

The Future of USA Clothing Retail: Is it Bright or Bleak

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Abstract - The clothing retail industry in the United States has been distressed way before the global pandemic happened. This could be attributed to several factors like the volatility of consumer behavior and the drastic phasing of marketing schemes. As dire as it may seem, the clothing retail industry is slowly coping and picking up ones more in some US cities. There have been moves to innovate marketing strategies in order to mitigate losses in sales vis-à-vis keeping it safe for consumers. Companies are restructuring systems of work to remain afloat in the business. Majors overhauling in all aspects of operations is need to be addressed in order to be able for the companies to see the end of this battle as victors.

Keywords: Clothing Retail, innovation, magnifying digital, consumer connection.

I. INTRODUCTION

The United States has been considered as a leading fashion haven in the world alongside the different countries in Europe. The fashion statement in this side of the world most often than not dictates the world's fashion trend. More so, the US has long been the headquarters of many leading designer labels that cater to different niche markets. They also host the most influential fashion weeks in the world. In North America alone, the fashion and clothing industry generates approximately \$600 billion in annual revenue and employs more than four million people.

But with the current global pandemic, where most people are staying at home for work and studies, there is obviously less need for fashionable clothing and less need for mall based stores. Fashion and dressing up is not at all a priority of consumers, who shifted focus to the more essential items. Even when stores reopened in most places in the United States the clothing industry has not picked up. Based on data, there are more than 11,000 reported fashion store closures in 2020 alone. It is projected that around 100,000 retail stores will shutdown if situation does not improve.

This pandemic has unearthed daunting challenges in the clothing retailer industry. Research shows that knowing the issues and challenges alone will not assure a bright future because when this pandemic is over and the world opens again consumers will emerge differently.

II. STATEMENT OF THE PROBLEM

The Covid-19 Pandemic has brought massive problems all over the world not only in the health sector but in almost all facet of living. It has brought too much difficulty unimaginable to mankind. The United States recorded the highest number of infections and death among the countries around the globe.

After more than a year in the pandemic the US clothing industry has posted an unprecedented record-low economic profit. Business owners are grappling, seeking to innovate while considering the well-being of their employees and customer satisfaction.

As the United States economy slowly opens up with their successful vaccine roll out, business leaders in this sector are reconnecting with their labor force, supply chain, consumer demand and marketing.

In order to guarantee a future where businesses not only survive, but thrive, it is significant to foresee what a post-pandemic world will look like, and then begin to reform and improve the whole system of engaging in clothing retail to better match this post pandemic era.

III. CAUSES OF THE PROBLEM

The clothing retail industry in the United States has been facing problems in the past decade due to channel shifts, tight promotional competition and the recession aftershocks among others. But it has been on a steady slow growth until the pandemic, which has brought an immeasurable problem in this particular industry. Though some business sectors have remained afloat the clothing retail industry finds it more challenging to survive due to the following reasons;

Fashion is not a priority

The "Stay at home and be saved" scheme of the government to prevent the spread of the virus forced the people to do all tasks at home; work, school and leisure thus, limiting the need to purchase fashionable clothing. Furthermore, people have shifted priority of buying more essential items like medicine, supplements and other health related products than buying clothes.

Consumer spending continues to decline

The increasing number of unemployment and economic breakdown has forced consumers to spend less in buying clothing apparel. Although, Americans are provided with stimulus as assistance to displaced workers they have become thrifter in spending.

Limited Capacity Rules

Even with the opening the US economy rules on having limited capacity in retail shops discourages consumers to go out and buy. Even with the opening of some tourists' shops, sales do not pick-up as much due to limited capacities of malls and shops. This ruling continues to be implemented in some States because of the emerging new covid-19 variants which restricts the full opening of retail shops and malls.

These challenges enumerated dampen the thriving of those clothing retail shops that remain to be opened and prohibits the surfacing of new businesses.

IV. COURSE OF ACTION

Lead with kindness and shield your people

Most clothing retail companies who survived have to be more compassionate to their employees because a lot people are sacrificing in order to go to work and earn a living. Many US companies have resorted to involuntary sending their employees to furlough in order to at least survive the crisis. If companies can afford it is wise for companies to make empathetic offers to support employees' well-being. The companies and employees must set realistic working norms in order to operate with utmost caution.

Handle Cash

Increase in sales in the clothing retail industry may be short-lived especially with the emergence of varying Corona Virus strains. With this in mind, companies must resort to stricter monitoring of the procurement and sales teams in order to identify possible cutback in cash outflow and other expenditures.

Magnify digital

Clothing retail industry in the US must invest more on their digital presence and shift advertisement at all cost in the different social media platforms. Researches show that digital marketing will be the way of life even after this pandemic, in order to boost sales and entice customers. Retailers must partner with other e-retailers and possibly change brand building, this may help companies sustain their presence in the market even without operating a physical shop.

Connectivity with Customers through Innovation in Advertisements

The US may have opened its economy earlier than most countries but this did not translate to increase sales in the clothing industry. Given this scenario, companies must exert all efforts in reaching out to their customers that shopping in their shops is safe or buying online is wiser. Their message should come across to the customers that buying will somehow alleviate their feeling of sadness and despair. This kind of communication has to continue even if their customers are not spending much.

V. CONCLUSION

This crisis will surely create new avenues for growth development. It may not be an easy journey but companies need to assess deeply their strengths and weaknesses should they desire to grab future opportunities. All companies not only in the US, to some extent, will be bound by starting positions. Clothing retail industry must take a firm look at their business portfolio if they are grabbing what will be at stake. Uncertainties still loom the environment, organizations must embrace drastic changes, and they have to evaluate things to pursue and not to pursue. The crisis has brought insurmountable results and retailers after assessment are in the best position to decide whether revive their businesses or not.

VI. RECOMMENDATIONS

No one can predict how the new normal would look like and no one knows when the end of all this will be. Albeit, companies must anticipate shifts in buyer sentiments and behaviors because no matter what happens there will always be a desire for consumers to resume their pre-pandemic habits once situations allow it. For instance, will there be a shift on work attires; will comfort be at the top of priority in their apparel purchase? Companies must keep an eye on how their buyers are changing.

Clothing retailers must take this opportunity to shift their operating model by making the digital arena as their center. They also have to consider the increase in the buying power of the Gen Z group which can be a greater clout of their market. They have to explore new ways of partnering with online channels to gain momentum and eventually stabilizing their market share. These companies must really take giant leaps in order to weather this crisis and emerge from it even stronger because they will.

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