

APPAREL AND ACCESSORIES

## Will fashion and luxury pass the digital stress test?

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*The Prada spring-summer 2021 show. Image credit: Prada*

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Fashion and luxury brands are facing the greatest challenge of their history: how to leverage digital innovation and creativity during a hard, unexpected pandemic to create a powerful synergy between the two to help them thrive in the medium long-term.

In the last century, fashion and luxury have relied on creativity, image and craftsmanship to grow businesses, build brands and conquer markets.

The most prestigious brands developed iconic products, created warm and welcoming high-end boutiques and set up effective selling ceremonies to engage customers and create desire for their detail-obsessed objects.

These brands offered a sense of refined lifestyle and exclusivity. Collections were shown behind closed doors to press, buyers, retailers and very little was shared before the actual time the products hit the stores ready to be sold to the final customers who were taken by hand by smart sales assistants and shown the precious items with a top-down attitude that demonstrated how the brands were knowledgeable and able to craft attractive objects for connoisseurs.

This was a conservative yet effective approach that did not need to be put under discussion because the revenue growth and the easy cash seemed to flow on forever, thanks to markets such as China that appeared eager to open up to Western brands, representing success and a younger consumer tastes.

And so while, at the end of the 90s, the rest of the world explored and experimented strategies and activities related to the Internet, fashion and luxury thought that it was not necessary for the industry to sort of pollute their uncompromising values and impeccable DNA.

The first digital fashion show took place in 1998 in New York produced by Helmut Lang but it seemed more an eccentricity of a mad genius rather than a strong, long-lasting trend and the collection presented is still so modern and wearable.

Very few believed in the synergy between innovation, technology and creativity and, as it is said, "one swallow

doesn't make summer" despite the advanced organization of the Helmut Lang show that saw the collection book of the show sent to the press not in paper version but on a CD-ROM.

Since then, and in the following 22 years, no brand has dared to present a collection online only.

Luxury watchmaking brands produced CD, iPhone and iPad apps as tools to introduce new collections but no physical event was replaced by an online only until February, when **Giorgio Armani** decided to show without guests in Milan during the Fashion Week when the coronavirus outbreak was already showing signs of dangerous spread in Northern Italy.

Even the greatest luxury groups did not give full credit in the early 2000s to the potential of ecommerce.

**LVMH**, for example, shut down its own ecommerce multi-brand platform called eLuxury in 2009 in the same period when fashion e-businesses such as Yoox, Net-A-Porter and Luisa Via Roma started booming because it never really took off despite being based in digital tech epicenter San Francisco. And it replaced it with a harmless digital magazine called Nowness.

Richemont's jewelry and high-end watch brands stayed away from ecommerce for years before shyly taking the first steps on **Net-A-porter** following its acquisition while secondhand, pre-owned sites thrived and created huge communities of loyal collectors such as the Paneristi.

Creativity versus innovation and technology has always been considered as a trade-off instead of an incredible opportunity for synergy.

The industry, completely self-focused, apparently did not take into serious consideration successful case histories such as the one of **Pixar**, the first computer-generated images company founded by Star Wars and Indiana Jones director George Lucas, acquired at the end of the 80s by Apple founder Steve Jobs, who turned it into a dream-making, cash-flowing machine.

It is a different industry someone may say, but on the other side what make brands evolve and grow is cross-pollination, not isolation and self-referral.

The Pixar case history is the clear example of how a company can successfully leverage digital technology and unleash creativity at the same time, creating a unique style and a powerful voice for a very passionate community of engaged customers.

"Creativity is not a well of ideas, it is an alchemy of people," said George Lucas about Ed Catmull's book "Creativity Inc." on how he co-founded and managed Pixar in the different phases of its life, from niche dream to global corporation.

Fashion and luxury brands are definitely creative organizations and they are facing today, during a hard, unexpected pandemic, the greatest challenge of their history: to leverage digital innovation as well as creativity to create a powerful synergy making them thrive in the medium, long-term.

The industry is asked to enhance its human side, the uniqueness of every creative professional and, at the same time, demonstrate the best-in-class technology that can serve the brands front- and back-stage, and to abandon the vanity parameters to reinforce the business ones and to make this special alchemy possible and profitable.

I believe fashion and luxury brands cannot abandon their human touch, but must use the most advanced tools to magnify it. Creative leadership is essential to success as well as never-ending commitment to innovation to move the business ahead and to develop brands that are built to last.

At the recent fashion weeks in Milan and Paris, the reactions of the brands to the different approach of showcasing collections seemed confused.

While before the pandemic, the routine of fashion shows, press reviews and buying sessions was well-settled, the disruption of this flow has deeply impacted the system and showed a serious lack of understanding on how to manage events differently: some brands decided to go as nothing happened and to show indoor such as **Dior**, **Chanel** and **Herms**, others made an effort to create a mixed show "phygital" including **Fendi**, other ones disappeared from the schedule, such as Gucci and Bottega Veneta.

The most interesting "go digital" experiments have been:

- The **Prada** digital show, created to be showcased online and with a symphony of remote controlled cameras

highlighting details of the products, dancing around the models and sharing the message that even a pure online event can be attractive, engaging and distinctive with that acid yellow set.

- Giorgio Armani's decision to broadcast a documentary on his life and brand history, the fashion show and the first movie that the brand created costumes for, such as the Richard Gere-starring flick, "American Gigolo," on Italian TV in prime time on Saturday night. A great example of the "think there is no box" winning attitude.
- Burberry also ticked the box of being the "first comer" in live-streaming its show on Twitch, which is the trending Amazon platform for gamers that is turning into a more articulated social media

The search for new solutions and the quest to be appealing to a younger, digital-savvy target can be an opportunity of a well-thought and carefully developed brand strategy. However, it can also pose a threat if just integrated in the action plan because it's cool.

Developing creativity and managing innovation at the same time opens the road for long term success if the brand is able to master its brand image and tone of voice surfing the waves of what is going on in the society and understanding in depth the customer needs.

Recently, there has been lots of emphasis on the "why" of a brand, the purpose, the meaning. It becomes clear that this is the first step to be taken in the set-up of the brand positioning and, in the development of the strategy is to highlight the reason why and the more this is consistent and authentic, the stronger a brand is perceived.

But in such a complex moment, where all the markets are saturated and the brand proposition is excellent from all sides, the "how" becomes the secret weapon that guarantees long-lasting success.

Creativity is a given in fashion and luxury, customers expect that and are willing to pay for it, they appreciate unique brands and original, meaningful products, but the key to mastering the rebuilt of the business after coronavirus is certainly the "how" to spread it.

Only the brands that are knowledgeable in terms of digital innovative tools, that are able to leverage them and are rich in talent capable of disseminating the brand message to the right target and through the most powerful channels will stay afloat and will continue to make business despite the downturn.

The "how" has dramatically become the best way out of the emergency. Technical knowledge is not enough, it has to be wisely integrated with fashion vision and entrepreneurial, risk-taking spirit.

The selection of the right mix in terms of omnichannel, the investments in effective digital marketing, analytics and a precise action plan today make the difference in a fashion and luxury industry where the "why" and the "what" are almost written on stone.

Before the COVID-19 pandemic, the standard process in fashion and luxury was a well-oiled mechanism linked especially to the promotion of the brand through the product and via the established flows and with press, buyers and retailers being the key drivers of the system. It was purely human related and the personal relationships were an excellent tool for increasing awareness and business.

After the pandemic spread, it was clear that the higher the knowledge of how to deliver effectively the brand message, the greater the opportunity for growing revenues.

Brands realized that ecommerce, social media and all the digital tools could have been mastered effectively only by knowledgeable professionals and that not all the tools are fine for a specific brand.

Every company must have its own business media and channel mix, tailor-made on its positioning, objectives and vision. And exploration and field tests are the only way to find the good match.

Luxury and fashion brands are accelerating the adoption of digital tools to keep up with the changes in progress in the markets, but they should focus on the global digital transformation instead.

The system is certainly put under a severe stress test in terms of digital innovation and technology integration. Today going digital means much more than having an ecommerce, posting on social media and live-streaming on WeChat. The industry is looking for a way to create alchemy between creativity, tradition and innovation.

The only way to overcome the obstacles is to abandon the conservative approach and to embrace the evolutionary mindset, driving it with mastery of the different disciplines and always keeping in mind the preservation of the brand values as well as the human touch that makes this world so attractive.

Will the fashion and luxury brands grasp the key pillars that the Pixar system made of unleashed creativity, state-of-the-art technology and obsession for excellence, and then succeed in delivering deep emotions through products with an innovative approach that conquers different generations of customers? Or will they fall flat on their quest for the highest-possible margins?



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