visibility of clothing are key, and every stakeholder stands to benefit from this innovation, even those who don't invest directly into the technology.

For shoppers, this innovation can deliver tangible value, whether that's through extending their usage of an item through proper care and repair, supporting them in responsibly disposing of that product, or reselling that item with assurances of authenticity. Consumer demand exists for brands to take an active role here: whether it's product care support, recycling, reselling or repairing.

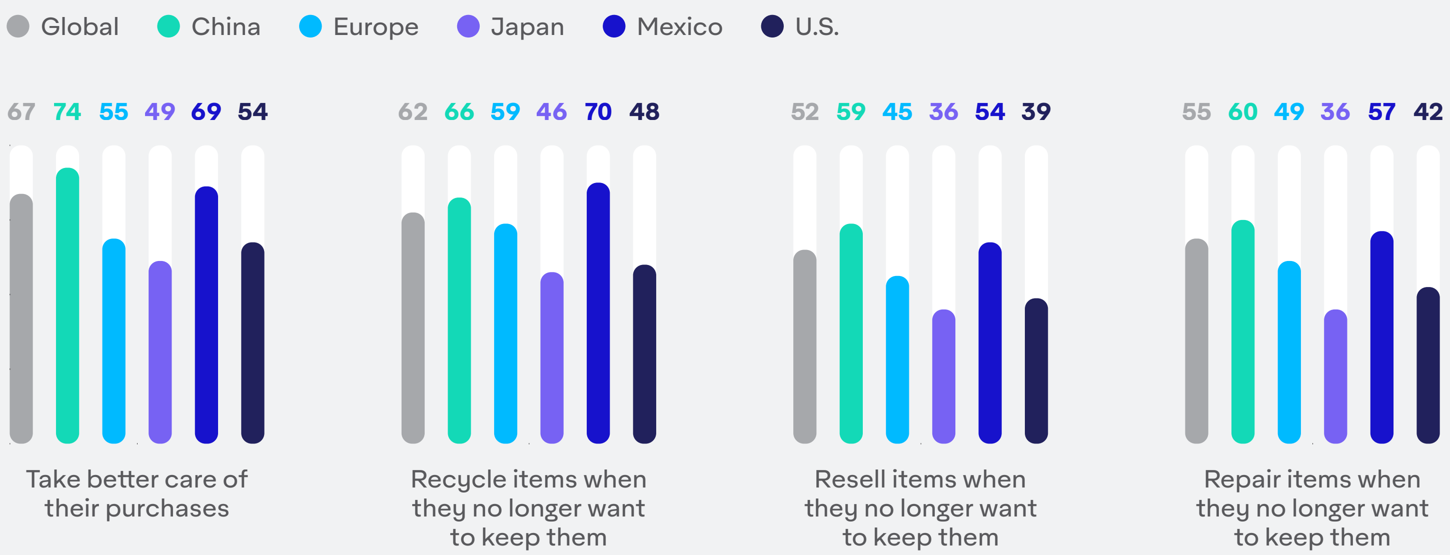
Over half of shoppers surveyed have repaired fashion items that were either broken, stained or had become lackluster over time, and 6 in 10 say they would be interested in doing so in the future. This number is even stronger among those in Mexico, where it's 3 in 4. This indicates an opportunity for brands and retailers to facilitate giving old clothes a new life. Whether it's QR codes that give consumers relevant information, or product authentication that allows for verified secondary market purchases, the future promises greater circularity once the fashion industry implements item-level digital ID technology.

4 in 10 fashion shoppers say they buy second hand (Europe, Mexico and the U.S. lead the way here), and a third say they are more open to doing so since the pandemic

Post-purchase support

9

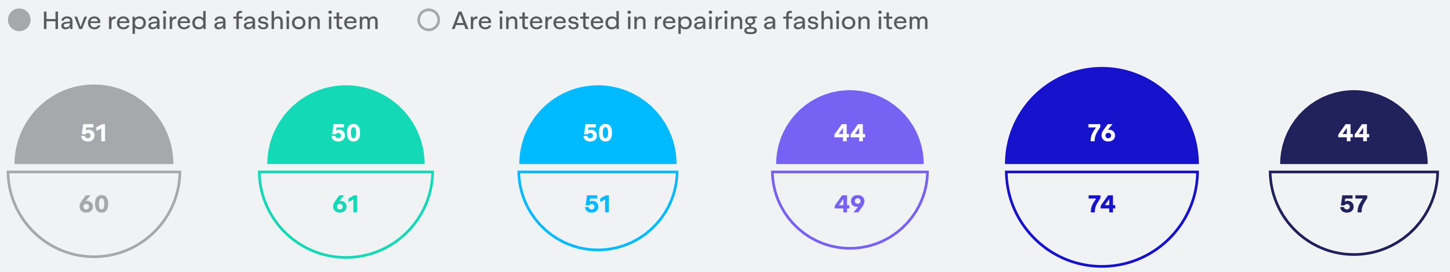
% of fashion buyers say that fashion brands have a responsibility to help consumers...



Fashion repair

10

% of fashion buyers who...



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The state of recommerce

Secondary marketplaces in the fashion industry are not to be overlooked, and the implementation of smart labels and digital ID technologies can further invigorate them, directly benefiting consumers.

When it comes to second-hand shopping, we can see a huge divide between APAC and the rest of the world: this number is higher in Europe (50%), Mexico (60%) and in the U.S. (50%), while much lower in China (34%) and Japan (46%). There are strong age-based patterns here too: Gen Z and millennials are more likely to be purchasing second-hand fashion goods than Gen X and baby boomers. Gender and income definitely play their part: generally we see female and lower-income shoppers being ahead for second-hand fashion. The notable exception is China and Japan, where it's higher-income shoppers who are ahead. Many fashion shoppers – particularly in China, Japan and Mexico – where counterfeit goods are a particular issue, say that proof of garment authentication is a key reason they would use digital triggers. Interestingly, we see a direct correlation between shoppers living somewhere where counterfeit goods are rife and the need for digital triggers for garment authentication. This becomes even more apparent when we isolate second-hand shoppers: those in China, Mexico and Japan are far ahead of those in the U.S. and Europe. And, secondary marketplaces like eBay, which are typically less likely to be trusted among shoppers in terms of authenticity, are already making moves to implement NFC technology for authentication purposes across luxury handbags and sneakers.

The fashion rental marketplace is more of an up-and-coming concept for fashion shoppers. While almost a quarter of shoppers globally report having used a fashion rental platform in the past, this number is higher in China and Mexico.

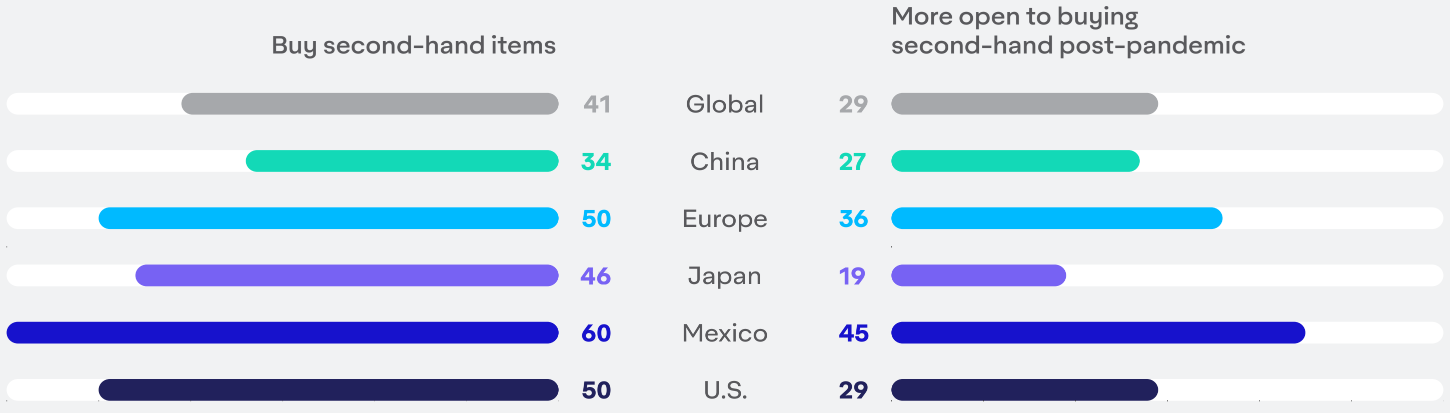
Meanwhile, in Europe, Japan and the U.S., this number is much lower, most likely due to financial reasons. Renting outfits might be more cost-effective in the longer-run, but consumers are wanting short-term fixes. Those in the U.S. and Europe, where the cost of living crisis is prevalent, are ahead for saying they don't use online rental platforms because they simply prefer buying and keeping clothing.

That said, there's proven interest in fashion rental platforms in every region surveyed. Together with the pronounced interest in understanding a product's history through digital triggers, the future of circularity in fashion won't just benefit the environment and reduce waste, it will also offer another touchpoint for consumers to get deeper product stories and better engage with brands.

Buying second-hand fashion

11

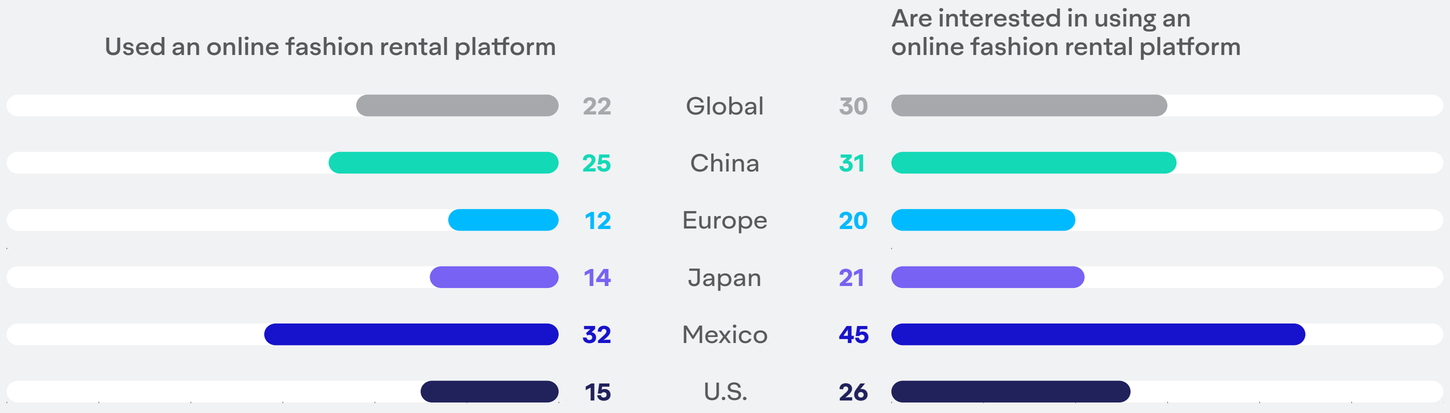
% of fashion buyers who agree with/do the following



Online rental platform usage

12

% of fashion buyers who say/do the following



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03

Authenticity and brand protection

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Fashion shoppers are generally comfortable with their garments containing digital connectivity features: 6 in 10 globally say they'd be happy with it, if it meant they had greater convenience from brands and retailers

The value exchange

Labels serve an important purpose in helping consumers understand more about the items they've bought. They provide information on where an item has come from, what materials were used, and how to care for it. It's already clear that this information is valuable to consumers, but it's also clear that consumers expect more in 2023.

We found that the majority of shoppers surveyed globally said they'd be likely to scan digital triggers related to proof of garment authentication. These figures are skewed by markets like Mexico, Japan and China, which have a prominent counterfeit goods industry, though we still see strong numbers in Europe and the U.S. as well.

Fashion shoppers are generally comfortable with their garments containing digital connectivity features: 6 in 10 globally say they'd be happy with it if it meant they had greater convenience from brands and retailers. Across all markets, this figure is higher when we isolate Gen Z and millennials.

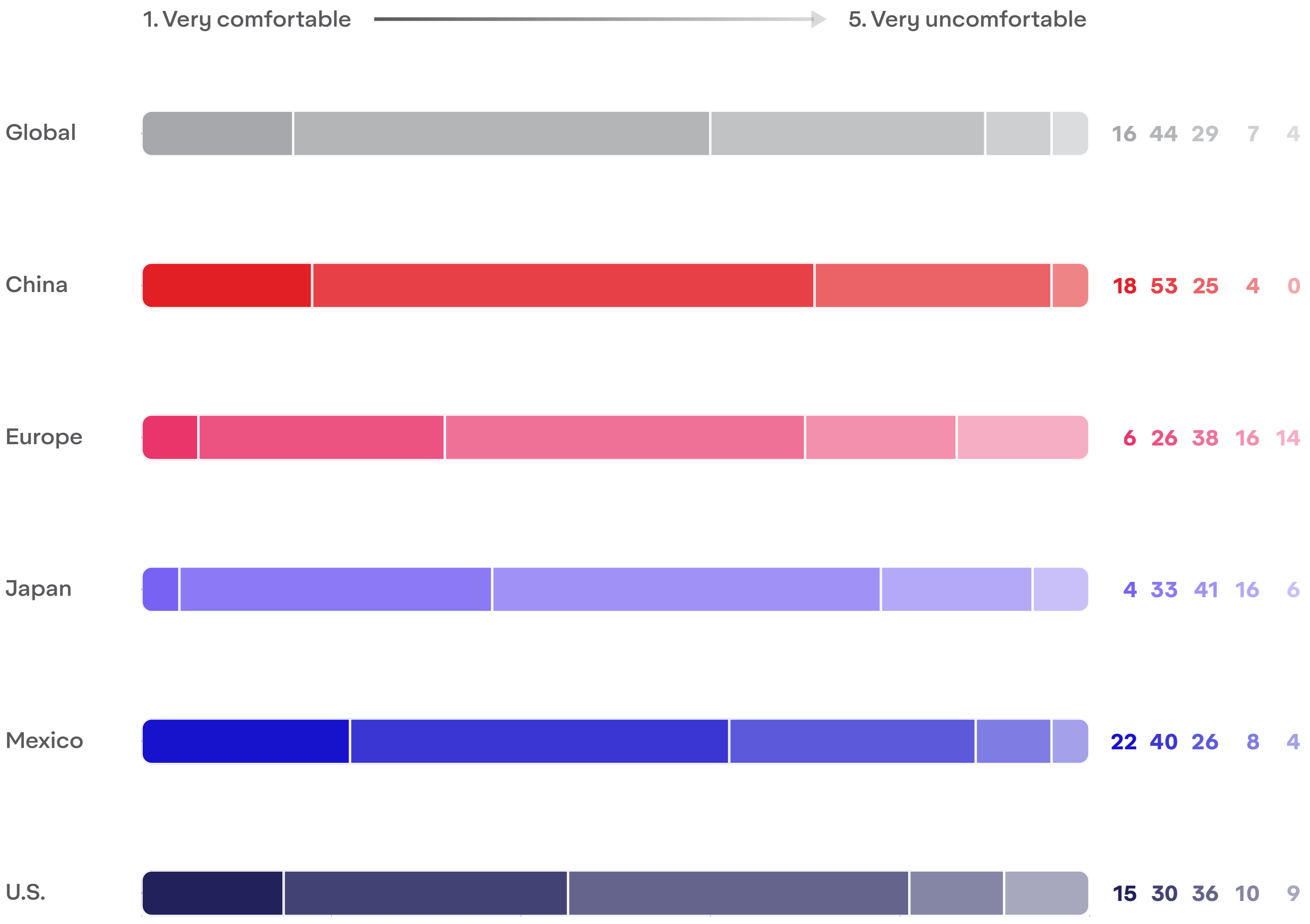
But, it's not just a hypothetical concept, either: shoppers are also likely to scan digital triggers on a fashion product or packaging. Globally, 55% say they would do so if it meant they would receive a useful or rewarding experience. Unsurprisingly, this figure jumps up to 6 in 10 among Gen Z and millennials, and we can see upticks among young consumers across all markets.

What does this mean for fashion brands? It means there's a real demand from consumers for more information on the products they're buying. They want transparency and traceability from brands so that they can make better choices, conveniently.

Comfort levels of garment digital connectivity

13

% of fashion buyers who say that they are comfortable with their garment containing digital connectivity features if it meant they had greater convenience from brands and retailers



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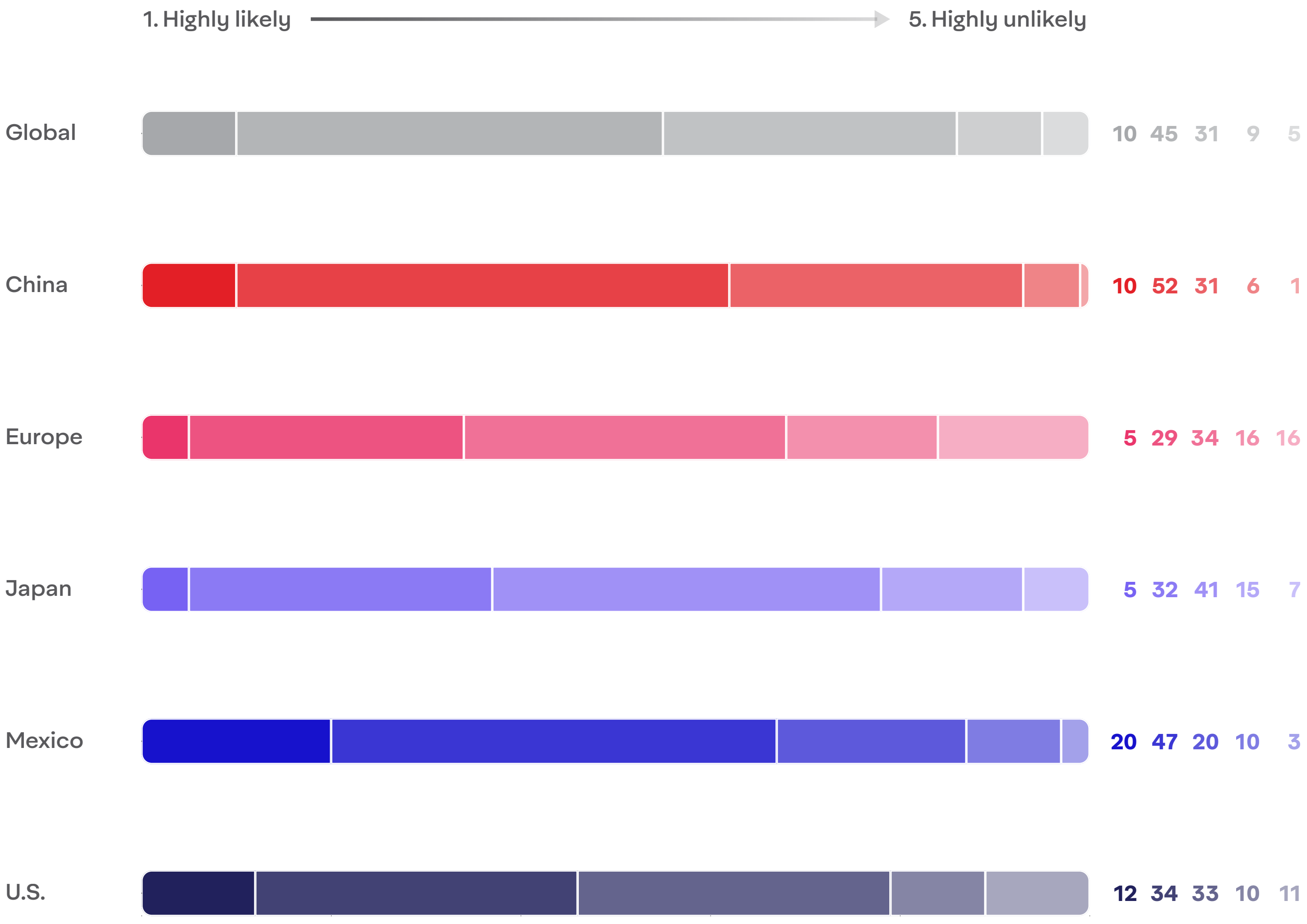
Likelihood of scanning a digital trigger

14

% of fashion buyers who say they are likely to scan a digital trigger (e.g. QR code, NFC) on a fashion product or packaging for a useful or rewarding experience



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We see a big disparity across markets in awareness of the impact that counterfeit goods actually have

Attitudes towards counterfeit goods

We can't discuss fashion and designer clothing without mentioning the counterfeit goods industry. Of course, counterfeit goods are much more common in some regions than others, causing an inconsistency among shoppers' behaviors towards fakes. For example, in markets like China and Mexico, where the sale of counterfeit fashion items is much more prevalent, shoppers are more likely to care whether the items they're buying are authentic or not.

Interestingly, given their love for second-hand fashion, shoppers in Mexico are much more likely to care about the authenticity of their second-hand items than of those they bought first-hand. Despite this, shoppers in Mexico are generally very trusting of outlets like resale marketplaces and repair services to provide them with authentic items. Shoppers in Mexico are also most likely to be interested in using a QR code to validate the authenticity of a product.

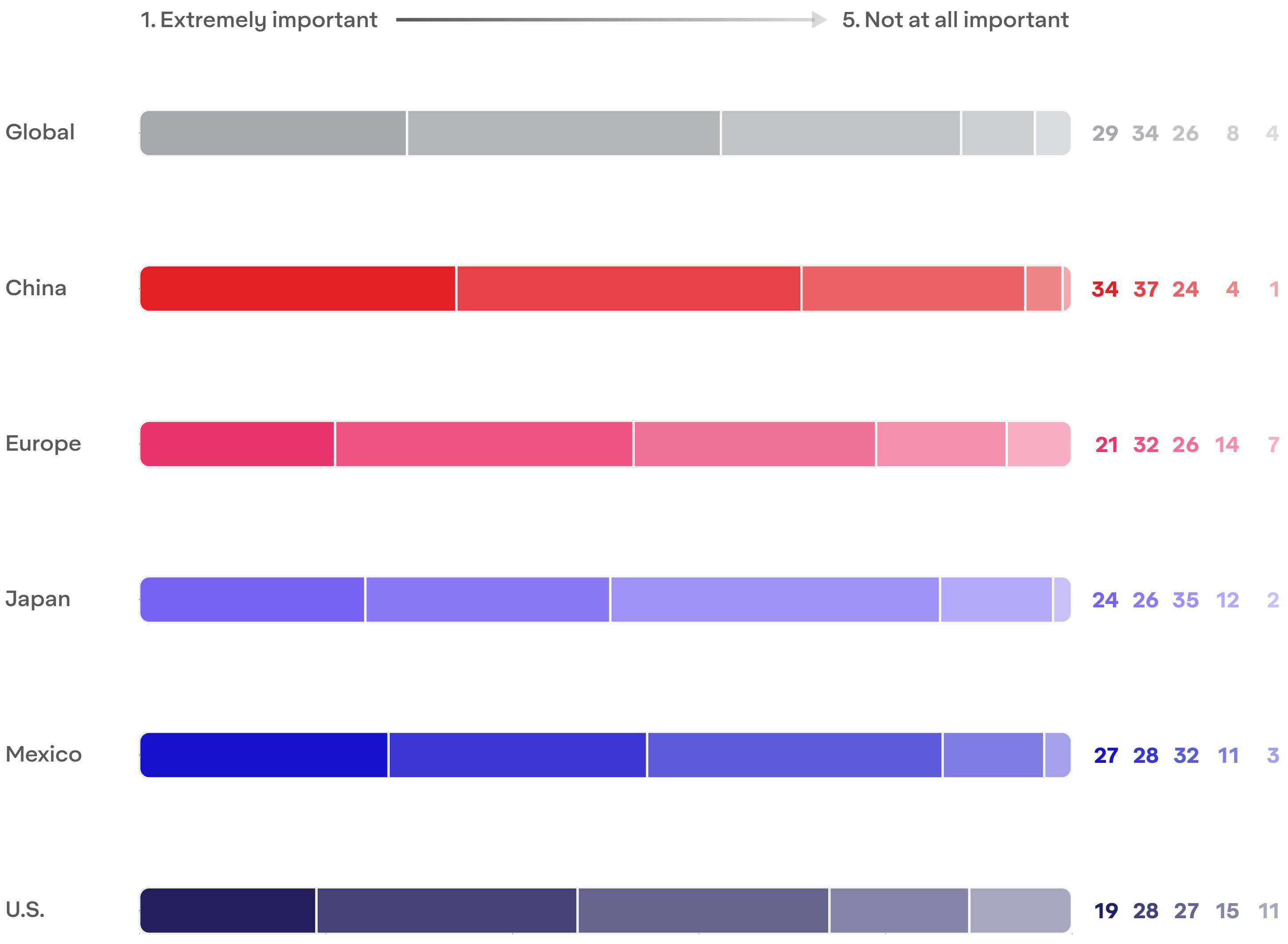
We see a big disparity across markets in awareness of the impact that counterfeit goods actually have. Generally, shoppers in China are more aware of the impact on jobs and the exploitation of workers, while in Europe, where a lot of brands and designers are based, shoppers are more aware of things like the reputational damage for brands.

This awareness doesn't always necessarily translate into action: shoppers globally are still likely to consider buying counterfeit products in the future, especially clothing. The notable exception here is Japan, where almost three quarters of shoppers say they would never consider buying a counterfeit fashion item, which could be due to the recent tightening of counterfeit laws.

Level of care: fashion product authenticity

15

% of fashion buyers who say they care if a fashion product is authentic or not



GWI Custom Study 2022 | 6,352 fashion shoppers in China, France, Germany, Japan, Mexico, the UK and the U.S.

Awareness of impacts of counterfeit goods

% of fashion buyers who they're aware of the following impacts of counterfeit goods

Global · China · Europe · Japan · Mexico · U.S.

Impact	Global	China	Europe	Japan	Mexico	U.S.
Violates the intellectual property rights of the designer	90	94	85	88	89	79
Subsidizes organized crime	72	73	75	83	79	60
Causes reputational damage for brands	85	92	77	83	82	68
Can lead to the exploitation of workers	70	68	81	76	78	67
Contributes to job losses because genuine manufacturers are unable to match prices charged by rogue traders	72	73	75	77	81	60
Can result in health hazards	70	71	78	64	70	62

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Appendix

1. Which of the following would increase your likelihood of visiting a physical retail store when buying clothing/footwear?
2. Do you agree with the statements below?
3. Which of the following experiences would you be willing to scan a digital trigger (e.g. QR code, NFC) on a garment label or packaging in exchange for?
4. Of the technology listed below, how interested would you be to engage with.
5. Are you interested in digitising your wardrobe?
6. You mentioned your spend on fashion items has been affected by the rise in the cost of living. How would best you describe this change?
7. Do you agree with the statements below?
8. Do you agree with the statements below?
9. Do you agree with the statements below?
10. Have you ever repaired a fashion item that was broken, stained or lackluster over time? Are you interested in garment repair/refresh services offered by a brand or retailer?
11. Do you buy second hand fashion items? Has your interest in second-hand fashion changed since last year?
12. Have you ever used an online fashion rental platform? Are you interested in using an online fashion rental platform in the future?
13. Are you comfortable with your garment containing digital connectivity features if it meant you had greater convenience and service from brands and retailers?
14. Are you likely to scan a digital trigger (e.g. QR code, mobile tap NFC) on a fashion product or packaging for a useful or rewarding experience?
15. Do you care if a fashion product is authentic or not?
16. Are you aware of the following impacts of counterfeit products?

Notes on methodology

Introduction
All figures in this report are drawn from GWI's online research among internet users aged 16-64. Please note that we only interview respondents aged 16-64 and our figures are representative of the online market populations of each market, not its total population.

Sample size by market
Unless otherwise stated, the data in this report is taken from our Custom survey from October 2022 among internet users aged 16-64 who have purchased clothes, shoes or accessories in the past month, in the following markets:

- **France:** n=1000
- **Germany:** n=1000
- **China:** n=1000
- **USA:** n=1000
- **UK:** n=1000
- **Mexico:** n=550
- **Japan:** n=670

Please note, where clearly stated, this report also draws on insights from GWI's ongoing Core global research.

Our research
Each year, GWI interviews over 950,000 internet users aged 16-64 across 50 markets. Respondents complete an online questionnaire that asks them a wide range of questions about their lives, lifestyle and digital behaviors. We source these respondents in partnership with a number of industry-leading panel providers. Each respondent who takes a GWI survey is assigned a unique persistent identifier regardless of the site/panel to which they belong and no respondent can participate in our survey more than once a year (with exception of internet users in Egypt, Saudi Arabia and the UAE, where the respondents are allowed to complete the survey at 6-month intervals).

Our quotas
To ensure that our research is reflective of the online population in each market, we set appropriate quotas on age, gender and education - meaning that we interview representative numbers of men vs women, of 16-24s, 25-34s, 35-44s, 45-54s and 55-64s, and of people with secondary vs tertiary education. To do this, we conduct research across a range of international and national sources, including the World Bank and the ITU, the International Labour Organization, the CIA Factbook, Eurostat, the US Bureau of Labor Statistics as well as a range of national statistic sources, government departments and other credible and robust third-party sources. This research is also used to calculate the 'weight' of each respondent; that is approximately how many people (of the same gender, age and educational attainment) are represented by their response.