

The Future of Luxury Retail

**The psychology of
luxury, tomorrow**

with Shakaila Forbes-Bell
Award-winning Fashion
Psychologist & Author



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As part of our Future of Luxury Retail series, we spoke to Shakaila Forbes-Bell, a renowned fashion psychologist and best-selling author of the book, Big Dress Energy. With multiple features in international publications, such as The Times, i-D, Grazia, This Morning and Marie Claire, Shakaila has firmly established herself as an authoritative voice in this niche yet exciting space.

The emerging luxury consumer demands more from brands.

There's a common misconception around both Millennials' and Gen Z's attitude when it comes to luxury retail. There is a clear growth in consciousness around their shopping decisions. They aren't necessarily at odds with luxury, rather, they're just keen on smarter consumption.

There are some interesting stats to support this:

- 62% of Gen Z shoppers¹ prefer to buy from sustainable brands – that's more than half of the generation.
- 73% are willing to pay more² for sustainable products.
- Gen Z and Millennials are the most likely³ to make purchase decisions based on personal, social and environmental values.

“[Clothes and luxury accessories] allow them to marry who they are with what people will be perceiving on the outside. What's it about? What's cool? What's everybody wearing?” says Shakaila.

It's more than fabric and labels, she explains. Clothes are a symbol of expression; an extension of our identities and they form part of who we are. When people buy from brands that align with their values and beliefs, Shakaila emphasises that they “feel that they're doing something niche and unique.” This insight helps us to understand the motivation for purchase and why luxury (and even high street) brands need to do more to engage more effectively.

Sustainable shopping, with the help of tech.

There are ways to cater to the Millennial and Gen Z tech-savvy shopper. Retailers can enhance customer experiences in subtle but impactful ways – such as creating fitting rooms that are “designed for selfies.”⁴



¹The State of Consumer Spending: Gen Z Shoppers demand sustainable retail. First Insight. <https://www.firstinsight.com/white-papers-posts/gen-z-shoppers-demand-sustainability>

²The State of Consumer Spending: Gen Z Shoppers demand sustainable retail. First Insight. <https://www.firstinsight.com/white-papers-posts/gen-z-shoppers-demand-sustainability>

³Patton, A. Gen Z and sustainability - How retailers risk losing relevance and market share. AdAge. <https://adage.com/article/opinion/gen-z-and-sustainability-how-retailers-risk-losing-relevance-and-market-share/2518336#:text=The%20report%20also%20found%20that%20are%20personal%2C%20social%20and%20environmental>

⁴Ogunnaik, N. (2015). ShOPA Study: Dressing room selfies on the rise, Women buy based on social media likes. Glamour. <https://www.glamour.com/story/study-dressing-room-selfies-ar>

Thinking specifically about sustainability, there are certainly a few brands that do a good job of delivering on their promises. Platforms like Depop and Vinted empower users with a virtual marketplace to sell old and unwanted items, reducing waste and reinforcing the value of the circular economy.

In fact, in 2022 data, Depop stated that 90% of its active users are under 26,⁵ capturing their target market of millennial and Generation Z shoppers. This reinforces the idea that these groups genuinely care about sustainability, not just in words but also through their actions, and they're using the tech available to help interact with retail in different ways. On Depop, you can shop anything from a pair of sunglasses to vintage designer jeans. The app isn't short on luxury fashion; rather, it's home to clothes and accessories deserving of a second life. Its usability and ease of function make it perfectly suited for meeting the demands of this generation.

Leveraging the authority they've built in this space, Depop even released a research report⁶ about how this generation is changing the way businesses in this sector operate.



According to Shakaila, “The brands that fail to meet these demands and preferences will fail to survive.” And we believe in the coming years, we’ll begin to see this, with the brands investing most in sustainable practices whilst maintaining their style and brand personality, taking top positions not only in consumers’ minds, but also in their pockets.

Circular economy: rental and reuse.

Renting luxury items such as dresses and jewellery was once solely the habit of A-Listers. This culture of renting, however, has evolved, becoming more widespread among everyday consumers. We can thank the growing consciousness of environmental issues in today's generation of shoppers, as mentioned earlier.

Zero Waste Scotland tells us that an estimated £140 million worth (350,000 tonnes)⁷ of used clothing goes to landfill in the UK every year. For the conscious consumer, stats like this only further reinforce the need to rethink how they shop, and how they can do so more sustainably.

This behaviour isn't just being driven by environmental factors. There are also a range of economic factors that might prompt people to consider rental and reuse services. Shakaila talked about an equation called the cost-per-wear analysis. “You have the cost of the item plus maintenance minus any money that you will get from renting out your item or selling it on (if it's an investment piece) divided by the number of times you wear.” Calculating this helps shoppers of today to really weigh up the worth of the pieces they're buying, thinking further than just price. She also comments that this shift has turned luxury purchases into “a bit of a side hustle” again helping this audience to meet their needs for sustainability, remaining conscious about how they purchase.

⁴Tsui, K. (2022, May 22). Giant 3D wave sweeps over Seoul's Gangnam District. *cnn.com*. Retrieved February 14, 2024, from <https://edition.cnn.com/style/article/3d-wave-in-seoul/>

⁵McDowell, M. (2019, May 14). 6 ways blockchain is changing luxury. *Vogue Business*. <https://www.voguebusiness.com/technology/6-ways-blockchain-changing-luxury>

⁶Mitzner, D. (2022b, August 17). Luxury brands discover blockchain. *Forbes*. <https://www.forbes.com/sites/dennismitzner/2022/08/17/luxury-brands-discover-blockchain/>

⁷Feber, D., Granskog, A., Lingqvist, O., & Nordigården, D. (2020, October 21). Sustainability in packaging: Inside the minds of US consumers. McKinsey & Company. <https://www.mckinsey.com/industries/packaging-and-paper/our-insights/sustainability-in-packaging-inside-the-minds-of-us-consumers>

Fashion Insight Director at Kantar, Andy Saxton, says “People are making more considered purchases⁸. Impulsivity is going down. People want more control over where their money goes and it has to go further.” The circular economy allows for this to happen. Consumers can recoup a large outlay through renting and reselling their clothes. This is even more prescient in our ever-changing economy.

A few UK luxury retailers are helping to push this trend even more. Notably, both Selfridges⁹ and Harrods¹⁰ offer rental services, allowing you to rent designer garments for a fraction of the full sale price, as a more affordable and sustainable solution. Shakaila had some thoughts on this also, particularly on why the rental industry is working so well. “Sometimes people just want to have things for a moment, which is why I think rental has gone so big in fashion.”

This can also help with reduction of waste. As part of a study on apparel retail, researchers at Washington State University (WSU) surveyed 362 adults born between 1997 and 2002 from across the US.¹¹ Findings revealed that respondents were still interested in being fashionable, but no longer felt the need to own a product.

We’re beginning to see brands like Heuritech taking this ethos to the next level.

Heuritech (Fashion Technology Company)

- **Their mission is:** To empower fashion brands to forecast demand and trends more accurately, produce more sustainably and achieve unprecedented competitive advantage.
- **How do they do this?** One way is through 3D technology. Heuritech create virtual samples of their upcoming ranges and can send them to buyers worldwide¹². As there’s no physical production involved in the process, it helps in reducing their carbon footprint.

Shakaila sums it up well.
“Luxury goods are meant to last a long time. That means they are often thrifted, rented, on Gen Z’s terms. Quality is sustainable, and Gen Z knows this.”

Personalisation in luxury fashion.

Shakaila brought to light some interesting research that came out a few years back, revealing that in luxury brand stores, customer service assistants were actually told to be “more withholding and a bit rude” when dealing with customers.¹³ The research found that this kind of treatment “triggers anxiety and the need to belong.” Consequently, customers would tend to buy more, in order to prove that sense of belonging.¹⁴ This of course worked particularly well for aspirational brands.

As The Wall Street Journal puts it, “Indicating that some people don’t fit with fancy brands motivates those individuals to prove they do – by making a purchase.¹⁵”

This was the past, however. As Shakaila says, “With access to technology, consumers have more power, and they can just get things online [social media] with the click of a button.” Today’s generation of consumers is empowered and looking for personalisation and quality. Now, people want to feel catered to. “And they [brands] understand that they cannot risk alienating consumers anymore.” Luxury is a lot more accessible. And of course, personalisation is near the top of the list when thinking about what these consumers want.



⁸Hull, E., Hughes, M. CEO Climate Leadership & Sustainability Study | Accenture. (n.d.). https://www.accenture.com/us-en/insights/sustainability/ungc?c=acn_glb_unitednations%28mediarelations_12469464&n=mrl_1021

⁹Designer clothes rental | Selfridges Rental. (n.d.). https://selfridgesrental.com/?gclid=CiwKCAiAmsurBhBvEiwA6e-WPLf7R7ifAFwh7dBbBisC7ViVzB3bKkhDHCUQgAfqJUGOfWfRlAvqxoC3ciQAvD_BwE&gclid=aw.ds

¹⁰The rental edit. (n.d.). Harrods. <https://www.harrods.com/en-gb/services/my-wardrobe-hq>

¹¹Gen Z willing to rent clothes to reduce waste. (2021). WSU Insider. <https://news.wsu.edu/press-release/2021/08/12/gen-z-willing-rent-clothes-reduce-waste/>

¹²Black, C. (2024). How technology is making fashion more sustainable. Heuritech. <https://www.heuritech.com/articles/fashion-retail/technology-fashion-more-sustainable/#:~:text=3D%20technology%20can%20be%20used,physical%20production%20involved%20nor%20travel>.

¹³Ryan, T. (2014). Study finds rude associates sell more in luxury stores - RetailWire. <https://retailwire.com/discussion/study-finds-rude-associates-sell-more-in-luxury-stores/>

¹⁴Lutz, A. (2014). Bad service makes luxury shoppers spend more money. Business Insider. <https://www.businessinsider.com/study-shows-rude-clerks-mean-sales-2014-5?r=US&IR=T>

¹⁵Cronin, B. (2014, May 13). You’re Not Worthy: Snubbed Customers Snap Up Luxury Goods. Wall Street Journal. <https://www.wsj.com/articles/BL-REB-25249#>

Here are a few examples of how brands provide this sense of personalisation in small ways:

- Louis Vuitton's customisable bags allow for a personal touch.¹⁶
- Gucci's DIY service enables customers to put their own touch on items.¹⁷
- Nike's first Rise Concept store in North America at the Aventura Mall allows consumers to personalise their goods.¹⁸
- Paul Smith's Virtual Personal Shopping offers the ease of personal shopping from the comfort of your own device.¹⁹

Personalisation means a service that cannot be replicated and that's why it's so valuable especially amongst this new generation of shoppers.

Creating experiences for their consumers.

Technology in retail allows us to elevate the shopping experience. Burberry have made good use of technology with their innovative Social Store in Shenzhen, China.²⁰ The growth of luxury retail hinges on how well retailers can meet the evolving demands of their consumers. This avant-garde store does so in several ways. Its interactive nature makes it exciting and engaging for consumers as they enter. The minimal inventory adds to the sense of sustainability, while consumers are able to link their online profile to use throughout their visit, creating a cohesive and personalised customer journey. We can thank the pandemic for accelerating the sale of online luxury goods, making social stores a hybrid situation that benefits both individuals and these brands.

"In the mindset of today, people want technology at every touchpoint. It takes the consumer more on a journey and it gives them more opportunity to speak to people within the community" says Shakaila.

Learn more about how Verizon can help you explore and adopt the technology that's reinventing retail at [verizon.com/gb/retail](https://www.verizon.com/gb/retail)

“Luxury brands, while built on old stories, on heritage, have always been masters of reinvention. When you stand for quality and you're committed to doing everything well, you can adapt and your name endures. The key is to not roll your eyes when things change, and to embrace it instead. New styles, new seasons. Embracing change, from a psychologist's perspective, is healthy.”

– Shakaila Forbes-Bell



¹⁶Louis Vuitton Services - Personalization | LOUIS VUITTON. Louis Vuitton. <https://uk.louisvuitton.com/eng-gb/stories/personalisation>

¹⁷Gucci DIY. (n.d.). Gucci. https://www.gucci.com/us/en/st/stories/article/agenda_2016_diy_london_rtw

¹⁸Aventura Mall. (2023). Nike debuted its first Rise concept in North America.

¹⁹Virtual personal shopping. (n.d.). Paul Smith. <https://www.paulsmith.com/uk/info/virtual-personal-shopping>

²⁰Vinci, P. (2021, March 7). Social Store – Burberry opens the First One in Shenzhen. The Sustainable Mag. <https://thesustainablemag.com/fashion/social-store-burberry-opens-the-first-one-in-shenzhen/#:~:text=Are%20social%20stores%20the%20future,Shenzhen%2C%20the%20Chinese%20Silicon%20Valley.>

