About: In the same way as there have been revolutions that have changed how the world works, it is considered that fashion is entering a new era. Fashion has experienced many changes and everytime they are closer and closer together -timewise- however what the industry has been facing for the first time is changing the whole definition of luxury fashion.
HAVE THE STREETS MANAGED TO FIND THEIR WAY INTO LUXURY?

In fashion you would think that there is no right or wrong answer to whether an aesthetic is good or bad and whether it should be considered luxury or not, however, since the rise of street style these aspects have been put into question. What has happened to the luxury fashion industry?

Over the past years, the luxury industry has encountered an incredible growth with an expanding number of the population being able to afford luxury goods and services. A study by Bain&Company found that considering all segments, the luxury market grew by 5% to an estimated €1.2 trillion globally in 2017. From that main growth engine of the luxury market there is a generational shift, with 85% of luxury growth in 2017 fueled by Generations Y and Z. The state of mind which Millennials have developed is permeating the luxury industry and changing the functioning of it.

According to the Deloitte study Global Powers of Luxury Goods 2018, Millennials and Generation Z represented around 30% of the luxury goods market in 2016. The research predicted that collectively, these generations will represent over 40% by 2025. In contrast to how luxury brands historically promoted a so-called culture of exclusion, a new dynamic has had to be adopted to successfully engage with Millennials and Gen Z consumers. Brands now have to act in an inclusive and open manner.

Uncountable external factors could be the reason for the luxury market to have had such a steep growth but it is no coincidence that at the same time as the industry has been experiencing this expansion, there has been an immense rise in popularity within street style.

WHEN DID STREET STYLE BECOME SUCH A PHENOMENON?

The most profound and distinctive development of the twentieth century has been this era’s shift from high culture to popular culture according to Ted Polhemus. The reevaluation of street style as a key source of innovation in dress and appearance-in the early 2000s, is the principle engine of the clothing industry demonstrating the democratization of aesthetics and culture.

To be put in context, street style was born with Hip-Hop which dates back to the 70s. It was one of the first genres for which there was no specific attire that separated the artist from its audience. Back then Hip-Hop was nowhere near being the popular music, however, it started growing internationally by the end of the 90’s, this meant that fashion began to respect rappers as influential marketing assets.

It is widely known that rappers and their street style have become major influences in pop culture and subsequently their presence in the luxury industry has grown. This has meant that luxury brands have started embracing the culture and using collaboration with rappers and urban brands as a middle man to attract the younger generations. The gap in the market had been identified and with the merge of luxury and urban style the interest in street style was boosted to become a macro trend.

WHAT HAVE LUXURY BRANDS DONE IN RESPONSE TO THE CONSTANT DEVELOPING TREND?

Luxury brands have shifted their focus on their content offering, their customers novelty and a new and fresh concept of their brand in order to gratify their new target group. This has been recognised where young creatives with no formal fashion education - but very eager to enter the industry- have been given the chance to bring their fresh ideas and talent into luxury fashion houses. For example Virgil Abloh becoming the creative director at Louis Vuitton mens’ wear. New sales strategies that highly resemble those that urban brands have always used have been implemented at the historical fashion brands, such as Burberry’s monthly product drops that are available for just 24 hours and sold exclusively through the brand’s social media platforms. This model enforced by Ricardo Tisci seem to be working as every drop, up to now, has managed to sell out.
A huge player in this evolution of the emergence between luxury and street style has been the collaborations. With this wave of newly popular designers raised on rap music, the fashion industry has begun to mirror Hip Hop’s time-honoured approach to creativity (Gordon, 2017). The industry changing collaboration happened back in 2017 where Louis Vuitton worked alongside Supreme to bring out a collection which sold out at eight dedicated pop-up stores around the world and rocketed in resale value on platforms such as eBay. Since then the industry has seen a constant trend of luxury brands collaborating with urban brands which have been welcomed by customers who created endless round the block queues. Luxury brands have stretched the limits of their old-world heritage with ultra-hip, but potentially far more ephemeral labels.

LUXURY CUSTOMER ARE NOT LONGER WHO AND WHAT THEY USED TO BE

One thing that has become clear looking at the outcome of Montoro’s research into how luxury fashion and its consumer have evolved through the emergence and growth of street style is that luxury has entered a new era. According to Baron, Millennials are increasing their spending on luxury products more than any other age group.

In a study by the Financial Times, it was found that millennials are “the world’s most powerful consumers”. In 2017, Gucci’s sales grew by 44.6% over the previous year nearly 50% of Gucci’s total sales is generated by Millennials. It is unquestionable that the younger generations have found their way into the luxury market and it can also be seen that they are now targeted by the brands in order to be kept interested.

Their increasing interest for the industry could be due to the change in perception of luxury. Luxury has almost become mainstream and therefore it has been normalised. It makes no difference if you come from a high-class family or not when investing your income in luxury, whereas, before it was not really an option. Also, Millennial luxury shoppers feel equally validated wearing a limited edition sweatshirts from a potential urban brand as when carrying a Chanel Classic Flap bag. This can be seen in department stores for instance where established luxury houses’ products are presented in the same section as street style brands such as Off-White.

The influence of streetwear and the hirings of its best designers in the most of luxury fashion houses has seen a surge in headlines. This has questioned the fate of luxury in a time where the mundane; logo t-shirts and hoodies have become exclusive. It almost impossible to find a luxury retailer that has increased its sneaker offering over the last few years. Fashion markets are continuously reinventing and embracing newness and this time the characteristics of street style have greatly influenced the luxury market. The best brands and retailers have not opted to fight that, but rather embrace it. It seems that there will be no regression in terms of this new perception of luxury and its new and evolved consumer, and although the trend progresses and will possibly not always be seen in the same way we have up to now, it is here to stay.