



Kuwait's Fashion Industry Situation Report

COVID-19 Update

April 2020 Update

Ramadan is known for as a month of mixed performance attributes where the fashion industry is developing momentum in preparation for two major shopping events, Gargee'an (mid of Ramadan) and Eid. Those events will have low positive impact as a result of the lockdown. The fashion industry failed to resist to the crisis as quickly as possible. The major fashion retailers in Kuwait who are also mall developers primarily focused on strategies that will only drive footfall into their physical malls and their stores are byproduct of such strategy. Such limited focus on physical stores led to very minimal online presence such as online stores and social media coverage. Some brands launched their online stores during mid-April, although they do not have the actual online stores only PDF catalogues that consumers need to communicate their orders by screenshotting the selected product to a designated WhatsApp phone number.

Fashion retailers who operated their online stores prior to the pandemic were also overwhelmed with the increasing orders and the limited timeframe for delivery. Kuwait is the only country in the GCC that did not allow the delivery services to operate during curfew hours in March and April. Such restrictions caused ordered to be delivered two to three weeks from the purchase date.



WHAT IS NEXT?

Fashion brands are expected to have inventory issues due to unsold March, April, and May inventories along with order cancellations for the next two to three seasons. Global brands that control their supply chain and can balance between the changes in consumer preferences with the severe financial impact of the virus on each global region will be able to thrive beyond the pandemic.

Fashion brand retailers must push their localized strategies over their global brand owners in order to survive and accommodate their local needs. Once the crisis is over, global brand owners will push their survival strategies over the country level operators in terms of pushing inventory and promotions that are beneficial to their global brand owner but not necessarily matching the localized consumer reaction and appetite during post pandemic times.

Revenue Performance Change

