



## Beyond Covid-19: Remodelling the Future of Fashion

**The industry is set to become less cyclical, less vicarious and more transparent.**

If Covid-19 hasn't killed them, fashion brands throughout the world will have experienced an unprecedented slowdown since the start of the pandemic. Amid fashion show **cancellations**, Boston Consulting Group **estimates** that this year's sales will decrease by 30 percent versus that of 2019, and by up to 15 percent in 2021. In the case of luxury fashion brands, **Bain** estimates sales will drop by 60 percent in Q2 and by 20-35 percent for the full year. Fashion staples Neiman Marcus, J. Crew, JC Penney, Ascena and Lucky Brand have all tipped into **bankruptcy**.

From a consumer perspective, social distancing has been accompanied by a greater willingness to **consume green and to consume local**. Together, these changes converge to profoundly remodel the future of fashion. We expect the industry to become less cyclical, less vicarious and more transparent.

### The end of cyclical fashion shows

Since the dawn of the 20th century, fashion brands have shared their creative innovations and reinforced brand image through highly ritualised interactions. A prime example is fashion shows. Each season, such shows preview collections nine months ahead of actual delivery for an audience flown in from around the world. The presentations take months of preparation but last for no more than **20 minutes**.

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Covid-19 brought a sudden end to these forms of interactions costly for the environment. It moved Shanghai, Russia and now London fashion weeks online, while inspiring brands from Dior to Burberry to launch "audience-less" staged **fashion shows**, digital campaigns and even a **fashion film**. Brands will also need to rethink "**drops**" – the tactic of launching their collection in a myriad of small, hyped-up doses. It is likely that this expensive signalling may not come back.

The fashion industry will need to turn to other forms of outreach while using less product, energy, resources and manpower. Even Vogue Editor Anna Wintour seemed to **approve** of the recent cancellation of the **Met Gala**, suggesting it was "an opportunity for all of us...to rethink our values, and to really think about the waste, and the amount of money, and consumption, and excess that we have all indulged in".

### Less vicarious fashion

Fashion has always followed power and espoused effective and widespread signalling. In the last centuries, clothing as **validation** of one's identity and status has been at the heart of conspicuous consumption. In this age of social distancing, remote working and more digital than face-to-face engagement, the very premise of fashion as a visible marker of status, wealth and style is losing its

currency. Perhaps it still exists in a diluted form when one, say, wears an expensive watch on a Zoom call, but conspicuous consumption may be past its Golden Age.

To survive, fashion brands will need to invent other forms of signalling. Pre-Covid, consumers were already turning towards new forms of expression, such as **experiential consumption** in dining and travel. With less travelling, brands need to look for novel ways for customers to experience the brand, whether digitally or in person. In particular, new forms of fashion may emerge within **inconspicuous consumption**, which emphasises practices rather than objects.

Fashion brands must re-earn “cultural capital” in order to continue to attract consumers. **Culturally-rich “aspirational” consumers** tend to thrive on gaining superior knowledge, connoisseurship and authenticity – rather than showing off in the traditional sense. This kind of value-based signalling speaks louder than an advertisement. It is better for the watch to be an insider secret than splashed on the wrist of the latest influencer.

### **Value through transparency rather than scarcity**

Demand for production transparency, right down to the leather craftsman behind the pumps, is on the rise. Consumers seek **conspicuous production** – a tool for them to show off their knowledge. The post-Covid aspirational class will also turn away from anything resembling standardisation. Some luxury brands are experimenting with this, an example being Mulberry’s latest “sustainable leather” bag collection. LVMH declared sustainability to be a must-have for this year’s **LVMH Prize** for designers as well as its commitment to **full traceability** of all its raw materials by 2025. Some may say this is lip service, but it is still a step in the right direction.

While “**fashion excursionists**” may continue to value consumerism and materialism, members of the new elite prefer getting a top education; accumulating cultural capital (i.e. knowing the latest vegan recipe on NYT Cooking or reading this year’s Man Booker Prize); buying organic avocados at farmers’ markets and sending their kids to yoga class. They tout environmentally friendly products; support small and local businesses; place renewed priority on education and well-being. The expressive value of luxury is retreating from consumption while invading the production process.

In response, some brands have already made product, production and brand experience more transparent. For instance, pioneers such as People Tree, Filippa K, Kings of Indigo, Armedangels, Nudie Jeans, and even sports brands like Patagonia, have long enabled their customers to peek into the

workings in their factories and offices. Armedangels has been working on its “Cotton in Conversion” **project**, persuading farmers in India to move from conventional cotton to organic cotton. Eventually customers may know the exact cotton field their organic t-shirt originated from.

### **Organising the fashion house of the future**

*Change the value chain into a circular chain.* Every year the fashion industry uses **93 billion cubic metres of water** – enough to meet the needs of five million people. The overproduction and subsequent destruction of deadstock by luxury, fashion and even sports brands is no longer a **secret**. Brands need to do more to reduce wastage and maximise resources. Reducing carbon footprint calls for a change to the entire production and product cycle, launch timings and markdowns. In this spirit, e-commerce giant Farfetch recently launched a **sustainability calculator** for every product on its platform.

*Blockchain as the backbone?* Blockchain technology can help brands provide more information about their production cycle, thereby increasing both authenticity and transparency in the eyes of consumers. In 2017, fashion designer Martine Jarlgaard launched a **blockchain-verified collection** at London Fashion Week. Diamond retailer Brilliant Earth has a selection of diamonds for which customers can see the place of origin and manufacturing process. LVMH, Microsoft and Consensus have created Aura, a platform using blockchain to track product history from raw materials all the way to the second-hand market. As such, blockchain is also complementary to building a circular economy supply chain.

*Emphasise consumer-led digital content.* Everyone is a creator and an individual is a reflection of a brand’s values. By embracing this bottom-up approach, fashion must allow communication to be truthful and direct. How many times have you read a sponsored post from an “influencer” and wondered how much he or she got paid to publish it, instead of actually admiring the brand and product? How many times have you seen a fragrance advertisement featuring a gorgeous woman running in a ball gown, and felt more disconnected than inspired? There is a fine line between trying to convey an experience and being plain detached from the customer. The aspirational class wants to earn cultural capital for itself, not for others. Digital is the vehicle to do so.

### **Think broad. A brand is a way to make a political statement.**

As fashion becomes less cyclical, less vicarious and more transparent, brands need to use the reach and depth of digital to make a difference and build their

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own voice in today's turbulent times. More than in the past, they can raise funds for causes and choose whether and how to take position on important issues, such as the Black Lives Matter movement. Being purpose-driven increasingly requires brands to take a stand on society's most contentious and pressing topics, even at the risk of alienating some customers.

Consumers will be quick to spot **greenwashing** when a firm's actions do not match its words, so authenticity and sincerity are critical for espousing a cause. Brands have proven that they can, in times of crisis, change and adapt quickly. Countless big and small brands have pivoted production to manufacturing masks and disinfectants. Luxury brands have always been about values. It's about time they start moving from symbolising them to fully embracing and acting on them.

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