

Growth sector: the US young men's market

By Andrea Bell, WGSN, 15 May 2014

As young male shoppers increasingly buy into trend-led fashion, US retailers are switching strategic focus to tap into this growth market.



RueGuy, Bay Shore

* WGSN ANALYSIS

- 'Millennial males' aged 18-24 spend twice as much on apparel each year than men of previous generations, and are more likely to be early adopters of online retail
- According to New York's eMarketer, 20 per cent of young men spent more than two hours a day on retail websites compared with 13% of junior girls
- Retailers are tapping into market potential by opening dedicated stores or upgrading space to help engage the male consumer
- Digital strategies such as retail-specific apps appeal to young men and help to drive traffic
- Celebrity collaborations and exclusive product, in-store events and pricing provide a call to action that can be shared via social media – vital for this demographic

There's a noticeable change in the US millennial retail space, and in a surprising twist, it's not the girls' juniors market that's the focus of attention. Instead, retailers are taking note of an uptick in the young men's apparel market and investing in the demographic.

According to market research company NPD Group, sales in the segment increased by 1 per cent in 2012 to \$57bn. It may seem a small rise, but it's enough to catch the eye of fast-fashion retailers Rue21 and Forever 21 as well as big-box retailers Target and Kmart.

Retail launches, revamped store space and digital engagement are the main retail strategies as

businesses look to serve male shoppers who are digitally connected, social-media-literate and looking for value.

The new male shopper



Young men are the most connected demographic online

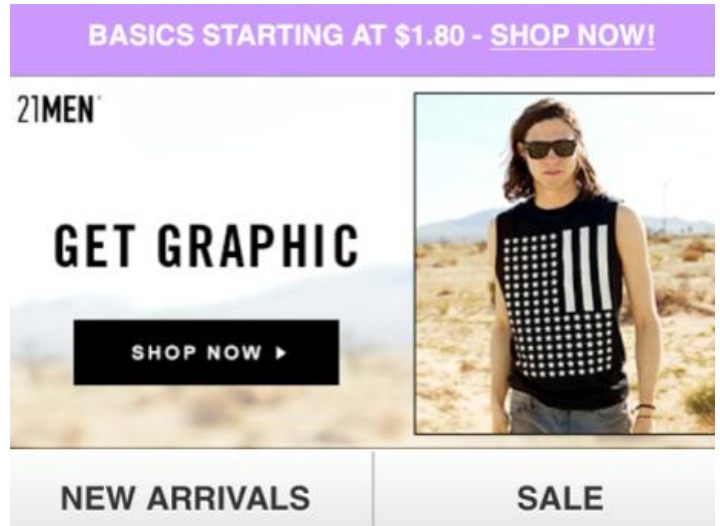


Millennial males are the most inclined to share photos after a purchase



• 2FER Twosday

Tilly's app



Forever 21 app

Research from Boston Consulting Group confirms that a new generation of male apparel-shoppers has arrived in the US. These 'millennial males', aged 18-24, spend twice as much on apparel a year than men of previous generations.

Access to the internet and social media use are major drivers. According to eMarketer, seven out of 10 millennial men own smartphones, and 'digital proficiency' is a trait by which many define themselves. As such, not only is this group of digital natives the most-connected online – with three-quarters of them using social networking sites and 35 per cent watching videos online daily – they are also early adopters of online retail as a natural extension of their digital lives.

Some 40 per cent of millennial males say they would buy everything online if they could compared with 33 per cent of females, according to a recent study by DDB Worldwide. Young men are also more likely to use a mobile shopping app, request a price match via their smartphone and use a retail-store app than female consumers.

As a result, more speciality retailers have added dedicated content for young men and discounted pricing to their shopping apps as they look to drive traffic into stores.

At the time of writing, for example, app-pricing strategies are focused on leading summer items emphasising value. On Forever 21's app, young men's basic T-shirts and tanks are competitively priced from \$1.80 up, with on-trend graphic tanks from \$7.80, discounted from the \$9.80-\$14.80 for similar product available in its physical stores.

Mid-market retailer Tilly's also has discounts on its app, offering two graphic tanks for \$25 and discounts on boardshorts, a key item for this market that RueGuy is also strategically pricing with a 'buy one, get one free' deal.

Discount app pricing is an intelligent tactic for targeting young male millennial shoppers, as studies show that on average, their last 'luxury' purchase cost less than \$250 and 'off-price' channels appeal the most. In terms of messaging, however, San Francisco think tank company Cognizant suggests retailers should avoid using the word 'sale' when discounting, as millennial males show a strong preference for 'deals'.

Store upgrades & expansion



Forever 21 menswear, Seattle



Forever 21 menswear, Seattle



RueGuy, Bay Shore



RueGuy, Bay Shore



Nordstrom, Costa Mesa



Nordstrom, Costa Mesa

As retailers tap into the potential of the young men's market, investments in store space are primarily centred around the expansion and improvement of dedicated environments for the young male shopper. Juniors retailer Rue21 is an exception: the Canadian-based retailer has a 'standalone store' concept for its young men's offer, RueGuy, and has outlined plans to add a further 20 in the US by year-end.

At this relatively early stage of the market's development, however, most retailers in the space are investing in in-store modifications. Retailers including Forever 21 and H&M are allocating more floor space to young men's product, while in the value sector, JC Penney has added in-store category dividers with floor-to-ceiling posts labelled 'young men' in selected stores.

Discount retailer Target, meanwhile, has increased its in-store signage and end caps dedicated to its collaborations for this demographic, such as its Shaun White for Target and Converse One Star collections.

Department stores including Nordstrom and Macy's are also reconfiguring store environments for the millennial male, with both removing walls in the men's sections to create more open spaces and to showcase more merchandise. Light-grey marble and modern chrome are replacing heavy wood interiors, and accessories (ties, scarves, gloves, hats and sunglasses) are being removed from glass cases, allowing consumers to engage with the product.

Brand-building



Adam Levine for Kmart



Snoop Dogg x Neff



Chris Brown in-store meet-and-greet



Chris Brown's Black Pyramid collection

Brand awareness and brand-building strategies are favoured among retailers targeting millennial male shoppers, with collaborations with young male sports stars and celebrities on the rise.

Big-box retailer Kmart has not revealed the sales figures for its recently launched Adam Levine Collection, but says the line with the singer-songwriter is set to be its most successful celebrity collaboration to date. A company spokesperson has said: "It's tracking well ahead of plan. There is nothing on the floor which isn't working."

Mid-market retailers are also investing in strategic celebrity partnerships. Tilly's introduced the Neff x Snoop Dogg apparel line and Mechanical Dummy is the exclusive retailer for Chris Brown's Black Pyramid collection.

Exclusivity is another way that retailers are building market share. Invite-only in-store events and limited-edition merchandise provide consumer calls-to-action that can be easily shared on social media, which is a major selling-point for this demographic.

According to Harris Interactive, millennial males are the most likely to share photos and comment on new products, with seven out of 10 of them influenced to purchase based on friends' posts.

Encouraging young shoppers to share is another strategy in action, with in-store messaging and visual merchandising acting as creative backdrops to social posts. Forever 21, for example, recently displayed in-store signs asking 'Is this insta-worthy?', encouraging juniors and young men to take pictures and share on social media – a surprising move for a retailer with strict in-store photography policies.

Who's next?

The potential for the young men's market in the US has not gone unnoticed by international retailers, with several investing in US expansion via stores.

UK retailer Topshop is [expanding its partnership with Nordstrom](#), adding eight Topman stores to the 10 it currently has located in the department stores. In addition, the company will add 30 Topman suiting sections to stores by November.

H&M's [global expansion strategy](#) is based on two markets: China is, unsurprisingly, a key target, but so too is the US market as the Swedish retailer refocuses its efforts on US expansion. The group also plans

to introduce Cheap Monday, an on-trend street fashion brand, to the US market within the year.

The most anticipated addition to the US retail space is Primark, which is due to open its **first flagship store in Boston** later this year. The city has numerous universities and colleges, offering a large millennial male consumer-base looking for value retailers.
