



What luxury fashion consumers want from augmented reality

VOGUE BUSINESS IN PARTNERSHIP WITH SNAP

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Despite the early adoption of augmented reality (AR) by fashion and luxury brands and retailers, there is a greater opportunity for the technology to be applied to the real-world needs and expectations of consumers. Beyond virtual try-on, many consumers envision AR being a digital tool that could, for instance, provide personalised style advice or enhance the in-store experience.

This is according to the results of a *Vogue Business* consumer study, commissioned by tech giant Snap Inc (which surveyed 1,100 luxury consumers aged 16-65 in the UK in April 2023). Luxury fashion consumers see themselves using AR more over the next one to three years with 72 per cent saying it's important that fashion brands and retailers provide AR solutions to enhance their shopping journey. Reflecting wider consumer shifts within shopping, AR's size within the retail market was valued at \$2 billion in 2021 and is estimated to reach \$61.3 billion by 2031, according to research firm Allied Market Research, growing at a CAGR of 41.4 per cent from 2022 to 2031.

With 750 million monthly active users, the Snapchat app has been instrumental in ensuring mass adoption

of AR, with its AR-powered Lenses feeling increasingly native to the digital experience on and off platform. "We strongly believe that the future will be all about AR and glasses. We've known this for the last decade," says Geoffrey Perez, global head of luxury at Snap.

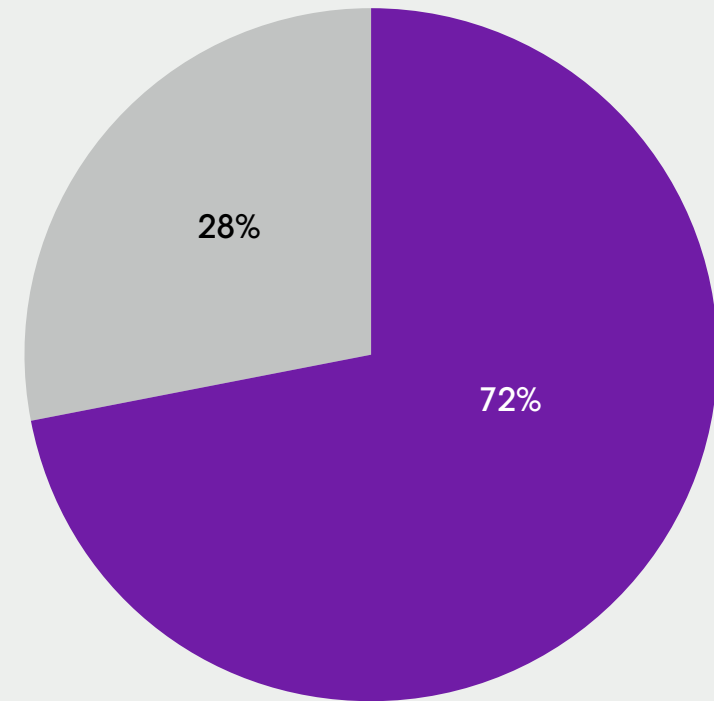
Featuring consumer insights and industry experts, this white paper outlines how fashion customers see AR improving their omnichannel experience and shopping journeys in new ways. "The possibilities for creating truly memorable and one-of-a-kind luxury AR experiences are vast," says Carol Hilsum, senior director of open innovation and new venture at Farfetch.

Building bigger-picture luxury experiences

Respondents of the study were asked to select the AR experiences from a wish list that they'd be most interested in fashion brands and retailers offering. Styling and wardrobe consultations came out as number one, while exploring a runway collection came in second. Both of these experiences were the preference of female respondents. Male respondents preferred in-person, more practical solutions, such as in-

Almost three-quarters of fashion consumers want AR as part of their shopping experience

■ Say it's important or very important ■ Say it's not important



Question: How important is it to you that fashion brands introduce more augmented reality (AR) solutions in the next 1-3 years?

DATA SOURCE: VOGUE BUSINESS IN-HOUSE SURVEY

store navigation and immersive in-store product guides.

Olivier Bialobos, deputy managing director at Dior, reveals how the French fashion house is working towards making AR styling a reality. "We're aiming to make it possible for Snapchat's audiences to try on several products at the same time. Users would create a full Dior look through a catalogue of virtual products that

clients could choose on Snapchat," he says. "This would extend to providing styling advice, along with complementary details on a particular product, such as the archival design that might have inspired it and how it appeared on the runway."

Third on the wish list was consumers wanting AR to help them gain care and repair skills via virtual tutorials. This is testament to the fact that when

it comes to building AR experiences, brands need to think bigger when it comes to purpose and value. One of AR's largest impacts in wider society will be education, so it's essential that brands and retailers culturally plug into this and champion learning.

Interactive and immersive brand experience came in at number four. A nod to the future of things to come is Cartier's AR time-travel experience on

Snapchat, which transports users back to Paris in 1917, the year that Louis Cartier designed his debut timepiece, the Tank. "We're on the verge of a completely new era of cross-media brand experiences," says Matthew Drinkwater, head of The Fashion Innovation Agency at London College of Fashion (LCF). "This is the start of the generational shift from storytelling to story-living, where we can all be part of, and influence, brand experiences."

Customers prioritise education, advice, and interactivity within AR experiences

1	Digital tools that offer styling tips and wardrobe consultations
2	Explore a runway collection either offline or online
3	Being taught via virtual tutorials and motion guides how to repair, care for and/or customise an item
4	Exploring a brand's story or design process through interactive/immersive ways
5	In-store navigation and immersive in-store product guide

Question: What aspects of augmented reality (AR) /virtual reality (VR) interest you?

Virtual try-on is evolving

When consumers use virtual try-on, they are already inside a brand experience whether they realise it or not. Personalised and user-centric, luxury consumers see themselves here as the star of the show rather than an observer. "It beats shopping within the traditional e-commerce format of a grid of items," says Snap's Perez. No longer a novelty, many customers now view AR as being a familiar and useful part of their everyday lives. Since 2021, more than 250 million Snapchat users have engaged with the app's AR shopping Lenses more than 5 billion times.

Despite the majority of virtual try-on experiences currently available being used for accessories rather than apparel, the study reveals that consumers believe it most useful for clothing, over categories such as footwear and jewellery.

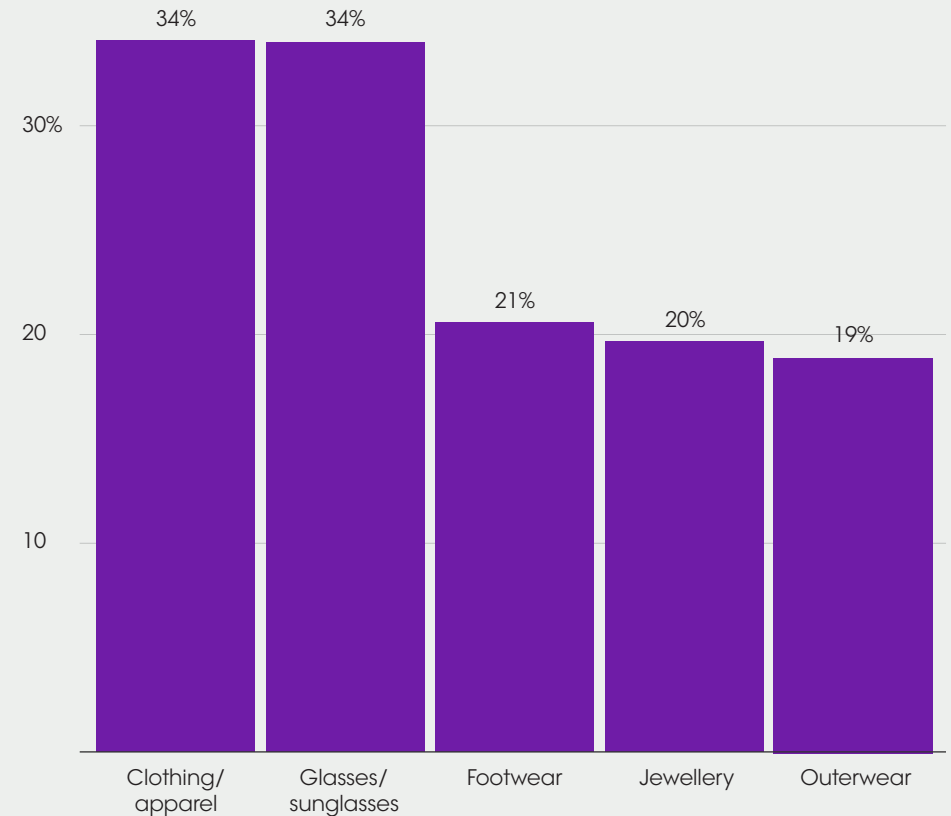
With accurate rendering and fit being concerns for consumers, the technology is evolving fast to meet expectations. "We are approaching this shift as a learning curve," says Dior's Bialobos. "As things stand, dresses and form-fitting clothing all pose difficulties in their accurate depiction." He views this as a temporary situation, however. "Our ambition is the provision of an ultra-complete virtual wardrobe to our audience," he adds.

When it comes to AR commerce, "people want realism", says LCF's Drinkwater. The new technology being rolled out by Snap to help achieve this includes 3D body meshing; AI real-time scene-tracking; and ray-tracing technology, which captures the movement of light on AR objects more realistically. The number one objection consumers report having towards virtual try-on is the inability to touch or feel the product. Digital touch could be achieved in the future via haptic devices (such as haptic gloves or vests) which use vibrations to augment virtual experiences. However, consultancy McKinsey & Company predict that this could be eight-10 years out.

The thrill of the runway — from home

Seventy-three per cent of consumers are aware of AR and VR runways and yet the offerings from fashion and luxury brands are low. High overall awareness reveals the appetite is strong with audiences keen to see innovation modelled. "I am really intrigued by AR experiences that bring runway moments to others, such as, for example, being able to see a model in your own environment," says Maghan McDowell, senior innovation editor at *Vogue Business*. "So, rather than just using AR to add effects to physical runway experiences, I see an opportunity to bring the runway to life in other spaces."

Consumers see virtual try-on as most useful for clothing over other categories



April 2023, n = 1,151 luxury consumers

Question: Which of the following categories do you find augmented reality (AR) try-on/virtual try-on most useful for?

DATA SOURCE: VOGUE BUSINESS IN-HOUSE SURVEY

The emotional resonance that consumers would feel being able to see avatars of themselves walking down virtual 3D runways could help inspire the technology of tomorrow. This vision is starting to emerge and be tested within retail spaces. In 2018, Zara enabled shoppers to see AR models superimposed in-store for a two-week period via its app. In 2023, within H&M's recently revamped Barcelona store, digital mannequins helped consumers to visualise garments without trying them on. The hologram-style models could also be personalised by scanning a QR code — to adjust skin colour and size for example — to more closely resemble the customer.

Farfetch's Hilsun says fashion and luxury brands can learn a lot from other categories, such as fitness, in terms of how motion technology and gamification could enhance the shopping experiences with a user-centric, interactive element. Fitness brands infuse "gaming elements into fitness routines, which tap into the motivational and engaging aspects of gameplay to make workouts more enjoyable and immersive", she says.

However, Hilsun emphasises that this influence should not be interpreted as fashion simply replicating the gaming industry. "Fashion and luxury digital experiences are on distinct paths, and they will continue to evolve

and emerge in unique ways," she says. "The future of fashion entails the development of immersive and engaging experiences characterised by deep storytelling and a sense of exclusivity tailored for the luxury consumer. The fashion industry has its own distinct characteristics and values, which will shape the digital experiences it offers."

Brands would also benefit from engaging with viral fashion hype moments, that take place on the runway and across social media, being mirrored with adjacent AR experiences. For example, collaborative AR filters from designers and streetwear labels could accompany product launches and digital ad campaigns, given that 70 per cent of consumers surveyed were excited by limited edition capsule collections and 68 per cent excited by collaborations between designer brands (such as Gucci x Balenciaga).

These experiences aren't restricted to being pre-purchase. Exclusive filters, styling guides or virtual at-home runway experiences can reward loyalty post purchase via a QR code or connected fashion item.



PHOTO: COURTESY OF DIOR

Consumers want immersive AR experiences in-store

With the lockdown era behind us, customers are keen for shopping experiences to be grounded in the physical. Luxury consumers within the study rank in-store as best for inspiration and discovery above all channels, beating online editorial sites, brand websites, social content and ads, and Google search.

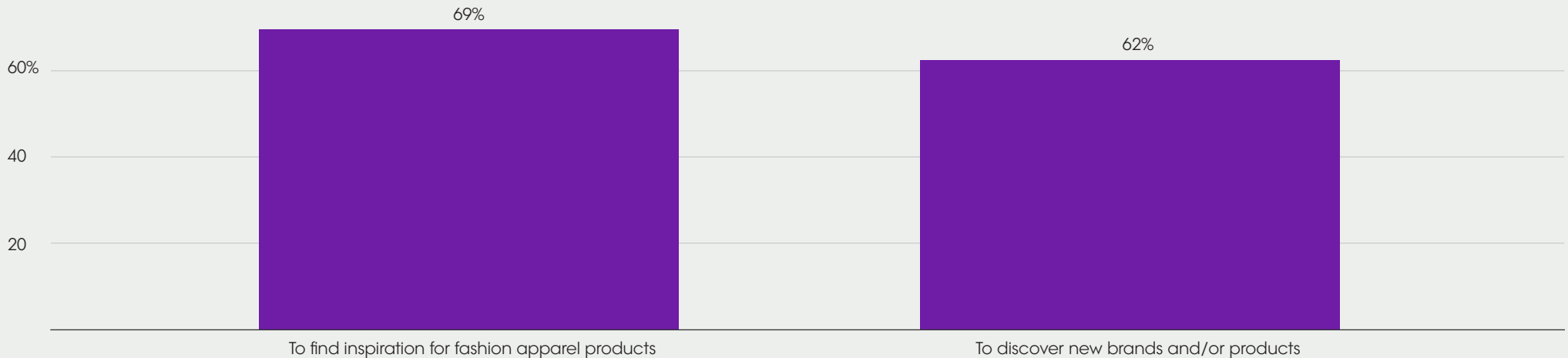
McDowell of *Vogue Business* can already see AR's potential to provide touchpoints that promote greater engagement in store. "I really like the idea of AR effects that are accessible via billboards, store windows and other external moments," she says. "This is especially interesting with in-store AR experiences, as time spent can directly impact their likelihood of making a purchase." Respondents already rank in-store navigation and in-store product guides top five in their AR innovation wishlist"

I could see a world in which every mirror in a store eventually has some AR capabilities," says McDowell. "A brand might educate the consumer via gamified prompts, or offer discount codes to those who engage." In terms of in-store product guides and shopping journey assistance, "a customer might scan a garment tag to find out more information about a product or see a model moving in the clothes. The mirror could help customers narrow down the items they

want to bring into the fitting room or discover new items that aren't in store," she adds.

In April 2023, Snap Inc launched its own AR mirror as part of its AR Enterprise Services (ARES), a service to help businesses use AR tools. "We're not saying AR is going to replace the excitement of going into a store but AR can certainly make stores even more exciting once customers are there," says Perez.

In-store is the leading channel for discovery and inspiration



April 2023, n = 1,151 luxury consumers | Question: What do you usually use (in-store browsing) for?

Traditional luxury audiences have bespoke AR needs

When consumers were asked why they find virtual try-on useful, “being able to try on products in the comfort of my home” and “being able to try on as many products as I like” were the two leading benefits reported (67 per cent and 63 per cent, respectively).

Those aged 16-24 are the most interested in fashion brands and retailers providing AR solutions,

according to the survey. However, general awareness of AR is actually even higher for those aged over 25, with the 35-44 age group also especially interested in using AR while shopping in the future. As AR matures as a technology, awareness and adoption is likely to grow among all age groups. “It’s about accessibility: how easy it is to use that technology,” Snap’s Perez says. “The easier you make it. The larger the adoption will be.”

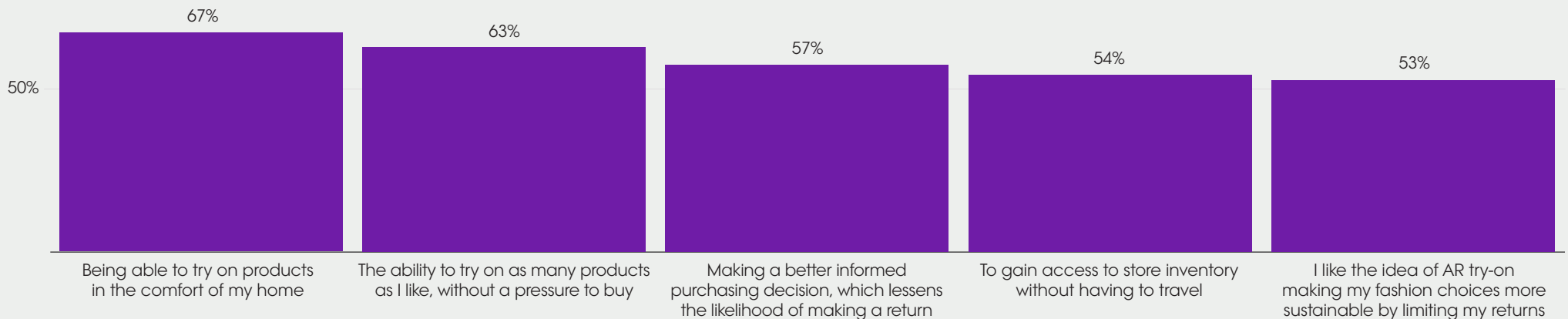
The two leading benefits of virtual

try-on speak to the freedom and convenience it offers — and are felt the strongest by respondents aged 35 and over. There were also aspects of AR’s usefulness which didn’t make it into the top five overall but were popular with older luxury audiences. For example, respondents who are aged 45 and over were 8 per cent more likely to say that virtual try-on allows them to “try on garments and accessories regardless of my body type or budget” than the average across all groups. Respondents aged 55 and over were

30 per cent more likely to say that virtual try-on “helps make fashion feel more accessible”.

Themes around diversity and lifestyle needs, such as sizing, accessibility and being time poor, are indicators of how the “distance selling” nature of virtual try-on can help better connect brands with consumers that may feel that the in-store environment does not fit with their needs. “A big part of a seamless experience is accessibility,” says Snap’s Perez.

Users of AR try-on like its convenience and the freedom it offers to discover and explore



April 2023, n = 1,151 luxury consumers | Question: What aspects of augmented reality (AR) try-on/virtual try-on are useful to you?

AR could help close the loop on sustainability

According to the study, 57 per cent of customers say AR helps them make better informed purchasing decisions, which lessens the likelihood of them making a return. And, 53 per cent of respondents say they like that virtual try-on's capacity to lessen returns has sustainability benefits. "Many returns occur because a product fails to meet the expectations delivered in traditional ecommerce experiences," says LCF's Drinkwater. "A photorealistic 3D render in AR can bring that product directly into the shopper's home and build confidence in what they are about to purchase, reducing the likelihood of a return."

With "being taught via virtual tutorials and motion guides to care and repair" already the third most popular AR experience, consumers are clearly now looking to technology to help them lengthen the life cycle of garments.

The future could also see adoption of AR as a creative tool to enhance or update garments in a virtual setting. "AR can deliver the ultimate wardrobe update," says Drinkwater. "Physical garments could be enhanced with AR content and VFX to prolong the life and use of the product — a constantly evolving product that can connect consumers to brands for far longer is a hugely exciting prospect."

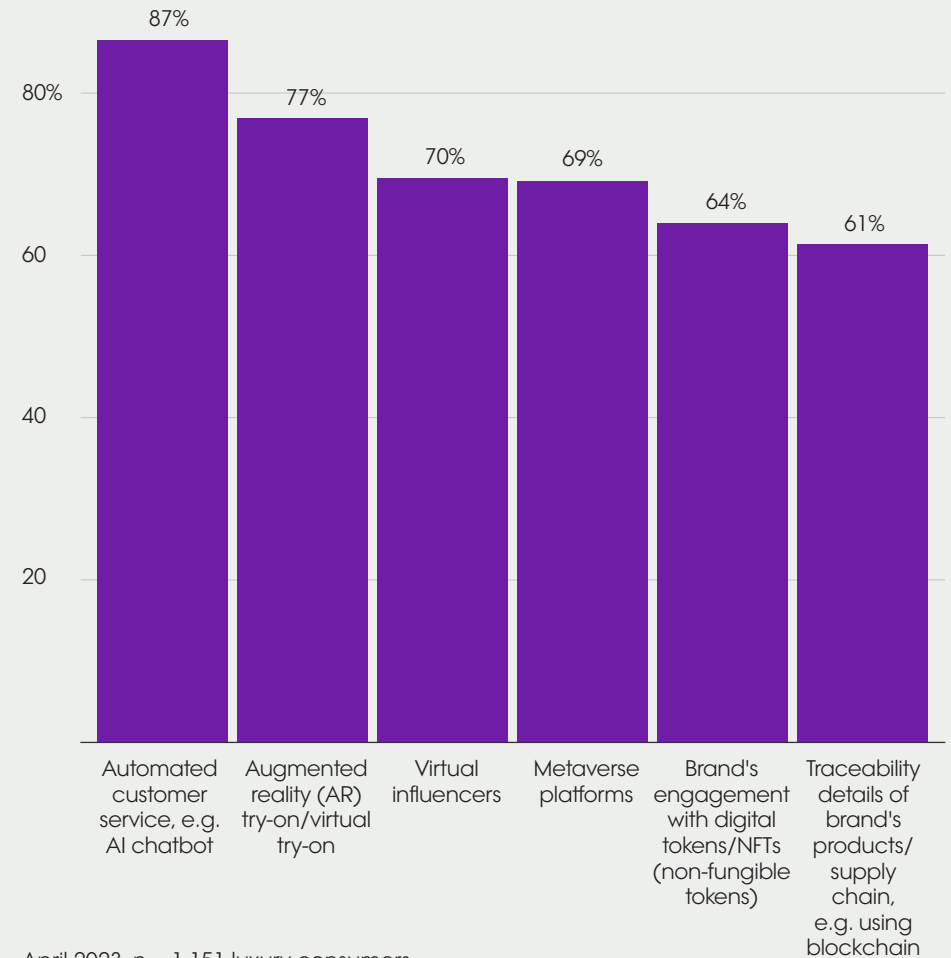
Future AR experiences will intersect with AI clienteling

With 77 per cent of consumers familiar with virtual try-on as a digital tool in luxury fashion, they are more aware of this than other innovations, such as the metaverse, NFTs and blockchain — the only digital tool which has a higher awareness is automated customer services such as AI chatbots.

There is an opportunity to leverage the existing familiarity consumers have with this technology by embedding AI clienteling into AR shopping experiences. This could include AI sales assistants and stylists. "AI may not perfectly replicate the spontaneity offered by great design and style, but it can enhance and automate certain aspects to bring this level of service to a broader audience," says Farfetch's Hilsum.

Voice and conversational commerce could also intersect well with AI clienteling and the virtual try-on experience. Snapchat's machine learning voice tools, available to brands when developing AR Lenses inside the Lens Studio, include voice command tools and voice navigation for users. An early mover within this space has been a Snapchat x Farfetch collaboration, which included 3D body mesh and 40 built-in voice controls to all Snapchat users to search for items and then try them on virtually with questions such

Consumers are most aware of established tech such as AI chatbots and virtual try-on



April 2023, n = 1,151 luxury consumers

Question: To what extent are you aware of the following digital fashion tools?

DATA SOURCE: VOGUE BUSINESS IN-HOUSE SURVEY

as “can you show me a trench coat?” followed by “maybe one in navy?”. Snapchat also launched My AI earlier this year, a conversational chatbot that can, for example, offer advice on gifts for a friend’s birthday, or ideas for outfits for special occasions.

Virtual influencers, inside an AR experience, could help deliver AI clienteling and styling advice. Despite currently being fairly nascent as a technology by brands, high awareness among consumers (70 per cent) reveals a possible opportunity to bridge the gap between consumer awareness and brand offering.

ROI and success metrics are already starting to shift for AR. “I am seeing brands transition to metrics that are more comparable to metaverse experiences than to social media or e-commerce,” says *Vogue Business*’s McDowell. “Brands are looking at factors such as how many people tried the experience, time spent, the impact on their brand affinity and their likelihood of returning to the experience. Brands can also look at overall social mentions and shares.”

As the AR commerce offering strengthens, it’s set to be a connector between digital, virtual and physical customer experience. “It’s really smart for brands to create AR experiences that are part of wider campaigns,” McDowell adds.

Takeaways

- Brands and retailers should keep pace with the needs and imaginations of consumers when it comes to AR, modelling innovation in practical ways so they can see how it would be useful to their shopping experience.
- Beyond fashion and luxury, people will be using AR to learn new skills more widely. Luxury AR experiences would benefit from tapping into the wider cultural value of the technology as an educational tool.
- AR solutions are of value at all stages of the customer journey. This includes in-store elements but also post-purchase, with connected fashion items rewarding loyalty with exclusive AR experiences. Wearable AR items could also help to extend brand engagement and the life cycle of products.
- Think of AR as connecting the physical and virtual channels — allowing the physical world to feel more immersive and the virtual to become shoppable.
- Ensure AR isn’t planned and designed in a vacuum. Consider a more holistic approach, with AR elements integrated across digital campaigns.
- AR’s potential for richer engagement in the future could be achieved via the addition of AI clienteling, voice commerce and virtual influencers.

Boilerplate: Vogue Business surveyed 1,151 luxury consumers aged 18-65 in the UK, in March and April 2023. Consumers were evenly split across male and female and by age group (16-24, 25-34, 35-44, 45-54 and 55-64). Participants were asked questions about their fashion habits, awareness and use of different technology tools and priorities when shopping.