

The Impact of Fashion Industry Due to Covid-19

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ABSTRACT

The research aims to synthesize the challenges the fashion retail industry is encountering since the onset of the COVID-19 pandemic. At first, the thesis implements a literature review methodology that has accumulated different information regarding sustainability in the fashion industry, issues relating to COVID-19, the financial crises that these retailing industries are facing, and finally the reactions, and shocks by different fashion companies and their consumers. The study will be based on cross-sectional research, whereby it uses qualitative, and quantitative research instruments. The study will involve the use of different employees and clients to fill up some questions that will aim to understand the effects of COVID-19 on both the seller's side as well as that of the client. The gathered data will then be used to evaluate the performance of the fashion industry whereby it will be considered a dependent variable. In contrast, the well-being of the employees, brand protection, and customers will be independent variables. The results will show that the retailer's performance is majorly based on its employees' well-being and customer satisfaction.

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Keywords: *Covid-19, fashion retailing, Customer, employees, Sustainability.*

1. INTRODUCTION

The outbreak of the Covid-19 has been a business disruptor to most of the fashion luxury industries, creating an indefinite shock to both the retailing industries and their customers. As the pandemic endures a more predetermined period, it's a fact, that it will leave massive long-term impacts on the economy. Louis Vuitton fashion, a retailing industry is no exception, and has suffered/suffering such effects. According to research by Granskog et al., (2020), there was a drop of 90% in the fashion industry as compared to the 4% rise in 2019 [1]. As the pandemic continues to submerge the economy, and the rollouts of the vaccines, it is not predictable, to determine the future viability of the fashion retailing industries [2].

The hypothesis in this paper explains the out-break of COVID-19, its impact on the vast long-term imprint on the fashion industries, and the consequences it possesses to the customers, thus reinforcing and introducing new trends that favor the company's sustainability. For reasons of predicting and appraising what the fashion

industry might look like in the future, the Covid-19 landscape needs to be analyzed in detail. The paper will indicate the stand that different fashion industries are currently advocating, and how it should move forward to a sustainable future. The research is based on two methodologies, that include a combination of epistemology, and ontology philosophies like qualitative, and quantitative. These methodologies are frequently utilized, in different research studies are have proved to be effective, and efficient [3].

The study's purpose is to learn more about the Covid 19 pandemic's impact on the fashion business and independent fashion stylists in different nations across the world. To achieve this, conducting of interviews with independent designers and stylists would be necessary in order to get the real effects that different fashion industries are experiencing. The study's purpose was to identify the impact of the Covid 19 pandemic on the fashion industry's health and how to address it. Six different designers were interviewed in different parts of the world. The study was conducted using a semi-structured interview, to achieve the goal desired for the

study, the following questions are relevant to this purpose.

- How did the Covid 19 pandemic affect the health of the European fashion industry?
- Has the outbreak had an impact on the growth of your business?
- Were there any issues with the orders, and how did they handle them?
- What can we expect from this industry in the future?

The research mainly focus on using the qualitative methodology, and data is obtained through a standardized interview that consists of ten questions, due to the nature and sensitivity of the research. We acquired more specific information regarding the experiences and dealings of designers-fashion designers with the global economic crisis, relationships, and communication as a result of the thoughtful framing of the questions. The selection of correspondents is an important factor in the conduct of this research. The selection of correspondents for this article was carried out randomly in four distinct European countries, the Netherlands, Germany, the United Kingdom and Kosovo.

2. COVID-19

After the unprecedented attack of Covid-19 across all parts of the world, more literature has accumulated regarding the pandemic. Commonly known as the coronavirus, the disease has claimed the deaths of approximately 2.7 million [4]. The symptoms of the disease are equally similar to (SARS-CoV-1) acute respiratory syndrome that is currently known by its botanic name (SARS-CoV-2). According to different literature, they indicate that the disease affects each and every age group, but in this regard the sick, and elderly sets are more prone to the disease, having a higher mortality rate. But despite this, the disease is very contagious to every other person, in that through respiratory droplets, or having direct contacts with routes in contact to the microbes within droplet nuclei [5]. The common symptoms of COVID-19 include shortness of breath, fever, fatigue, and cough. The disease has a tremendous impact on the victim’s physical health, more

so it as well affects the mental health of a person, due to self-isolation that the WHO imposes on those affected. Hence more, due to the fear of direct contact, and the social distancing encouragement has contributed to economic hardships, especially in the fashion industry, because most people have opted to remain in their homes, and shun away getting into boutiques [6]. Moreover, the fashion industry continues to face more losses, as there is little need for people to purchase more clothes. It is due to the promotion of remote working. It has contributed to fewer movements of people, thereby they feel they could work at the convenience of their homes, in that they can as well at the comfort of their homes, even if they are wearing pajamas. Such challenges have contributed to more losses in the fashion industry, as the demand for clothes has gone down. More so, governments have burned down social events that would encourage individuals to buy occasional clothes wear, like casual clothes, sporting wear, and other clothes for different occasions. All these Covid restrictions have promoted the fashion industries to face more losses for their products.

3. LITERATURE REVIEW

A predicament is a frightening concept, and it's even scarier when applied to health, economics, and everyday life. The fashion business has been impacted by different crises throughout history, some of them were, the great depression that left the fashion markets in 1929 crashing, and made rise to the use of nylon fabrics. According to they indicate that World War II was a crisis that implicated the fashion industry through the imposed clothing restrictions. As a result, in the United Kingdom for instance sharing of colors commenced, laddered stockings developed different concerns, as women would paint them, and add seams at their back. Following the restrictions, the women developed new mechanisms of mending clothes using unused clothes [7]. More so, the era advocated the rise in different fashions, like bell-bottom, detachable belts, and puffed shoulders. Finding the solution for the crisis was an escape method that different fashion designers implemented in order to keep their businesses relevant.

4. QUESTIONS AND RESULTS OF THE INTERVIEW

Table 1 Interview Questions

Question	Interpretation
What is your thought, about Covid-19 crisis? How bad was your business affected?	Covid-19 has impacted the fashion industry negatively, it has paralyzed movements, apparel, as well as those of the client. Making it difficult to transact business.
Did you have stock when Covid-19 hit? What happened to your inventory?	Due to the spread of the epidemic, most people are afraid to enter the store to make purchases, which makes most of the inventory in the inventory is

	still dead stock. Most retailers are forced to sell their inventories at a loss in order to cover the overheads of pilling, and maintain their upkeep.
As employers, how have you managed to sustain your good working conditions for your employee? Are you intact with your clients, or getting into online shopping meant to start all over again?	Retaining good working conditions for the employees, were done by advocating remote working. But it was unfortunate that most employers had to terminate the services of their employees, as they embraced online shopping that demanded few attention, and also due to the business being slow. Most retailers agreed that the aftermath of Covid-19 rendered their business to seem as it was starting up again, most had not thought of online business, and advertising before Covid-19, and depended on the return of customers into their stores.
With the current pandemic crisis, are you still doing advertisement? Or you suspended them to get involved in online marketing?	Most retailers suspended traditional advertisement, and majored only on the use internet to market their products.

5. DISCUSSION

5.1. Business financial crisis

As a broad conclusion from this article, it appears that the impact of the worldwide financial crisis induced by the Covid 19 epidemic differs in enterprises from various nations. The financial security of design firms is precisely what is at stake amid the pandemic's financial crisis. This is because they found it impossible to establish their brand traditionally [8]. This has resulted in the firms' lack of financial stability, brand growth, and liquidity becoming a significant concern. Then, there was a shortage of financial assistance at the start of the crisis since no one knew how long it would persist. However, there are certain similarities: the garment trade has fallen in all nations, from intermediate items to finished goods. Interviewed brands had company financial difficulties at least once, during the Great Recession in 2007, and the majority of them experienced a crisis during the Covid-19 pandemic lockdown.

5.2. Covid 19 pandemic level crisis

With consumers staying at home and having a minimal commitment to apparel, sales have not been able to keep up the same pace for all firms. The financial crisis was at an all-time high for certain enterprises, but not for all. It was determined by the brand, the company's size, and the type of commercial development. Although sales had decreased due to the inability of normal recuperation, they had not been entirely halted. At the beginning of the outbreak, there were issues with employees, but no remedies were identified.

A crisis triggered by the COVID-19 epidemic hindered good brand development and lowered the

number of customers. It also resulted in the suspension of numerous employers.

5.3. Orders

Most of the fashion industries got their orders canceled, despite having few people who were willing to make the purchases. However, not every fashion industry has had this chance since their brands are special orders that require particular circumstances. They experienced some credit issues, and at first, they had several cancellations due to the bankruptcy of their partner firms, which impacted their enterprises [9]. It was a massive shock for orders and production; the last orders could not be begun, and pending orders could not even be fulfilled despite being in the last stages. Event cancellations resulted in porosity cancellations, which are in rare circumstances rescheduled on a later date. As a result, the entire process came to a halt and was postponed indefinitely.

5.4. Work conditions and employees

The Covid 19 pandemic crisis automatically limited working conditions, brand growth, and orders. This impacts the difficulties of connecting with consumers; they were barred. Thus they began a restricted collaboration. Access began through virtual contact since it was already a type of labor in certain situations, but it relied on how much the firms had their format [10]. Difficulties are provided based on the business's idea and funding. Working circumstances have been inextricably related to establishing new collections, particularly collections requiring specific services in different nations. Because pandemic therapy differs from clients to clients, this line of realization was disrupted, generating challenges in motivating clients.

5.5. Stock

There had been no change in some circumstances, but this did not cause any problems with the regular job. This was because the epidemic had made usual access to stockpiles impossible. Because fashion is a fast-paced industry with frequent changes, this has resulted in a customer order dilemma (Toriello, 2020). The pandemic's condition also produced problems with garment inventories. The only option to get rid of these pests was to take advantage of seasonal sales, but that did not work. Fashion designers do not always trust discounts since they do not want to dilute their brand image. Fashion is a fast-paced industry, so if people buy something today, they want to wear it immediately.

5.6. Advertising

Any corporation did not prohibit advertising, but it was limited to the scope of its operations. It was done using traditional media means, but social media was also employed in some instances. This was seen to be a waste of time to some extent, but it helped demonstrated customer attraction (Bemporad, Raphael, and Briana Quindazzi, 2020). Even if an attempt has been made, the benefits of social media may be seen in the future, but not today.

5.7. Social media influencers

Because it does not relate to the format of their work, social media is not seen as a fundamental component of the development of their brand. It has been tried in several circumstances, but it was deemed insufficient. It is very reliant on the product kind, consumer profile, and market level for which they are designing, and it can be used in conjunction with a marketing plan [11]. In general, they do not choose to advertise designs through influencers; this varies depending on what they make, but not during the lockdown.

5.8. Existential crisis

There were occasions when firms and designers had hazy thoughts about their financial status, but this did not last long. They had managed to build their business to some level, offering different avenues for their brands to prosper [13]. They have had an existential crisis, yet they confess that they have never experienced a crisis like this before. Some of the brands have ceased operations, but they hope to return to the business in the future.

5.9. Government initiative

Governments had developed financial options to ensure that businesses could continue to operate. We cannot say how successful this was, but it did impact the financial situation's improvement. In general, different

countries' governments provided various forms of assistance to enterprises [12]. Germany backed all industries, including fashion. The government of Kosovo does aid all enterprises, not only the fashion sector, but the financial assistance provided is insufficient to keep the firm running. The government of the United Kingdom has assisted in all industries. Moreover, designers from the Netherlands had access to a person who could provide commercial advice at one point in time.

6. CONCLUSIONS

The Covid 19 pandemic issues also impacted the fashion industry, causing financial instability, a lack of backing in the early stages, and difficulty in brand development until enterprises discovered alternate forms. The intensity of the crisis depended on the forms of conducting business. Thus, it depended on how the firm had developed the tradition of its operation, whereas, in some situations, it caused an incapacity to do business, while in others, it was not felt at all.

Orders were a difficulty for fashion firms since they had constraints, cancellations, and partnering companies that had begun bankruptcy at the beginning. As a result, fashion firms' work was immediately questioned during the start of the epidemic. Because of the quick activity of this market and the image of numerous brands, overcrowded stocks and their reduction with seasonal discounts in such a situation do not function. Consumer spending has dropped precipitously due to the temporary closure of retail enterprises, and the drop in purchases has been massive.

Although it was better for individuals who worked alone, without supervision, many firms reduced working conditions because the work was done from home. Stocks had partially returned in some situations, and for most of them, this hindered sales since access to consumers had been limited.

The financial crisis terrified the fashion industry, yet they survived in diverse ways. Their governments had also established foundations or provided direct aid to all enterprises, which was appreciated and helped to alleviate the problem. This transformation and economic turmoil, which is critical for fashion designers and the industry as a whole, encourages changes in brands and consumer behaviors, which leads to developments in the fashion industry that are more sustainable. Despite the industry's readiness and mobilization for change, the financial crisis brought on by Covid-19's effect on independent fashion designers poses new hurdles for action. Fashion will continue to confront uncertain times, but the future's industry will look considerably different from what we are accustomed to.

There is optimism for significant progress in sustainability and environmentally friendly production. It is a chance to reinvent ourselves and our roles in this

business. This crisis provides a chance for people to examine their global effects.

7. RECOMMENDATIONS

After a successfully analyzing the impact that Covid-19 on the fashion industry, it is recommended that the governments should support the viability of the industry and provide financial circumstances that would help the managements to smoothly continue with their operation remotely. The finances may aid in the maintenance, and upkeep of the all the staff, and also help in setting up of alternative modes of business transaction, like building online business platforms. Such platforms will be necessary because they will promote the fashion industry's brand growth, as well as give access to customer to information, and fashion products available for sale.

Further, the platforms will facilitate positive collaboration between the fashion industries, and their marketing firms. Given the projected economic uncertainties in the aftermath of the pandemic, customers will place a greater emphasis on high-quality items and sustainability. Thus Brands should maximize their consumer relationships by stressing ethical behavior and communication, as well as altering their experience. During the epidemic, there have been problems with orders and product supply in most fashion industries, so brands need to increase their awareness of the vulnerability of relying on a single supply chain.

The government should also focus on instigating tighter connections between brands and manufacturers, this would enhance Companies' collaboration and build on their trustworthy relationship principles. The collaboration will be critical for many businesses, because they enable each business to diligently protect the interests of their fellow business competitors, without playing fowl games to win clients, or having price reduction on some garments in order to win the clients. Business managers must discover responsible measures and timely ways to manage their existing inventory and plan for the upcoming season. This will enable them to be on track, of their clients demand, and have it in stock in due time. Following this, it will help the fashion industries to retain their clients, thus avoiding them to discover some opportunity costs that may arise due to their lack of stock. It's the responsibility of every nation to protect its integrity, and reputation, when it comes to international trading. Rebuilding global supply networks will require a greater emphasis on trust and relationships and the potential afforded by technology. Such trust, impacts the supply chain, and if there are some mishaps, it can collapse the whole fashion industry due to lack of trust. Lastly it is critical that fashion designers not halt but rather utilize the opportunity to ponder, recover, and establish a sustainable business.

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