

APPAREL AND ACCESSORIES

Gen Z mindfulness may foster emerging high-end labels

September 3, 2021



Gen Z increasingly buys from inclusive, sustainable designers. Image credit: Not Just A Label

By SARAH RAMIREZ

As Generation Z grows up and gains more purchasing power, this cohort's values will contribute to shifts in luxury spending.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

In a webinar hosted by *Business of Fashion* on Sept. 1, fashion industry experts discussed how Gen Z consumers have shifted luxury as a whole towards more value-driven spending. In particular, sustainability is one of this group's guiding tenants.

"Gen Z is a bit of a black box for so many people," said Stefan Siegel, founder of *Not Just A Label*, a designer platform and virtual showroom. "We can't fake things to Gen Z anymore, and I think this is really important for fashion that this cannot be a strategy, but it needs to be a mindset across the entire company."

The conversation was moderated by Alice Gividen, content strategist at *Business of Fashion*.

Values-first

According to some estimates, Gen Z is set to account for 40 percent of the global luxury goods market by 2025.

As brands prepare for this shift in spending away from older generations, they must remain mindful that Gen Z consumers have a different relationship with luxury than other demographics.



Younger affluent like to mix-and-match heritage brands with emerging designers. Image credit: Zalando

For instance, these shoppers highly value brand positions on both environmental and social issues which ultimately influences buying behavior.

"It's not that they are shopping exclusively luxury brands today," said Anaheta v. Berenberg, buying director and designer at ecommerce platform [Zalando](#), Berlin. "Actually, mixing and matching and buying different types of brands at different price points continues to be a major part of their consumer behavior.

"There are all these variables that are intertwined in their consumer behavior and sustainability and also interacting with brands that they believe are addressing environmental, ethical or social issues is super key for them," she said.

These factors have influenced Zalando's marketing strategies, in addition to its product curation. In a new social-first campaign, the platform turned to Gen Z collaborators to create immersive, shoppable content for video-sharing platform TikTok.

[@zalando](#) From park hangs to parties - we've got you. [##ZalandoDesigner](#) [##LuxuryOnYourTerms](#)
original sound - Zalando

Zalando launched a shoppable TikTok campaign to reach Gen Z shoppers on mobile

Zalando is also focusing on introducing shoppers to more emerging brands and establishing a more diverse brand portfolio.

Mr. Siegel has also seen a shift towards emerging designers who create locally or specialize in small inventories or made-to-order goods.

"What has changed is that the luxury item that has been made for you by a designer that nobody else knows is something quite trendy," Mr. Siegel said. "Ten years ago, it was seen as sort of like the sideshow to the bigger brands."

Touting transparency

While brand transparency is highly valuable for brands, including luxury labels, appealing to Gen Z consumers, this is becoming more important to affluent overall.

Companies need to be cohesive and work together to create a seamless brand image. Marketing initiatives should have real substance behind them, communicating values systems, instead of being artificial ([see story](#)).

The COVID-19 pandemic has also made transparency more essential.

Consumer mindsets and purchasing behaviors have shifted due to heightened health risk, political tension and global unrest and these factors have transformed how women approach luxury retail, according to a 2020 report from Spark Ideas. Luxury female consumers are now more interested in digital retailers who can prove social responsibility and deliver purity with transparency ([see story](#)).

"We're trying everything in our power to create transparency to make more informed decisions when shopping online," Zalando's Ms. Berenberg said. "Sustainability ethics does require all of us to get together and do it together."

© 2021 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.