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Copenhagen Economics

VALUE OF E-COMMERCE FOR EU CONSUMERS

THE ROLE OF CLOTHING E-COMMERCE IN ENHANCING AFFORDABILITY AND AVAILABILITY

CLIENT: SHEIN GROUP
27 OCTOBER 2025

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PREFACE

E-commerce is now a central part of consumer life across the EU, rapidly transitioning from a niche activity to a mainstream habit for European consumers. At the same time, the rapid growth of e-commerce and the introduction of new business models built around direct-to-consumer logistics have drawn increasing attention from policymakers and civil society. As e-commerce continues to reshape retail, concerns have grown about its effects on traditional retail sectors, its environmental impact, and fair taxation. In some countries, this has translated into calls for stricter regulation on e-commerce. The policy debate has so far reflected the input of stakeholder groups such as local retail and civil society organisations, but consumer perspectives are less clearly understood and represented. This study aims to make those perspectives more visible.

In light of this policy debate, SHEIN has asked Copenhagen Economics to examine what EU consumers themselves value most about e-commerce, and how these advantages vary across income levels and geographic areas. This study does not aim to assess the full impact of e-commerce. Instead, it focuses on the consumer perspective, specifically, the value users derive from shopping online, in the clothing segment. More specifically, this study analyses the following questions:

1. Why do people choose to shop online, and what do they value most about the experience?
2. How does e-commerce specifically affect lower-income consumers and consumers living in rural areas?
3. What are the potential economic savings associated with buying online?

To answer these questions, we conducted a pan-European survey of more than 27,000 SHEIN customers across all 27 EU Member States. We also drew on publicly available market data and industry reports. The pan-European survey enables both EU-wide analysis and a more detailed focus on 12 selected Member States.

This study was designed with the understanding that the current public debate around e-commerce is multifaceted and includes a wide range of concerns, some economic, others environmental, social, or cultural. Many of these issues, such as sustainable consumption or business model transparency, are critically important and merit further study. However, they lie outside the scope of this report.

TABLE OF CONTENTS

LIST OF FIGURES

VALUE OF E-COMMERCE FOR EU CONSUMERS
THE ROLE OF CLOTHING E-COMMERCE IN ENHANCING AFFORDABILITY AND AVAILABILITY

Copenhagen Economics

E-commerce has reshaped how people shop, with ***77% of EU internet users buying online in 2024*** - up from 53% in 2010. Clothing and accessories lead in popularity.

While policy concerns grow, **consumer benefits are often overlooked**. This report explores them via a pan-EU survey of SHEIN customers and responses from 27,000 participants across the 27 EU Member States.

E-COMMERCE EXPANDS ACCESS TO AFFORDABLE PRODUCTS

LOWER PRICES FOR ONLINE GOODS

- Easier price comparison
- Stronger competition
- New business models

INCREASED PRODUCT CHOICE AND AVAILABILITY

BENEFICIAL FOR

- Consumers with a preference for variety
- Consumers living in underserved areas

CONSUMER WELFARE GAINS

- Access to lower prices
- Search efficiency
- Convenience
- Increased product choice

CONSUMER SURVEY REVEALS AFFORDABILITY AND ACCESSIBILITY ARE KEY REASONS FOR SHOPPING FOR CLOTHING ONLINE

AFFORDABILITY MATTERS

68% of respondents report **price as the top priority** when buying clothes

81% of respondents believe **online shopping offers better deals** than physical stores

ONLINE SHOPPING SUPPORTS LOWER-INCOME GROUPS

70% of lower-income consumers rank **price** as the most important factor when buying new clothes

36% of lower-income consumers say shopping for clothing online helps them **afford more essentials**

GREATER ACCESS IS A KEY FACTOR FOR CONSUMERS

64% of respondents report shopping for clothing online gives them **access to clothes that better fit their preferences**

30% of respondents say they would **miss inclusive sizing options** of online shopping were unavailable

RURAL AREAS FACE DISTINCT ACCESSIBILITY CHALLENGES

58% of rural respondents say they always or often have **difficulty finding suitable or affordable clothes near them**

24% of rural respondents report **spending over €20 per trip** for a round trip to a physical store

ESTIMATED EU-WIDE SAVINGS FROM PURCHASING CLOTHING ONLINE

33% **savings estimated** by respondents when buying online compared, to purchasing similar items in physical stores

For SHEIN specifically, respondents estimate they are saving 43% when shopping on SHEIN compared to physical stores

€12.8 **monthly perceived savings** per online consumer

Approx. 19% of average monthly household spending on clothing and footwear per capita across the EU

€22 billion potential **annual savings across the EU**

IMPACT ASSESSMENTS ON ONLINE CONSUMER BEHAVIOUR IN THE EU SHOULD CONSIDER

- THE EFFECT ON HOUSEHOLDS BUDGETS
- THE EXPERIENCES OF MARGINALISED GROUPS
- NON-PRICE BENEFITS AND THE VALUE OF INCLUSIVE FASHION

INTRODUCTION AND EXECUTIVE SUMMARY

Over the past 20 years, e-commerce has emerged as a transformative force in modern retail, fundamentally reshaping how consumers discover, compare, and purchase goods and services. Driven by rapid advances in digital technology and new business models, online shopping offers competitive pricing, broader product access, and greater convenience, enabling consumers to connect with different vendors from the comfort of their homes.

In the European Union in 2024, approximately 77 per cent of internet users reported purchasing goods or services online, marking a significant rise of 24 percentage points from 53 per cent in 2010. Notably, "clothes (including sportswear), shoes, and accessories" has emerged as the most popular product category among online buyers.[1] This notable growth over little more than a decade reflects how online shopping has moved from a niche behaviour to a mainstream and widespread habit for European consumers.

At the same time, the rapid expansion of e-commerce, especially models built around direct-to-consumer logistics, has prompted growing scrutiny among policymakers and civil society. Questions have been raised about the broader implications of large-scale online retail on traditional retail sectors, environmental impact, compliance with safety requirements, and fair taxation. In some countries, this has translated into calls for stricter regulation.

While public debate often focuses on the challenges of e-commerce, less attention has been paid to the benefits for consumers, especially for those with limited economic resources or living in rural areas, or to the key factors driving their growing preference for online shopping.

This report addresses this gap by examining the main benefits documented by the economic literature and exploring what EU consumers themselves value most about e-commerce, relying on a large-scale pan-European consumer survey, targeting SHEIN's customers across all 27 EU Member States.

In Chapter 1, we present the main findings from the literature on the impact of e-commerce on consumers' welfare.

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[1] Eurostat (2025). Online shopping in the EU keeps growing. Available here. (Accessed: 10 September 2025)

First, we find that **inflation rates for online goods have, on average, been lower than those for offline products**. Multiple international studies have consistently indicated that online prices tend to increase at a slower pace compared to offline prices. **Key factors** contributing to the affordability of online channels include **reduced search costs**, enabling consumers to efficiently compare products and prices, **heightened competition**, which exerts downward pressure on pricing and the introduction of **innovative business models** that leverage more efficient supply chains. We also looked closer at price and consumer behaviour dynamics in the fashion industry, finding that increased price sensitivity and relatively low inflation in this sector represent a long-term trend.

Second, we find that **e-commerce benefits consumers by helping them to access a wider range of goods.** We show that increased variety enhances consumer welfare through a preference for variety and that e-commerce expands availability especially for underserved consumers living in more peripheral regions.

Third, we show that **e-commerce produces substantial gains in consumer welfare by increasing access to lower prices, enhancing product variety, reducing search costs, and delivering greater convenience.** These benefits are particularly pronounced for lower-income individuals and consumers in underserved areas, as supported by a broad range of economic and trade studies. This is particularly relevant in the EU, where people living in rural areas exhibit consistently lower income levels than those living in urban ones.

In Chapter 2, we present the main findings from the large-scale pan-European consumer survey we conducted in July 2025, aimed at investigating the main factors influencing consumers' choice between online and offline shopping channels, as well as the key perceived benefits of shopping online. The survey was distributed to European consumers who have shopped on SHEIN and collected responses from 27,000 participants across the 27 EU Member States allowing us to gather insights from a broad and diverse group of European online shoppers across different geographies (Appendix A provides an overview of our sample size).

In line with the economic literature, we find that **affordability and accessibility are the key drivers for shopping online**.

In Section 2.1, we present insights on the value consumers place on affordability and accessibility when shopping online. We find that **price is considered the top priority for consumers purchasing new clothes**, both online and offline, which suggests that consumers may be notably sensitive to price. According to our survey, 68 per cent of consumers surveyed rank price as the most important criterion when buying new clothes. We also show that 81 per cent of consumers agree that shopping for clothing online offers better deals than physical stores and that better prices are what 70 per cent of respondents would miss most, if online shopping for clothes were not an option. In terms of accessibility, we find that 64 per cent of consumers surveyed agree that shopping for clothing online gives them greater access to clothes that better fit their preferences.

Among lower-income consumers, our analysis shows that price plays an even more pronounced role when purchasing new clothes, with 70 per cent of respondents identifying it as the most important factor. Additionally, 37 per cent say online shopping helps them save extra money, while 36 per cent report that it allows them to afford more essential goods.

Additionally, we find that **consumers living in more remote areas place more value on accessibility, as they find it more costly and difficult to access comparable products in nearby physical stores.** Among this group of respondents, 24 per cent report spending over 20 euros on travel for a round trip to a physical store, and 79 per cent agree that online shopping gives them access to trends and styles that are otherwise unavailable locally.

In Section 2.2, we estimate total consumer savings from purchasing clothing online across the EU. We find that **most consumers report saving by shopping online, with an average perceived savings of 33 per cent,** equivalent **to EUR 12.8 per month**. Under the assumption that the level of savings reported by survey respondents could be achieved by all EU consumers buying clothes online**, we estimate that total savings for EU consumers may reach up to EUR 22 billion per year.**

The findings of this report provide valuable insights for policymakers and industry leaders on the impact of e-commerce on EU consumers.

Our analysis finds that affordability and accessibility are widely recognized by surveyed consumers as key factors shaping decisions to buy clothes and to purchase online. Moreover, we find that the financial benefit of buying clothing online has a noticeable effect on budgets, particularly in the context of increasing living costs. Additionally, we observe a remarkable level of consistency in online shopping behaviour across EU Member States, underscoring the value of coordinated EU policies for promoting digital consumer interests. Finally, we find that, beyond economic considerations, non-price factors such as access to a broader selection of styles and sizes significantly influence consumer choice online and highlight the wider relevance of inclusive fashion.

Together, these results underscore the **importance of impact assessments that consider both price and non-price benefits when evaluating policy reforms influencing online consumer behaviour in the EU**. Importantly, it is essential that such assessments also address the experiences of marginalised groups, including lower-income consumers and those in rural areas, to ensure that policy outcomes are equitable and inclusive.

CHAPTER 1

E-COMMERCE EXPANDS ACCESS TO AFFORDABLE PRODUCTS

In this chapter, we present the main findings from economic literature highlighting that e-commerce contributes to consumer welfare, benefiting particularly lower-income consumers and those living in peripheral regions.

High inflation and regional income disparities reduce purchasing power, making affordability a major concern for consumers. E-commerce helps bridge this gap by offering cost-effective alternatives and expanding product availability.

We find that **economic literature focuses on two primary channels through which e-commerce benefits consumers**:

- **Price accessibility**: E-commerce platforms often offer lower prices. This makes consumer goods more affordable, especially for lower-income consumers, more sensitive to price differences.
- **Expanded availability**: Online retail significantly broadens access to a wide range of products, including niche or specialised items that may not be available in physical stores. This is particularly beneficial for consumers living in rural or underserved regions, where local retail options are limited or non-existent.

This chapter is structured as follows:

- In Section 1.1, we present evidence on **how e-commerce enables consumers to access lower prices**. We show how **online prices have generally increased at a slower rate than overall inflation**. We describe some of the drivers of lower costs online.
    - In a focused section, we present findings on **price and consumer behaviour dynamics in the fashion industry** and highlight how increased price sensitivity and relatively low inflation in this sector represent a long-term trend.
- In Section 1.2, we present evidence on **how e-commerce helps consumers access a wider range of goods**. We show that **increased access to a wider range of goods enhances consumer welfare** through a preference for variety and that **e-commerce expands availability for underserved consumers living in more peripheral regions**.
- In Section 1.3, we draw from findings in sections 1.1 and 1.2 and economic and trade literature and **present evidence on how e-commerce supports consumer welfare**.
    - In a focused section, we provide evidence that **lower-income status and residence in rural areas frequently overlap within the EU**. This is especially important for understanding how the main advantages of online

shopping are distributed among groups that often face the greatest barriers to accessing affordable products.

1.1 E-COMMERCE ENABLES CONSUMERS TO ACCESS LOWER PRICES

This section presents evidence on how e-commerce helps consumers access lower prices. Drawing on economic and trade literature as well as publicly available data, we show that:

- Online prices have generally risen more slowly than overall inflation;
- Lower search costs and innovative business models in online retail have intensified competition and helped keep prices down;
- In the clothing sector, e-commerce helps meet growing consumer demand for affordable options, reflecting a long-term trend toward lower prices and greater price sensitivity.

1.1.1 Online prices have generally increased at a slower rate than overall inflation

Following the rapid expansion of e-commerce, the influence of online retail on price setting and overall price levels has become a central topic of research and policy interest. This focus reflects the growing recognition that e-commerce not only affects how prices are determined but also has broader implications for inflation and consumer welfare.

In the past 20 years, a large body of literature has documented the impact of e-commerce on prices and inflation, generally finding that the rise of online retail has exerted downward pressure on prices and contributed to lower inflation rates, though effects vary across sectors and countries.

Measuring and comparing price levels and inflation between online and offline channels is challenging due to differences in basket composition and price update frequency. Online prices are often more variable and include factors like delivery fees or potential return costs, making direct comparisons complex. Additionally, there is currently no systematic recording of exclusively offline or exclusively online prices. Traditional inflation measures, which mainly rely on offline price data but incorporate some online prices, may therefore fail to fully capture the range and dynamics of price changes experienced by today's consumers across different channels. Finally, products sold online and offline are not always exact matches, making direct comparisons difficult.

One of the largest initiatives comparing online and offline prices was the Billion Prices Project (BPP), which collected daily online price data from the United States and nine other countries from 2008 to 2016.[2] Studies using this dataset have found that online and offline prices are often similar, with a match rate of 70 to 90 per cent in the US and UK.[3] However, when price differences do occur, online prices tend to be around 4 per cent lower than their offline counterparts.

A limitation of this data is that it focuses on multi-channel retailers, thereby excluding purely online retailers, such as Amazon. Therefore, the pricing dynamics of these online-only platforms, which

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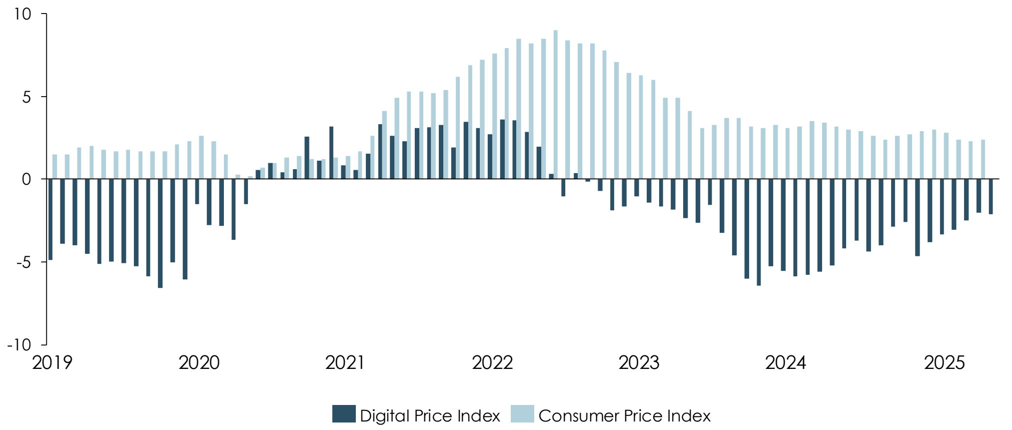
[2] The Billion Prices Project, Available here. (Accessed: 10 July 2025)

[3] American Economic Association (2016). Retail price reality check, Available here. (Accessed: 10 July 2025)

represent a significant share of e-commerce activity, are not captured. As a result, any conclusions or analyses based on this data should be interpreted accordingly.

Another similar initiative is the Adobe Digital Price Index (DPI), which builds an online basket of goods to mirror the American Consumer Price Index (CPI).[4] Unlike the BPP, the Adobe DPI includes online-only retailers such as Amazon and SHEIN, thereby capturing a broader range of e-commerce pricing dynamics. Figure 1 illustrates how monthly inflation in the digital basket has consistently been lower than the offline CPI over the past five years in the United States.

Figure 1
Over the past six years, inflation for online goods in the US has consistently remained below that of offline products
Year-over-year percentage change in online prices by month



Source: Copenhagen Economics based on Adobe data and US Bureau for Labor Statistics data. Adobe Digital Price Index, Available here and Consumer Price Index, Available here. (Both accessed 10 July 2025)

Empirical studies in the EU, the US, Japan, and Korea have found evidence of an anti-inflationary effect of e-commerce, with varied results.

In Europe, the European Central Bank (ECB) has examined how the rise in online shopping is affecting price setting. Using household panel data, and drawing on evidence from France, the UK, Germany and Poland, the study finds that online prices tend to be lower and the presence of e-commerce results in more uniform pricing. It also shows that inflation rates for fast-moving consumer goods[5] between online and offline channels tend to converge once markets are mature.[6]

Several studies conducted at the national level in the EU find a similar impact of online commerce on inflation. In Italy, an analysis conducted in 2023, comparing a constructed basket of online goods with the traditional Italian CPI from 2016 to 2023, finds that the average price level for the

4 Adobe: Adobe Digital Price Index, Available here. (Accessed: 10 July 2025)
5 Fast-moving consumer goods are non-durable products with a short-shelf life e.g., food.
6 European Central Bank (2023). E-commerce and price setting: evidence from Europe, Available here. (Accessed: 10 July 2025)

online basket was statistically significantly lower by 2.56 points, on average.[7] The results should be interpreted as a lower bound, because the Italian CPI already includes some online goods. Moreover, over the period from 2020 to 2023, the difference in price levels widened: the online basket increased by approximately 6.07 per cent, whilst the CPI rose by 15.45 per cent, providing evidence of increased price stability in online goods during the inflationary period that followed the energy crisis.

In France, a study using an econometric regression analysis of data from 2010 to 2019 finds that the growth of e-commerce had an anti-inflationary effect, ultimately benefiting all consumers.[8] The analysis estimates that, by contributing to lower inflation, the increase in e-commerce penetration from 2010 to 2019 resulted in savings of EUR 17 billion for French households.

In the US, a study using the Adobe DPI compared inflation rates for online goods with those measured by the traditional CPI. The analysis estimated that online inflation was, on average, 1.3 percentage points lower per year than the CPI for the same goods.[9]

In Japan, an analysis on household expenditure and CPI from 1991 to 2016 found that goods sold intensively online experienced statistically significantly lower rates of price increases than goods sold offline.[10] The long time series enabled the researchers to examine the effects both before and after the introduction of e-commerce firms in Japan in 1997. For the pre-e-commerce period, the study used historical catalogue sales as a proxy for goods typically sold online. Their findings showed that the effect was present in both periods, but more pronounced in the later period, suggesting that e-commerce lowered the relative rate of price increase of goods sold intensively online.

In South Korea, a study comparing the CPI with Online Prices Indexes (OPIs) for two categories of goods, including clothing and footwear, between 2018 and 2019 finds a notable divergence: whilst the CPI increased by 3.6 per cent, the OPIs fell by 1.8 per cent.[11] This provides further evidence that online prices tend to rise at a slower rate than overall inflation.

1.1.2 Easier price comparison, intensified competition, and innovative business models are among the channels driving lower costs

Several key channels contribute to the lower prices typically observed in e-commerce, see Figure **2**.

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7 Ambrosetti (2023). E-commerce: perceptions and evidence of benefits for citizens, businesses, and the Italian Economy, Available here. (Accessed: 10 July 2025)

8 Compass Lexecon (2024). Le commerce en ligne en France: effet anti-inflation et vaste choix, Available here. (Accessed: 10 July 2025)

9 Goolsbee & Klenow (2018). Internet rising, prices falling: measuring inflation in a world of e-commerce, Available here. (Accessed: 10 July 2025)

10 Jo, Matsumura & Weinstein (2019). The impact of e-commerce on relative prices and consumer welfare, Available here. (Accessed: 10 July 2025)

11 Yim, et al. (2022). Spread of E-commerce, prices and inflation dynamics: Evidence from online price big data in Korea, Available here. (Accessed: 10 July 2025)

Figure 2
Three main channels drive lower prices in e-commerce

Note: Illustrative
Source: Copenhagen Economics

One of the key advantages of e-commerce is the significant reduction in search costs for consumers. Online platforms make it easier to compare prices across multiple sellers, increasing price transparency and putting downward pressure on prices.

Several studies provide evidence of the significant impact of reduced search costs on the lower prices observed in e-commerce. The ECB notes that low search costs reduce price stickiness on online goods, allowing prices to adjust more quickly to market conditions.[12] This reduced stickiness, along with increased competition, places downward pressure on prices. Further evidence from a study that utilises the BPP finds that when products are easily comparable and search costs are low, price dispersion tends to be lower and price changes more frequent.[13]

[12] European Central Bank (2023). E-commerce and price setting: evidence from Europe, Available here. (Accessed: 10 July 2025)

[13] Cavallo & Rigobon (2016). The Billion Prices Project: Using online prices for measurement and research, Available here. (Accessed: 10 July 2025)

2 Stronger competition

Another driver of lower prices is that e-commerce contributes to the removal of geographic barriers and intensifies competition, which places downward pressure on prices.[14] As consumers gain access to a wider range of sellers, the increased competition leads to an equalisation of prices across regions, as has been shown in Japan, where price differences across cities fell due to online competition.[15]

As early as 2003, a study on booksellers found that increased competition from e-commerce led to lower prices, enhancing consumer surplus by an estimated USD 100 million.[16] The authors repeated the study in China in 2022 and once again found a decline in prices.[17] A 2023 OECD survey confirms that this dynamic remains relevant, showing that e-commerce encourages local retailers to compete with a broader range of competitors.[18] In addition to expanding the number of sellers, e-commerce also introduces a greater variety of new products that compete with existing ones, and, as explained by the ECB, this further intensifies competitive pressure and contributes to lower prices.

3 New business models

A third factor contributing to lower e-commerce prices is the emergence of new business models built around more efficient supply chains, in contrast to traditional cost structures. As noted by the ECB, a key mechanism behind this advantage is the full digitalisation and centralisation of supply chain operations, which enhances efficiency and reduces costs.[19] Similarly, the OECD survey identified lower transaction costs as a key advantage for e-commerce companies. The most frequently cited channel for this benefit is *easier management of digital payments*, mentioned by 90 per cent of respondents. Other platform features that help reduce transaction costs include *payment method options* (75 per cent), *delivery management* (70 per cent), and *pre-filled sales tax reporting* (52 per cent).[20]

Another channel through which competition pressures prices is the entry of specialised players in the online retail. As observed by the ECB, these businesses, whose marketing, logistics and invoicing are specifically tailored to e-commerce, operate more efficiently than traditional players in the value chain and thereby contribute to reducing costs. An OECD report echoes this view by highlighting that digital-native retailers leverage their business models to enhance efficiency through optimised logistics, integrated payment processing, and tailored advertising, often resulting in lower prices.[21]

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14 Gorodnichenko et al. (2017). Price setting in online markets: Does it click? Available here. (Accessed: 10 July 2025)

15 Jo, Matsumura & Weinstein (2019). The impact of e-commerce on relative prices and consumer welfare, Available here. (Accessed: 10 July 2025)

16 Brynjolfsson et al. (2003). Consumer Surplus in the Digital Economy: Estimating the Value of Increased Product Variety at Online Booksellers, Available here. (Accessed: 10 July 2025)

17 Brynjolfsson et al. (2022). Gains from Product Variety: Evidence from a Large Digital Platform, Available here. (Accessed: 10 July 2025)

18 OECD (2023). SMEs in the era of hybrid retail, Available here. (Accessed: 10 July 2025) Survey was conducted within the OECD's Digital for SMEs Global initiative, in six OECD countries – France, Germany, Italy, Japan, Korea, and Spain.

19 European Central Bank (2023), E-commerce and price setting: evidence from Europe, Available here. (Accessed: 10 July 2025)

20 OECD (2023). SMEs in the era of hybrid retail, Available here. (Accessed: 10 July 2025) Survey was conducted within the OECD's Digital for SMEs Global initiative, in six OECD countries – France, Germany, Italy, Japan, Korea, and Spain.

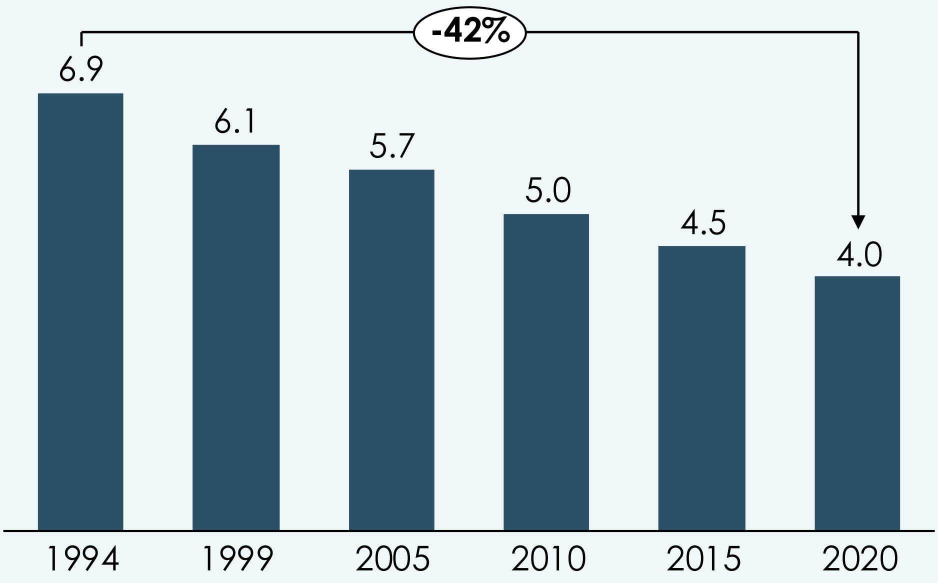
21 OECD (2019). An Introduction to Online Platforms and Their Role in the Digital Transformation, OECD Publishing, Paris. Available here. (Accessed: 10 July 2025)

In the EU, long-term trends in affordable clothing pre-dating the rise of e-commerce have allowed consumers to spend less on clothing while keeping consumption steady

E-commerce has contributed to lowering prices across various sectors, including fashion, by increasing competition, improving supply chain efficiency, and offering consumers direct access to a wide, more inclusive range of products. However, the observed shift toward more affordable clothing cannot be solely attributable to the increased supply of more affordable options enabled by online channels. It also reflects a broader structural trend of reduced spending on clothing and rising price sensitivity among consumers.

EU consumers are allocating a progressively smaller share of their budgets to clothing and footwear, a long-term trend that predates the rapid expansion of fashion e-commerce. Eurostat data clearly illustrates this trend. Between 1994 and 2020, the proportion of household consumption expenditure devoted to clothing and footwear declined in all but one EU Member State.[22] This general downward trend has been evident since the 1990s, when e-commerce was still nascent. On average, the share of households' consumption on clothing dropped from 6.9 in 1994 to 4 per cent by 2020, see Figure **3**.

Figure 3
The share of EU household consumption expenditure on clothing and footwear has declined over time
Per cent



Note: Available data spans from 1994 to 2020.
Source: Copenhagen Economics based on Eurostat: Structure of consumption expenditure by COICOP consumption purpose, Available here. (Accessed: 10 July 2025)

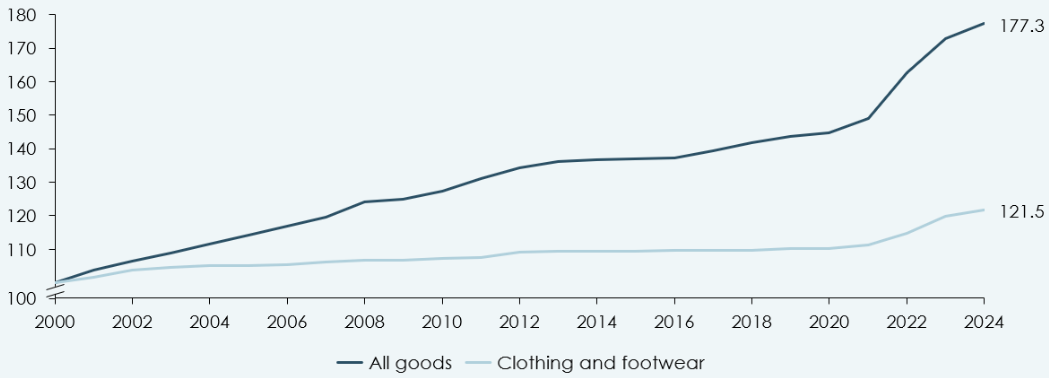
[22] Eurostat (2025). Structure of consumption expenditure by COICOP consumption purpose, Available here. (Accessed: 10 July 2025). Only Croatia saw this share increase modestly from 6.3 per cent in 2005 to 6.5 per cent in 2020, the entire period for which data is available.

Several factors are contributing to the long-term decline in the share of clothing expenditure on total spending.

First, **clothing prices have increased at a slower pace than overall inflation**, making clothing relatively more affordable over time.

Over the past 25 years, consumer prices in the EU-27, measured by the CPI, increased cumulatively by 77.3 per cent. In comparison, the nominal price for clothing and footwear rose by only 21.5 per cent, see Figure **4**. Therefore, the real price of clothing in the EU-27 over the past 25 years has, on average, decreased.

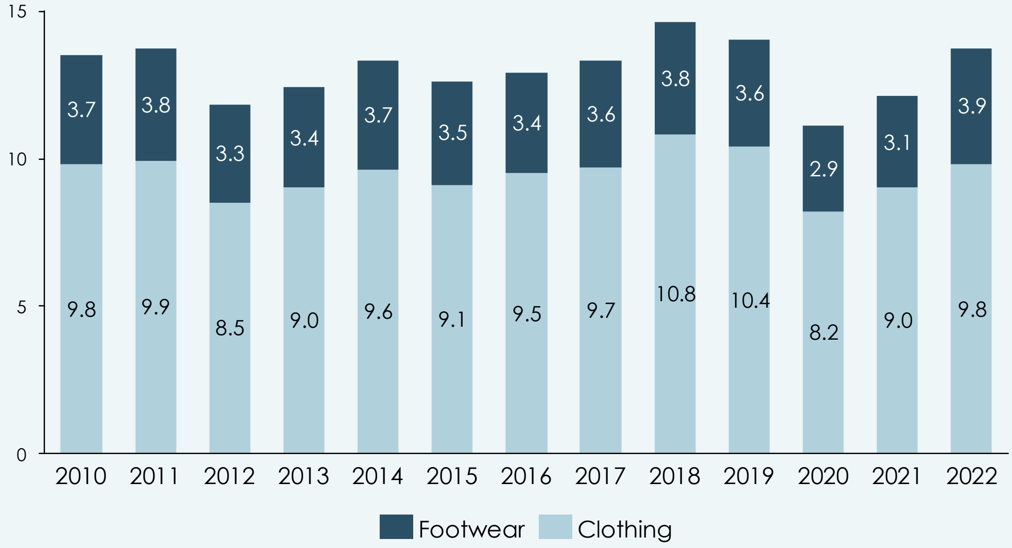
Figure 4
Clothing prices have increased at a lower rate than overall inflation
Consumer price index since 2000 in the EU-27 (2000 = 100)



.Source: Copenhagen Economics based on Eurostat annual HCIP data for the EU-27, Available here.

It is worth noting that, despite the increasing affordability of clothing, statistics show that consumption volumes have not risen in parallel. In terms of volume, clothing consumption has remained broadly stable at around 14 kg per capita over the past decade, see Figure **5**.

Figure 5
Consumption of clothing and footwear in the EU-27 has remained stable over time
Kilograms per person



Note: 2010 is the earliest year for which data is available.
Source: Copenhagen Economics based on Eionet (2025). ETC CE Report 2025/7 Measuring Europe's textiles circularity – through the lenses of the EEA Circularity Metrics Lab, Available here.

Second, in the long term, rising disposable incomes tend to shift **consumer preferences away from essential goods like clothing** and towards services such as restaurants and recreation. This behavioural shift is known in microeconomics as Engel's law, which states that as income rises, the proportion of income spent on necessities such as food and clothing falls, even if absolute expenditure on these items may increase. A wide body of empirical evidence from both developing and advanced economies supports this trend.[23] Eurostat data illustrate this dynamic within the European Union: since 2011, real GDP per capita has risen[24], whilst the share of EU household spending on non-necessities such as restaurants and accommodation has also steadily risen from 7.7 per cent to 8.5 per cent in 2022.[25] Other non-essential categories that have seen rises in the share of EU household spending in recent years include recreation, sport, and culture.[26] [27]

[23] See, for instance, Houthakker, H. S. (1957). An international comparison of household expenditure patterns, commemorating the centenary of Engel's law. Econometrica. 25(4), pp. 532–551. Available here. (Accessed: 10 July 2025) Kaus, W. (2013). Beyond Engel's law – A cross-country analysis. Journal of Behavioral and Experimental Economics, 47, pp. 118–134. Available here. (Accessed: 10 July 2025)

[24] Trading Economics (2024). European Union- The real gross disposable income of households per capita, Available here. (Accessed: 10 July 2025)

[25] Trading Economics (2022). European Union – Final consumption expenditure of households: Restaurants and hotels, Available here. (Accessed: 10 July 2025) Note there was a dip during Covid, before recovering again in 2022.

[26] Eurostat (2024). Household consumption by purpose, Available here. (Accessed: 10 July 2025)

[27] Country-specific household consumption data from the Netherlands in 2020 also supports this trend. When evaluating the gap between the richest 10 per cent of households and the average household, the gap for expenditure on restaurants and accommodation is greater than the gap for clothing and footwear. See European data (2024). Understanding family spending through data analysis, Available here. (Accessed: 10 July 2025)

Finally, other, more recent, **evolving consumer habits, such as the rise of second-hand shopping and increased time spent working from home, are also contributing to the decline in the share of household budget devoted to clothing expenditure**. For example, another reason consumers are spending less on clothing is the growing shift toward second-hand shopping. This shift is expected to continue, with the global second-hand apparel market projected to grow from USD 48 billion to USD 138 billion by 2035.[28] The same is true for Europe, where the market is expected to grow from EUR 15.9 billion to EUR 26 billion by 2030, with the key drivers being cited as lower prices and greater attention to the environmental impact of consumption.[29] [30] At the same time, cultural changes such as the rise of working from home have reduced the need for new clothing, especially for those who now spend more time at home.[31]

In addition to this long-term trend of reduced spending, there is **growing evidence of increased price sensitivity in the fashion sector, especially following periods of high inflation**. Recent high inflation has reduced purchasing power, especially for lower-income households.[32] Economic research consistently shows that during periods of high inflation and uncertainty, consumers cut spending that can more easily be delayed or foregone, like clothing. For example, a recent ECB staff paper highlights that after an interest rate hike, discretionary spending contracts significantly more than necessity spending.[33]

Data from 2024 in the US, UK, and Germany shows that over 40 per cent of shoppers reported spending less on these categories compared to the previous year.[34] Another survey conducted in 2024 finds that 73 per cent of European consumers reported higher prices in the first half of the year, and they are therefore reducing spending on non-essentials items, and opting for lower-priced brands, with apparel experiencing the sharpest net decreases across product categories (-20 per cent).[35] A study by Bank of America, based on internal card data, shows that spending on affordable apparel has grown faster than overall retail spending since 2022.[36] Similarly, a 2022 consumer survey showed that essential items were taking up a larger share of household budgets. About 60 per cent of respondents said they were spending more on essentials than they had in the previous two months, while one-third reported spending less on non-essential items, including clothing.[37] This trend reflects a consumer shift toward more affordable alternatives, and the authors highlight the period of high inflation as a significant contributing factor.

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28 Future Market Insights (2025). Secondhand Apparel Market, Available here. (Accessed: 10 July 2025)
29 Mobarak et al. (2025). Second glance: exploring consumer shifts to thrift shopping and perception of second-hand fashion, Available here. (Accessed: 10 July 2025)
30 Fashion Network (2025). Europe's secondhand fashion market projected to reach €26 billion by 2030, Available here. (Accessed: 10 July 2025)
31 Deloitte Insights (2022). How work from home is influencing what we buy, Available here. (Accessed: 10 July 2025)
32 Eurostat (2025). Consumer prices – inflation, Available here. (Accessed: 10 July 2025)
33 European Central Bank (2025). Adapting to change: macroeconomic shifts and policy responses. Available here. (Accessed: 10 July 2025)
34 McKinsey & Co (2025). The State of Fashion 2025, Available here. (Accessed: 10 July 2025)
35 Boston Consulting Group (2024). European Shoppers Pull Back on Spending, Even as Inflationary Pressures Ease, Available here. (Accessed: 10 July 2025)
36 Bank of America (2024). Consumer apparel: trading down is the new dressing up, Available here. (Accessed: 10 July 2025)
37 World Economic forum (2022). 9 charts that show how inflation and the Ukraine war are impacting European consumers, Available here. (Accessed: 10 July 2025)

1.2 E-COMMERCE EXPANDS AVAILABILITY BY CONNECTING CONSUMERS TO A WIDER RANGE OF GOODS

This section presents evidence on how e-commerce helps consumers access a wider range of goods. Drawing on economic literature, as well as publicly available data, we show that:

- Increased access to a wider range of goods enhances consumer welfare through a preference for variety;
- E-commerce expands availability for underserved consumers living in peripheral regions.

1.2.1 Classical consumer theory suggests that increased access to a wider range of goods enhances consumer welfare through a preference for variety

Consumer welfare is enhanced by access to a wider array of products that enables consumers to better match their purchases to their preferences.

The idea that consumers derive utility from variety has been a core concept in economic theory since at least 1977, when economists began to incorporate preferences for differentiated product varieties in their theoretical models.[38] Theoretical research has found that greater variety can increase consumer surplus and overall welfare,[39] as well as there being a trade-off between price and variety, implying that retailers with less variety must compensate for this by offering lower prices.[40]

Empirical research also supports the positive relationship between product variety and consumer welfare. Brynjolfsson et al. (2003) find that the increased product variety made available through large electronic markets led to significant consumer gains.[41] The authors estimated that, in the year 2000, increased product variety alone contributed between USD 731 million and USD 1,003 million in additional consumer welfare, separate from the benefits gained through lower prices. In a more recent study, Brynjolfsson et al. (2022) confirm that this relationship persists and highlight that rural consumers experienced the greatest gains in consumer welfare.[42]

This conclusion is also supported by previous work from the ECB[43] and Copenhagen Economics[44], both of which highlight that broader access to product variety, enabled by digitalisation, contributes to consumer welfare gains.

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38 Dixit & Stiglitz (1977). Monopolistic Competition and Optimum Product Diversity, Available here. (Accessed: 10 July 2025)
39 Horrace, et al. (2009). Variety: Consumer Choice and Optimal Diversity, Available here. (Accessed: 10 July 2025)
40 Kim, et al. (2002). Modelling Consumer Demand for Variety, Available here. (Accessed: 10 July 2025)
41 Brynjolfsson et al. (2003). Consumer Surplus in the Digital Economy: Estimating the Value of Increased Product Variety at Online Booksellers, Available here. (Accessed: 10 July 2025)
42 Brynjolfsson et al. (2022). Gains from Product Variety: Evidence from a Large Digital Platform, Available here. (Accessed: 10 July 2025)
43 European Central Bank (2021). Digitalisation: channels, impacts and implications for monetary policy in the euro area, Available here. (Accessed: 10 July 2025)
44 Copenhagen Economics (2021). The Impact of E-commerce on the German Economy, Available here. (Accessed: 10 July 2025)

1.2.2 E-commerce expands product availability for underserved consumers

Consumers in rural and remote areas typically face limited product availability, which directly reduces their welfare. This variety bias across locations means that consumers in urban areas often have higher real purchasing power from their access to a greater number of products.[45] E-commerce helps to bridge these access gaps by increasing the availability of goods in rural areas, thereby enhancing real purchasing power outside urban areas.

Direct-to-consumer retailers play a key role in extending the availability of goods by removing the need for physical retail points.[46] The direct-to-consumer model also particularly benefits underserved consumers, who experience greater savings from reduced travel costs than their urban counterparts.[47]

E-commerce is well established in the EU, with an average penetration rate of 60 per cent.[48] However, this rate varies across countries and by degree of urbanisation. Rural areas lag behind cities and suburban regions in terms of e-commerce penetration in almost all European countries[49], reflecting persistent differences in digital access. According to Eurostat, in 2024, 57 per cent of people living in rural areas had made an online purchase in the previous three months, compared to 63 per cent in cities and 59 per cent in towns and suburbs, see Figure **6**. This urban-rural gap is also visible in broader digital engagement, with rural residents less likely to use the internet for activities such as online banking, reading news, or emailing.

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45 Handbury & Weinstein (2015). Goods Prices and Availability in Cities, Available here. (Accessed: 10 July 2025)

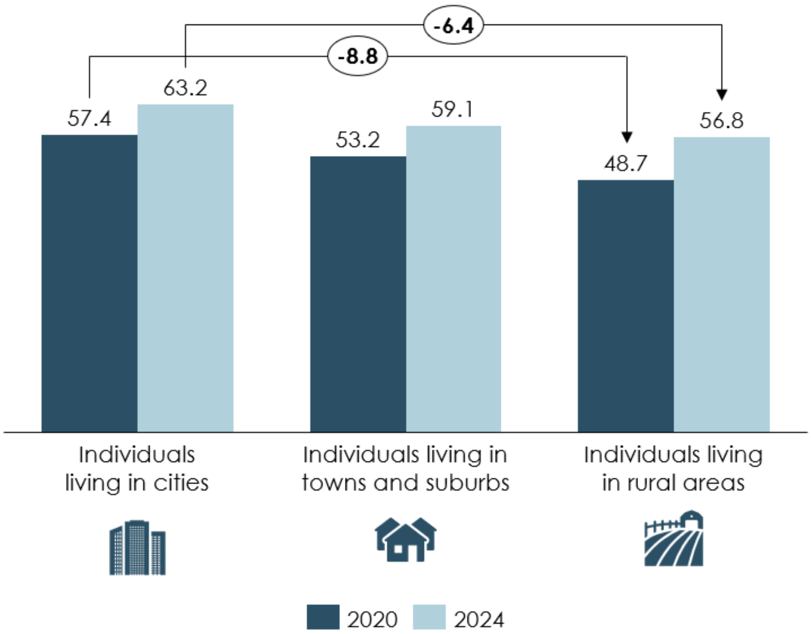
46 Moriset (2020). The geography of e-commerce, Available here. (Accessed: 10 July 2025)

47 Compass Lexecon (2024). Le commerce en ligne en France: effet anti-inflation et vaste choix, Available here. (Accessed: 10 July 2025)

48 E-commerce penetration is the percentage of individuals who ordered goods or services over the internet for private use in the last 3 months. Average rate is calculated by Copenhagen Economics based off Eurostat data.

49 Belgium, Germany, Ireland, Malta, and Austria are notable exceptions, with a higher share of individuals making online purchases in rural areas than in cities.

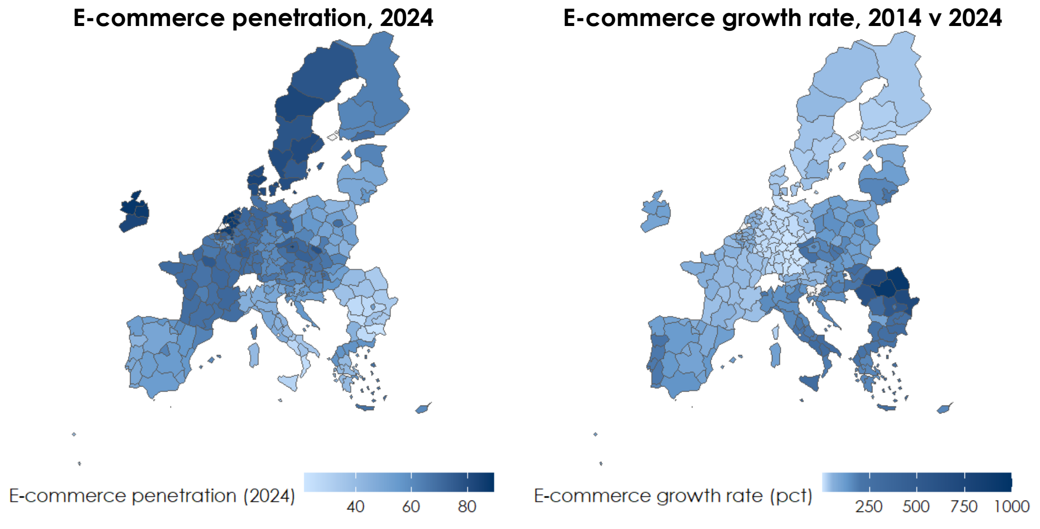
Figure 6
The urban-rural gap in e-commerce penetration is narrowing
Percentage of individuals that have purchased online in the past 3 months, EU 27



Source: Copenhagen Economics based on Eurostat data on individuals that have purchased online in the past 3 months by degree of urbanisation, Available here. (Accessed: 10 July 2025)

At the macro level, we observe a comparable pattern: regions like the Nordics and Western Europe continue to lead with high e-commerce penetration rates, while traditionally lagging areas such as Southern and Eastern Europe are now experiencing rapid expansion. Notably, Romania and Bulgaria are recording the fastest growth in e-commerce adoption, as illustrated in Figure 7.

Figure 7
Macro regions lagging behind in e-commerce penetration show fast growth
Percentage, and the growth in percentage, of individuals that have purchased online in the past 12 months, EU 27



Note: The growth rate is between 2014 and 2024. Grey regions indicate missing data. NUTS-2 regions in Germany, Portugal, Lithuania, Ireland, Croatia, Poland and Greece had some missing data in 2014, for these we assumed the same e-commerce penetration as the overarching NUTS-1 region.
Source: Copenhagen Economics based on Eurostat data on individuals who ordered goods and services online for private use, Available here. (Accessed: 10 July 2025)

The relationship between e-commerce and rural areas has been studied for some time. A 2004 study on U.S. retail spending in isolated regions found that consumers turned to online shopping to compensate for their distance from physical stores.[50] This finding is supported by more recent evidence from the UK, which shows that e-commerce growth is particularly strong in rural areas with limited access to physical stores.[51]

1.3 E-COMMERCE SUPPORTS CONSUMER WELFARE

In the previous sections we highlighted how e-commerce enables consumers to access lower prices and a wider range of goods, hereby enhancing consumer welfare, especially for lower income consumers and those living in underserved areas. Building on these findings, this section presents further evidence from economic and trade literature that supports the positive impact of e-commerce on consumer welfare.

Numerous economic studies have explored the various factors contributing to consumer welfare in the context of e-commerce. By analysing and combining elements such as increased product variety,

50 Sinai & Waldfogel (2004). Geography and the Internet: is the Internet a substitute or a complement for cities? Available here. (Accessed: 10 July 2025)
51 Clarke et al. (2015). The emerging geography of e-commerce in British retailing, Available here. (Accessed: 10 July 2025)

lower prices, reduced search costs, and enhanced convenience, these studies provide comprehensive estimates of the overall welfare gains generated by online commerce. Their findings consistently highlight the significant positive impact that e-commerce has on consumer well-being across different markets and demographic groups.

Combining the benefits of lower prices and increased product variety, a study by the European Parliament finds that the e-commerce generated annual welfare gains for EU consumers of between EUR 34 billion and EUR 204.5 billion.[52] The analysis finds that nearly two-thirds of these gains resulted from greater choice, while the remaining third came from lower prices.

The joint effect of enhanced affordability and accessibility is especially relevant in the EU context, where peripheral regions face economic challenges. Evidence illustrating this is presented in the next Box.

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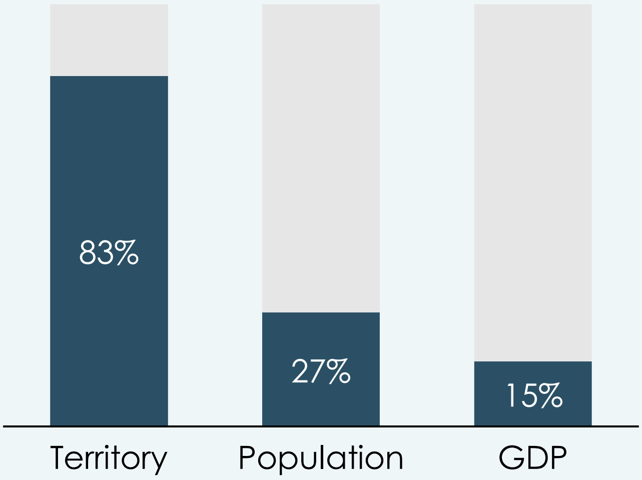
52 European Parliament (2020). How to Fully Reap the Benefits of the Internal Market for E-Commerce? Available here. (Accessed: 10 July 2025)

IN FOCUS

PERIPHERAL REGIONS EXHIBIT STRUCTURALLY LOWER LEVELS OF DISPOSABLE INCOME

Rural areas represent the vast majority of the EU's territory, 83 per cent according to Eurostat,[53] yet they accommodate only 27 per cent of the population and contribute approximately 15 per cent of the EU's total GDP, see Figure **8**. This reflects enduring differences in population density and economic activity between rural and urban regions.

Figure 8
Rural regions account for 45 per cent of EU's territory, but host only 27 per cent of its population and 15 per cent of its GDP
Share on total EU territory, population and GDP, 2021



Source: Copenhagen Economics based on Eurostat (2024). Urban-rural Europe – economy. Available here. (Accessed: 10 July 2025)

Access to essential services such as education, healthcare, and retail is generally more limited in rural settings. According to a study by the Joint Research Centre (JRC) and the European Commission, [54] individuals living in urban areas typically reside within 2.5 km of local services. In contrast, the average distance in rural regions is 9 km. This disparity varies across Member States, for example, rural residents in Malta are on average 2 km away from such services, compared to 21 km in Finland. Public transport access also differs significantly: a study by the European Parliament found that 12.2 per cent of population in rural areas experiences difficulty in accessing public transport, against only 2.3 per cent of population living in cities.[55]

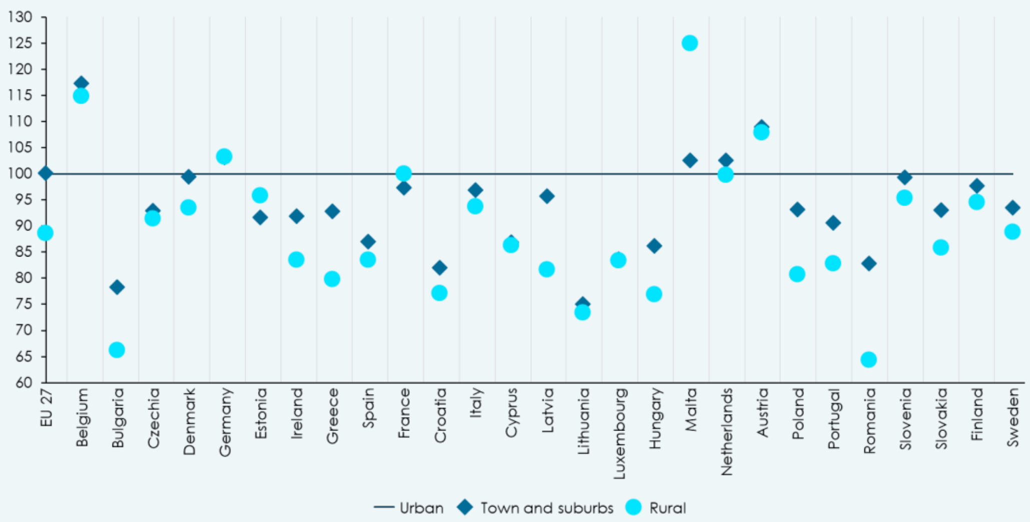
53 European Union (2021). The EU rural vision, Available here. (Accessed: 10 July 2025)
54 Kompil et al. (2019). Mapping accessibility to generic services in Europe: A market-potential based approach. Sustainable Cities and Society, 47, 101372, Available here. (Accessed: 6 October 2025)
55 European Parliament (2017). Rural poverty in the European Union, Available here. (Accessed: 10 July 2025)

These challenges are further compounded by a persistent income divide. According to Eurostat, on average, the median equivalised net income[56] of people living in rural regions is 11 per cent lower than in urban areas. This pattern was visible in 23 out of 27 EU countries in 2024, and the difference reached as high as 36 and 34 per cent in Romania and Bulgaria, respectively. The only exceptions are Belgium, Germany, Malta, the Netherlands, and Austria, where people living in rural areas have higher median levels of net income, see Figure **9**.

Figure 9

Rural regions show consistently lower median income than urban ones

Relative median equivalised disposable income: Towns/suburbs and rural areas compared to urban baseline (Urban = 100), 2024



Note: We measure the deviation of the town/suburbs and rural areas' median disposable income per capita from the urban areas' median disposable income, where the urban level is 100.

Source: Copenhagen Economics based on Eurostat (2025). Mean and median income by degree of urbanisation. Available here. (Accessed: 25 July 2025)

These figures emphasise the need for inclusive regional development strategies that promote both territorial cohesion and economic resilience across all EU regions.[57]

56 "The equivalised disposable income is the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members converted into equalised adults; household members are equalised or made equivalent by weighting each according to their age, using the so-called modified OECD equivalence scale." Eurostat (2025). Glossary: Equivalised disposable income. Available here. (Accessed: 25 July 2025)

57 Eurostat (2025). Gross domestic product (GDP) at current market prices by other typologies, Available here. (Accessed 10 July 2025)

Further research conducted across various geographical regions provides evidence of consumer benefits resulting from e-commerce. A study examining eBay data across 62 countries considers additional drivers of consumer welfare associated with e-commerce, such as reduced search costs and lower perceived risk.[58] Comparing eBay trade flows and offline trade flows, the authors estimate average welfare gains from e-commerce, resulting from lower trade frictions, at around 4 per cent. Dolfen et al. (2018) focus on the US, where e-commerce spending accounted for 8 per cent of consumption in 2017. They estimated that the benefits of e-commerce were equivalent to a 1 per cent permanent boost to consumption.[59] A study using Chinese data examined how e-commerce welfare gains varied by area type and size. While the average gain was 1.6 per cent, the authors found that cities in the smallest population quintiles experienced gains that were 30 per cent higher than average.[60]

The benefits of lower prices and greater product variety are also frequently emphasised in the trade literature as key channels through which trade enhances consumer welfare. In this context, research indicates that tariffs and other trade barriers tend to have a regressive effect, disproportionately impacting lower-income consumers. Because these consumers spend a larger share of their income on essential goods, even a small price increase resulting from tariffs can significantly impact their purchasing power and overall welfare. The magnitude of this effect depends on whether the cost is passed on to consumers. Evidence from the U.S. shows that tariffs are almost always passed through, ultimately resulting in higher prices.[61]

Some evidence suggests that tariffs are often higher on cheaper product varieties, which tend to be purchased more intensely by lower-income consumers, further increasing the disproportionate impact on these groups.[62] An empirical study conducted in 2017 in the US finds evidence that low- and middle-income households do, indeed, spend a higher fraction of their income and non-housing expenditure on tariffs. According to the authors, “the findings indicate that tariffs act as a regressive tax on American consumers and are distortionary in their variation across products.”[63] Additionally, tariffs create incentives for retailers to apply higher markups on the cheapest products. This hypothesis is supported by an analysis of Chinese exporting firms from 2013 to 2016.[64]

Overall, the evidence confirms that e-commerce generates meaningful consumer welfare gains, primarily through lower prices and increased product variety. These benefits are particularly relevant for lower-income groups and consumers living in peripheral areas, who typically face more limited retail options. Insights from both economic and trade literature suggest that reducing barriers to access, whether digital or physical, tends to benefit the most constrained consumers. As such, e-commerce can play a valuable role in improving affordability and access across different regions and income groups.

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58 Lendle et al. (2012). There Goes Gravity: How eBay Reduces Trade Costs, Available here. (Accessed: 10 July 2025)
59 Dolfen et al. (2018). Assessing the Gains from E-Commerce, Available here. (Accessed: 10 July 2025)
60 Fan et al. (2018). The Alibaba effect: Spatial consumption inequality and the welfare gains from e-commerce, Available here. (Accessed: 10 July 2025)
61 Cavallo et al. (2019). Tariff Pass-Through at the Border and at the Store: Evidence from US Trade Policy, Available here. (Accessed: 10 July 2025)
62 Vox EU (2017). US tariffs are an arbitrary and regressive tax, Available here. (Accessed: 10 July 2025)
63 Russ, K. N., Shambaugh, J., & Furman, J. (2017). US tariffs are an arbitrary and regressive tax. VoxEU. org (Center for Economic and Policy Research blog). Available here. (Accessed: 10 July 2025).
64 Cole & Eckel (2018). Tariffs and markups in retailing, Available here. (Accessed: 10 July 2025)

CHAPTER 2

CONSUMER SURVEY REVEALS AFFORDABILITY AND ACCESSIBILITY ARE KEY REASONS FOR SHOPPING FOR CLOTHING ONLINE

In this chapter, we present the main findings from a recent large-scale pan-European consumer survey designed by Copenhagen Economics, aimed at investigating the main factors influencing consumers' choice between online and offline shopping channels, as well as the key perceived benefits of shopping online.

This novel exercise collected responses from 27,000 participants across the 27 EU Member States (see Appendix A, and B for further details on the methodology and sample). The survey was distributed to European consumers who have shopped on SHEIN, allowing us to gather insights from a broad and diverse group of European online shoppers across geographies.

In line with the economic literature, we find that affordability and accessibility are the key drivers for shopping online. This chapter is structured as follows:

- In Section 2.1, we present insights on the value consumers place on affordability and accessibility when shopping online.

  We show that **81 per cent of consumers agree that shopping for clothing online offers better deals than physical stores and that better prices are what 70 per cent of respondent would miss most if online shopping for clothes were not an option**.

  We report that **64 per cent of consumers surveyed agree that shopping for clothing online gives them greater access to clothes that better fit their preferences**.

  We also find that among **low-income respondents, 70 per cent consider price the most important factor when buying new clothes, compared with 67 per cent of non-low-income consumers. In addition, 37 and 36 per cent of low-income respondents report that online shopping helps them save extra money and afford more essentials, respectively, compared with 32 and 33 per cent among non-low-income consumers**. (Section 2.1.1).

  Moreover, we show that **consumers living in more remote areas place more value on accessibility, as they find it more costly and difficult to access comparable products in nearby physical stores** (Section 2.1.2). Among respondents living in remote areas, 24 per cent spend over 20 euros on travel for a round trip to a physical store, and 79 per cent agree that online shopping gives them access to trends and styles that are otherwise unavailable locally.

- In Section 2.2, we present our findings on the level of savings reported by consumers in the consumer survey and estimate total consumer savings from purchasing clothing online across the EU.

  We find that most consumers report saving by shopping online, with an average perceived savings of 33 per cent, equivalent to EUR 12.8 per month (Section 2.2.1) considering respondents' reported spending on clothes. Under the assumption that the level of savings reported by survey respondents could be achieved by all EU consumers buying clothes online, we estimate that **total savings for EU consumers may reach up to EUR 22 billion per year** (Section 2.2.2).

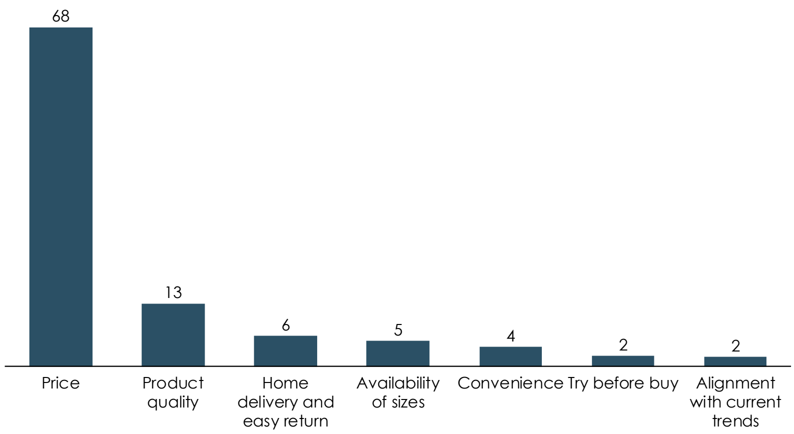
2.1 CONSUMERS VALUE AND BENEFIT MOST FROM LOWER PRICES ALONGSIDE GREATER ACCESS WHEN SHOPPING ONLINE

In this Section, we explore key factors influencing online shopping behaviour. We begin with (i) the most important factors for consumers when buying new clothes; (ii) the main benefits of online shopping; (iii) the impact of online shopping on spending and savings; and (iv) unique aspects of online clothes shopping with respect to offline. We then analyse responses from low-income and rural consumers, assessing their perceived benefits and preferences, and the importance of online shopping for those with fewer alternatives and higher barriers to physical stores.

We find that price is considered the top priority for consumers purchasing new clothes, both online and offline, which suggests that consumers may be notably sensitive to price, consistent with the evidence of increased price sensitivity regarding clothing purchases discussed earlier in Section 1.1.1. According to our survey, 68 per cent of consumers surveyed rank price as the most important criterion when buying new clothes, see Figure 10. Also, when specifically asked about online shopping on SHEIN, respondents indicate that a lower price is the most important factor driving consumers to choose this online retailer over local alternatives.[65]

[65] 81 per cent of respondents in the consumer survey chose "Lower prices" as a factor in the question "Why do you choose SHEIN over local retailers? Select all that apply", which had the highest share of all the factors available.

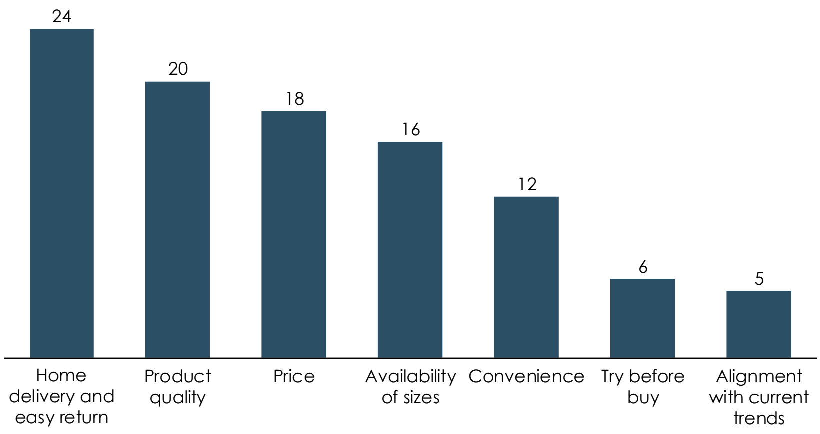
Figure 10
Price is the most important factor for consumers surveyed when buying new clothes
Percentage share of respondents ranking each factor as first



Note: The figure shows the share of respondents that ranked each of the factors above as the first (1) most important factor, when buying new clothes, when asked the question: "When buying new clothes, which of the following criteria are the most important to you? Please rank them in order of importance, with 1 being the most important". The sample size for this question consists of 24 955 responses. Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

Consumers also value other factors, related to accessibility and quality when shopping online, in line with findings presented in Section 1.2. The possibility of "home delivery and an easy return process" was chosen as the second most important criterion by 24 per cent of respondents. Product quality and craftsmanship, and availability of different sizes are other factors prioritised by the highest share of respondents, with 20 per cent and 16 per cent of respondents, respectively, ranking them most often as the second highest importance factor, see Figure **11**.

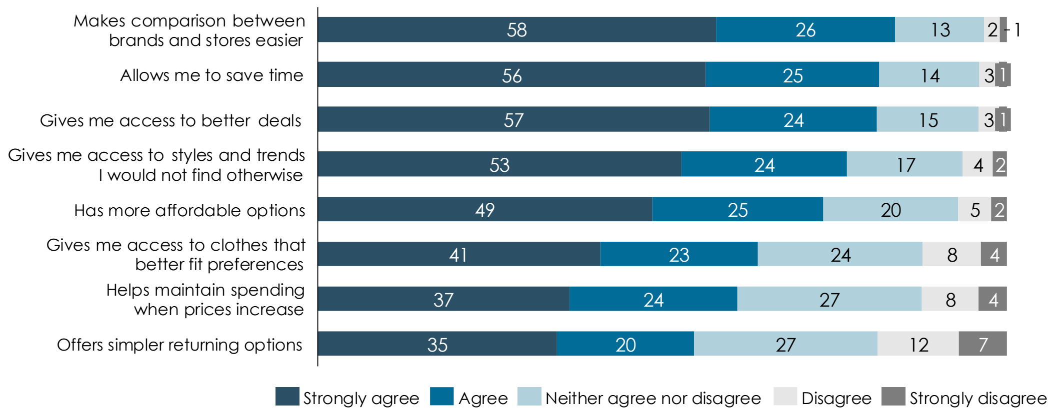
Figure 11
Home delivery is ranked the second most important factor by consumers surveyed when buying new clothes
Percentage share of respondents ranking each factor as second



Note: The figure shows the share of respondents that ranked each of the factors above as the second (2) most important factor, when buying new clothes, when asked the question: "When buying new clothes, which of the following criteria are the most important to you? Please rank them in order of importance, with 1 being the most important" The sample size for this question consists of 24 955 responses. Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

As consumers attach significant importance to price when purchasing new clothing, the survey responses seem to indicate that e-commerce effectively meets this need, with respondents valuing affordability as a key benefit of shopping online for new clothes. 81 per cent of respondents agree with the statement: "Shopping for clothing online gives me access to better deals than physical stores". Also, 84 per cent of respondents agree with the statement "Shopping online makes it easier to compare prices and products between different brands and stores". This is consistent with the findings presented in Section 1.1.2, which highlight that online shopping allows easier price comparison and thus lower search costs. Convenience is also relevant, with 81 per cent of respondents agreeing with the statement "Shopping for clothing online allows me to save time". Accessibility to a wider range of suitable clothing is also an important factor, with 64 per cent of respondents reporting that "Shopping for clothing online gives me access to clothes that better fit preferences". These responses suggest that online shopping directly aligns with the preferences of consumers seeking affordability, convenience, and accessibility, see Figure **12**.

Figure 12
Consumers surveyed agree on multiple benefits of online shopping, including ease of comparison, saving time, and affordability
Percentage share of respondents answering statements, "Shopping online…"



Note: The sample size for this question consists of 24 955 responses. Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

Accessibility emerges as a main advantage of online shopping, spanning from easier access to clothing that suits individual tastes or hard-to-find trends, to the opportunity to save time and shop more efficiently. To capture the broader benefits of shopping online for clothing, we included an open-ended question asking consumers why they choose SHEIN over local retailers. A key theme that emerged was the time savings associated with online shopping for clothes. See below some of the responses received:

> I need to take a day off work or use my day off to go shopping
> *- Italian consumer*

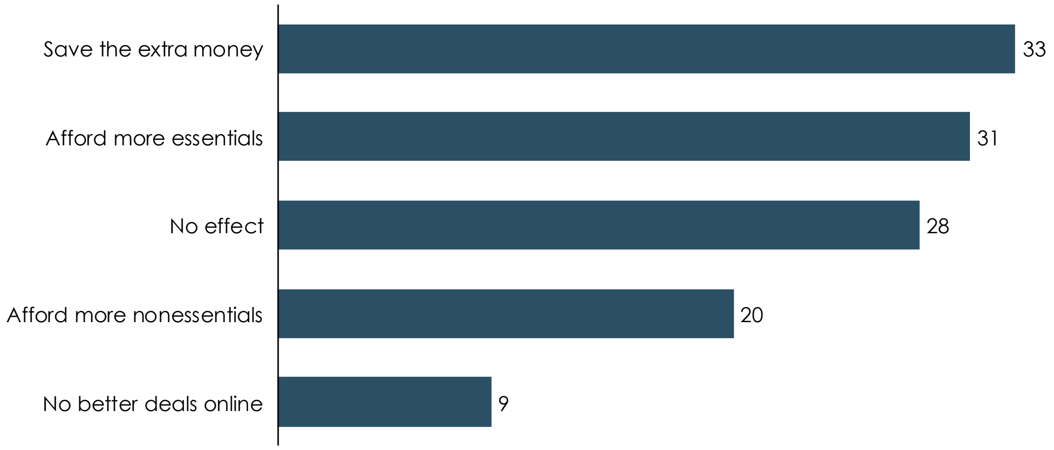
> Opening hours do not coincide with my availability due to my work commitments
> *- French consumer*

> I don't have time to go to shops and try on clothes. So I go shopping online.
> *- German consumer*

Note: Machine translated from original language.
Source: Copenhagen Economics, Consumer survey

Consumers surveyed find that online shopping has multiple positive effects on their spending in other areas. Most commonly, shopping online helps respondents save extra money, with 33 per cent of the respondents agreeing with the statement. Additionally, 31 per cent of the respondents report that online shopping allows them to spend more on essentials, e.g., food and bills, see Figure **13**.

Figure 13
Online shopping helps consumers surveyed to save more and afford more essentials
Percentage share of respondents answering how shopping online has affected their spending on other expenses

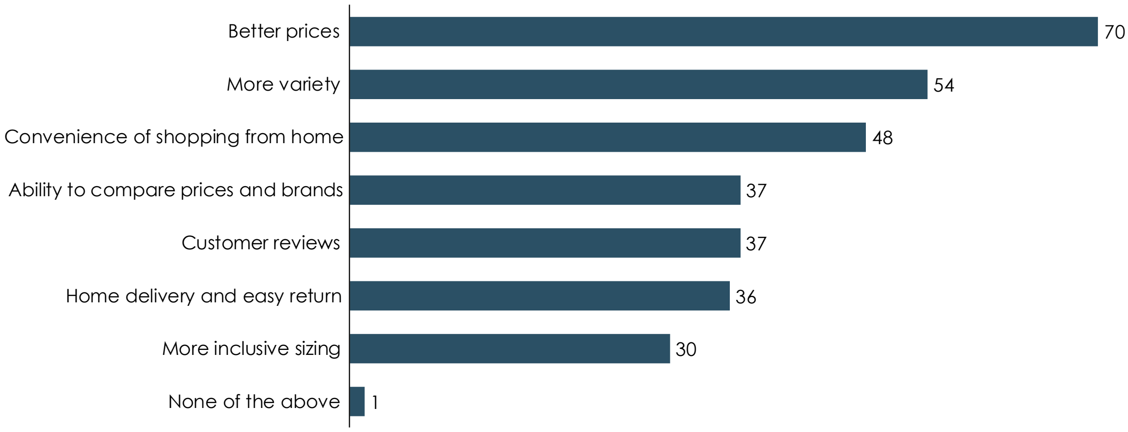


Note: The figure shows the share of respondents selecting each of the listed options in response to the question: "How has online shopping mostly affected your spending on other types of expenses? Select all that apply." Multiple answers were possible, so the percentages do not sum to 100. The sample size for this question consists of 22 245 responses. Responses from those who did not answer the question have been excluded (2 710 observations). Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

Together with affordability, accessibility to a wider range of products appears to be a driving factor for respondents to shop for clothes online. This is highlighted by the fact that, when consumers were asked what they would miss if online shopping for clothes was not an option, 70 per cent of the respondents said they would miss better prices and 54 per cent would miss the variety. The finding is consistent with evidence in Section 1.3, which highlights how lower prices and greater variety contribute to consumer welfare. Convenience, ability to compare prices and brands, ability to access customer reviews, and home delivery are also cited as important factors. Finally, 30 per cent of consumers surveyed report they would miss inclusive sizing options, see Figure **14**. This latter finding reflects a growing body of research[66] demonstrating that access to a wide range of sizes and styles is not only valued by consumers but also important for fostering self-confidence, a sense of belonging, and contributing to overall well-being.

[66] For instance, Cavusoglu and Atik (2023) find that exclusion in the fashion industry is a common experience for underrepresented and underserved women, leading to feelings of discrimination, isolation, and segregation. Limited representation and access to diverse fashion options contribute directly to their sense of being marginalized (Cavusoglu and Atik (2023). Extending the diversity conversation: Fashion consumption experiences of underrepresented and underserved women, Journal of Consumer Affairs, 57(1), pp. 387-417, Available here). A study from Zhang et al. (2025) highlights that size-inclusive representation can actively counteract exclusion and improve the consumer experience (Zhang et al. (2025). One size does not fit all: Optimizing size-inclusive model photography mitigates fit risk in online fashion retailing. Journal of the Academy of Marketing Science, 53, 643-672, Available here) (Both accessed 6 October 2025)

Figure 14
Better prices and wider variety are what consumers surveyed would miss most about online shopping
Percentage share of respondents answering what they would miss if shopping online was not an option



Note: The figure shows the share of respondents selecting each of the listed options in response to the question: "Which of the following aspects of shopping for clothes online would you miss if you could no longer shop online for clothes? Select all that apply." Multiple answers were possible, so the percentages do not sum to 100. The sample size for this question consists of 23 843 responses. Responses from those who did not answer the question have been excluded (1112 observations). Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

2.1.1 Lower-income respondents indicate price as a more significant factor when buying new clothes

As discussed in Chapter 1, economic literature has long recognised increased price sensitivity as a defining characteristic of consumer behaviour within the fashion industry, and this effect is especially pronounced among lower-income shoppers. Economic studies consistently show that consumers with limited financial resources are highly responsive to price fluctuations, with affordability emerging as the primary determinant in their purchasing decisions. In recent years, competitive pricing, economic uncertainty and rising inflation have only amplified this trend.

To better understand how these market dynamics influence consumer choices and preferences, our analysis focuses on survey responses from lower-income participants. By isolating this group, we aim to capture the motivations driving price-conscious clothing purchases and to illustrate how affordability is perceived as an even stronger factor for this segment. In the Box below we provide an overview of the approach to classifying low-income respondents.

Box 2 Approach used to define low-income respondents

- We first use Eurostat income data to determine low-income thresholds for each EU Member State, based on the European Commission's definition of 60 per cent of the median income.
- We then compare these thresholds to respondents' reported income bands and classify a respondent as "low-income" if the midpoint of their income band falls below the low-income threshold in their country.

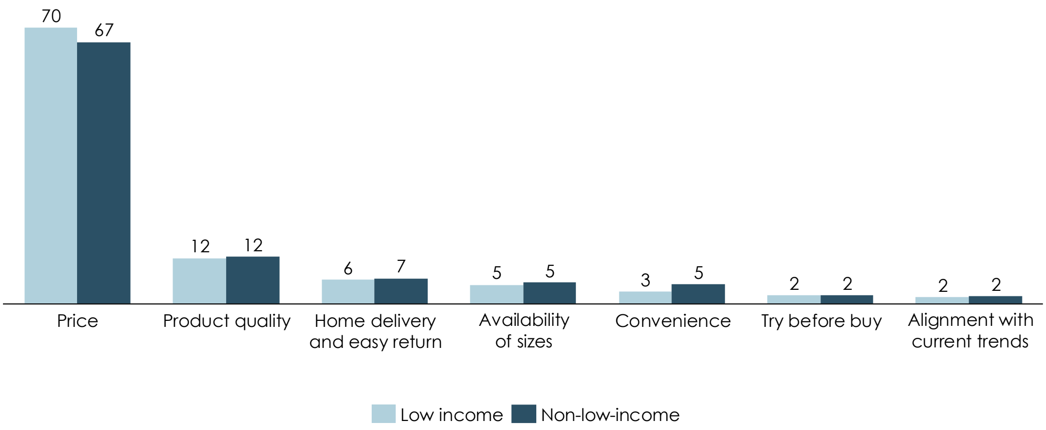
Note: "At risk of poverty" is the European Commission's standard low-income metric, which is 60 per cent of national median income, see Eurostat Statistics Explained. Available here. (Accessed: 21st July 2025)
Source: Eurostat: Distribution of income by quantiles [ilc_di01]. Available here. (Accessed: 7th July 2025)

Based on the definition for low-income consumers, 52.9 per cent of respondents in our sample are classified as low-income. While this is a higher share of low-income consumers than that at the EU level[67], it is consistent with our expectations of SHEIN's customer base. Additionally, other factors, such as a large proportion of young respondents and students among our respondents, impact this outcome, see Appendix B for further descriptive statistics.

In line with the economic literature, our findings indicate that low-income respondents are significantly more likely to emphasise affordability as a critical factor when purchasing new clothing, with 70 per cent of consumers surveyed with lower income signalling price as the most important factor when buying new clothes, see Figure **15**.

[67] In 2023, 16.2 per cent of the EU population were classed as low-income, see Eurostat (2025): At-risk-of-poverty rate remains stable in the EU, Available here. (Accessed 28th August 2025)

Figure 15
Low-income respondents are even more likely to rank price as the top factor when buying new clothes
Percentage share of respondents ranking each factor as first



Note: The figure shows the share of respondents that ranked each of the factors above as the first (1) most important factor, when buying new clothes, when asked the question: "When buying new clothes, which of the following criteria are the most important to you? Please rank them in order of importance, with 1 being the most important." The sample size for this question consists of 16 789 responses. There are 7 901 responses in the non-low-income category and 8 888 responses in the low-income category; all the answers that did not indicate their income have been excluded (8 166 observations). Figures are rounded to the nearest per cent.

Source: Copenhagen Economics, Consumer survey

Home delivery was the most frequently mentioned factor after price when buying new clothes across both income groups, with 26 per cent of the non-low-income and 23 per cent of the low-income respondents ranking it the second most important criterion. Although both groups identified similar reasons overall, the weight given to each differed somewhat. Among low-income respondents, quality and the availability of different sizes were also key considerations, with 21 per cent and 17 per cent respectively ranking these as their second-most-important factor, a higher proportion than among non-low-income respondents, see Figure 16. These findings suggest that price and convenience of home delivery and an easy return process are factors that consumers surveyed appreciate across the board, but low-income respondents are also more concerned with the product quality and size availability, which are both aspects that shopping online can make easier to access.

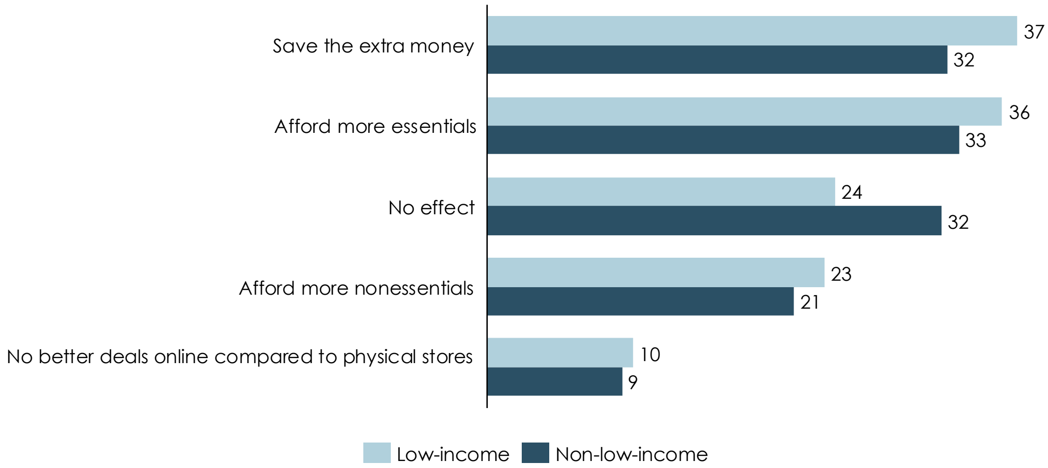
Figure 16
A higher share of low-income respondents ranks quality and availability of different sizes as their second top factor compared to non-low-income respondents
Percentage share of respondents ranking each factor as second

Note: The figure shows the share of respondents that ranked each of the factors above as the second (2) most important factor, when buying new clothes, when asked the question: "When buying new clothes, which of the following criteria are the most important to you? Please rank them in order of importance, with 1 being the most important" The sample size for this question consists of 16 789 responses. There are 7901 responses in the non-low-income category and 8888 responses in the low-income category; all the answers that did not indicate their income have been excluded (8166 observations). Figures are rounded to the nearest per cent.

Source: Copenhagen Economics, Consumer survey

Compared to other respondents, low-income respondents are more likely to report that online shopping helps them save money (37 per cent and 32 per cent, respectively) and afford to buy more essentials (36 per cent and 33 per cent, respectively), see Figure **17** below.

Figure 17
Low-income respondents see more of the positive effects online shopping has on other expenses
Share of respondents answering how shopping online has affected their spending on other expenses

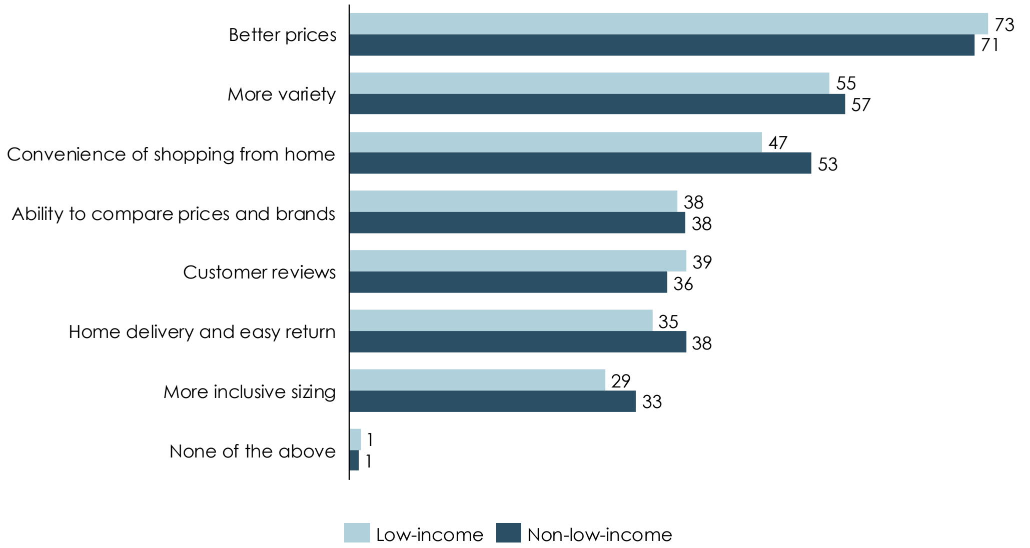


Note: The figure shows the share of respondents who answered the question: "How has online shopping mostly affected your spending on other types of expenses? Select all that apply" The sample size for this question consists of 15 693 responses. There are 7 453 responses in the non-low-income category and 8 240 responses in the low-income category; all the answers that did not indicate their income status or did not answer the question have been excluded (9 262 observations). Figures are rounded to the nearest per cent.

Source: Copenhagen Economics, Consumer survey

Low-income respondents are also more likely to report that if online shopping were not an option anymore, they would mostly miss the better prices compared to shopping in physical stores. 73 per cent of the low-income respondents, compared to the 71 per cent of non-low-income consumers surveyed, say they would miss the better prices shopping online offers, if it were no longer an option, see Figure **18**.

Figure 18
A higher share of low-income consumers surveyed say they will miss the better prices if shopping online was not an option
Share of respondents, what they would miss if shopping online was not an option



Note: The figure shows the share of respondents who answered the question: "Which of the following aspects of shopping for clothes online would you miss if you could no longer shop online for clothes? Select all that apply. "The sample size in this question consists of 16 395 responses, of which 7 746 are non-low-income and 8 649 are low-income respondents. All the answers that did not indicate their income status or answered "Prefer not to say" on the question have been excluded (8 560 observations). Figures are rounded to the nearest per cent.

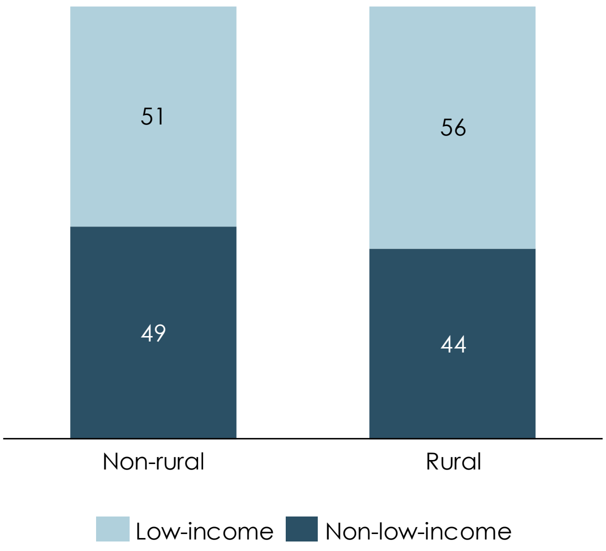
Source: Copenhagen Economics, Consumer survey

2.1.2 Respondents living in rural areas value and experience greater accessibility through online shopping

In this Section we focus on the survey responses from consumers living in rural areas, aiming to identify factors influencing online shopping behaviour and preferences of these consumers. In the survey, respondents were asked to indicate whether they live in a city or other densely populated area (with at least 50,000 inhabitants), a town or suburb (between 5,000 and 50,000 inhabitants), or a rural area (fewer than 5,000 inhabitants).

Most respondents living in rural areas are simultaneously low-income consumers, which may influence the shopping behaviour and preferences reflected in their responses to our survey. We observe that 56 per cent of the respondents living in rural areas are also low-income consumers, see Figure **19**. Considering (i) the correlation between low-income and rural, and (ii) that low-income consumers place higher value on affordability than the average consumer (as found in **Section 2.1.1**), we cannot exclude that income may also play a key role in the results for rural consumers explored in this section.

Figure 19
There is a higher share of low-income respondents in rural areas
Percentage share of low-income respondents by rural status



Note: The figure shows the proportion of low-income respondents, defined in Box 1, by rural status. Respondents are classified as rural if they answered "Rural area (less than 5,000 inhabitants)" to the question "Which best describes the area where you currently live?". There are 12 557 non-rural respondents, and 3 436 rural respondents. Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

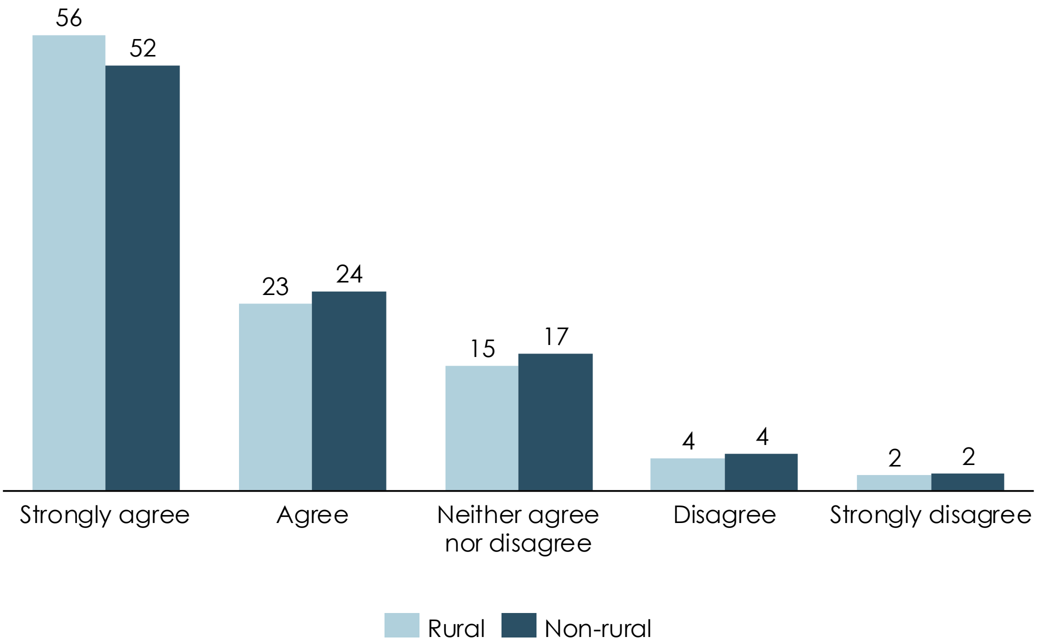
Rural consumers display distinct preferences, with accessibility and convenience identified as primary factors influencing their decision to shop online, which is in line with the findings discussed in Section 1.2.2. These preferences reflect the unique challenges rural residents face in accessing physical stores and are reflected in their placing a higher value on, and deriving greater benefits from, the greater accessibility provided by e-commerce.

We find that among respondents living in rural areas, 79 per cent agree (versus 76 per cent of urban and suburban respondents) that shopping for clothing online gives them access to current trends and styles that they would not find otherwise, see Figure **20**. This highlights the importance of e-commerce in making fashion more accessible and inclusive, regardless of location.

Figure 20

Most rural consumers surveyed strongly agree that online shopping offers access to trends they would not find otherwise

Percentage share of respondents agreeing to the statement "shopping online gives access to trends I would not find otherwise"

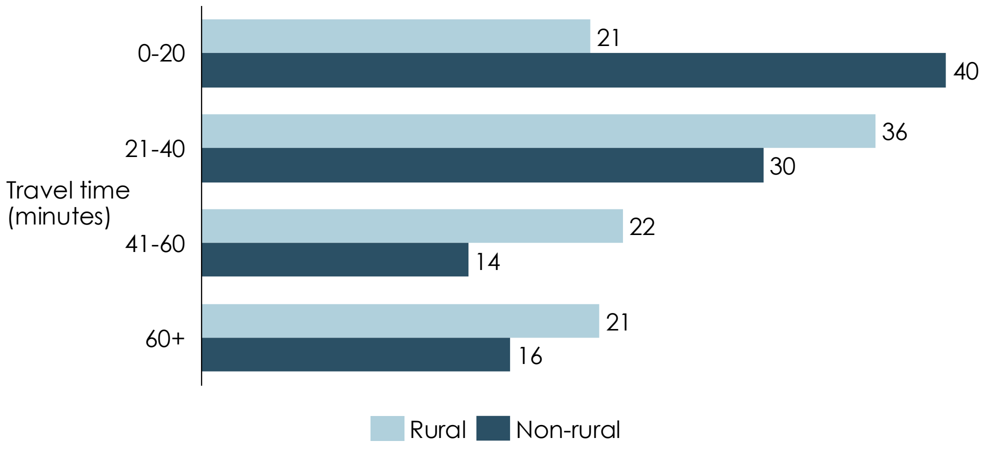


Note: The figure shows the share of respondents who answered the question: "In the context of shopping for clothing, to what extent do you agree with the following statements? Please rate each one on a scale of 1 to 6 where: 1 = Strongly disagree, 2 = Disagree, 3 = Neither agree nor disagree, 4 = Agree, 5 = Strongly agree: 'Shopping for clothing online gives me access to trends and styles I would not find otherwise'" The sample size of this graph consists of 22 591 responses, of which 17 765 are in the non-rural category and 4 826 responses in the rural category, all the answers that did not indicate their regional status or had a missing value on the question have been excluded (2 364 observations). Figures are rounded to the nearest per cent.

Source: Copenhagen Economics, Consumer survey

Online shopping can offer significant convenience for those living outside urban centres, where access to physical stores is more limited. When asked how long it typically takes to reach the nearest clothing store considered a suitable alternative to shopping online, only 21 per cent of respondents in rural areas report less than 20 minutes, against 40 per cent of respondents living in urban and suburban areas, see Figure 21. This highlights the accessibility challenges consumers in these regions may face and underlines the convenience online shopping provides.

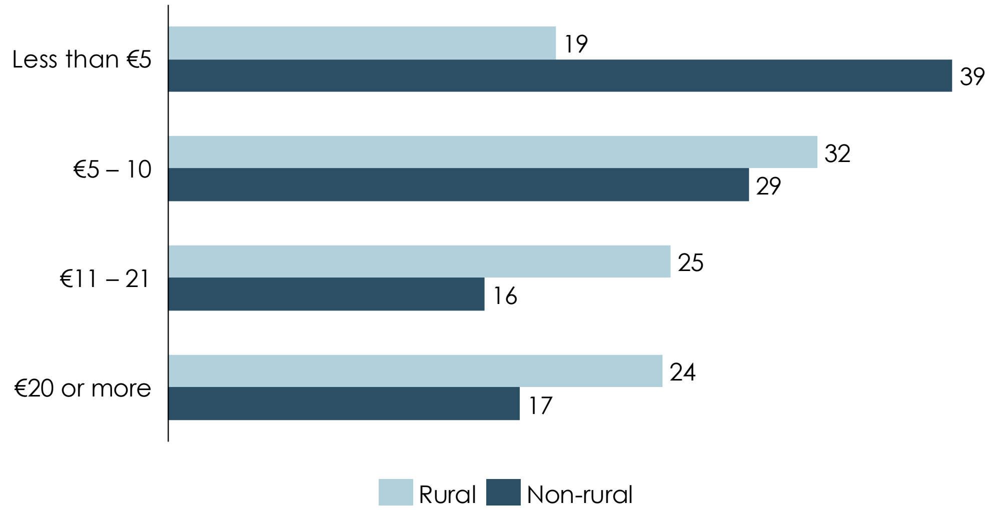
Figure 21
Rural respondents face the longest travel times to reach stores that are a suitable alternative to shopping online
Percentage share of respondents by travel time



Note: The figure shows the share of travel time of respondents who answered the question: "How long (in minutes) does it typically take you to reach the nearest clothing store you would consider a suitable alternative to shopping online?" The sample size of this question consists of 22 008 responses, of which 17 344 are in the non-rural category and 4 664 responses are in the rural category. All the answers that did not indicate their regional status or had a missing value on the question have been excluded (2 987 observations). Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

Not only do rural respondents face the longest travel times, but they also report higher travel costs compared to their urban and suburban counterparts when shopping in physical stores. 24 per cent of rural surveyed consumers report spending over 20 euros on travel for a round trip to a physical store, with an additional 25 per cent incurring costs between 11 and 20 euros, see Figure 22.

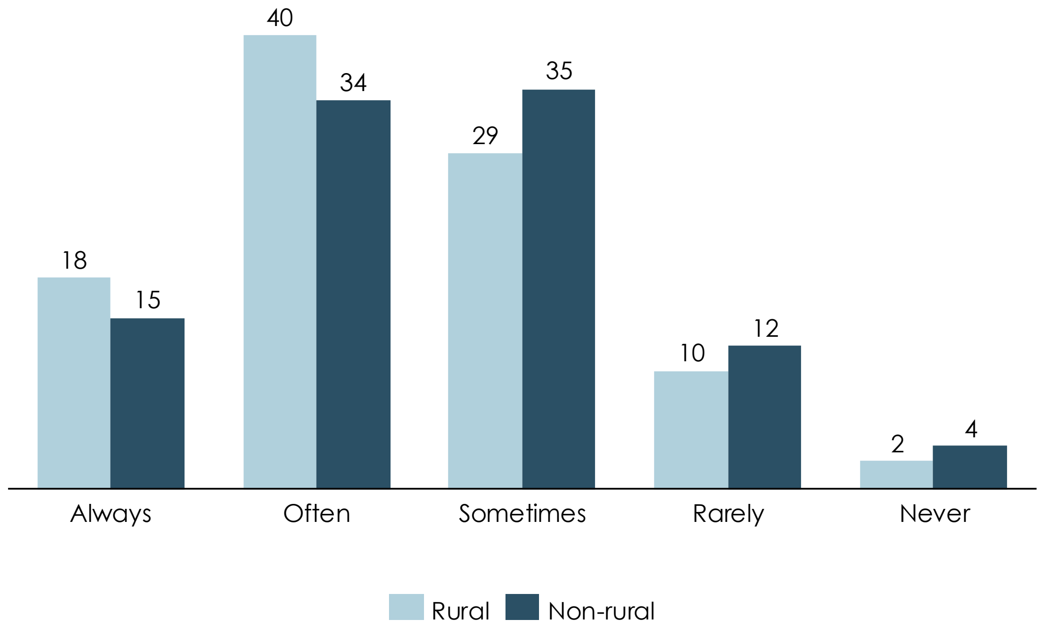
Figure 22
Rural respondents face higher travel costs when shopping in physical stores
Percentage share of respondents answering how much they spend on travel costs when shopping for clothing



Note: The figure shows the share of respondents that answered the question: "If you shop in physical stores, how much do you typically spend on travel for a round trip to the physical stores (e.g. fuel, public transport)?" The sample size of this graph consists of 21 422 responses, of which 4558 are rural responses. Those who did not disclose their regional status or did not answer the question about travel costs have been excluded (3 533 observations). Averages are calculated by taking the midpoints of each range. Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

Additionally, rural consumers surveyed report it is more difficult for them to find suitable clothing from physical stores nearby compared to urban and suburban respondents. 58 per cent of rural respondents say they always or often have difficulty finding suitable or affordable clothes near them, see Figure **23**.

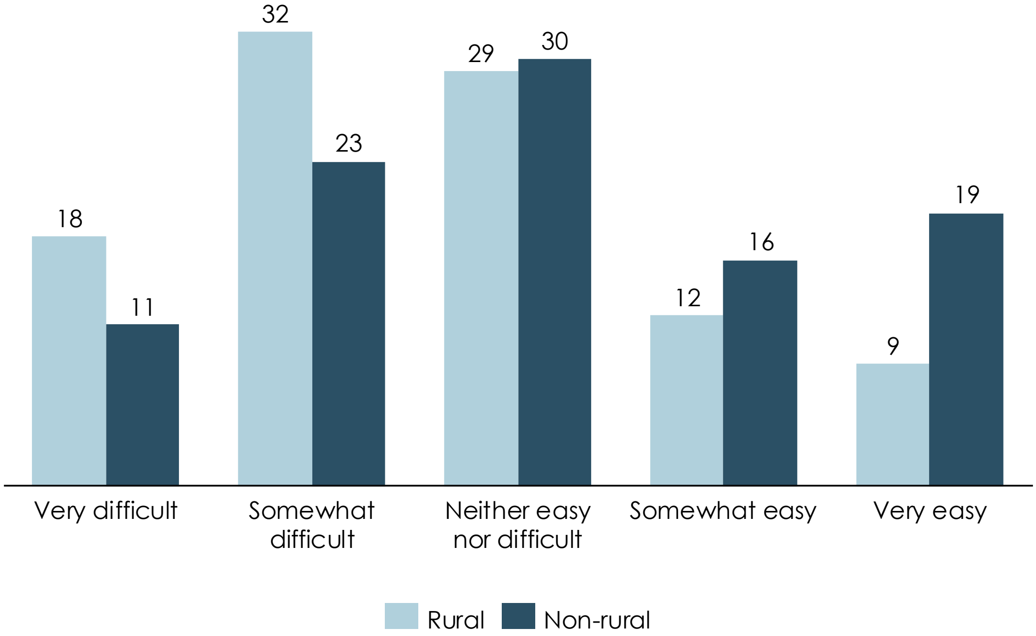
Figure 23
Rural respondents surveyed often find it difficult to find suitable or affordable clothes in physical stores nearby
Percentage share of respondents answering how often they face difficulties finding suitable clothes from stores nearby



Note: The figure shows the share of respondents who answered the question: "In your experience, how often do you have difficulty finding suitable or affordable clothing in physical stores near your home?" The sample size of this graph consists of 22 145 responses, of which 4 717 are rural responses. Those responses that did not disclose their regional status or who did not answer the question about difficulty finding clothes have been excluded (2 810 observations). Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

More in general, rural consumers report greater difficulty in finding nearby stores that carry clothing they would consider buying. Half of rural respondents (50 per cent) indicated that this is either very difficult or somewhat difficult, compared to 34 per cent of non-rural respondents, see Figure **24**.

Figure 24
Rural respondents find it significantly more difficult to find suitable physical stores near their home
Percentage share of respondents ranking how difficult it is to find physical stores nearby to buy clothes from

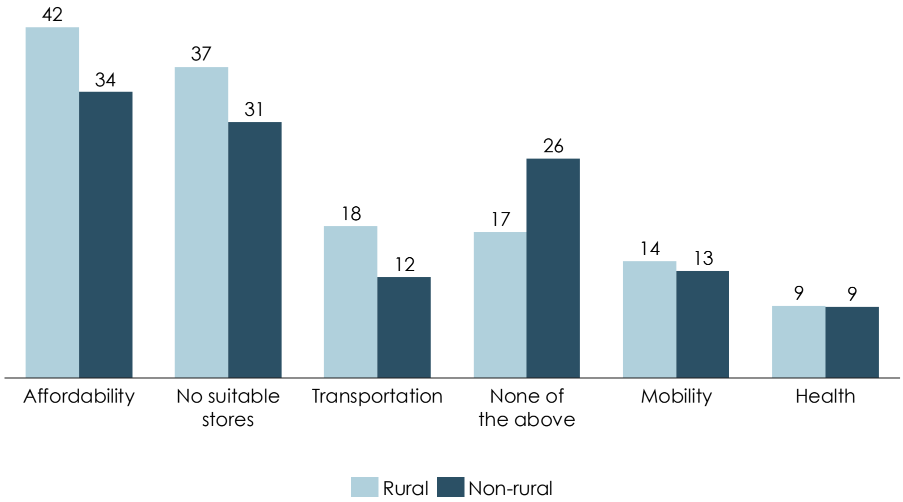


Note: The figure shows the share of respondents who answered the question: "How easy or difficult is it to find physical clothing stores near you where you would consider buying clothes?" The sample size of this graph consists of 22 028 responses, of which 4 706 are rural responses. Those who did not disclose their rural status or were unsure about the ease of finding physical stores nearby have been excluded (2 927 observations). Figures are rounded to the nearest per cent.

Source: Copenhagen Economics, Consumer survey

Rural respondents report a lack of affordable clothing options and nearby stores carrying suitable items, along with transportation challenges, as they face more significant barriers compared to respondents living in urban and suburban areas. 42 per cent of rural consumers surveyed name the lack of affordable clothing as a barrier when shopping in physical stores, and 37 per cent say even finding a suitable physical store near them is a barrier. Meanwhile, we observe similar proportions for barriers unrelated to location, such as health and mobility. Also, only 17 per cent of rural respondents say that there are no barriers to shopping in physical stores, compared to the 26 per cent of urban and suburban respondents who find no barriers to shopping in stores, see Figure 25.

Figure 25
Lack of access is more of a barrier to rural respondents
Percentage share of respondents answering which barriers they face when shopping in physical stores



Note: The figure shows the share of respondents who answered the question: "Do any of the following make shopping [for clothing] in physical stores difficult for you? Select all that apply" The sample size of this question consists of 22 591 responses, of which 17 765 are non-rural and 4 826 are rural responses. Those who did not answer the question or did not say their regional status have been excluded (2 364 observations). Figures are rounded to the nearest per cent.

Source: Copenhagen Economics, Consumer survey

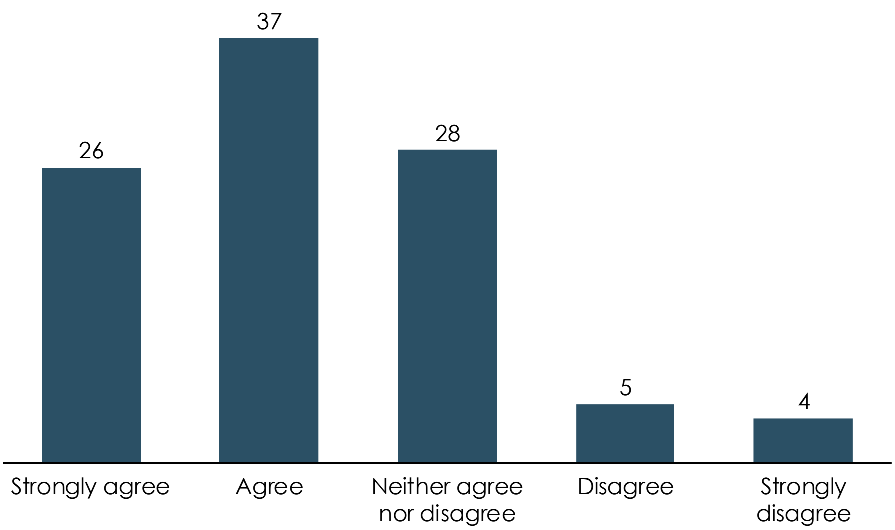
2.2 CONSUMER SAVINGS FROM PURCHASING CLOTHING ONLINE MAY TOTAL UP TO EUR 22 BILLION PER YEAR IN THE EU

In this Section, we use data from the consumer survey to analyse respondents' perceptions of the savings from online shopping. First, we report the share of consumers who believe they save by purchasing clothing online and the average perceived savings compared to offline shopping. Second, we use these and other datapoints from our survey to estimate respondents' monthly savings from shopping online. Third, we combine these elements with official Eurostat statistics on online shopping habits to estimate the potential monthly and yearly savings from online shopping in the clothing sector across the EU, providing a quantifiable measure of consumer benefits.

2.2.1 Most consumers report saving by shopping online, with an average perceived savings of 33 per cent

The large majority of surveyed consumers (63 per cent) agree with the statement: "Shopping online allows me to save money compared to in-store shopping", see Figure 26. This is consistent with the evidence on how online shopping frequently allows consumer consumers to achieve substantial savings by making purchases online, as outlined in Chapter 1.

Figure 26
The majority of respondents agree that online shopping allows them to save money
Percentage share of respondents agreeing to the statement, "Shopping online allows me to save money compared to in-store shopping"

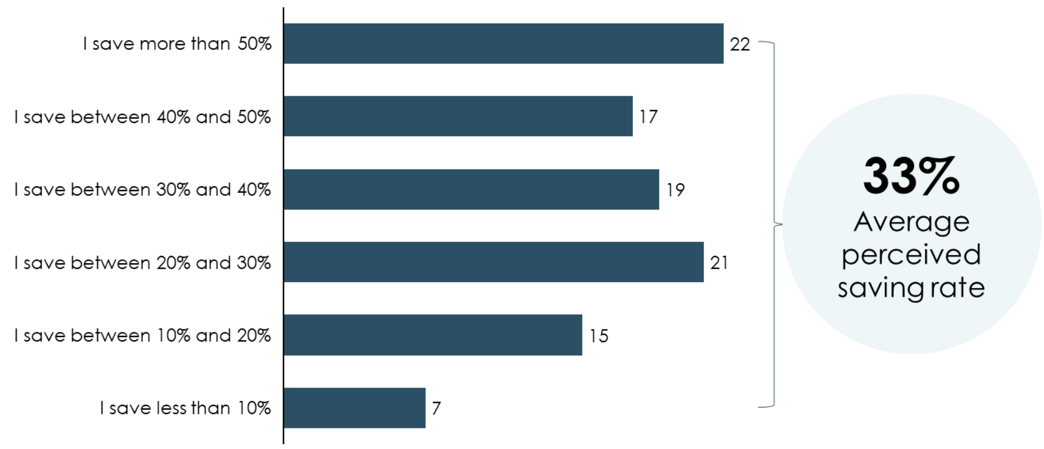


Note: The figure shows the share of respondents who answered the question: "In the context of shopping for clothing, to what extent do you agree with the following statement: 'Shopping online allows me to save money compared to in-store shopping.' Please select your answer:" The sample size of this question consists of 24 955 responses. Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

In the survey, we asked consumers to report their estimated savings associated with buying online with respect to buying clothes in a physical store. On average, respondents estimate that buying online allows them to save 33 per cent with respect to buying similar items in physical stores, see Figure 27. For SHEIN specifically, our consumer survey reveals that respondents estimate an even higher savings rate, of 43 per cent, when shopping on SHEIN compared to physical stores.[68]

[68] This value is based off the question "How much money do you save by purchasing SHEIN clothing online compared to other physical stores? (Answer in percentages)". We exclude those who answer "100%", leaving a sample size of 21 442.

Figure 27
The average perceived savings rate for shopping online is 33 per cent
Percentage share of respondents answering what their perceived savings rate is for shopping online compared to shopping in physical stores



Note: The figure shows the share of respondents who answered the question: "How much money do you save by purchasing clothing items online compared to buying similar items in physical stores?" The question was only answered by respondents who agreed with, or were neutral to, the statement: 'Shopping online allows me to save money compared to in-store shopping.' This was 91 per cent of respondents, and the sample size consists of 22 679 responses. Figures are rounded to the nearest per cent.
Source: Copenhagen Economics, Consumer survey

Using the perceived savings rate, monthly clothing purchases, and the proportion bought online reported, we estimate that respondents save an average of approximately EUR 12.8 per month through online shopping, see Figure 28. To contextualise this figure, EUR 12.8 represents approximately 19 per cent of average monthly household spending on clothing and footwear per capita across the EU, and about 1.4 per cent of monthly expenditure on essential goods and services, excluding rent.[69]

[69] According to Eurostat data, the average annual household final consumption expenditure per capita on clothing and footwear across the EU in 2024 was EUR 790 (i.e., equivalent to approximately EUR 66 per month), reported in current prices. For the purpose of the share of expenditure on essential goods and services, we considered data from 2023 (the most recent year available), according to which the average total yearly household final consumption expenditure per capita in the EU corresponds to EUR 19,840, of which EUR 11,140 on goods and services that we classify as essential – given that no official classification by Eurostat is available – associated with some subcategories of expenses in food, electricity, water, gas, health, transport and education expenditure, excluding rent/housing. See Eurostat, Household final consumption expenditure by purpose (COICOP 2018), available here, link

Figure 28
Illustration of the monthly savings calculation

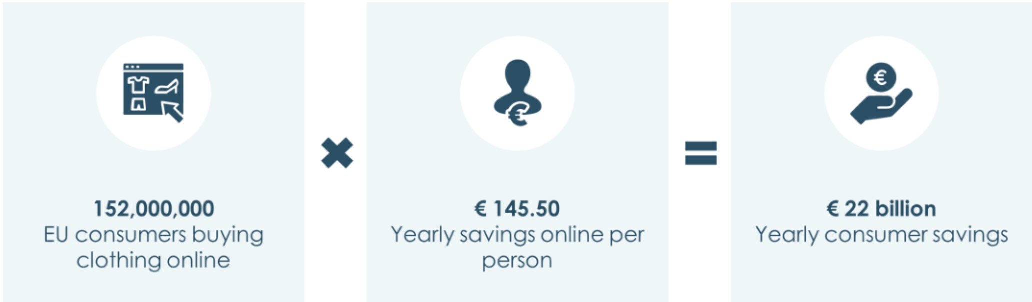
Note: We calculate the monthly savings for the 91 per cent of respondents who agreed with, or were neutral to, the statement: 'Shopping online allows me to save money compared to in-store shopping.' To ensure that only purchases that would have still taken place are considered, we considered as savings only responses from respondents who did not answer, 'Postponed or cancelled the purchase altogether' to the question: "If SHEIN were not available, what would you have done?". The sample size consists of 22 679 responses.
Source: Copenhagen Economics

2.2.2 EU consumers could save up to EUR 22 billion annually by purchasing clothing online

We use a three-step method to estimate consumer savings from purchasing clothing online across the EU, leveraging consumer responses to our survey and Eurostat data. First, monthly savings per person are calculated by multiplying their total monthly clothing expenditure by the share spent online and their perceived savings rate, based on our consumer survey data (see Figure 28 above). Second, the total number of online clothing shoppers is estimated by applying the Eurostat share of consumers who purchase clothes online to the overall population. Third, total yearly savings are calculated by multiplying the monthly savings per person by the number of online shoppers and then by 12 to annualise the amount. For further details on the methodology, see Appendix C.

Under the assumption that the level of savings reported by survey respondents could be achieved by all EU consumers buying clothes online, we estimate that consumer savings from purchasing clothing online may total up to EUR 22 billion per year, see Figure 29.

Figure 29
EU consumers could save up to EUR 22 billion per year by purchasing clothing online



Note: This is a simplified illustration of the annual EU savings calculation; a detailed breakdown is provided in Appendix C. Savings are first calculated for each age group, then aggregated and weighted accordingly. The number of EU consumers has been rounded to the nearest million, whilst the yearly savings have been rounded to the nearest billion.

Source: Copenhagen Economics based on Eurostat data and Consumer survey.

CHAPTER 3

POLICY IMPLICATIONS

Our review of economic literature and analysis of survey data indicates that e-commerce delivers clear benefits to EU consumers purchasing new clothes, such as greater affordability and more diverse and inclusive product selection. These findings provide valuable insights for policymakers and industry leaders on the impact of e-commerce on EU consumers.

Firstly, our analysis indicates that affordability and accessibility benefits are widely perceived by consumers surveyed and are seen as particularly relevant in influencing the decision-making process to buy clothes, and to buy them online. Additionally, these are especially relevant for consumers facing financial constraints and those residing in remote regions. The affordability and accessibility value of e-commerce within the EU should be thoroughly considered prior to any policy adjustments that may influence e-commerce flows, business models, or overall access to online shopping options, and most importantly, the impact that this has on more disadvantaged groups should be assessed specifically. Comprehensive impact assessments addressing these factors are essential for a complete understanding of how such policy changes and reforms may affect EU citizens.

Second, the analysis shows that consumers almost unanimously perceive a meaningful saving when buying clothing and footwear online compared to offline, with estimated monthly savings averaging EUR 12.8 per person. This amount represents approximately 19 per cent of monthly clothing and footwear spending, and around 1.4 per cent of monthly expenditure on essential goods and services. This is a significant amount compared to other monthly expenses faced by EU citizens. For instance, it is comparable to the average monthly cost of a mobile plan offering calls and at least 10 GB of data in the EU, which, according to the European Commission, is typically around EUR 11.6.[70] Additionally, a monthly saving of EUR 12.8 accounts for approximately 30 per cent of the monthly extra savings a household would have needed to set aside to fully offset inflation from 2023 to 2024.[71] While these estimates are indicative and might vary across the EU, this finding suggests that the financial benefit of online shopping can have a tangible impact on consumers' budgets, especially in the context of rising living costs.

Third, our findings demonstrate a high degree of stability across the European Union, indicating a notable convergence in online shopping behaviour among Member States despite significant differences in demographic, economic, and social factors, as well as varying levels of digital adoption and penetration rates. This consistent pattern suggests that the core drivers of online shopping, including price sensitivity, variety and accessibility, remain broadly similar across the EU. This information is particularly pertinent for EU policymakers, as it suggests that EU-wide

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70 European Commission (2024). Mobile and Fixed Broadband Prices in Europe 2022. Luxembourg: Publications Office of the European Union. Available here. Table 1.

7171 This calculation assumes that the EU average inflation rate from 2023 to 2024 was around 2.6 per cent (Eurostat, 2025. Consumer prices – inflation. Available here). For a household with average annual consumption expenditure of approximately EUR 19,900 per year, or EUR 1,658 per month (Eurostat, 2025. Household final consumption expenditure by purpose. Available here), a 2.6 per cent annual inflation increase amounts to about EUR 43 per month. A savings of EUR 12.8 therefore covers roughly 30 per cent of the required amount to offset this rise.

policy coordination can be highly effective in achieving harmonised outcomes and promoting digital consumer interests.

Fourth, we find that in addition to affordability and price effects, there are important non-price factors, such as the availability of styles and sizes that may not otherwise be accessible, which contribute meaningfully to consumers' choice and preference on the online channels. Research shows that the ability to find clothing in appropriate styles and sizes is closely linked to individual confidence and social acceptance. Some research has also found that this enhanced sense of belonging can lead to greater social engagement and improved psychological well-being.[72] For policymakers, these insights suggest that promoting inclusivity in sizing and style availability can contribute to wellbeing outcomes. While this analysis falls outside the direct scope of this report and draws insight from disciplines such as psychology and marketing science, this finding remains relevant for policymakers. It highlights that the broader impacts of accessibility to inclusive clothing extend well beyond purely economic considerations and call for attention in policy development.

72 See, for instance, Cavusoglu and Atik (2023) and Zhang et al. (2024).

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APPENDIX A

OUR SAMPLE

Our pan-European survey was distributed to 39 983 customers and received a total of 27 723 responses across the 27 Member States. The survey was distributed in English, Dutch, French, German, Italian, Polish, Portuguese, Romanian, and Spanish. After applying some correction measures (filtering only for completed questionnaires in a reasonable time), we obtained a sample of 24 955. Table 1 below shows the number of respondents per country.

Table 1
Respondents per country

COUNTRY	NUMBER OF RESPONDENTS	SHARE ON TOTAL
Austria	1 144	4.6
Belgium	1 109	4.4
Bulgaria	435	1.7
Croatia	457	1.8
Cyprus	468	1.9
Czechia	787	3.2
Denmark	907	3.6
Estonia	451	1.8
Finland	444	1.8
France	2 392	9.6
Germany	1 448	5.8
Greece	921	3.7
Hungary	349	1.4
Ireland	1 162	4.7
Italy	2 367	9.5
Latvia	464	1.9
Lithuania	453	1.8
Luxembourg	172	0.7
Malta	336	1.3
Netherlands	1 103	4.4
Poland	1 137	4.6
Romania	1 176	4.7
Slovakia	398	1.6
Slovenia	455	1.8
Spain	2 357	9.4
Sweden	1 087	4.4

Source: Copenhagen Economics, consumer survey

APPENDIX B
DESCRIPTIVE STATISTICS

Table 2
Descriptive statistics of main variables of interest for all countries combined

VARIABLE	SHARE (%)	MEAN	OBSERVATIONS
Share of young respondents (18-24 years old)	41.8		23 796
Share of respondents living in cities (more than 50,000 inhabitants)	38.2		22 631
Share of respondents living in a town or suburb (between 5,000 and 50,000 inhabitants)	40.4		22 631
Share of respondents living in a rural area (less than 5,000 inhabitants)	21.4		22 631
Share of females	92.4		24 304
Share of low-income respondents	52.9		16 789
Share of students	28.3		22 675
Share of respondents employed (full-time, part-time, or self-employed)	51.4		22 675
Share of respondents retired	2.0		22 675
Share of respondents unemployed	9.9		22 675
Average monthly spending on clothes online		€67.2	23 562
Average monthly spending on clothing (all locations)		€75.7	23 667
Average perceived savings from buying clothes online		33%	22 679

Note: The table shows descriptive statistics for a range of variables collected in our survey. Note that, for each variable, we excluded those responding "Prefer not to answer". This is indicated by a lower number of observations. Figures are rounded to the nearest per cent.

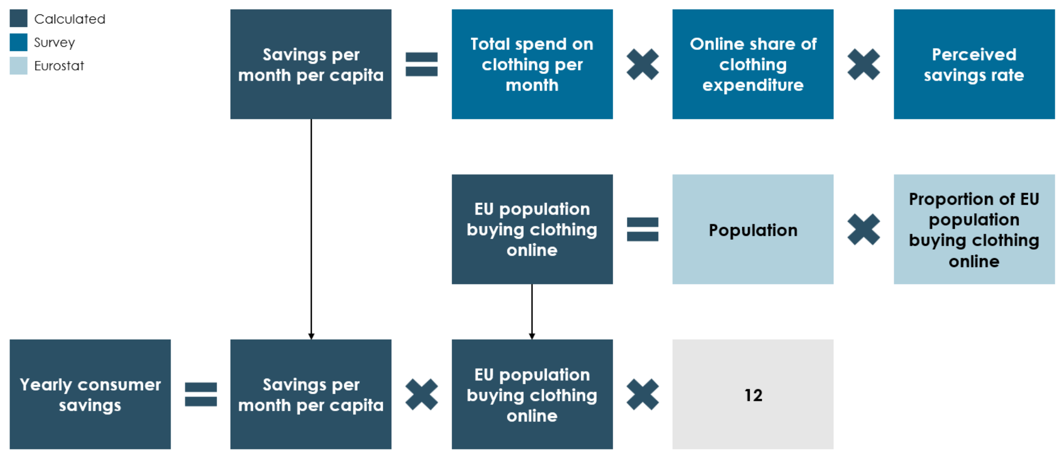
Source: Copenhagen Economics based on Consumer survey

APPENDIX C

METHODOLOGICAL APPROACH TO QUANTIFY POTENTIAL SAVINGS

To quantify yearly EU-wide savings from e-commerce, we apply a three-step methodology, detailed below and illustrated in Figure **30**:

Figure 30
Detailed illustration of the yearly EU savings calculation
Note that the colour of the boxes indicates the source of the data



Note: This calculation is conducted for each age group, before being aggregated and weighted accordingly.
Source: Copenhagen Economics based on Eurostat data and Consumer survey

First, we calculate self-reported monthly savings per capita using direct input from consumer survey responses. For each respondent, we collect: i) self-reported total monthly spending on clothing, ii) the proportion of that spending made online, and iii) self-reported estimate of the percentage savings they believe they achieve when shopping online. By multiplying these three data points (total spend × online share × perceived savings rate), we obtain an estimate of **monthly per capita savings attributable to e-commerce**[73]. This calculation reflects individual consumer experiences and allows us to analyse savings trends across different age groups (18–24, 25–34, 35–44, 45–54, 55–64, and 65+). For example, if a respondent spends EUR 100 monthly on clothing, makes 50 per cent of these purchases online, and perceives a 20 per cent savings rate for online purchases, their estimated monthly savings from e-commerce would be EUR 10 (i.e., EUR 100 × 0.5 × 0.2 = EUR 10). This process yields a robust estimate of self-reported monthly consumer savings attributable to e-commerce.

[73] To assess perceived savings on clothing purchases that consumers would have made regardless of the availability of SHEIN, we asked respondents how their buying behaviour would change in the absence of SHEIN. Any responses indicating that a purchase would not have occurred are excluded from the analysis. This conservative methodology ensures that only savings associated with purchases that would have taken place anyway are counted.

In the second step, we calculate the number of online clothing consumers by multiplying the total EU population over the age of 18 by the share of consumers who buy clothes online. These data points are taken from Eurostat.[74]

In the third step, we quantify annual potential savings for the EU by multiplying monthly per capita savings calculated in step 1 by the number of online clothing consumers calculated in step 2 and by 12 This quantification is carried out separately for six age groups (18–24, 25–34, 35–44, 45–54, 55–64, and 65+). The results are then aggregated to obtain total yearly savings, weighted by the number of consumers in each age group.

74 See Eurostat [demo_pjan] and [isoc_ec_ibgs].