

SOFTWARE AND TECHNOLOGY

Could virtual reality be the key to saving luxury?

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The Dior Virtual Store. Image credit: Dior

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Since the COVID-19 coronavirus took the world by storm and started the most dramatic time for what economist Joseph Schumpeter refers to as "creative destruction," many months have passed by and the luxury industry is still on the brink of becoming victim of an unexpected upheaval.

With retail networks on lockdown, the luxury industry is still occupied with selling products, rather than enhancing the power of the brand.

Ecommerce strategy for many luxury brands has barely progressed its format over the past 10 years, and social media strategies are still stuck on a traditional and less-effective top-down approach.

In this turbulent landscape, the risk of setting up a failing strategy is high, as well as the chance to miss new, upcoming opportunities.

In need of an authentic vision

The luxury industry navigation desk is often not updated enough to allow a safe drive into the next exciting chapter of society. And it is not just a matter of technology, it is a matter of human vision and strategy.

While the luxury industry makes an effort to grasp what is going on in the market by going through consulting firm reports based on interviews made to luxury executives, the rest of the world is evolving at an amazing pace.

China, despite all the troubles it faces, is still very dynamic on the side of leveraging new tools of communications such as live-streaming on social media and using KOC (key opinion customers) as salespeople. However, most of the brands are still not tuned into the needs and expectations of such a strategic market.

The most recent case of Louis Vuitton's [deeply criticised livestreaming](#) is a clear example.

While the brand had a basic set-up and concept of environment, the audience made of potential customers expected a truly rich and upscale experience.

It could be deemed somewhat bizarre that a high-end brand such as the French maison did not foresee in time that

the implementation of this idea would lead to mass criticism and, like a mirror, reflect the poor concept behind the event.

Using technology in the right ways

Understanding your target ambitions and expectations is vital to being successful, even for one of the most established brands in the world.

When you raise prices and position and your brand exudes exclusivity from every pore, a powerful image matching the brand is essential.

As we have seen many times in the past, Chinese customers are attentive and demanding, eager and curious, and they do not excuse mishaps.

The wise use of technology must be filtered by very strong and consistent brand storytelling, all developed along the deep understanding of society and its habits.

The plug-and-play attitude so often used by the luxury industry does not work when projects are developed on paper and not tested in the real world nor adjusted accordingly to market feedback.

A rigid approach pays a high price these days, often in "liquid modernity" as philosopher and sociologist Zygmunt Bauman defined it.

Before developing a virtual approach, a sociological one is deeply needed to be successful in the long-term. And before looking to chief technology officers for a quick-fix, the luxury industry should recruit chief marketing officers with knowledge of sociological trends and geopolitics.

In a time where luxury brands are trying to find survival strategies, there are new projects coming up and new services for the industry that are solving problems and paving new paths.

Reinventing ecommerce and digital

Obsess is a startup founded by Neha Singh, a MIT Computer Science graduate who led engineering and product teams at Google and American *Vogue*, with the objective of reinventing the ecommerce interface for discovery-driven product categories.

Ms. Singh's startup is one of the 10 selected by **Startup Bootcamp FashionTech** in Milan and it offers an augmented and virtual reality software platform for experiential shopping.

Over the past months, Obsess has been sought after by several prestigious global luxury and fashion brands. It has since created an e-store for Christian Dior Parfums and an event in a virtual penthouse of a skyscraper for Tommy Hilfiger, among others.

The company has recently been in discussion with prestigious companies willing to collaborate and develop unique customer in-store experiences in a virtual way, hoping to capture the attention of people obliged to stay at home during the lockdown.

What seemed like science fiction until end of 2019 is quickly becoming a reality today.

Ms. Singh told me about her decision to leave the corporate world to found an innovative startup.

"I started Obsess because I was frustrated with how boring and tedious online shopping was," Ms. Singh said. "At *Vogue*, I worked with our advertisers, who were luxury brands, and saw how they were struggling with translating their brand experience to online, and especially on mobile because of the limitations of ecommerce platform front-ends today, which make every brand website look the same."

Certainly, it takes courage to go beyond the comfort zone and setting sails to open new frontiers, but the digital mindset can help luxury brands to find their own balance.

"By utilizing these new creative technologies, the full brand experience can be brought to the consumer on every medium they are using, even if it's not in-person," Ms. Singh said.

New frontiers

And it is not just a matter of startups.

In a moment when all the fashion and luxury events and fairs have been cancelled and postponed, the Travis Scott concert on the videogame Fortnite proved to be quite the crowd-pleaser.

Experienced by more than 27 million players and with more than 44 million views across the five events, the Astronomical event, **launched the new single** that saw nearly 44 million streams on Spotify in the next week.

Mr. Scott also launched an apparel and accessories collection dedicated to the event that not only sold out, but immediately became a collector's item reaching high prices online.

The concert was produced in virtual reality and featured inside the environment and atmosphere of Fortnite, one of the most successful video games in history.

Deep-diving immersions in a very distinct world are the new retail and could greatly inspire luxury brands that are eager to communicate their own universe to customers.

"The opportunity for fashion and luxury brands with this technology is to dramatically improve the online shopping experience for their customers, by bringing in their true creative expression into digital, the same way that it is done in retail stores, runway shows and events," Ms. Singh said.

"To inspire and delight consumers by immersing them in unique environments that make the brand stand out," she said. "And, in the short term while foot traffic is low to stores, it also enables brands to quickly make their retail stores shoppable 'remotely.'"

Technology is a great problem-solver, if used with the filter of dynamic luxury and fashion knowledge and with the mind open for discoveries and new solutions on the executive side.

Mr. Scott, an American rapper, singer, songwriter and record producer turned contemporary fashion mastermind, demonstrated that there is a lot of space left to be explored by fashion brands.

This way, despite seeming unlikely, could also help luxury brands speak their exclusive language in an appealing way to all the generations of customers they have fostered so far.

Virtual will not replace physical, but it could magnify it perfectly in a domain that is always available for consultation, inspiration and, yes purchase.

Virtual can help navigate the perfect storm and land to new frontiers in an ever-changing and challenging world.



Susanna Nicoletti is founder of LuxFashion

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