

COLUMNS

Future of luxury entwined with tech innovations

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Thomas's Cafe at Burbery Open Spaces in the brand's new social retail store in Shenzhen, China. Image credit: Burberry

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The digital world has intertwined with our real world and how.

From an Alexa or a Siri giving company to lonely hearts, a music app advising us on what music to listen to and when, and a Google map showing us the shortest and fastest route to anywhere, our lives are completely directed and controlled by digital technology. In fact, our socialising has also become virtual.

Artificial intelligence, or AI, seems to be giving our minds a well-deserved rest or perhaps making us a slave? And a lazy one at that?

AI, AI

Digital disruption is for real no business or human life is unaffected by the same. Last year and the COVID-19 coronavirus pandemic have simply accelerated the process. From robots replacing human staff, intelligent software replacing merchandising, and drones delivering our merchandise, will human touch be the new luxury?

In today's world, the entire business cycle is intercepted by digital interventions.

From AI-based style, trend and product forecasting to robotic manufacturing, merchandise planning, predictive sales and customer targeting, the entire process seems to be digitally intelligent.

Where did it all begin?

From a hesitant acceptor of the digital medium to today a digital innovation leader, luxury brands have come a long way.

Innovative solutions came with evolution. AI, IOT, VR/AR/, blockchain, 3D printing, mobile commerce: these terms have become a crucial part of the fashion and luxury businesses currently experiencing significant transformations.

Historically speaking, early technologies in fashion started to develop in the 19th century. The initial mechanical sewing machines used in garment factories, found its way into homes by 1889. By 1905, the electrically-powered sewing machine was in wide use. It was only in 1978 that the first computer-controlled sewing machine was put into

use.

By 1960, the world had access to 3D CAD. It was only around 2010 that designers started to use 3D printing in shows. The wow-effect was declared in 2010 when Iris van Herpen presented a collection of 3D dresses during the Amsterdam Fashion Week.

If words such as AI, 3D and VR/AR were extremely rare then, today almost every eminent designer wants to incorporate a part of it into its collection. Brand managers are competing in using advanced technologies.

Back in the 1990s, online platforms were not known enough. Indeed both consumers and producers were frightened of the same.

In 1997, after a successful fashion show by Donna Karan, when a few journalists suggested to upload the photographs on the Internet, the designer rejected the request.

The Internet, however, continued its journey in abeyance. It is the launch of the first luxury and fashion retail ecommerce Web site called Net-A-porter in 2000 that began to transform the front end of luxury retail.

Likewise, the first use of robotics in fashion was displayed by Alexander McQueen in 1999. The idea was to surround a model in a white McQueen's dress with two robots who spray-painted the dress during the fashion show.

In the trenches

We cannot forget a Burberry digital revolution that completely changed a vector of the industry and made it a market leader and a pioneer in digital communications.

It was in 2006 when Burberry's new CEO, Angela Ahrendts, faced the challenge of the fading identity of this iconic brand that was once well known for its fancy trench coats.

To bring back control on designs, Ms. Ahrendts first appointed a brand czar, Christopher Bailey, a techno-enthusiast who hired people from gaming companies and coders along with traditional designers.

Burberry figured that to talk to these twentysomethings, they needed to communicate in their language and that language was *digital*. They declared that they wanted Burberry to become "*the first fully digital luxury company.*"

The brand started transforming with the idea to make an online experience identical to an offline channel. It was the first to offer online videos and live-streaming as well as the first to create the "Burberry Retail Theatre" in 2011 allowing customers to buy goods directly from the catwalk.

Burberry continues its digital leadership in luxury to date. It pioneered luxury's first "social commerce store" in Shenzhen, China. The new 5,800-square-foot store, launched in September, allows its customers to access content and personalized experiences, and share them online.

Thanks to the GearVR headset by Samsung, Tommy Hilfiger in 2014 became a pioneer in inviting its customers to be a part of its "2015 Fall Hilfiger Collection" through VR.

The aim of VR, or virtual reality, is to offer an experience that has never been possible before. It is an opportunity to immerse customers in exclusive moments of fashion in 360 degrees.

Next, in 2017 premium brand Coach made possible the use of VR in its United States shops that provided full access to its shows with a stereoscopic sound.

Additionally, the world of fashion has been actively using augmented reality, or AR. This has helped to increase sales and improved experience proposed to the consumer.

The first luxury entity that allowed its buyers to try on products through a front-facing camera and choose the right color and shade was LVMH-owned cosmetics retailer Sephora. This innovative solution did not only allow consumers to try various makeups through VR, but also led to higher revenues.

The rapid development of the fashion and luxury business led to the appearance of block chain technologies that are offering transparency and traceability for companies and its customers.

The use of the blockchain helps to protect international property rights in the world of ecommerce. The first luxury players to adopt this technology were LVMH (2017) and Richemont-owned Swiss luxury watch brand Vacheron Constantin (2019).

At the front end, Dolce & Gabbana replaced its usual parade of millennial models with drones, which whizzed and

hovered down the runway carrying fall 2018 handbags.

Reality of 3D, VR

While now these wonderful technologies play a vital role in the business cycle of any luxury brand, in reality just about seven years ago, none of them was able to proceed beyond the basic conceptual framework.

French fashion giant Hermès recently announced that online shopping brings on 80 percent more profit rather than its boutique in Paris on 24 rue du Faubourg Saint-Honoré.

Additionally, Marco Bizzari, CEO of Kering-owned Gucci, in a recent report of 2019 highlighted that around 40 percent of Gucci's goods could be automated. This definitely could lead to the decrease of high-skilled labor force and costs which can play a trick with the brand in the future.

Just imagine, based on data from yesterday, AI can analyze the data of tomorrow.

In general, analyzing fashion trends is not an easy task. One could never be sure and blindly trust AI data in predicting the trends. However, predictive analytics is helping consumers to make the right choice wrt correct combination of colors, styles suited to their personality and preferences.

Additionally, an AI-based startup such as Dress-fit allows designers to sell 3D clothes. A 3D avatar is becoming a reality where in a customer could create his or her own avatar and dress him with clothes he could like.

These 3D avatars can enter the favoured games developed by luxury brands like Ralph Lauren, Gucci and others. A virtual trial room can assist in choosing the perfect fit basis your 3D avatar.

Last year accelerated the adoption of digital technologies by luxury brands.

In fact, with the help of innovative technologies and solutions, fashion and luxury businesses survived through the lockdowns.

The virtual store walkthrough using zoom or other video-based technologies. Distance selling, on-demand livestreaming and virtual assistants have been ensuring a brand is able to service its clientele in more ways than one.

The industry reoriented their business models to online sales and accelerated digitalization in order to ensure more sustainable development with the active use of information and communication technologies.

Everything changed in 2020. VR shows became a reality for brands such as Prada, Tissot, Hugo Boss and many others due to lockdowns worldwide.

However, virtual fashion weeks could not fully replace offline. Perhaps, they could become an additional tool of communication as well as foster the development of the digital era.

THERE IS NO denying the fact that we are dealing with a digital disruption or even digital revolution.

At the same time, it is hard to imagine virtual reality replacing the aroma, feel, touch and experience of a glass of Champagne while sitting on a velvet soft sofa in a boutique as you, say, choose a scarf.

It is all about a unique experience, attitude and understanding the customer that the luxury business has been building for decades.

Nevertheless, these new tools are developing and trying to transform the impossible to understandable, acceptable and incredible.

Surely, the future of luxury is inseparable from technological innovations. This bond, no doubt, has immense potential.



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