

APPAREL AND ACCESSORIES

Casual men's apparel is now corporate-approved

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Flexible dress codes are becoming more mainstream. Image credit: Hugo Boss

By SARAH RAMIREZ

With global investment banking and securities firm Goldman Sachs embracing a "flexible" dress code, the casualization of business wear has officially reached Wall Street.

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Luxury casual wear and streetwear have become fast-growing categories among affluent consumers, particularly millennials. With even the most formal corporations relaxing the dress code standards, brands in the menswear space must keep pace with shifting mindsets.

Work threads

Last week, Goldman Sachs sent an internal memo to its more than 36,000 employees announcing the shift to a "firmwide flexible dress code."

While workers are still encouraged to exercise "good judgment," this policy expansion comes after Goldman's technology and digital division employees were granted a more relaxed dress code in 2017. Banking giant J.P. Morgan Chase similarly loosened up its own dress code in 2016.

The shift in workplace fashion began with the introduction of "casual Fridays" nearly three decades ago, but the rise of Silicon Valley's technology firms has only accelerated the casualization of dress codes.



Facebook CEO Mark Zuckerberg traded his casual attire for a suit for an appearance in Washington, D.C. Image credit: CSPAN

Since the upper rungs of Wall Street firms remain male-dominated, more relaxed dress codes are likely to have an impact on luxury apparel brands that sell suits and other formal business attire for men.

Per a study by First Insight, about one in five men shop six or more times at luxury department stores per month. Nearly a fifth of men shop at luxury stores such as Saks Fifth Avenue, Neiman Marcus, Gucci and Prada at least six times a month ([see story](#)).

Although far from a new market segment, menswear has seen a type of resurgence as men of all demographics have begun to embrace style and trends, including casual wear.

With a market size of \$570 billion and annual revenues of \$333.4 billion, the menswear category is expected to grow at a constant rate of 2-3 percent a year, according to a report by Fashionbi ([see story](#)).

Some luxury fashion labels have relaxed their business wear fashions without fully embracing streetwear, both staying true to their heritage and staying in tune with the market.

For instance, after a recent rebrand, LVMH-owned shirtmaker Pink put the shirt at the center of its new brand image, updated it in softer fabrics and vintage pastel shades. Prices for its updated button-downs have gone up 40 pounds to 130 pounds, or \$166 at current exchange ([see story](#)).



The shirt is the focus of the Pink brand. Image credit: Pink

Balancing casual wear and more polished styles has led some brands to financial success.

German fashion group Hugo Boss's sales were up 2 percent in 2018, thanks in part to double-digit growth in its own online channels. Boss saw a 4 percent increase in sales on a currency-adjusted basis, driven by casual wear and business wear ([see story](#)).

In an interview with [Bloomberg TV](#), Hugo Boss CEO Mark Langer explained that the company is seeing the shift away from suits and similar workwear as an opportunity to offer more stylish options. In addition to offering apparel such as sweaters or sneakers that fit into office settings, Hugo Boss is also trying to meet the demand of younger shoppers for more eco-friendly pieces.

Office-to-street

Work apparel standards become more relaxed and casual categories have become more popular among all

demographics. This includes different generations and both men and women shoppers.

In particular, streetwear is an increasingly important entry point to luxury goods.

With millennials poised to become 50 percent of the luxury market, industries are seeing a shift towards casual apparel. The rise of streetwear styles has led brands to create logo-centric apparel and accessories, partially since millennials are also prone to mixing high-end and more mass-market pieces ([see story](#)).

Younger affluents are also embracing new luxury values, such as fun, creativity and personal expression.

This is reflected in the shift from heavy spend on luxury accessories towards ready-to-wear. However, even older luxury shoppers are among those looking for more high-end casual wear as they transition out of the workplace ([see story](#)).

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