



A market situation and consumer trends forecast analysis for 2021-2022

What happened in 2020, and is still happening, has changed the world and consumer preferences. Areas where slow changes were already in place have now accelerated, taking us 10 years into the future. While other have taken us about 10 years back. The year 2021 and following once will bring a change in consumer behavior and fashion trends what is determined by two very strong factors: pandemonium and environmental awareness. Most likely, an economic rebound to what it was before the pandemic will not happen before 2023. But it will not be the world as we knew it, a New Normality is ahead of us.





CUSTOMER BEHAVIOR

THE NEW NORMALITY - THE WORLD THAT NEVER EXISTED

The year 2021 will be a year full of novelty and contradictions. A pandemic will change the life of ordinary people. Remote work and study, restrictions on mobility, new rules in stores and public places, will push people out of their comfort zones.

In the long term, it is hard to accept physical isolation resulting from safety rules, limitations on common activities, and lack of social contact. Cultural adjustment to new circumstances will take place. People will want to pursue their existing needs, interests and activities in ways that are appropriate to the new circumstances.





CUSTOMER BEHAVIOR

DIGITAL SPRINT

The pandemic has forced people to operate online, whether for work, as well as accomplishing their shopping or social needs. 90% of Fashion businesses expect the hybrid work mode to become the norm in 2021.

The digitization of life has been going on earlier, but now the trend has been significantly accelerated. According to McKinsey & Company forecasts for 2021, online sales are expected to continue to increase by 20%. The leading country will be China, next in line will be Europe, the United States completes the list.

If a company hasn't been online before, it is aware today that it is extremely difficult to exist without it. Video meetings are getting to be the norm, exhibitions are being hosted virtually. Major brand stores are creating online showrooms, technology is shifting toward the virtual merchant. Implementing such solutions for smaller companies, comes with terrific costs, so they should focus on the one thing they do well and promote it.

CUSTOMER BEHAVIOR

SEEKING JUSTICE

Consumers demand that companies have a commitment to human rights, transparency in their operations, and authenticity. This particular trend affects companies that outsource part of their production to poor countries that rely on cheap labor.

66% of consumers declare they will stop purchasing from companies that do not treat their employees on a fair-play basis.

Local producers who respect people's rights to dignified working conditions and fair wages are becoming more essential. This is compounded by an understanding how important it is to support local producers.





CUSTOMER BEHAVIOR

DEEPER PARTNERSHIP

The problems in shipments during the pandemic have caused companies to review their suppliers and tighten relationships with those who were able to maintain the supply chain during the most difficult months. There is a move towards European producers with diversified production capabilities. The purchases alone are more cautious, in smaller quantities to be able to quickly react to the market, and this is easier while working with local suppliers.

CUSTOMER BEHAVIOR

TRAVEL INTERRUPTED

In 2021, traveling will remain complicated. On top of this is the fear of a possible quarantine that could ruin travel plans. It can be expected that traveling will be limited to the home country or surrounding ones.

Companies in the duty free and travel sectors will suffer the most. It is recommended to verify the offer to attract local customers.

For example, Lafayette Galleries used to generate 50% of their earnings from foreign customers, now are modifying their branding and offer to attract a domestic customer.

According to a recent McKinsey report, the following scenario is most likely to happen:
2021-2023 a slow return to traveling
2024-2025 end of restrictions and gaining back the trust in safe travel. The economy is improving.

2026+ return to normality. However, some sectors will remain affected by changes in consumer behaviors and the formation of new routines.





CUSTOMER BEHAVIOR

REGULAR STORES

Even before the pandemic, rapidly increasing rental prices forced some companies to reconsider the number of stores they were holding (e.g. many store of JC Penny, Macy's, Zara were closed).

That was accelerated by the pandemic. The year 2021 is a good time for stores to review whether they need as many outlets, spaces, locations. Some business has shifted to online, which, however, is strongly linked to the stationary stores' existence, which validates the brand. Stores are the company's signature, centers of entertainment, discovery, and shipping points. The quality of stores is improving.

Until now, the Internet was only a complement to stationary sales. Now online sales and stationary stores are becoming one, inter-supporting unit.

In China, the opposite trend is in place. There, numerous companies first started business in internet and the online sale is much more common than in some other parts of the world. By now, there are so many companies with online sales that in order to establish their brands and stay ahead of the competition, there is an increase in new stationary store openings (expected to grow by 5% in 2021).

CUSTOMER BEHAVIOR

CHINA

China being the first country affected by the pandemic, has dealt with it relatively quickly and effectively, which now gives it an economic advantage over other countries still struggling with Covid-19. According to McKinsey&Company forecasts, the Chinese economy is expected to return to its pre-crisis state in the first quarter of 2021.

As early as July 2020, China's luxury sales had returned to the levels of 2019. This is significantly affected by the inability to travel, which leaves the wealthy part of the nation forced to shop domestically. Previously, it was common to see Asian tourists lining up in front of luxury brand stores in many European cities. Today their absence is painfully noticeable. LVMH Group reacted very quickly to this change and started creating virtual showrooms on popular Chinese shopping platforms. T-Mall plans to increase its customer portfolio by 100 luxury brands, which will probably have an impact on future decisions regarding the meaning of travelling to Europe to shop for high quality products.





CUSTOMER BEHAVIOR

CLIMATE CHANGE AND NEW APPROACHES TO CONSUMERISM

For many people, climate change will no longer be a scientific theory. They will become an indisputable fact affecting their everyday lives. This will be followed by a better understanding of the influence of humans on the environment. Awareness of the sources of emissions of natural gases, the consequences of global economic trade, and the production of cheap and non-recyclable goods and everyday items, will lead to a change in consumer choices. Attention to the origin of products, the influence on local communities, the exploration of products that can be reused, repaired or recycled will increase. Consumers will reach for longer lasting, more universal and less fashionable products in order to buy less and generate less waste.

CUSTOMER BEHAVIOR

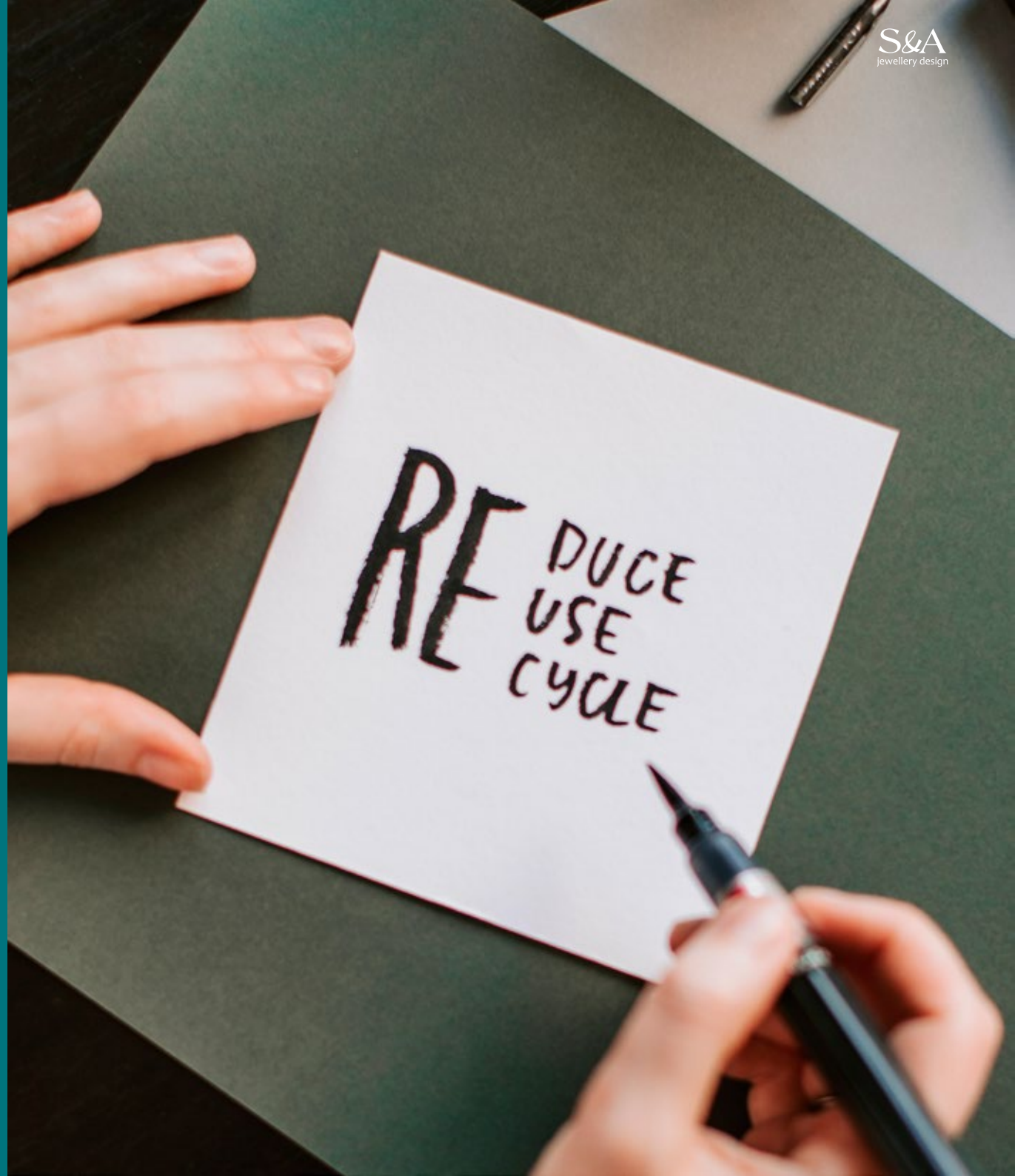
BUY LESS BUT BETTER

There is a strong need for things that are timeless, authentic, durable and of good quality. New collections will be a response to customer needs more than a traditional fashion catalogue. The companies will decrease the number of new collections by being more concerned with their well thought out design, materials used and quality. The collections should be both timeless and universal, which will allow the customer to create new styles on their own. The designers stay away from any extravagance by going back to their best classic collections from previous years, giving them a fresh twist with new trims and bright colors, but keeping the same timeless vibe.

At the same time, companies are taking steps to make it possible to recycle used products, give instructions on how to care for and repair goods, and when it is possible, they offer rents or subscriptions.

The customer becomes more aware, does not choose quantity but quality.

Gemstones and precious metals dominate in jewellery.





Tiffany



S&A

THE JEWELLERY TREND

NATURAL STONES

A trend that is expected to persist for years to come. A return to the nature, the urge to be enhanced by the color and the meaning of the stones. Classic, timeless settings, often with structures. Stones with healing and esoteric properties.

THE JEWELLERY TREND

SYMBOLS AND TALISMANS

The search for strength and harmony through magical symbols, inspiring inscriptions. Jewellery becomes the bridge between magic and reality. Supports and protects. Through its meaning, it is providing the strength in the difficult post-pandemic time. The ancient magical sense of stones and symbols is back.



David Yurman



S&A



Chanel



S&A

THE JEWELLERY TREND

FLORAL AND ANIMAL THEMES

The everlasting nature of these themes makes them one of the most popular choices for the jewellery designs. Being in contact with nature is soothing and evokes good thoughts.

THE JEWELLERY TREND

THE CHAINS

Because of their wide range of uses they are an essential element in every woman's collection. This season their expressive patterns are becoming a jewellery on their own, worn individually or in cascades, by themselves or with pendants.



Victoria Beckham



YSL



Tiffany



S&A

THE JEWELLERY TREND

MEN'S JEWELLERY

We should expect some classical geometric shapes and numerous male symbols - astral, folkloric or animal. Among necklaces, immortelles will be the season's bestseller. Several bracelets worn at once. Signets with symbols or rings e.g. simulating a chain. The 90s-style round earrings are back in style, and as for new trends -brooches.

THE JEWELLERY TREND

PRODUCT RANGE, COLORS AND SIZES

Due to the growing popularity of remote work and online meetings, "upper keyboard dressing" - all that can be seen above the desk - becomes more and more important. Small jewellery is hardly visible on camera, so large pieces with vivid colors will dominate. But the jewellery is not extravagant, but rather classical and yet timeless.

Round, tears, circle earrings, also with the charms type elements.

Pendants with a stone as the main feature, chains, often worn in a cascade.

Bracelets on chains or with natural stones to wear in groups of several.

Rings with natural stone or band type with a texture on the metal, often with encouraging inscriptions.

Also to be worn in multiples.





The new situation creates many new challenges for our sector, but every challenge is also an opportunity for growth. At S&A, we keep an eye on, analyze and adjust to the new reality. We have chosen to grow and work together because united we are stronger. We are looking forward to cooperate with you.

Thank you
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Perfection in details

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