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CUBE: Fashion takes shape

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CUBE: Fashion takes shape

2022 has demanded brands and retailers master agile strategies for both the long and short term.

Economic instability, the fear of the war in Ukraine expanding and ongoing supply chain disruptions are three very real socio-economic factors that the luxury market is navigating. "There's already significant tension between balancing urgent, present-day operations and more future-focused experiments," says Maghan McDowell, senior innovation editor at *Vogue Business*.[1]

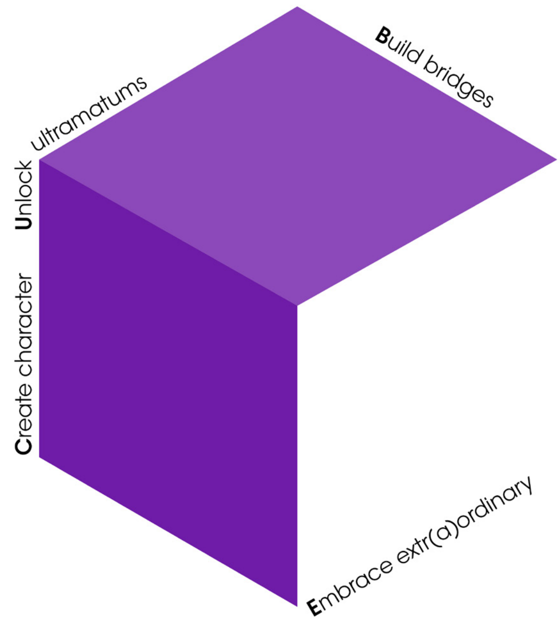
Introducing the CUBE

A human-first approach to innovation is needed. Data and insights show that consumer mindsets are shifting. And hierarchies between brands and audiences are flattening, with community and planetary care shaping luxury's roadmap.

Human-first strategies are also about localisation. China's zero-tolerance policy on Covid suggests the threat of disruption to retail there is ongoing. This means brands and retailers must re-route their focus by getting to know local customers again within the US, EU and UK, as well as understudied regions, such as the Middle East. Technologies and social strategies need to be personalised to meet audiences in the West and Middle East too. "We can't assume that just because something is popular in China that it will become popular in the same way in the West," says McDowell.[1]

This whitepaper is the result of several phases of research conducted in partnership with Google, anchored by deep-dive interviews with luxury consumers across the UK, US, Middle East (UAE and KSA), France and Italy. The aim was to ethnographically explore key shifts in consumer behaviour that are core to future innovation. Wishlists around emotional relevance, omnichannel customer experience and Web3 explorations were recorded, analysed and cross-referenced with Google search insights and consumer survey data from the *Vogue Business* Index.

The CUBE offers a model of the shape of things to come. It has four sections: Create character; Unlock 'ultramatums'; Build bridges; and Embrace extr(a)ordinary.



Create character

Brands and retailers need to reach new heights via deeper value sets. This section covers:

- Critical thinkers
- Time for transformation
- Inclusive experience
- Human-first emotional mapping
- The rise of self(less) care
- The authenticity gap

Unlock ultramatums

Turn the corner with consumers on sustainability and positive action. This section covers:

- Introducing ultramatums
- Self(less) shopping habits
- Gulf eco-queens
- The conscious consumer landscape — sustainability
- Heatwave hotspots
- Waste not. Want it.

Build bridges

Create relevant experiences and connections across omnichannel. This section covers:

- Omnichannel self-expression
- Enriching phygital pre-purchase experiences
- Unboxing omnichannel from a human-first perspective
- Playing catch-up

Embrace extr(a)ordinary

Venture off-grid with communities into three-dimensional realities within physical and virtual. This section covers:

- Squad shopping for drops
- 'Socialising' shopping: brands as platforms
- Hyper-locality builds trust
- Placing the iconic in the everyday

Create character

Humans are building strength of character via deeper value sets. The self-expression that fashion offers is connected with emotional wellbeing. This means that brands and retailers need to go beyond consumer-first to become human-first and values-driven if they want to master connection and relevance.

Critical thinkers

A group of critical thinkers who question both brands and technological innovation emerged from the consumer interviews, particularly among younger demographics. "Why do avatars want to make us look so perfect?" says Reena, 21, from London. "There's no option to have dark circles under my eyes. I wanna represent girls that look like me." Reena shops 1990s Tommy Hilfiger from resale sites while telling her mum to stop shopping fast fashion. "It's her generation. They just don't think about where anything comes from."[2]

Consumers are experts in what the now and next needs to be. Reena represents a group of people we interviewed who are questioning luxury's status quo and already evaluating its innovation. Here are just some of the other views expressed by this group that challenge brands to interrogate their values and standard practices.

> *"What does an ad showing a woman running through the streets of Paris got to do with what is going on in the world?"*
>
> *"Why do some designer brands spend so much on fashion shows, yet their websites feel average?*
>
> *"Is rental really a sustainable option? What about all that carbon used in sending clothes to multiple locations?*
>
> *"If my avatar owned a designer jacket in the metaverse, I'm not sure if I'd feel like my real self would own it."*
>
> *"It was so hard to save up for my first small luxury handbag when I was a teenager. I think that loyalty should be rewarded."* [2]

DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

Time for transformation

According to EY Global, 85 per cent of senior business leaders have been involved in two or more major transformations in the last five years. "I think that fashion and luxury brands are really doing some soul-searching when it comes to how they think of the words 'community' versus 'audience'," says *Vogue Business's* McDowell.[1]

Likewise, since the pandemic, Gen Zs have been envisioning the life that makes them happy via 'the fresh start effect'. For all generations, 'The Great Resignation' triggered by the pandemic is showing no let-up. With people looking for job opportunities that align more with their values, PwC reported in May 2022 that one in five employees across 44 countries plan to switch employers in the coming year.

At a human level, the self-expression that fashion offers people is also connected to wellbeing. According to consultancy Bain & Company, 82 per cent of consumers say they need fashion and luxury brands to assist in expressing their true self.

Sixty-five per cent of Gen Z already in employment want to start their own business in the next 10 years — EY Global.

"Why would I need to buy clothes to wear to work? I don't intend to ever be in an office" — Amina, 22, UK.[2]

Inclusive experience

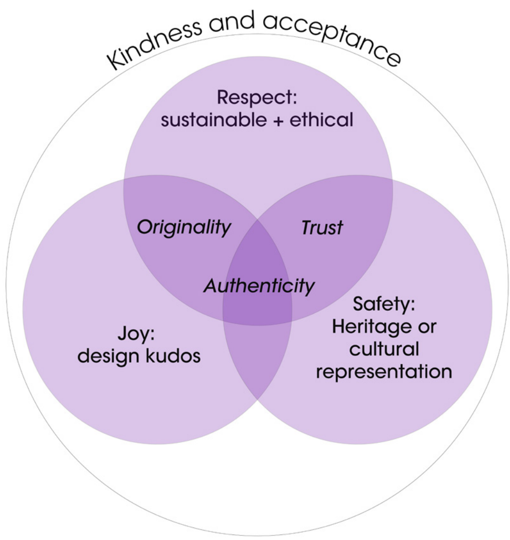
"Fashion needs to do more. Diversity is standard now," says Rasharn, 31, from Los Angeles.[2]

Diversity and inclusion needs are increasingly important for younger generations. Seven out of 10 US teens say they support the Black Lives Matter movement versus 56 per cent for the general population, according to Pew Research Centre.

Representation and inclusive user experiences need to be enriched and intersectional so a wider range of demographics feel included by brands. Retail channels are still overlooking minority groups. Disability advocacy organisation Purple estimates that disabled consumers in the UK who aren't able to shop online due to inaccessible web design represent £17.1 billion in lost revenue. Fashion also has a diversity bias related to ageism, with diversity within visual marketing and social strategies often represented as synonymous with youth. Moreover, older ethnic groups report feeling more socially isolated than white people. So societal ageism for minorities needs to be addressed via deeper connection.

In terms of personalisation, there are DEI concerns specific to local regions; consumers are looking not only for reliability but for brands and retailers to do better in line with cultural needs too. "Size inclusivity hasn't made it to the Middle East. We're just told we need to be skinny," explains Aisha, 28, from the UAE. "And, when brands come to the Gulf to shoot ad campaigns or put on fashion shows, they just go to the desert. What about my people? What about our culture? Show that."[2]

Human-first emotional mapping



DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

According to consumer interviews within the study, it's originality, trust and authenticity that luxury consumers see as key to human connection, with the most powerful human values being kindness and acceptance. Consumers also report that originality is a precursor to authenticity.

Qualitative interviews in France and Italy revealed that consumers in France continue to see heritage as a signal that they can trust a brand. Much like a person, these consumers want the security of knowing a luxury house won't change its core offering.

However, in the Middle East, consumer interviews indicated that it's newness and joy that are key to emotional relevance.[2] Jasmina Banda, chief strategy officer at luxury retailer and distributor Chalhoub Group, says that this is being led by female consumers in Kuwait, the UAE and Saudi Arabia: "62 per cent of Saudi females are looking for the new and inspirational versus the familiar and functional when shopping," she adds.[3] Consultancy McKinsey & Company is observing that this is a growing need for consumers in the US too, with novelty steadily rising in importance and customers keen to try something different.

However, this doesn't mean that brands should completely abandon their wheelhouse. Within this study, consumers across all regions expressed that brands aren't trusted when they leave their signature style to chase a trend.[2]

Bain & Co reports that very few fashion and luxury brands act as vehicles for self-transcendence, hope, belonging or self-realisation that customers need. This is because brands must go beyond aesthetics to align with deeper purpose.

Self(less) care is on the rise

Selfless care is the new self care. The values of respect and compassion are extending out to the community and the planet. Olivier Bialobos, chief communications and image officer at Christian Dior, highlights how younger customers in particular desire reassurance and truthfulness. "Gen Z is seeking comfort, but also an awareness of the products' origins and the conditions under which they were produced."[4]

Selfless care is being driven by consumers (or community members) like Reena, who alluded to this earlier.[2] But its seeds are taking root intergenerationally. "I'm ready to start making changes to how I shop. I want there to be a planet for my children," says Michelle, 43, from France.[2]

The authenticity gap

Consumers get lost in an 'authenticity gap' when being asked to map their values to brands.

Kindness and acceptance were the top personal values for consumers interviewed. The next was environmentalism. White space exists in the market for sustainable luxury choices from heritage brands. "There is a misperception that sustainable fashion isn't as desirable. We really need to work on changing that," says Francesca Ragazzi, head of editorial content at *Vogue* Italia.[5]

In the *Vogue Business* Index: Spring 2022, luxury consumers were surveyed on the top 60 global luxury brands and asked to score them out of 10 on several attributes. Brands received much lower average scores for statements like "Stands for values I support" and "is a positive force for good" (5.5 /10).[6] When brands 'show up' and authentically become changemakers for good, they can access a deeper emotional space with consumers and boost perception at a human level.

Unlock ultramatums

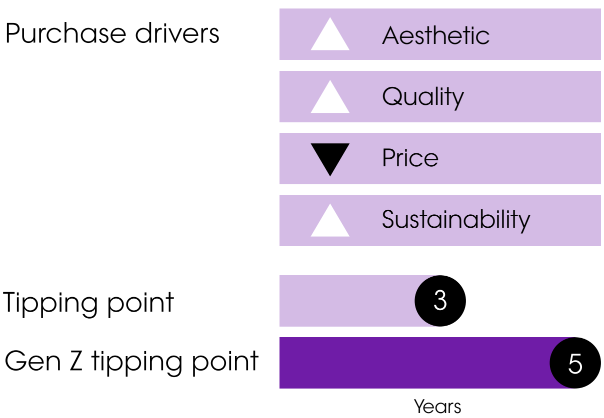
Brands and retailers need to turn a corner in order to secure future purchases. Consumers are navigating changing mindsets around sustainability, while struggling to turn sentiment into action due to lack of choice and transparency.

Introducing 'ultramatums'

Our extensive consumer interviews suggest that ditching or switching a brand is no longer dominated by me-centric reasons such as customer service, which are now seen as a given.[2] Consumers are becoming ultra-committed to pursuing positive changes in their lives and making ultimatums around brands helping the planet and its people. In order to secure purchases, brands need to help consumers put these positive 'ultramatums' into action. These are driven by environmental causes, animal welfare, racial equality and ethical manufacturing.

The *Vogue Business* Index: Winter 2021 shows how this shift has occurred during the pandemic: 68 per cent of luxury consumers said that both a brand's sustainability policies and its provision of a living wage throughout the supply chain were important, with 31 per cent and 28 per cent respectively saying these are mandatory.[7]

Self(less) shopping habits



DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

Consumer interviews across the study show that purchase drivers are also changing. Aesthetics continue to ride high, but spend per item is increasing while frequency is decreasing as higher quality products become a rising priority.[2]

Sustainability and contribution to society, by way of ethically made garments, will be next. Thomas Berry, senior director of sustainable business at Farfetch, says "the case for a seismic shift across luxury fashion is compelling."[8] Consumers within the study state that their decision to increasingly shop higher quality and lower frequency is, for them, their first step towards shopping with sustainability in mind.[2] According to a YouGov survey of 11,000 fashion consumers, 27 per cent of European fashion consumers within 2021 had already reduced their clothing purchases for ethical reasons.

Yet respondents within the consumer study also perceive sustainable luxury as more expensive, which creates an action gap. "We're already paying for luxury's price point increases as it is," says Stefano, 28, from Italy.[2] YouGov confirms that price is the number one barrier to buying ethical or eco-friendly clothing across Europe.

So when will the "Tipping Point" arrive? Well, consumers within the study reported that they expect to increase spend on items that more closely align with their environmental values in the next two to three years. This increases to five years for Gen Z, who anticipate this being dependent upon coming of age and having a more established income.[2]

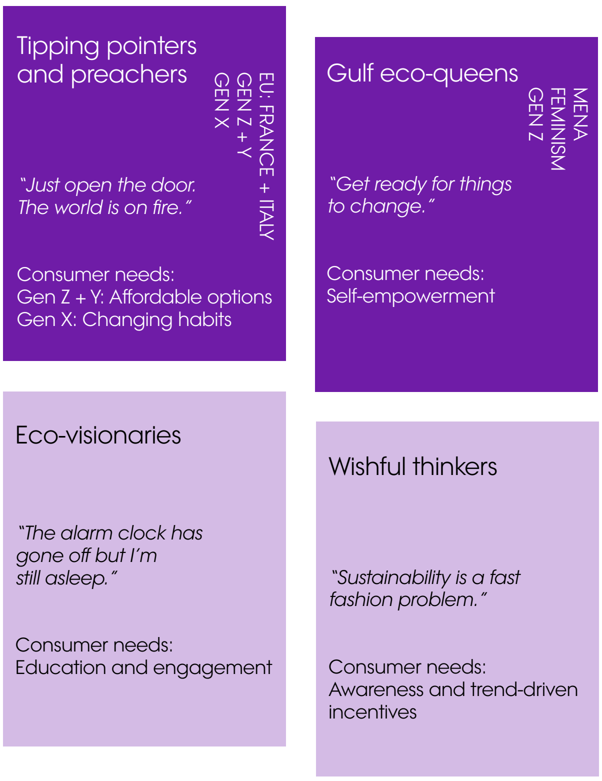
Gulf eco-queens
Spotlight: The Middle East

The Middle East consumer's fixation with customer service means that, as a region, it's still more me-centric when it comes to ultramatums. However, Gen Z and millennial women are setting a new agenda.

Female respondents in the Middle East suggest that women are acting as cultural disruptors on topics around environmentalism, animal cruelty and ethical fashion.[2] More women are earning their own money in KSA, with luxury purchases across the Middle East, signalling that feminism and conscious consumption intertwines. "An increasing number of women in the region are wearing their abayas open and seeking new ways to express themselves amid societal change," says Chalhoub's Banda.[3]

This is reinforced by Google search interest, which shows searches for 'feminism' are higher in KSA than in all studied markets apart from the UK and US. Thomas Berry at Farfetch reports 'vegan products' as a search trend is also popular on the platform in the Middle East.[8] Meanwhile, Google search interest for 'vegan leather' is higher in the UAE than in France and Italy.

The conscious consumer landscape — sustainability



DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

Our qualitative study identified cohorts that exhibit distinct behaviours. For those that haven't already made the switch, there's a group who operate as 'tipping pointers and preachers'. They are super passionate about environmental change in the world, but are also pulled in by the traditional dream of luxury and the trends driven by social media. Another group, 'eco-visionaries' are able to see themselves becoming much more engaged in the near future. Meanwhile, the least concerned are 'wishful thinkers', who tend to assume that luxury brands are already taking action on sustainability issues — and that it's largely a fast fashion problem.[2]

The action gap between consumer sentiment and purchasing habits is already closing. "Searches for conscious items on Farfetch have risen by 93 per cent suggesting that many consumers are proactively looking for sustainable items," explains Berry. Based on multiple data points, "we see no reason why the growth in interest in 'conscious' products will stop."[8]

"Consumers are predominantly focused on the sustainability of the materials used in the products they demand," says Virginie Rustique-Petteni, VP of global purpose communications at Nike.[9] Moreover, Farfetch's Berry adds that searches for 'vegan products' and 'linen products' are the top two search terms relating to conscious materials. He also reports seeing huge growth in sales and searches of products made from certified forest sources, such as the Forest Stewardship Council. "These kinds of forest certifications have been around a long time but are newer to fashion audiences," he says.[8]

Heatwave hotspots
Spotlight: France and Italy

Qualitative interviews took place in August 2022. For Italy and France, this was during record-breaking heat — with these countries feeling the marked effects of climate change in real time this summer. Within the study, an allegiance to the old-world luxury codes of brand heritage runs deepest here, comparatively to other countries. However, this is where we also observed the highest amount of concern around environmentalism (and the highest density of tipping pointers).[2]

We can expect Italy, France and the UK to become hotspots for environmentalism as heatwaves intensify in coming years. Although climate change might not have translated into a change of shopping habits yet for many, the sentiment is rising. "You just have to open your door, the world is on fire," says Genevieve, 44, from France.[2]

A McKinsey consumer survey on this topic in June 2022 shows this was already building earlier in the year. Pre-heatwave, Gen Zs in Italy were indexing as above average for personal distress around global warming, in comparison to other EU countries.

1. **Product page impact stats**
   Help shoppers make informed decisions and earn trust.
2. **Eco education**
   Don't put the onus on consumers to self educate. They want guidance from brands.
3. **Consumer-facing brand goals**
   ESG messages are not being communicated to the consumer.
4. **Behind-the-scenes videos**
   Rather than reading articles, consumers want manufacturing and craft in action.
5. **VR / physical access to manufacturing**
   Invitations to visit workshops feel exclusive whilst VR is a way of letting consumers in on a wider scale.
6. **Point-of-runway transparency**
   Consumers feel the environmental cost of an item should be debuted when the product steps onto the catwalk.

DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

New ways to search and shop

Three-quarters of consumers interviewed want environmental impact statistics on product pages.[2] Carbon footprint, water usage and fair wage transparency could help solve the trust deficit that still permeates digital spaces. According to the the *Vogue Business* Index: Spring 2022, European consumers are more likely to trust magazines and newspapers than social media, with this being as high as 73 per cent of luxury consumers in the UK.[6]

Vogue Italia's Ragazzi says it's also about better storytelling and education — two leading asks that came from consumers within the study. "We need to become much better at this," she says. "In Italy, we have this incredible opportunity to tell this story. Our manufacturing heritage means we have it all here."[5]

Waste Not. Want it.
Spotlight: Resale

At the heart of the industry is a set of ingenious minds who know the problems that need solving: its consumers.

"Why can't we be incentivised by brands and retailers? So, everytime we bring something in for repair or we resell something, we get rewards?" asks Paulo, 28, from Italy.[2] This was just one of the gamification ideas offered up freely by consumers we interviewed. This suggestion also points to the environmental challenge for the industry to evolve towards reduced product cycles and longer product lifespans.

The $25-30 billion resale economy is booming, buoyed by a series of acquisitions and IPOs. McKinsey & Company estimates the resale market will have 10 to 15 per cent annual growth in the next decade.

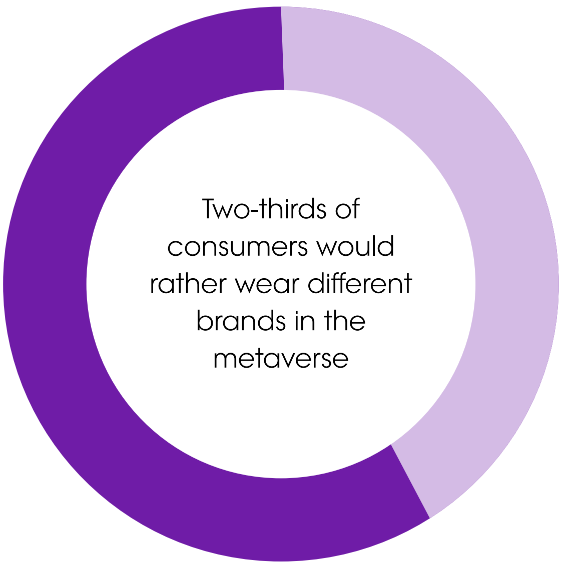
At Vestiaire Collective, chief commercial officer Bertrand Peyrat wants to convert fast fashion consumers to more sustainable behaviours, with the mantra "buy better, buy less".[10] Global newswire reports that fast fashion is expected to reach $39.84 billion in 2025 at a CAGR of 7 per cent. By trading consumers away from the fast fashion model, Vestiaire, a B Corp since 2021, is hoping to make a real difference, with Peyrat saying that 70 per cent of items purchased prevent a first-hand purchase.

When asked whether luxury could ever get on board with a gamified strategy that could encourage customers to repair goods or resell, so as to prevent overproduction and overconsumption, Peyrat says we are still a way off. "This would take a real coming together. Someone would have to earn less. We have much smaller profit margins within resale than a luxury company does on an item. And, we can't have sellers earning less either."[10]

Build bridges

Brands will need to create experience-first purchase routes across different channels, while keeping consumers in the funnel.

Omnichannel self-expression



DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

Exclusivity was the most popular loyalty reward for consumers within the qualitative study, with the potential to incentivise luxury audiences to lower consumption.[2] This is one way Web3 could help with sustainability. Consumers can be rewarded for taking care of what they own in the physical world via exclusive digital fashion items and experiences for virtual or extended realities.

As quoted in Farfetch's Conscious Luxury 22 report, Olga Chernysheva, chief sustainability officer at DressX, says that digital fashion items emit 97 per cent less carbon than a physical fashion item. *Vogue Business's* McDowell says digital fashion could help to mitigate this.[1] "Creating digital twins of physical items also allows brands to reduce the production of the physical collection and implement an on-demand production model."

Discovery is strong within virtual spaces. According to our qualitative study, two-thirds of consumers would rather wear different brands in the metaverse.[2] This could lead to customers starting to physically wear new brands they've experienced in virtual worlds. "The metaverse is a place of exploration constantly enabling new forms of expression, and this is just the beginning of an unquestionably exciting future," says Dior's Bialobos.[4]

Time and space also do not have the same rules in the metaverse, with consumers wanting to wear, experience or own a piece of history within Web3 and virtual worlds. "I wanna wear the archives," says Hakeem, 31, from New York.[2] Olivier Bialobos is excited by virtual and gaming's ability to have consumers explore the brand's history and heritage. "With Gran Turismo 7, we're sharing the codes of the house in an unprecedented way and with a new audience — gamers. The Dior dream is now omnichannel."[4]

Enriching phygital pre-purchase experiences

DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

According to McKinsey, omnichannel customers in the US shop 1.7 times more frequently than single-channel shoppers. They also spend more. In-store remains an important component, with McKinsey reporting an 8 per cent YoY growth for this channel in March 2022, compared with 5 per cent growth in early 2021.

The emergence of the phygital store and v-commerce will present new ways to work the omnichannel mix. "People want increased freedom in the way they move seamlessly between the digital and physical retail worlds" says Daniel Heaf, VP of Nike Direct.[11] One way this might develop is phygital gifting. "I want to be able to buy a designer jacket in-store, and gift a digital version to a friend in the metaverse," says Sean, 28, in the US.[2]

If the bricks-and-mortar renaissance is phygital, then a combination of indulgent, educational and engaging pre-purchase brand experiences is needed in-store. Several of the qualitative interviews suggest that as spends per item increase, a slowing down of the pre-purchase journey is happening for many. "I do so much research online and offline, before I invest in a big purchase," says Celine, 19, from France.[2]

Vogue Business's McDowell sees bricks-and-mortar as being an access point that could unlock virtual for all age groups. "I think the big reason to have a VR experience in a store would be to make the technology more accessible," she says. "Most people don't have a headset in their home and they definitely don't have cool fashion experiences on them. People need to see what can be cool about a technology before they invest in it; and brands often need to see that people are interested in a technology before they can invest in it, so it's a conundrum."[1]

Unboxing omnichannel from a human-first perspective

Brands still need to ensure that the basics are covered when pursuing innovation.

Sizing continues to inhibit online purchases and impact repeat visits. Unprompted, consumers frequently cited AR try-on in interviews as the most popular piece of innovation they desired. Digital try-on could help eliminate unwanted items and excessive returns. It's also skewing omnichannel purchasing habits. "I would only ever buy accessories and footwear online. I have to go to the store to try on clothes, so I'll know they fit," says Lizzy, 24, from the US.

In-store discrimination is preventing purchases and keeping racial minorities online. Almost every non-white interviewee in Western markets said they prefer to shop online because of the poor service they receive in-store. Brands need to employ more diverse teams in-store. "I go into a designer store only to be looked down upon by sales assistants because I'm not white. Some department stores are friendlier but own-brand stores are a definite no for me," says Lauryn, 25, from the UK.

Decentralised communities on platforms, such as Discord, made up of experts in designer sneakers and streetwear, are seen by Gen Z as more approachable and knowledgeable than in-store sales assistants. "Me and my community on Discord know more about their sneakers than they do," says Michael, 22, from the UK.

Omnichannel customer profiles need to also exist across stores, so that top spenders feel known globally by a brand no matter which store they are in. "I want to be able to walk into any store in the world and for them to know that I am one of their top customers," says Ibrahaim, 22, from the UAE.

Be mindful of assumption bias around age, gender and Web3. Older male consumers are driven by sports culture and exclusivity, just as younger shoppers. Women are just as likely to be interested in Web3 but safety for women in the metaverse is paramount. "Have you seen what happens to women in the metaverse? I'd never go on there — there's way too much misogyny," says Lyndsey, 24, from the UK.

1-2-1 video consultations are an in-demand aspect of clienteling. Consumers are confused as to why this isn't standard practice. Virtual consultation also guarantees customer service. "I went into a Paris flagship to make a big purchase I'd been saving up for all year. When I got there, there was no one available to serve me," says Nicholas, 19, from France.[2]

DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

Playing catch-up
Spotlight: omnichannel table stakes

Omnichannel capabilities have been stress-tested. Retail now needs to feel more seamless and nimble.

Luxury clienteling is still an unmet need. However, the latest *Vogue Business* Index: Spring 2022 reports that progress is being made.[6] Video shopping has started to enter the marketplace, with the consumer study finding this to be of high demand.

Video shopping is perceived as helping to navigate the number one block to shopping online: sizing issues. Consumer desire for AR try-on and sizing is especially high.[2] Google search interest for 'virtual try-on' peaked in December 2021, having increased by 70 per cent since 2020.

In the *Vogue Business* Index, only 25 per cent of brands offer reservation for try-on instore, with real-time stock availability continuing to be the feature that luxury consumers demand the most from high-fashion brands.[6]

Embrace extr(a)ordinary

Invest in peer-to-peer community and relatable content where trust and influence is native. Venture off-grid with communities into three-dimensional realities via physical and virtual.

1. **Squad shopping for drops**
   Young men shopping collectibles are having to hack tech so they can shop together.
2. **Reality-driven e-commerce**
   Brand and retail sites need to be "socialised".
3. **Influencer authenticators**
   A new set of creators are set to help resale.
4. **Resale friends**
   Buyers want to be friends and help sellers do good with funds earned.
5. **Hyper-local lives and networks**
   Communities and audiences want to stay close to home.
6. **Super sellers as retailers**
   As consumers in the Middle East help provide luxury resale inventory, the retail model is set to evolve.

DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

Squad shopping for drops

Social commerce is still nascent in the West. McKinsey reports that 1 in 10 omnichannel US shoppers say they've made purchases directly via social media. However, consumer interviews confirm that some audiences are already shopping in private groups peer-to-peer, much of which is largely uncatered for in terms of technology.[2]

For example, young male communities from across the Middle East, France, the US and the UK are discovering and shopping for sneakers, NFTs, watches and vintage collectibles together. This is similar to squad shopping, a phenomenon popular on apps in China that hasn't fully taken off in the West.

Within the Middle East and the West, it's young men specifically who want to shop as a squad. Driven by sneakers, watches and NFT drops, Mohammad, a 19-year-old engineering student belonging to a wealthy family in Riyadh, reveals how he's getting ahead of the technology lag by finding hacks to be together with his friends during key drops. "We'll all have the Ounass app open on our phones and we'll be on a dedicated group chat on our phones at the time." Here, he and his friends will evaluate the best investments and strategically move like a pack when the time is right. Sometimes, he'll open up a video call on his laptop and screen share options.

They shop together on their phones when they're shopping for vacations too. "It's important we all look good for our first trip to Europe (since pandemic restrictions have lifted). And hey, we don't need jackets here (in the Middle East). So, it's an item we all need. We're messaging each other while we shop online, so that we all look good when we're there."[2]

Loyal customers could also benefit from being in digital concierge containers, which helps them shop exclusive drops. "I find it so frustrating how I cannot buy a watch or other collectible when it's released despite being a loyal customer. All of a sudden, people appear out of nowhere or I'm losing out to a bot," says Jean-Paul, 35, from France.[2]

'Socialising' shopping: Brands as platforms

According to GWI, a third (33 per cent) of Gen Z now use social media to see what's trending — more than any other generation. Consumers continue to look for genuine feedback on luxury items. Google search interest for 'luxury unboxing' has increased by 94 per cent between June 2020 and June 2022. Consumer interviews reveal people now want digital flagships to become more social too, facilitating human interaction. Customer reviews aren't enough anymore. Audiences want e-commerce sites to take inspiration from social media platforms.[2]

According to Peyrat, Vestiaire Collective is looking to prioritise top-of-the-funnel inspiration content on-site. "We'll always be a marketplace, not a social media platform but we definitely see the potential to place more inspiration on-site."[10] Thrift hauls and vintage is sticky content and creates high engagement. Google search interest for 'pre-loved clothes' has nearly doubled between June 2019 and June 2022. The interviews conducted by *Vogue Business* show that the desire for more realistic, "human" representations of products prevails here too.

> ***"When I'm looking at an item on an e-commerce site, I wish I could see a feed of how other customers have styled it."***
>
> ***"I want to see pictures of people wearing the items out on the street or in a restaurant. An image of a handbag shot in a studio can sometimes be so misleading. I need to see it in real life!"***[2]

DATA SOURCE: VOGUE BUSINESS CONSUMER INTERVIEWS | N=60, CONDUCTED AUGUST 2022

Hyper-locality builds trust

"The hyper-local trend is an important one," says *Vogue* Italia's Ragazzi. "Our top-performing digital content at *Vogue* Italia is no longer global celebrities. It features real working wardrobes from Italian people. I think it has something to do with the pandemic, people now want something closer to home."[5] Globalisation might have felt expansive for previous generations but youth culture agency Archrival Insights confirms this is shifting, with Gen Z appetite for experiences embedded within local culture high.

Vestiaire Collective's Peyrat hopes to have its on-site peer-to-peer buying and selling relationships become more region specific thanks to on-site algorithms which encourage people to see products from local sellers. "The company's original name was Vestiaire Copine, meaning friend. This was at the heart of our founders' vision and is still important today" shares Peyrat. With 23 million members now on the Vestiaire platform, local networks could scale fast.

As well as more local fulfilment centres in the future, his roadmap for mobilising authenticators as influencers may also be local. Even though Vestiaire Collective states only 1 in 1000 items in its warehouse is counterfeit, fear around buying an inauthentic product is resale's biggest barrier to purchase. Turning authenticators into influencers could be key to humanising resale as being something consumers can trust. "We've been workshopping this idea in London over the summer months," says Peyrat.[10]

Placing the iconic in the everyday

The audience's need for relatable content is continuing to evolve in new ways. Lucy Maguire, trends editor at *Vogue Business*, says this is affecting storytelling styles, with audiences wanting deeper and more longtail access to an influencer as if they were a real friend. "People don't just want a haul video. They want a haul for a trip to Capri. They then want to join that influencer in Capri and watch a follow-up video of them wearing it."[12]

This is also relevant for advertising. This year's Tiffany & Co advert starring Jay Z and Beyoncé was cited as a memorable advertisement by consumers within the study. Maguire explains how seeing Tiffany & Co within the context of Jay Z's and Beyoncé's own world could be even more powerful. "This would be a perfect part two. Consumers want access to these icons within everyday situations," she explains. "Audiences would love to see Jay Z wearing a Tiffany piece whilst in a recording studio, or likewise Beyoncé in a car on her way to rehearsals. It's about access and authenticity. That's what consumers want."[12]

Considering the possibilities of hyper-omnichannel experiences, interview respondents can envision how the everyday and iconic could become truly interactive. "I want a VR experience where I enter an advertisement and get to experience actually being in it. I want to sit at the table of an Italian household in a Dolce and Gabbana commercial," says Adey, in the US. "Why not?"[2] McDowell says these kinds of experiences can incite real emotional connection. "I don't like to differentiate as something either being IRL or virtual. Even if it's either physical or digital, it's real life."[1]

Key takeaways

Create character

- Audiences want brands and retailers to feel like humans. They want an authentic relationship with you that sees you bring originality and trust.

- This means owning your core aesthetic and embodying the most important value for humans and community: kindness and acceptance.

Unlock ultramatums

- Disclosure is key. Make it easy for consumers to discover environmental and social impact information as part of their shopping journey.

- See resale and repair as post-purchase data-rich engagement activities, which create stickiness and can help personalise future experiences and content.

Build bridges

- Consumers need more time in-store when making purchases. They want delight, education and freedom to indulge in the culture of a brand without pressure to purchase. Consider building experience-first phygital stores that blend seamlessly with online and that keep visitors in the funnel.

- Ensure the table stakes are covered. For example, increase direct access to advisors via clienteling.

- Consider how virtual can become part of an omnichannel solution to sustainability.

Embrace extr(a)ordinary

- Focus on how resale and drop culture will continue to have a halo effect on localisation and peer-to-peer social commerce. Influencers and authenticators from decentralised and central spaces are untapped resources.

- Don't be afraid to go hyper-omnichannel. Think about how your advertising strategy will evolve alongside tools like AR/VR and shoppable video.

Boilerplate:

This research took place across several phases, combining both quantitative and qualitative methodologies.

1. *Vogue Business* interviewed 60 consumers across six markets: UK, US, France, Italy, Germany and the Middle East (UAE and Saudi Arabia). Participants were luxury consumers aged 18-54 years who had spent at least £1,000 or the market equivalent on luxury fashion in the last twelve months. Respondents were asked questions about their favourite brands, shopping habits and the values they are adopting when they shop, e.g. around sustainability. The interviews were conducted by the *Vogue Business* Advisory team in August 2022.

2. *Vogue Business* interviewed several industry experts from brands, including Christian Dior, Farfetch and Nike, who provided their expert view of market trends in the fashion and digital space. Interviews were conducted by video call or email across August and September 2022.

3. *Vogue Business* commissioned GlobalData to provide estimated market sizes and growth rates for the following categories: Clothing; Footwear; Jewellery, Watches & Accessories and Luggage & Leather Goods. Market sizes were modelled in August 2022 for the years 2016 to 2028 across seven regions: UK, US, France, Italy, Germany, the Middle East (UAE and Saudi Arabia) and global.

4. Google and *Vogue Business* analysed levels of Google search interest in a range of search terms related to fashion interests, innovations and trends,including (but not limited to) preloved clothes, fashion NFTs, virtual try-on and vegan leather. Google search data was assessed over 2017- 2019 (pre-Covid), 2020 - 2021 (Covid) and 2022 year-to-date (post-pandemic) to understand how interest in these trends an ideas evolve over time. Analysis took place over August and September 2022.

Endnotes:

1. *Vogue Business* interview, McDowell, 2022
2. *Vogue Business,* in-house qualitative interviews, GB, US, IT, FR, UAE, KSA, August 2022
3. *Vogue Business* interview, Banda, 2022
4. *Vogue Business* interview, Bialobos, 2022
5. *Vogue Business* interview, Ragazzi, 2022
6. The *Vogue Business* Index*:* Spring 2022, Global, 2022
7. The *Vogue Business* Index: Winter 2021, Global, 2021
8. *Vogue Business* interview, Berry, 2022
9. *Vogue Business* interview, Rustique-Petteni, 2022
10. *Vogue Business* interview, Peyrat, 2022
11. *Vogue Business* interview, Heaf, 2022
12. *Vogue Business* interview, Maguire, 2022