

COLUMNS

Pandemic and changing value systems

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Stella McCartney is known for her eco-conscious approach to fashion. Seen here: A youthful update on the polka dot, the Ruched Orange prints tease Stella McCartney's signature playfulness on holiday or at home designed as a wink to nature, and made with Econyl regenerated nylon. Image credit: Stella McCartney

By **Abhay Gupta**

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The arrival of COVID-19 since early 2020 has accelerated shifts in retail. But let us face it, the global economy was not exactly booming in the pre-pandemic era.

Each generation of consumer behaved differently and, therefore, responded differently to various products, services and same marketing messages.

- Baby boomers, depending on their psychographics, were already starting to downscale their spending.
- Generation X, having struggled through the financial crisis, their consumer confidence was a bit shaken and definitely low.
- Generation Y, valuing experiences over things, was therefore, spending a lot of their budget on dining and traveling.
- Generation Z, the youngest consumers, increasingly concerned about a throwaway culture, seemed to be looking to own fewer but more high-quality items. Some buzz of sustainability was around. They wanted to be seen as environmentally conscious, but they often did not want to pay for this.

It is further believed that in a crisis-like situation, usual segmentations go for a toss. Irrespective of the demographics, a larger wider shift is dictated.

Psychographics begin to divide the populace into four broad categories:

1. The Pessimist: Consumers who slam on the brakes on any kind of spending. Mostly negatively oriented, this cohort will conserve their resources and fear for the worst.
2. The Optimist: Consumers who believe "this too shall pass" will take each day at a time and continue to spend cautiously.
3. The Affluent Class: For them, life goes on as normal. No extent of economic crises will impact their shopping

habits. They, as a practice, do not trade down their consumption.

4. The YOLO, or the "You Only Live Once" generation: Most carefree of the lot, this generation is mostly responsible for the second and third waves of the pandemic. They believe in living for the day and are focused on their own niche circle of friends.

The arrival of pandemic since early 2020 has been widely touted as the acceleration point for various trends, consumer behavior, business models and value systems all over the world.

Several months of lockdowns, isolation, yearning for a human touch and an almost scary life-threatening fear has brought about several shifts in the typical luxury consumers thought processes.

Digital disruption

From an Alexa "listening" to our family conversations to artificial intelligence (AI) monitoring our music and binge-watching habits and suggesting what we should listen to or watch next and a smartwatch telling us when to take a break from the computer and walk around, digital technologies have penetrated all facets of our lives.

The world is completely disrupted by a digital invasion. While most of it is designed to benefit us, we seem to lose our privacy to be watched over and examined every moment of our lives.

In the fashion, luxury and retail spaces, technologies ranging from AR, VR, AI, 3D avatars and even holographic live streaming are the new normal.

Right from the R&D phase, the product design is driven by AI, manufacturing by robotics, planning by predictive analysis and sales via predictive sales is the order of the day.

A virtual stylist, a virtual influencer and a virtual store walkthrough nothing seems real any more. Marketing is gamified, social commerce is a real buzzword and content involving anime and virtual idols is proving particularly popular with Gen Z audiences.

In all this noise, will the real world survive? Perhaps yes.

After successful virtual product launches, digital fashion weeks, distant selling and remote buying via live streaming, most luxury fashion houses announced live shows for the spring/summer 2021 collections held this month in Milan.

Eventually, luxury needs the last-mile human connect. No amount of technological invasion can replace that. AI simply helps build the bridge between what the empowered consumers want and how retailers can deliver on those expectations faster and more accurately.

Six-feet economy

The hygiene scare, the personal space and the social distancing norms have thrown up new issues in every walk of our lives. No longer can you walk into a store to loiter around, no idle browsing leading to impulse sales, no retail therapy at the shopping malls.

What India's demonetization of its rupee currency in 2016 was for [Alibaba-owned digital payments platform] Paytm, 9/11 for airports security and Mumbai's own 26/11 terrorist siege to hotels and malls security, the COVID-19 pandemic is to retail, aviation, travel and hospitality.

Like security checks at entrances, a hygiene check is part of any routine outside the safe havens of your home.

Retail is either through curbside delivery mode or via a pre-appointed slot. A zip-in, zip-out modus operandi needs you to walk in and walk out with your preferred product in the shortest possible time.

You need to do a digital search, seek information via calls, and seek final validation by visiting the store for the shortest period of time.

Fear of the unknown environment despite extensive issues and hygiene practices has taken a toll on all forms of bricks-and-mortar retail.

The store layout has been re-designed, trial rooms restricted or eliminated, restrooms done away with, and aisles made one way to avoid chance encounter with any other customer.

Contactless billing is a new norm. Restaurants have reduced capacity, touchless menus are increasingly popular and service on the table awkward.

The six-foot economy is being aided by digital support but is yet to attract clients back into its fold.

Conscious consumption over conspicuous consumption

As the world reels under an economic crisis, more consumers are questioning the very essence of what, when, where and how much.

The need for survival being restricted to essentials, consumers are choosing quality over quantity.

Fast fashion is out the window. Healthy living, wellness, immunity boosters and care of the environment are driving consumers to question the very essence of consumerism.

Co-existence is the new defining undercurrent. Black Lives Matter is another strong peg in the thrust for inclusivity. LGBTQI+ is not taboo any more since mutual respect has set in.

Logo-less, subtle luxury is being preferred over conspicuous luxury. It is quality over quantity and not status-driven symbolism that is the deciding factor.

Sustainability and the sharing economy

Recent trends of renting, and the sharing and reusable economy seem to face a challenge. They are likely to be replaced by the recycle, up-cycle and cross-cycle culture. Mix old with new, but do not waste or throw away anything.

The earlier successful phenomena so very well encashed by names such as the Airbnb, Uber and The RealReal. Now they seem to be under pressure.

No longer will you want to call for a Uber car or even use a public transport, but would prefer a small car of your own. The hygiene scare is for real one is unsure how and where one could attract the virus.

Surprisingly, this does not seem to apply in the fashion category.

While sustainability has been on the minds of many prior to the pandemic, the health emergency has forced *many more* to rethink their values and commitments.

COVID-19 has made a lot of people reconsider their values. Sustainability has never felt like a more urgent issue than now.

Many consumers are now questioning how they can enjoy fashion trends in a more responsible way. Through an increased emphasis on buying less and investing in quality, secondhand fashion has become more popular.

According to Vestiaire Collective's recent report, sustainable and ethically produced brands showed a jump in demand, with luxury sustainability veteran Stella McCartney experiencing a whopping 42 percent increase in sales, but also other brands such as LOQ, Marine Serre and Veja.

"It's no secret that the fashion industry is one of the most polluting. The average lifespan for a piece of clothing is 3.3 years, and extending its use can make a huge difference to its impact on the environment. Buying a pre-owned piece and using it for just another nine months can reduce its water and carbon footprints by 20 to 30 percent."

According to Ms. McCartney, the most sustainable way to shop is by buying something that has already been used and keeping it in circulation for as long as possible.

Sustainability is not just a buzzword anymore. Brands can no longer just skim the surface on this, but need to be purpose- and value-driven.

Possessions versus experiences

Experiential luxury has been at the forefront for quite some time.

From aging baby boomers to Gen Z, all have preferred to spend on experiences rather than product. Pent-up emotions of an extended lockdown are finding relief via planning motorable getaways.

Boutique properties, private holiday homes and cosy resorts are attracting one and all. Close-knit groups of small families and friends are unwinding by booking the entire property.

Those who can afford are taking private jets to overseas boutique destinations.

Entire islands and or five-star properties are being booked by such groups. Of course, hospitality brands and service providers are ensuring all kinds of hygiene standards.

In a nutshell, experiences will continue their triumphal march over mere products.



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