



# What Fashion and Luxury Brands Should Know About Gen-Zers

October 2023

## INTRODUCTION

Scope

Key takeaways

## STATE OF PLAY

Gen Z make up nearly a quarter of global population, led by Middle East and Africa

Gen Z to see record growth in gross income

Gen Z helping to power emerging markets into the top 10 global economies

Gen Z's coming of age coincides with significant dynamic changes in post-pandemic economy

Inflationary pressure remains high, exacerbating Gen Z price sensitivity and spending power

Spending power of Gen Z consumers challenged by youth unemployment and income

## EXPLORING THE GEN Z LUXURY AND FASHION CONSUMER

Who is the Gen Z luxury and fashion consumer?

Heritage luxury brands thrive in age of trendsetting and social consciousness among Gen Z's

Value remains key for Gen Z consumers supporting the importance of heritage brands

The rise of the influencer ecosystem in luxury and fashion driven by Gen Z

Influencer marketing and compelling storytelling to capture the Gen Z share of wallet

Pre-owned luxury poised to gain more prominence within the realm of luxury and fashion

Mobile mavericks: Digital native Gen Z consumer pathway thrives on the smartphone

Building emotional loyalty and nurturing brand advocates is the way forward for Gen Z

The space between "masculine" and "feminine" in beauty and fashion challenged by Gen Z

Embracing diversity and unveiling the power of Gen Z in shaping our future

Tiffany & Co captures the attention of Gen Z-ers with its blockbuster collaboration

Balenciaga joins the group of luxury brands venturing into resale with its Re-Sell platform

Ugg and TOMS work with LGBTQIA+ advocates for Pride and year-round

## SOCIAL AND ENVIRONMENTAL FACTORS IN LUXURY AND FASHION

Ethics increasingly inform Gen Z purchasing decision

Changing sustainability regulations put luxury brands under increasing pressure

Luxury bags and leather goods continue to reign as leading alternative asset class

Inflationary pressures encourage Gen Z exploration in alternative product access strategies

Luxury and fashion must improve their ESG practices to adhere to Gen Z scrutiny and needs

Mud Jeans frontrunner in "circular denim" as fast fashion loses appeal among Gen Z

## LIFESTYLE FACTORS IN LUXURY AND FASHION

Experiences and lifestyles offer major growth opportunities among Gen Z

Gen Z interest in holistic approach to health fuels demand for luxury wellness propositions

Impact of stress and anxiety on Gen Z health drives need for better emotional wellness

Luxury resort Ahau Collection introduces new NFT loyalty scheme to attract Gen Z tourists

Luxury skin care brand Dr. Barbara Sturm taps into Gen Z through microbiome skin care line

## DIGITAL AND RETAIL ENVIRONMENT

Gen Z digital fluency and comfort with technology drive major changes in luxury and fashion

Leveraging social media and s-commerce to cultivate Gen Z engagement in fashion

Livestreaming and social commerce drive Gen Z luxury and fashion consumption in China

Gaming goes mainstream and increasingly crosses into realms of luxury, fashion and travel

Hugo Boss invests in greater personalisation with a new AI Digital Campus in Portugal

YSL Beauty: Nurturing exclusivity with NFT loyalty approach to connect better with Gen Z

## FUTURE OUTLOOK

Generation Z: Market projections by population and share of population, 2023/2028/2033

China as world's second largest affluent population to boost future Gen Z wealth

Gen Z child-free social structures could translate to higher discretionary expenditure

Understanding the Gen Z luxury and fashion consumer: Challenges and solutions

Key takeaways

## APPENDIX

Definitions

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