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How Can Fashion and
Luxury Brands Respond to

THE NEW
DIGITAL WORLD

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LUXURY SHOPPING IN A DIGITAL AGE

Technological advancements have ushered in a new way to experience retail. How can luxury fashion brands anticipate consumers' expectations and provide them with exclusive, aspirational and alluring shopping experiences?

Digital expectations

In 2020, Gartner predicted shoppers would come to rely on digital channels in the pandemic and beyond. Today, meeting luxury shoppers expectations in the digital age involves:
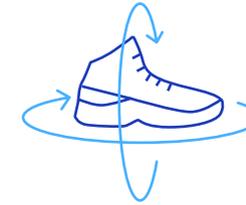
Offering contactless, self-service buying.

Providing the option to "try on" products with augmented reality (AR).

Live streaming new fashion lines.

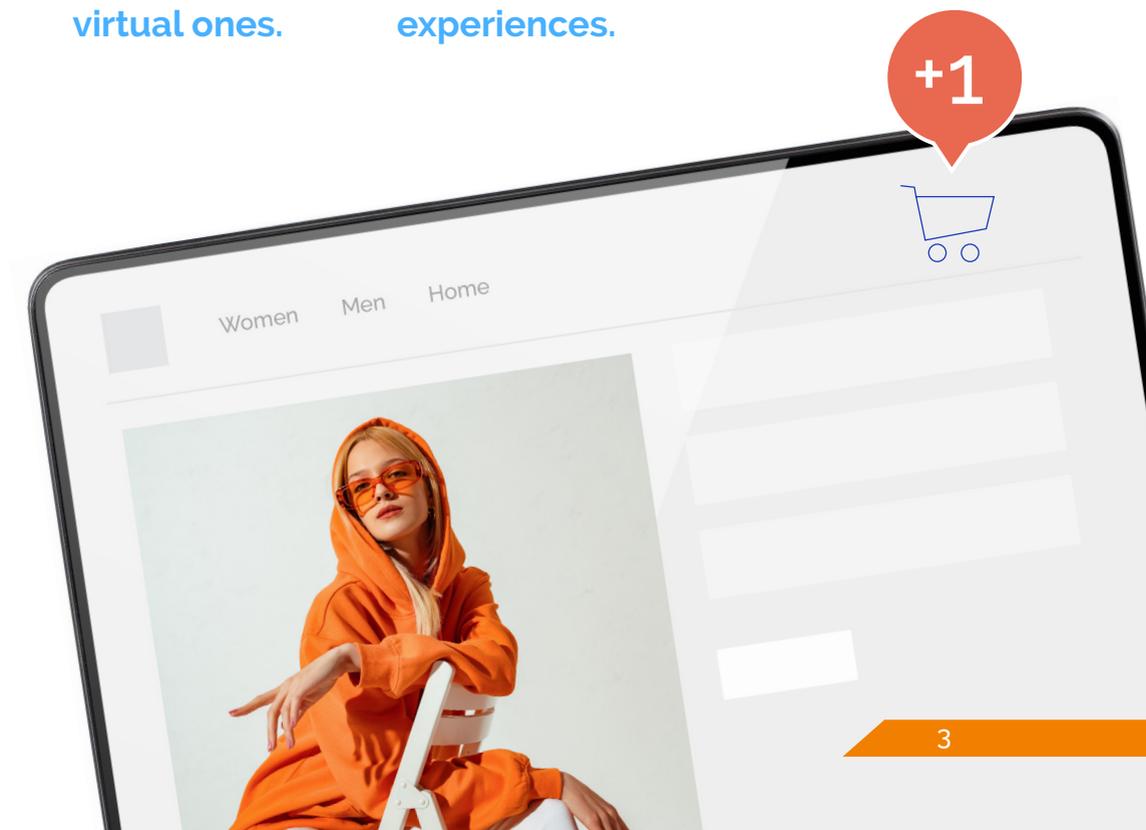**Sunsetting physical showrooms in favor of virtual ones.**

Winning loyalty with intuitive shopping experiences.

Leveraging enterprise marketplaces for insight.

Anticipation of a new luxury shopping code

During the pandemic, consumers' shopping behavior reached a pivotal point. In the third quarter of 2021, ecommerce became mainstream: **58% of people worldwide made weekly purchases online.** Luxury brands that anticipate how AI will change the digital shopping experience will be better prepared to adapt to the new order of luxury retail experience.

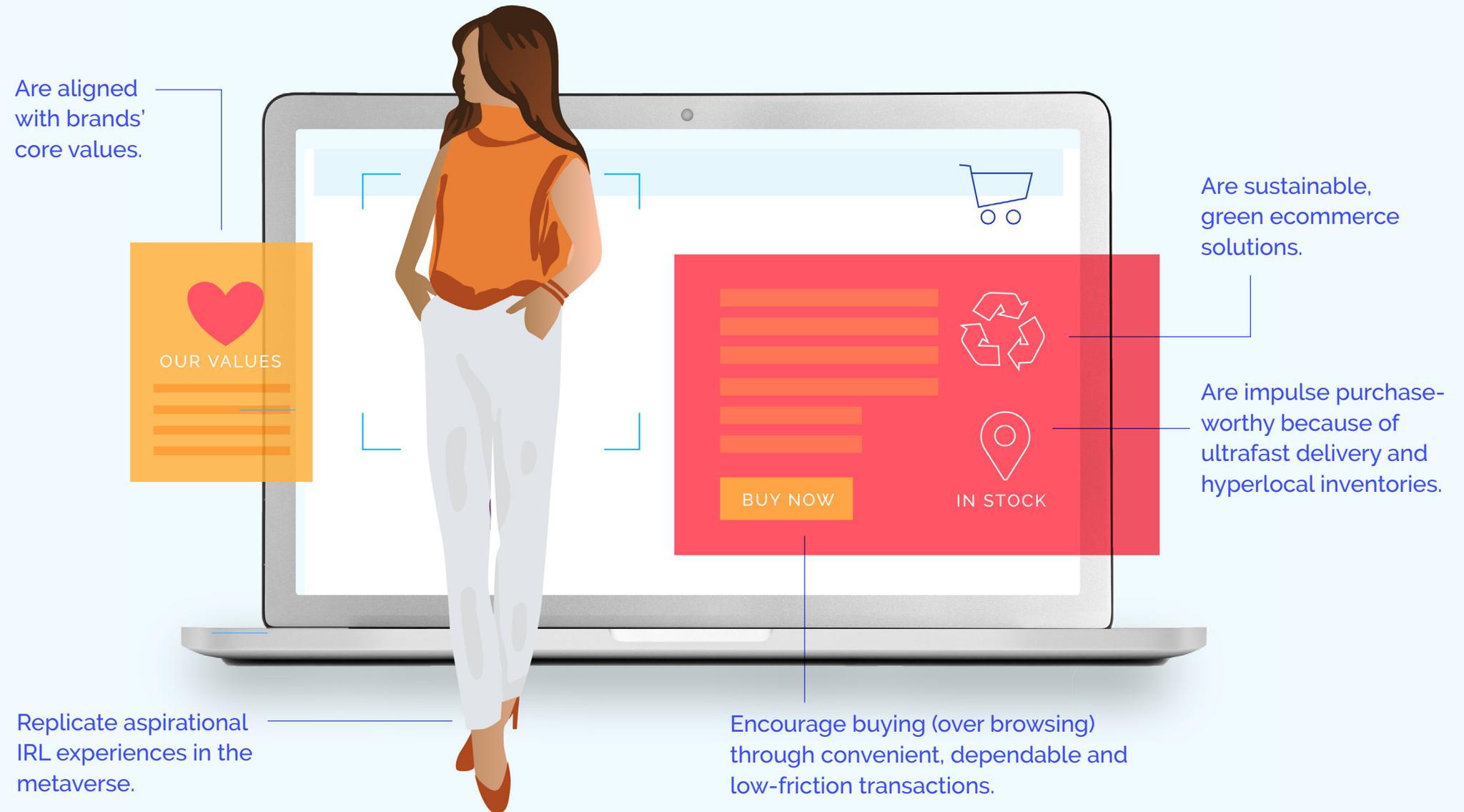ViSENZE

HOW TO CONNECT VIRTUALLY

The convenience and value of contactless shopping have made it the new norm. How did fashion fare?

Apparel was the go-to for first-time online shoppers

A 2021 McKinsey survey found that one in six purchases of first-time online consumers went to fashion brands. Luxury fashion brands must remain alluring in the digital shopping space, especially since 30% of new-to-online shopping customers plan to increase their ecommerce activity.

Retailers anticipated the importance of digital shopping

Retail professionals anticipated that consumers will judge their brands by their "digital prowess post pandemic," according to Euromonitor International. Consumers look for online shopping experiences that:

Are aligned with brands' core values.

Are sustainable, green ecommerce solutions.

Are impulse purchase-worthy because of ultrafast delivery and hyperlocal inventories.

OUR VALUES

BUY NOW

IN STOCK

Replicate aspirational IRL experiences in the metaverse.

Encourage buying (over browsing) through convenient, dependable and low-friction transactions.

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BUYING STARTS WITH BEHOLDING

In 2012, the Uniqlo Magic Mirror was a revelation, allowing consumers to try on clothes virtually (120 coats in 60 seconds) and share pictures via social media. Whether shoppers see the latest style on the street or on-screen, buying starts with beholding.

Virtual shopping is an experience

In the digital world of retail virtual can be:

58%

VALUABLE:
58% of millennials value virtual experiences.*

MEMORABLE:
Snapchat is the #1 social platform used by Gen Z to share their looks in life and while shopping.**

Next-level visual merchandising

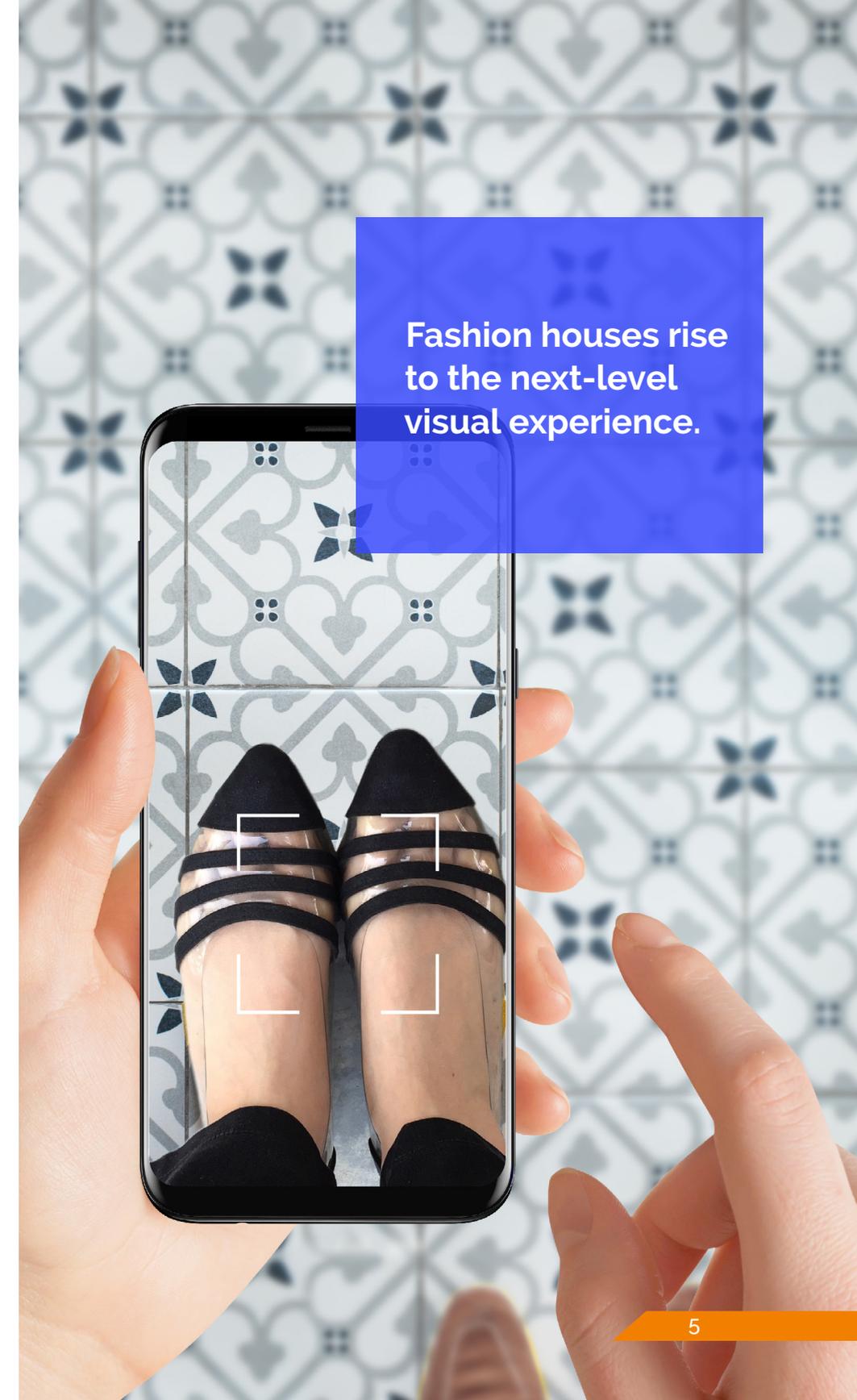Fashion houses rise to the next-level visual experience by allowing customers to:

▶ "Try on" Gucci Ace sneakers virtually on iOS or Android devices.

▶ Dress their avatars in Louis Vuitton's branded skins or Gucci's $25,000 non fungible token (NFT) looks.

By combining virtual technology and their exclusive brand in new and novel ways, high-end fashion retailers can fascinate buyers with what they see.

Fashion houses rise to the next-level visual experience.

*According to Euromonitor International's Voice of the Consumer 2021 survey
** According to 2022 Global Crowd DNA survey commissioned by Snap Inc.

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CURATED AND ASSISTED ONLINE SHOPPING

Shoppers continue to want personalized and functional shopping encounters that are only possible with the assistance of technology.

Data prediction

Since 2011, StitchFix has been able to collect valuable data on subscribers' preferences to power its artificial intelligence (AI) predictive analytics and machine learning. Their approach facilitated better anticipation of customers' desires and identification of their inventory gaps. In 2022, the company announced 19% growth year-over-year.

Smart tech anticipation

Luxury fashion houses can use technology to anticipate the desires of customers in a personal and useful way.

Today, a virtual personal shopper lives with customers in voice-activated, cloud-based devices. A virtual assistant follows shoppers throughout their day on their smartphones, discovering, comparing and procuring merchandise.

A holographic assistant can shadow a busy shopper through a real or virtual marketplace with visual wayfinding to relevant merchandise or 3D visualization of a total look. As AI and machine learning improve, virtual and 3D shopping assistance will only get better at anticipating luxury clienteles' wishes.

SUIT JACKET

BLACK SHIRT

SUNGLASSES

BOOTS

INTUITIVE SHOPPING EXPERIENCES

Luxury fashion shoppers seek connection with their favored brands. To create retail encounters that feel intentional and subtle (not salesy) demands a relationship between brand and patron. How can luxury brands achieve this virtually?

Anticipate the next shopping platform

Social media platforms like Instagram and TikTok that leverage visual technology have become hot digital marketplaces. Accenture anticipates that social media retail will outpace traditional ecommerce threefold. The very same technologies — AR, VR and 3D — that drive social media also help luxury clientele discover, buy and share their shopping experience on those platforms.

Build relationships with your brand

Fashion and luxury brands must learn to create relationships on the platforms that matter to their clientele or face losing to those who can. Exclusive shopping experiences are what luxury shoppers desire and younger generations have come to expect.

ASPIRATIONAL ENTERPRISE MARKETPLACES

For luxury retailers to produce high-end, exclusive virtual experiences, they also need to be profitable. Enterprise marketplaces can provide the allure and exclusivity luxury clientele desire and the scale brands require.

A place for novelty

FarFetch is a retail platform for over 1,400 brands across the globe. Their fourth-quarter report highlighted groundbreaking collaborations with global luxury brands, artists and entertainment to produce one-of-a-kind showcases including:

▶ A Balmain X Netflix collaboration that coincided with the release of the movie 'The Harder They Fall,' leveraging innovative features such as photo-real 3D visuals.

▶ A Burberry outerwear campaign that utilized Farfetch's digital fashion capabilities to feature models dressed with digital assets.

A profitable prediction

Luxury fashion houses must transform into "digital enterprises" that fully embrace technology from creation to retail. Fortunately, the digital enterprise marketplace is expected to become a major player in the $136 billion revenue luxury industry by 2025.

LEVERAGE TECHNOLOGY TO CREATE ASPIRATIONAL SHOPPING EXPERIENCES

The new reality of digital luxury retail is that the brand and their clientele are more intertwined. Luxury consumers demand a customized experience that is also intuitive and therefore useful. To create high-end virtual shopping experiences, brands have to leverage visual technologies, social media platforms and AI and machine learning.

The McKinsey State of Fashion report urges brands to stay flexible and innovative. Consumers want luxury brands to push the boundaries in the following ways:

▶ Create NFT wearables in the gaming world like the Burberry and Mythical Games partnership.

▶ Offer gaming skins and branded tools like those created by Balenciaga for the 350 million players of Fortnite.

▶ Enable in-app purchase journeys that attend to specific audience segments.

▶ Invest in digital product passports to trace supply chains and meet new and developing environmental impact standards.

The next generation of virtual shoppers will expect even more intelligent and captivating ways to interact with luxury brands to be sure. So long as high-fashion stays grounded in what their clientele love about the digital, luxury shopping experience, they can continue to be exclusive, aspirational and alluring.

DIGITAL PRODUCT PASSPORT

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Discover how ViSenze enables aspirational digital shopping experiences and increases revenue.

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Smartest Product Discovery Platform for Retailers

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