

A NEW ERA OF NEW ZEALAND FASHION

WHAT NEW ZEALANDERS WANT FROM FASHION IS CHANGING - AND SO IS THE WAY THEY SHOP. AFTERPAY SURVEYED 1000+ KIWIS TO UNCOVER FASHION'S NEW MOOD.

ABOUT THIS REPORT

The fashion industry is built on constant evolution; from season to season, trend to trend, what's in style is always in flux.

Consumer behaviour, too, is always changing, and this report seeks to assess both shoppers' emerging priorities and the myriad of ways in which retailers and brands are responding.

Afterpay has commissioned exclusive research to identify the key shifts in consumer behaviour, and it has revealed clear trends, from the rise in awareness around sustainability to the growing resale and rental industries and the increasing demand for inclusive, accessible and diverse fashion. Discover the varied and innovative ways in which brands are addressing these shifts within the report.



THE STATE OF FASHION 2023



SUSTAINABILITY

Fashion brands, from start-ups to industry stalwarts, are stepping up their environmental initiatives. Transparency is becoming key.



RE-COMMERCE

Economic challenges along with a renewed focus on environmental impact has seen a surge in resale and rental.



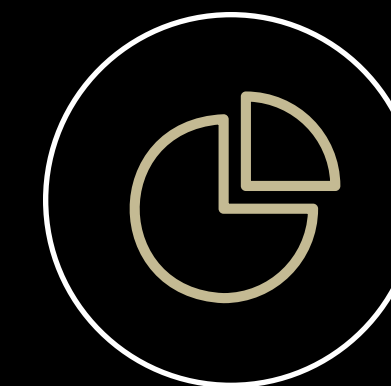
NEW STYLE SOURCES

Shoppers are taking inspiration from new sources, especially social media and brands' own channels.



THE CHANGING WAY WE DRESS

The way Kiwis dress is evolving, with consumers demanding inclusivity and diversity.



THE BNPL BOOM

More consumers are choosing to pay with Buy Now Pay Later platforms like Afterpay.

A NOTE OF THANKS



It was in 2017 that we first set our sights on the Land of the Long White Cloud where the demand for Afterpay was rapidly gaining momentum. This was a significant milestone for us, marking our first international endeavour, and is a milestone we are immensely proud of.

Over the years, Afterpay has become an integral part of the lives of more than half a million New Zealand consumers and has provided support to tens of thousands of businesses of all sizes across the country. It has been an extraordinary journey, and we are grateful for the trust and partnership that Kiwis have shown us.

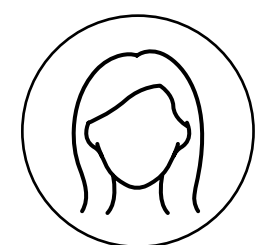
This report provides a window into the dynamic and evolving world of New Zealand fashion and the forces shaping the industry. New Zealand designers are making strides in crucial domains such as sustainability, diversity and inclusion, and accessibility. It is a pleasure to be able to highlight and champion their work and share consumer trends that are not only changing the face of fashion in New Zealand but gaining momentum on a global stage.

As we celebrate our sixth anniversary in New Zealand, we want to take this opportunity to thank our valued retailers. Your unwavering partnership, friendship and support have allowed us to thrive in this amazing industry.

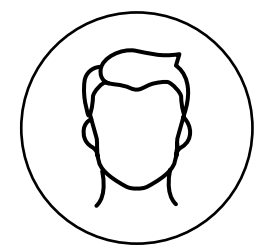
ANTHONY EISEN
AFTERPAY CO-FOUNDER

WE SURVEYED 1009 NEW ZEALANDERS

GENDER



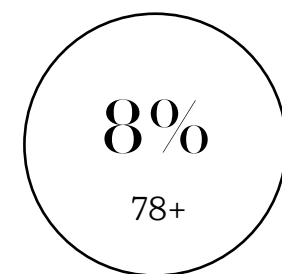
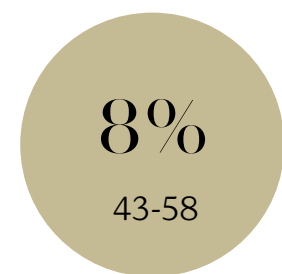
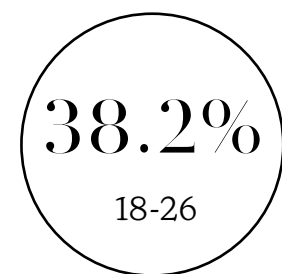
50.1%
female



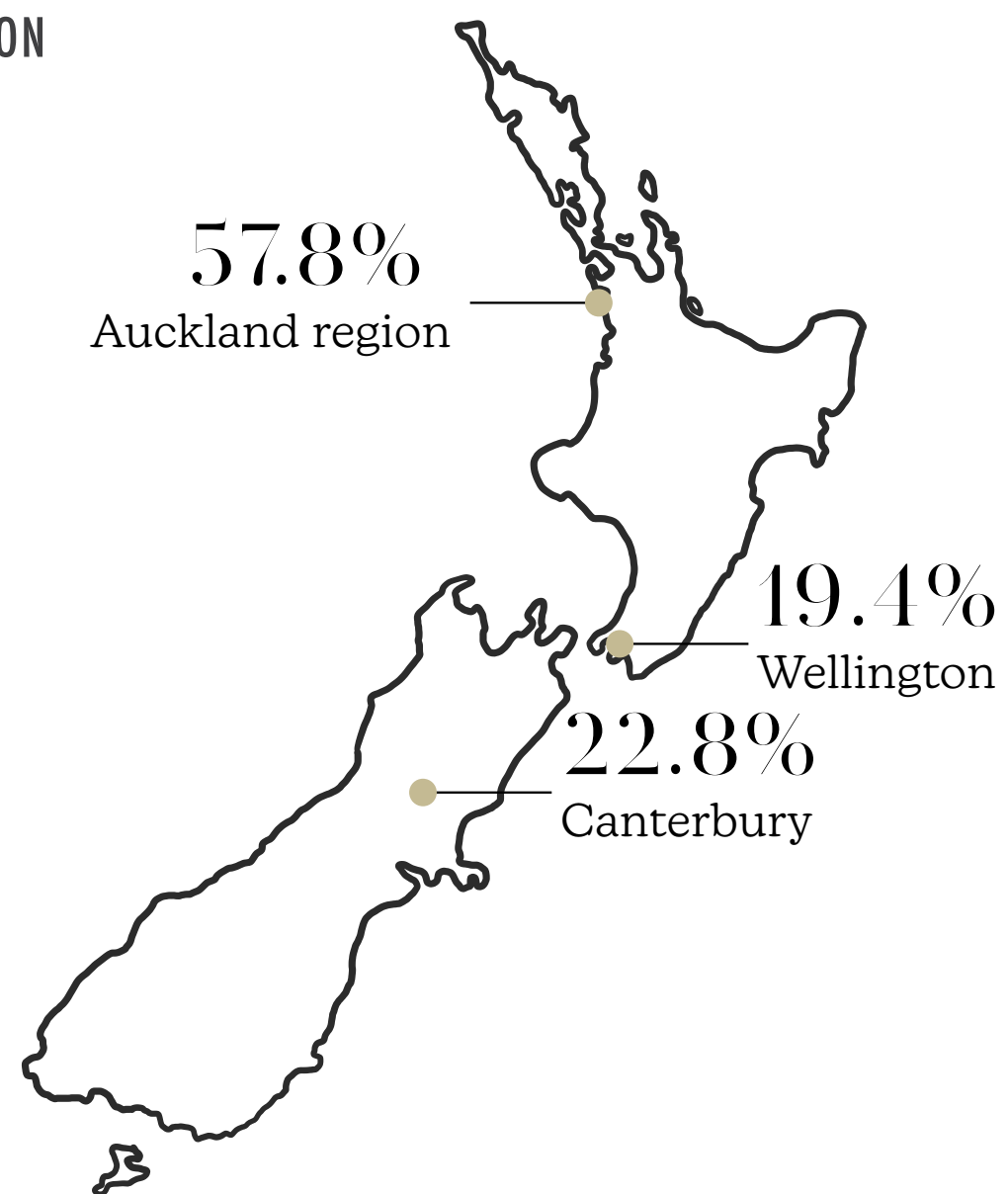
49.7%
male

0.2%
non-binary

AGE



LOCATION



INCOME

3.8%
0-\$18k

12.5%
\$18.2 - \$45k

49.1%
\$45k-120k

23.2%
\$120k-\$180k

11.5%
\$180k+

FASHION FINDINGS AT A GLANCE...

NEW ZEALANDERS LOVE FASHION.

One in three Kiwis buys a new piece of clothing every month at least, and one in four have three to five pieces hanging in their wardrobes that they've never worn.

GREEN IS THE NEW BLACK...

The environment is becoming a key concern for shoppers, with 36 per cent considering whether an item of clothing is ethically or sustainably made before they purchase it

... BUT COSTS COUNT.

Most consumers aren't prepared to pay more for locally or ethically made fashion. Generally speaking, price is the main factor for shoppers when deciding what to purchase.

RE-COMMERCE IS ON THE RISE.

Nearly three-quarters of Kiwis have bought or sold preloved clothing, and nearly one in 10 consider the resale value of an item when they purchase it.





STYLE SOURCES ARE SHIFTING

Consumers are increasingly seeking fashion inspiration from social media, influencers and brands' own marketing communications. Just 6.3 per cent of shoppers turn to fashion magazines for inspiration.

INCLUSIVITY IS MORE THAN A TREND

Shoppers value diversity and inclusivity, with more than half of consumers reporting that they'd be more likely to purchase from brands that offer gender-neutral fashion, and one in five saying that more brands should offer gender-neutral clothing.

SHOPPERS' BIGGEST BARRIERS

More than one in three shoppers report that they struggle to find clothes in their size, while 5.6 per cent say that their disability precludes them from purchasing pieces they love. Another 5.8 per cent say that a lack of gender-neutral clothing acts as a barrier to purchases.

SUSTAINABILITY

KIWI CONSUMERS ARE BECOMING SUSTAINABILITY SEEKERS.

CONSUMER DEMAND FOR SUSTAINABLE FASHION IS ON THE RISE

Fashion brands are responding with a range of sustainable initiatives.

Aotearoa New Zealand has long been known for its clean, green credentials, and, increasingly, that pristine reputation now extends to fashion brands, too, with designers looking at ways to reduce their environmental impact.

“We’re a nation of small to medium-sized businesses that very much have a passion for wanting to do the right thing, and do it better,” says sustainability consultant Vanessa Thompson, director of supply chain and textiles at Go Well Consulting. “Customers, too, are more open than ever to making sustainable fashion choices.”

Afterpay’s new report, A New Era Of New Zealand Fashion, confirms that sustainability is increasingly

important to Kiwis. Nearly 40 per cent of customers now prioritise ethical and environmental concerns when purchasing. One in six New Zealanders buys at least half their clothing locally, and one in four shoppers feels social pressure to purchase sustainably and avoid fast fashion.

“I think New Zealanders are proud of being seen as a clean, green country, and authenticity is important to them,” says Dr Kate Jones, senior science advisor for forensic technology experts Oritain.

She believes that supply chain transparency will become increasingly important as brands seek to validate their sustainability claims. “If a brand is going to claim its product is organic, or ethically sourced... they need to be able to prove that. Otherwise, it’s just an intention.”

ROADMAP TO RENEWAL

Supply chain transparency aside, there are myriad other ways in which New Zealand fashion brands are seeking to reduce their environmental impact.

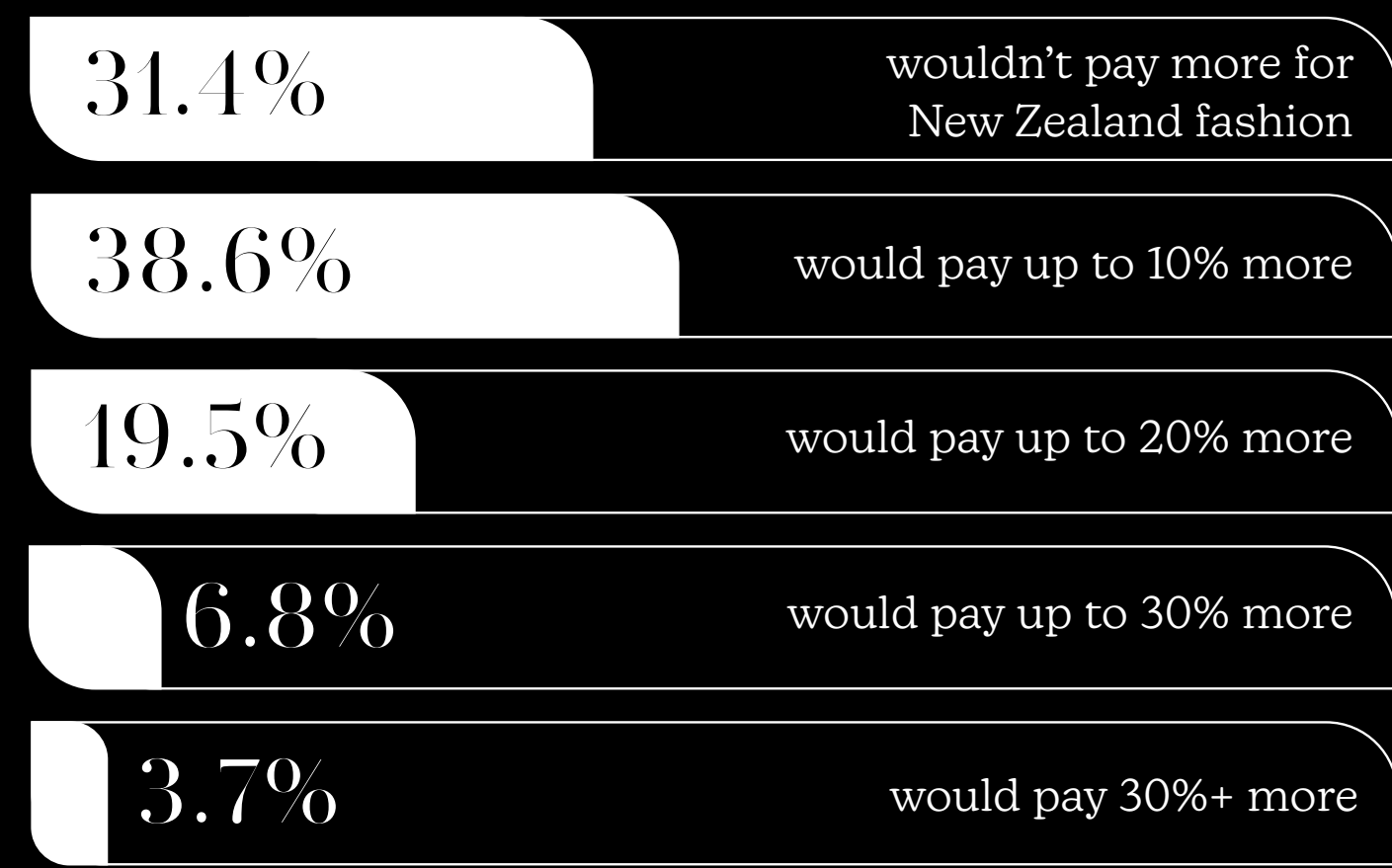
Kowtow, for example, has developed a sustainability strategy that includes reducing water usage and the launch of a repair programme. Children’s brand Nature Baby has long used certified organic cotton for its baby clothing, and recently installed solar panels at its Grey Lynn store. Yu Mei publishes an annual regeneration roadmap and produces bags made from deer Nappa, a by-product of the venison industry. And Rachel Mills is one of a growing number of designers making pieces to order to reduce waste.

36% of New Zealanders say that ethical and environmental credentials are important

48.8% say that the biggest barrier to shopping sustainably is price

1 in 4 shoppers feel social pressure to purchase sustainably

PRICE CHECK



Implementing sustainable practices is not only the right thing for the environment, but, as Jones points out, it can also provide a key storytelling opportunity for brands. Sustainable initiatives allow brands to “tell amazing stories about the farmers they partner with, and... land care, for example. It’s a way of differentiating the brand and it’s a marketing opportunity.”

THE PRICE OF SUSTAINABILITY

While Afterpay’s survey revealed the growing importance of sustainability to consumers, it also highlighted a reluctance to pay more for ethically made fashion.

Price will always be an issue, says Thompson, particularly when cost-of-living pressures bite. “When you’re paying your suppliers a living wage and you’re not over-producing, your garments are going to be more expensive,” she explains. “Customers need to be more prepared for that. And if they can’t afford it, that’s where the secondary [resale] market comes in.”

For customers who’ve become used to disposable fashion, Thompson believes technology can help restore the value connection between consumers and their clothing.

“In Europe we’re seeing the introduction of blockchain technology and digital product passports, which carry information on fibres, when and where an item was made. When you can see the face and story of the person who made your garment, you’re more likely to treasure it.”

“WHEN YOU SEE THE FACE AND STORY OF THE PERSON WHO MADE YOUR GARMENT, YOU’RE MORE LIKELY TO TREASURE IT.”

35% of Kiwis say there aren’t enough local, sustainable fashion brands.

9% of Kiwis own more than 11 items of clothing they’ve never worn.

30.7% of Kiwis own two or fewer items of clothing they’ve never worn.



DESIGNER SPOTLIGHT

THE FASHION BRAND PUTTING PEOPLE AND PLANET FIRST

Maggie Marilyn is leading the way when it comes to sustainable style.

B-Corp Certified New Zealand fashion label Maggie Marilyn was launched in 2016 with a bold mission statement: to change the way the industry views its role in the climate crisis and to prove it's possible to create clothes that are truly sustainable.

Dismayed by the greenwashing surrounding sustainable fashion, founder and designer Maggie Hewitt created three pillars that underpin her business: planet, people and prosperity.

Not only was it important for fibres to be high quality and environmentally friendly, but she was determined to see every part of the supply chain interrogated, from the origins of the materials to the location of end consumer. "Fashion produces so much waste, not just in the form of consumers being finished with a garment or leftover scraps during the design process, but wasted carbon due to so much excess shipment of goods around the world," explains Maggie Marilyn's business operations director, Georgia Maney.

Where other already established brands struggled to work backwards enforcing these pillars, Maggie Marilyn was able to move forward from the very beginning.

This meant creating a more affordable luxury essentials line, 'Somewhere,' in 2019, designed for circularity and to help with financial barriers to entry. Incorporating Afterpay as a payment option on the website was a decision made for that reason, too.



Continued

“We don’t believe that sustainable or considered fashion should be at a higher price point, necessarily. Unfortunately, at the moment, yes, the materials are more expensive, but you hope that with demand it brings everything down. Hopefully people understand what they’re paying for. But we also want to ensure the quality is there, so they’re not buying five cheaper pieces for the same price.”

It also meant making a difficult decision in 2020: exiting a successful wholesale business and shifting entirely to a direct-to-consumer model in a bid to reduce waste, connect directly with customers and realign overall perceptions of clothes as being durable forever pieces, rather than seasonal items.

Another bold business move? The decision that Maggie Marilyn wouldn’t participate in seasonal mark-downs.

This was a big adjustment because it meant not only working against consumer habits of waiting for an end-of-season discount, but realigning production with lower quantities to ensure a higher sell-through. “It’s definitely been barrier for customers”, Maney says. “Adjusting to that mentality of, it’s here. It’s part of a limited run. Buy it if you love it.”

In 2022, Maggie Marilyn achieved a long-held goal of B-Corp Certification. “Becoming B-Corp certified has really driven where we’re headed. It shows businesses can do good throughout, as opposed to just one element. Everything matters, every single thing, every consideration,” Maney says.

Another thing that is unique to Maggie Marilyn is its transparency: on the website, all parts of the supply chain are thoroughly detailed, including exactly where garments are made. “That’s something people would not share: their contacts or where things are produced. But why? If you genuinely believe in creating better products, and building and empowering supply chains, share your network.”

Maney says the brand is determined to change the way New Zealanders view fashion. “We really want to educate people and for them to treasure the pieces they buy forever. As society, we do have an overconsumption problem. So we’re creating for durability.”



RE-COMMERCE

WHAT'S OLD IS NEW AS RESALE AND RENTAL SOAR IN POPULARITY.

THE RISE OF RE-COMMERCE

More brands are experimenting with resale and rental.

It's little wonder that fashion lovers are embracing re-commerce. As cost-of-living pressures rise, both resale and rental offer fashion lovers access to clothing at a fraction of the price - while also helping assuage shoppers' environmental concerns.

In fact, Afterpay's survey found that three-quarters of New Zealanders have bought or sold clothing and nearly one in 10 consider the resale value of an item before they purchase it.

Yu Mei is one of the many New Zealand brands doubling down on re-commerce via its buy-back scheme, which was launched three years ago. "The program was born from our desire to never see a Yu Mei bag go to waste," says founder Jessie Wong, who felt particularly invested in this mission, as she'd made the first 500 bags herself.

Wong explains that she had noticed customers returning to the brand to upgrade their bags to new season models. "They no longer had a need for their older styles."

Buying these unwanted bags, refurbishing them and reselling them seemed like a natural step for the brand, which takes its environmental responsibilities seriously. Today, Yu Mei sells hundreds of refreshed bags and repurposed leather offcuts at its annual Archive Event, and Wong believes that Yu Mei fans are drawn to the exclusivity of accessing a unique or archival piece.

Yu Mei is one of a growing number of brands playing an active role in the resale of their products. In 2019, designer Kate Sylvester launched a dedicated platform, Reloved, where customers can buy and sell pre-loved Kate Sylvester pieces. Others, like Marle, have partnered with AirRobe to enable customers to more easily resell pieces in the future. There has also been an explosion in independent social media pages offering preloved pieces.

For many consumers, renting rather than purchasing preloved pieces makes more sense - especially for one-off events or special occasions. Across New Zealand, a number of businesses are competing in the clothing rental market, including those offering peer-to-peer rentals, which allow consumers to borrow dresses from one another.

For fashion designers, both rental and resale can help introduce new audiences to their brand - making re-commerce a win for businesses, consumers and the environment.

72% of Kiwis have bought or sold preloved clothing

9.3% of shoppers consider the resale value of a garment when they purchase it

DONATE OR DISCARD?

58%

donate clothing when they no longer need it

27%

resell it

1.6%

rent it out

10%

discard it altogether

STYLE INSPIRATION

NEW ZEALANDERS ARE LOOKING TO NEW SOURCES FOR STYLE TIPS.

THE GREAT STYLE INSPO SHIFT

Social media, as well as brands' own channels, are playing a larger role in driving sales.

Pre-internet, there was one place, and one place only, where New Zealanders went for their fashion fix: print magazines. Back then, the local independent magazine scene was thriving, with Pavement, Fashion Quarterly and Remix all covering – and driving sales to – local fashion brands.

“In the early to mid-2000s, if you had a retail store and your product was mentioned [in a magazine], the phone would be ringing off the hook and that product would sell out,” remembers veteran fashion publicist Murray Bevan.

Fast forward several decades, and there has been a seismic shift in the way New Zealanders consume media. While magazines remain an important part of the fashion ecosystem, consumers are increasingly turning to social media to discover new brands and pieces.

Afterpay's survey found that 18 per cent of consumers look to social media influencers for inspiration, while a third of that (6%) turn to print magazines. A growing number purchase clothing and accessories while scrolling social media, and a huge 80 per cent say they receive some fashion inspiration from social media.

These figures don't surprise Bevan. His agency Showroom 22 regularly carries out its own surveys, which have found that while magazines are still popular among older consumers, awareness of local media among younger fashion lovers is at an all-time low.

Not only do young fashion consumers and students I've surveyed not read local media of any sort, some don't even know it exists.” says Bevan whose agency recently acquired digital fashion platform fashionNZ.co.nz. He adds that many younger consumers now seek fashion inspiration from international social media influencers, as well as directly from global brands' own channels.

The danger for New Zealand brands, is that this can mean bypassing coverage of local fashion altogether.

To drive sales and awareness, many brands are increasingly turning to influencer collaborations or paid social media advertising, which both offer clarity on their return on investment.

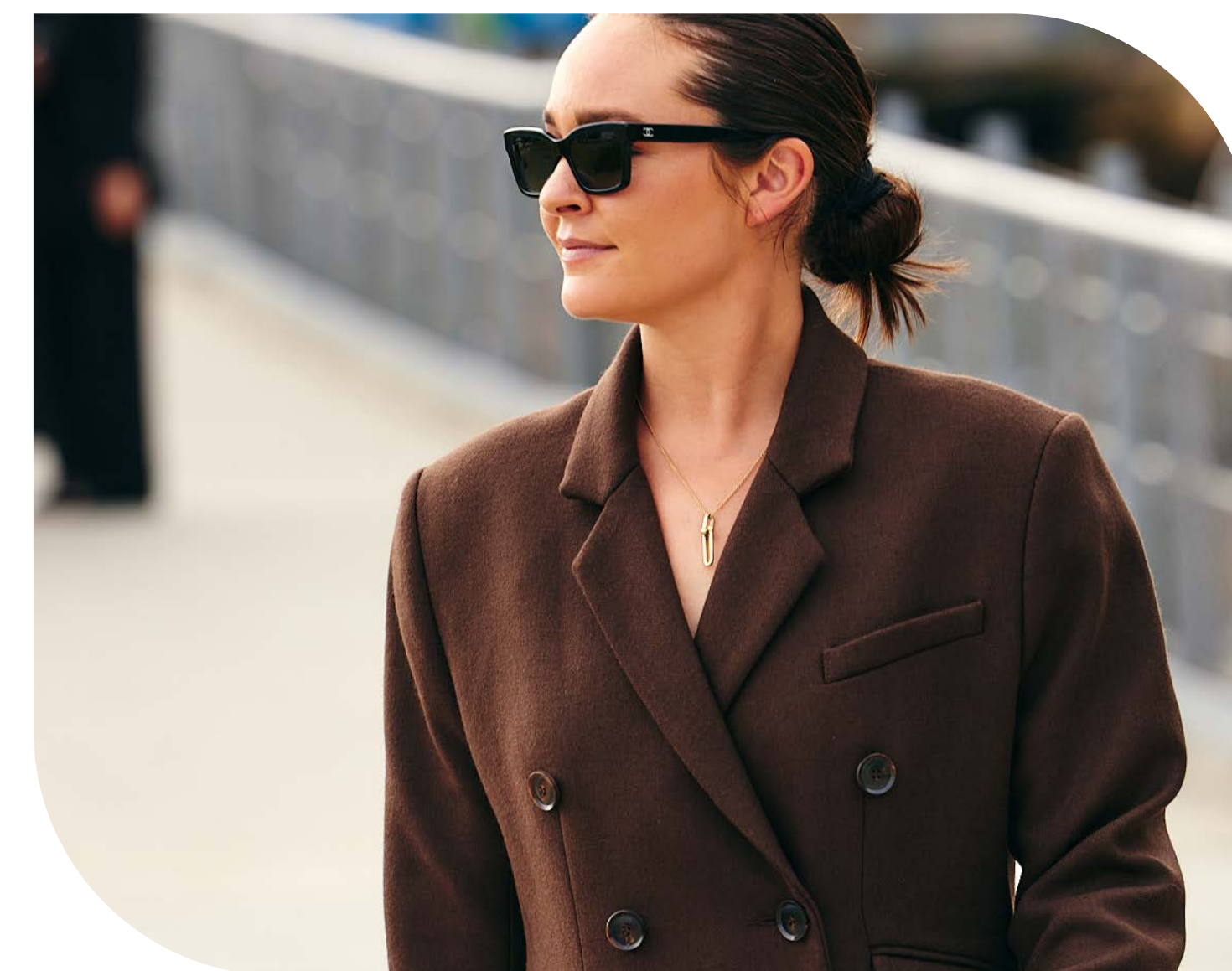
However, this can come at the expense of storytelling, which Bevan considers essential for the long-term health of a brand.

6.3% of New Zealanders turn to magazines for style inspiration

18% of shoppers look to fashion influences

29% turn to their own peer groups for tips and inspiration

14% seek fashion inspiration from brands' own marketing channels





“ [OUR OWN CHANNELS] ARE THE MAIN DRIVERS OF OUR BRAND FOR SALES AND COMMUNITY ”

AN OPPORTUNITY FOR BRANDS

For many brands, the solution lies in cultivating their own communities. Auckland jeweller Meadowlark takes a layered, multi-channel approach – sending twice-weekly emails to its subscribers, and investing heavily in imagery for its own social media channels.

“We put a lot of time and effort into creating imagery,” says co-founder Claire Hammon. “We are always making imagery, in-house, with collaborators, at home, everywhere.”

Each channel plays a different, but important, role she says. “[Our own channels] are the main drivers of our brand for sales and community.”

For Hammon, developing Meadowlark’s channels is a long-term project. “But these channels are the best way for us to express the evolution [of the brand]. I’m not sure how a business can exist or thrive or speak to their customers about all the things that inform the brand.”

REPRESENTATION

THE RISE OF FASHION THAT WORKS FOR EVERY BODY.

THE WAY KIWIS DRESS IS CHANGING

Cuts, colours and silhouettes may change every season, but the shift towards inclusivity is set to stay.

If fashion holds up a mirror to society, then what's being reflected right now in New Zealand may be its truest reflection yet.

Today, local brands are increasingly producing collections that cater to a diverse customer base. From the rise of gender-neutral and adaptive clothing to the growing influence of Maori designers, including Kiri Nathan who this year opened New Zealand fashion week, local designers are taking an increasingly inclusive approach.

"There's definitely more inclusivity in fashion today, compared to when I started," confirms designer James Dobson.

The veteran New Zealand designer launched his label Jimmy D 18 years ago, and back then his collections were

aimed at women. But when Dobson realised that men and non-binary people were buying pieces for themselves ("unexpected parts of the collection like slip dresses and little sparkly crop tops"), he began styling, designing and – eventually – creating pieces that defy gender binaries. Today, his website offers few traces of traditional gender norms; the designer has done away with 'men's' and 'women's' sections, and his often androgynous pieces are styled on all genders.

Dobson believes that as a younger generation rises through the fashion ranks, the industry will only become more inclusive. "These designers are thinking of their friends in the design process, they're thinking of themselves and what they want to wear and it's kind of outside of any of those binaries."

“THERE'S LOTS OF EXCITING BRANDS THAT ARE COMING THROUGH WHERE GENDER IS NOT EVEN A THING AND THAT GIVES ME A LOT OF HOPE.”

"There's lots of exciting brands that are coming through where gender is not even a thing and that gives me a lot of hope," he explains.

The future of New Zealand fashion is only set to become more inclusive, according to Afterpay's latest survey, which uncovered strong demand for gender-neutral and plus-sized clothing.

54.9% of consumers say they're more likely to purchase from brands that offer general neutral fashion

1 in 5 shoppers say that brands don't offer enough gender-neutral clothing

SHOPPERS' BIGGEST BARRIERS

More than one in three shoppers report that they struggle to find clothes in their size, while 5.6 per cent say that their disability precludes them from purchasing pieces they love. Another 5.8 per cent say that a lack of gender-neutral clothing acts a barrier to purchases.

Nearly two-thirds of consumers (60%) say that a lack of stock means they often miss out on purchasing clothing they would otherwise buy.

According to the survey, 55 per cent of shoppers would be somewhat or definitely more likely to purchase from a brand that offered gender-fluid pieces, while 60 per cent of women would purchase clothing that was designed for men.

The survey also found that one in three shoppers struggles to find clothing in their size – a predicament that designer Sarah-Jane Duff is only too familiar with.

Her Auckland-based label, Lost and Led Astray, produces clothes in sizes 12-26 and she has been working in the plus-size industry for 15 years.

Duff has witnessed big shifts in plus-size representation over the years, with mainstream brands introducing more extensive size ranges, and the rise of social media amplifying the voices of body-positive activists. “There are more voices - when I started there was only one other influencer who was a fat person.”

She points out that offering more inclusive clothing can come with challenges. “It’s not just as easy as extending a size... creating proper fit is really important.”

However, it’s a challenge that fashion brands are increasingly attempting to meet – and consumers are demanding.

BORROWING FROM THE BOYS

Women are more comfortable wearing clothing that isn’t gender-specific, with 60 per cent likely or very likely to do this. Men are less keen; 17 per cent say they are likely to wear clothing designed for women, while 4.5 per cent are very likely.

48.2%

would wear rings

28.7%

would wear necklaces

5.7%

would wear pearl necklaces

5.1%

would wear nail polish

14.8%

would wear earrings

3.5%

would wear skirts

35%

would wear bags



MĀORI FASHION HITTING NEW MILESTONES

Kiri Nathan is creating a new blueprint for Māori designers.

When Kiri Nathan sent models down the runway at New Zealand Fashion Week Kahuria in 2023, the audience rose to its feet in a standing ovation. But it wasn't the rapturous reception, or even the clothes themselves – a striking blend of traditional Māori culture and contemporary fit and form – that made the show so memorable.

Instead, the show will go down in New Zealand fashion history as the first time a Māori designer has opened fashion week. This is a significant milestone not only for Nathan, but for Māori fashion more generally, says the Ngāpuhi, Ngāti Hine, Ngāti Maru, Ngāti Hauā, Ngāti Paoa designer.



“I felt it wasn't just about us,” says Nathan of the show. “It was more about Te Ao Māori and the stages we've been through and the way that we dress, and what our aspirations are for the future.

“There was a lot of emotion, and I think [the show] was an excellent reference point for the Māori who are studying at the moment and coming into this industry. It provides reference points for emerging designers, and examples of Māori success within the fashion industry.”

Today, Nathan is arguably New Zealand's most established Māori fashion designer; one whose designs are worn by the likes of Jacinda Ardern and Meghan Markle, and whose pounamu pieces and intricately woven kākahu (cloaks) are commissioned as whānau taonga, intended to be passed down for generations.

It's a level of success that was difficult to imagine for Māori fashion when Nathan started out. “The industry today is unrecognisable to what it was 13 years ago,” she says. Back then, Māori fashion tended to be boxed into wearable arts shows, or crafted into exquisite, one-off pieces, and although there was plenty of creativity, no one had cracked the commercial side of the business.

In the intervening years, a lot has changed; the growing demand for slow, sustainable fashion has helped consumers appreciate the beauty and value of traditional Māori design processes; social justice movements like Black Lives Matter have driven a new appreciation for Indigenous culture; and social media has helped Māori designers reach consumers. “Fifteen years ago, you had to be in with the media companies... and in with the clique within the fashion scene or there were no pathways into the industry.”

Nathan, who runs the Kāhui Collective, which brings together emerging Māori and Pasifika designers, is hopeful for the future of Māori design, and sees education as playing a central role. Where she studied Visual Arts majoring in fashion, and learnt traditional harvesting practices and weaving techniques separately, Nathan would like to see a more holistic ecosystem for emerging Māori designers.

“What's exciting about this space is that it's growing. And this space is so much bigger than us.”

THE RISE OF BNPL

THE WAY THAT KIWIS PAY IS CHANGING

HOW AFTERPAY HELPS FASHION LOVERS & BRANDS

The rising role of Buy Now Pay Later payments.



Just as New Zealanders' style is evolving, so, too, is the way that Kiwis pay for their purchases.

Buy Now Pay Later platforms like Afterpay allow consumers to get what they want, when they want it. Shoppers simply purchase the fashion item they love and then spread the payments over six weeks.

Afterpay is used by Kiwi brands across the country - from emerging to established businesses.

For business owners, partnering with Afterpay also brings benefits. Although consumers pay for their products in instalments, business owners are paid upfront, meaning there is no risk to them.

Partnering with Afterpay can help businesses grow, by delivering access to some of the world's best shoppers - Kiwis who spend more, more frequently.

In FY22 BIS Oxford Economics found that Afterpay contributed \$1.3billion in GDP, with 9500 jobs created or supported across the economy.

Offering Afterpay also means putting your customers first by enabling them to manage their finances and pay their way.



Find out more about the business benefits of Afterpay.

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NOVEMBER 2023