

APPAREL AND ACCESSORIES

Luxury fashion needs a major redo in 2019

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Ana Andjelic

By [Ana Andjelic](#)

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There are a few strong currents running through the luxury fashion industry right now.

The game of musical chairs when it comes to luxury fashion designers continues.

The identity crisis of some of the oldest and the most renown luxury fashion brands such as Brioni, Zegna, Loro Piana, Dolce&Gabbana, Versace and Chanel continues. They are caught in limbo when it comes to their cultural and consumer relevance. They have a loyal, but dwindling, group of consumers who are aging and they struggle to attract younger audiences that can revive the brand and ensure its long-term growth.

The biggest challenges in 2019 are the traditional organizational structures and processes of luxury fashion brands, which do not allow them to be sufficiently nimble in the current consumer markets. They do not have the internal resources and capabilities to continuously create content and consumer dialogue on the ongoing basis and, no, having an Instagram account with the product and campaign imagery doesn't count. Their customer service, CRM, data collection and management capabilities, and sales and merchandising lag behind both the consumer demands and expectations and behind the pace of the ecommerce and mobile commerce today.

Another massive challenge for luxury fashion is cultural appropriation.

Regardless of numerous protests from inside and outside the industry, cultural appropriation is still widespread in the luxury fashion space.

The recent Dolce&Gabbana fiasco in China is the crudest and most literal expression of cultural insensitivity and cultural colonialism displayed by some of the luxury fashion brands.

In 2019, cultural insensitivity will not just be faux pas it will be a matter of lost profitability and market share.

Social commerce may make a strong comeback, with Instagram's new shopping app and with the tendency of consumers to discover, get inspired and shop from personalities and influencers and not from the luxury fashion brands themselves.

Nano-influencers will become important in this social shopping ecosystem, with mega influencers resembling

mass media and nano-influencers building longer-lasting communities and dialogue.

There is a big opportunity for luxury fashion brands to detect, manage and maintain their taste communities.

Proximity to their taste communities will make luxury brands closer to streetwear, a merger that has been happening for a couple of years now.

Beyond playing in the streetwear market, with collaborations and investment in products such as sneakers, sweats and hoodies, luxury fashion brands have the opportunity to learn from streetwear about creating communities of loyalists, hobbyists and obsessives.

This will become even more important in 2019, as luxury fashion market becomes further fragmented and where mass media tactics continue to have a dwindling effect on consumers' purchasing decisions.

Brands with a strong aesthetic and cultural point of view such as Gucci and Balenciaga will continue to be relevant in the global luxury fashion market.

Stella McCartney found a strong brand voice in the sustainability and transparency conversation, which will become even more important in 2019, with increasing pressures on the luxury fashion brands to clean up their supply chains, release information about raw materials sourcing and stop inflating growth via overproduction.

There is a big job yet to be done in exciting luxury fashion consumers with sustainable materials and transparent production, and it would be great to see more of the consumer-facing, social influence-focused strategies of changing the consumer perceptions and expectations from luxury fashion when it comes to sustainability.

There is also an influx of independent, direct-to-consumer luxury fashion brands such as RUH Collective, Ports 1961 or Rejina Pyo that carefully select their retail partners and come into luxury fashion with a considered, thoughtful and customer-centric view and aesthetic.

Finally, there is a big continued opportunity as luxury fashion brands continue to experiment with new technologies such as blockchain, AI, 3D printing and the Internet of things, in addition to ever-evolving social media.

Blockchain, especially, has a big potential to introduce a much-needed transparency in luxury fashion's value chain, as well as to battle counterfeiting, which continues to cost the luxury fashion industry billions of dollars in lost value.

Ana Andjelic is a New York-based brand growth leader, doctor of sociology and startup advisor. She was named to Forbes CMO Next 2018 list. Reach her at andjelicaaa@gmail.com.

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