

A Work Project, presented as part of the requirements for the Award of a  
Master's Degree in Management from the Nova School of Business and Economics.

LEVERAGING EMERGING TECHNOLOGIES IN THE FASHION INDUSTRY TO  
ENHANCE THE PERCEPTION OF GEN Z – A CASE STUDY OF THE ATTICO

CLARA CHRISTINA MARIE WITTERSHAGEN (55647)

Work Project carried out under the supervision of:

João Castro

**26/02/2024**

### **Acknowledgment**

I would like to express my deepest appreciation and gratitude to our advisor, João Castro, whose contribution in providing valuable insights, feedback, and encouragement has guided us throughout this Work Project. Furthermore, I would like to thank the Nova SBE faculty members for equipping me with the necessary skills to complete the project. Additionally, I would like to acknowledge the survey and interview participants whose support and insights I highly value. I would also like to thank my Nova cohort, who continuously inspires me and provides me with moral support throughout my final semester. Finally, and most importantly, I would like to thank my family and my group members and close friends, Mara Eichhorn and Karianne Rose, for their unconditional support, trust, and constant motivation. I couldn't have done it without them.

### **Abstract**

This work project investigates how new technologies can change the perception of luxury fashion brands by Generation Z. This individual part examines the new fashion brand The Attico, which faces various challenges and assesses how technology can increase its appeal to Generation Z. A mixed methodology combining quantitative analyses with qualitative interviews sheds light on current perceptions of Generation Z and incorporates the opinions of industry experts and feedback from Gen Z interviews. The findings suggest that luxury fashion brands can improve their positioning and perception of Gen Z by strategically utilizing technology as part of their current objectives.

### **Keywords**

Gen Z, Fashion Industry, Luxury Industry, Emerging Technologies, AR and VR, Generative AI, 3D Printing, Marketing

## Group Part

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

**Table of Content**

<b><u>1. INTRODUCTION.....</u></b>	<b><u>6</u></b>
<b><u>2. LITERATURE REVIEW.....</u></b>	<b><u>8</u></b>
2.1 LUXURY INDUSTRY .....	8
2.2 GEN Z IN THE LUXURY AND PREMIUM FASHION INDUSTRY .....	11
2.3 EMERGING TECHNOLOGIES IN THE LUXURY AND PREMIUM FASHION INDUSTRY.....	14
2.3.1 AUGMENTED REALITY AND VIRTUAL REALITY.....	15
2.3.2 GENERATIVE AI .....	16
2.3.3 3D PRINTING TECHNOLOGY .....	18
<b><u>3. METHODOLOGY.....</u></b>	<b><u>20</u></b>
3.1 RESEARCH APPROACH.....	20
3.2 SURVEY.....	22
3.2.1 SURVEY DESIGN .....	22
3.2.2 SURVEY RESULTS.....	23
3.3 INTERVIEWS .....	23
3.3.1 INTERVIEW DESIGN .....	23
3.3.2 INTERVIEW RESULTS .....	24
<b><u>4. CONSULTANCY PROJECT – THE ATTICO .....</u></b>	<b><u>26</u></b>
4.1 PROJECT INITIATION AND SCOPE DEFINITION .....	26
4.2 DATA COLLECTION AND ANALYSIS.....	28
4.3 STRATEGY DEVELOPMENT .....	30
4.4 IMPLEMENTATION.....	35
4.5 ASSESSMENT.....	37
4.6 PROJECT CLOSURE .....	40
<b><u>5. COMPARATIVE ANALYSIS.....</u></b>	<b><u>42</u></b>

<b>6. CONCLUSION.....</b>	<b>49</b>
<b>6.1 SUMMARY OF FINDINGS.....</b>	<b>49</b>
<b>6.2 LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH.....</b>	<b>50</b>
<b>7. BIBLIOGRAPHY.....</b>	<b>53</b>
<b>8. APPENDIX.....</b>	<b>64</b>
<b>APPENDIX A – “MOST” RELEVANT EMERGING TECHNOLOGIES.....</b>	<b>64</b>
<b>APPENDIX B – EXPERT INTERVIEWS.....</b>	<b>67</b>
APPENDIX B.1 – EXPERT INTERVIEW GUIDE.....	67
APPENDIX B.2 – EXPERT INTERVIEW TRANSCRIPT – EXPERT 1.....	69
APPENDIX B.3 – EXPERT INTERVIEW TRANSCRIPT – EXPERT 2.....	81
<b>APPENDIX C – THE ATTICO: CONSUMER INTERVIEWS.....</b>	<b>97</b>
APPENDIX C.1 – THE ATTICO: CONSUMER INTERVIEW GUIDE.....	97
APPENDIX C.2 – THE ATTICO: CONSUMER INTERVIEW TRANSCRIPT – CONSUMER 1.....	104
APPENDIX C.3 – THE ATTICO: CONSUMER INTERVIEW TRANSCRIPT – CONSUMER 2.....	120
APPENDIX C.4 – THE ATTICO: CONSUMER INTERVIEW TRANSCRIPT – CONSUMER 3.....	134
<b>APPENDIX D – THE ATTICO: IDENTIFIED KEY CHALLENGES.....</b>	<b>146</b>
<b>APPENDIX E – THE ATTICO: USE CASE DECISION MATRIX.....</b>	<b>147</b>
<b>APPENDIX F – THE ATTICO: SUCCESS MEASUREMENT METRICS.....</b>	<b>148</b>
<b>9. GLOSSARY.....</b>	<b>150</b>

**List of Tables and Figures**

Table 1: Challenges of Independent Fashion Brands ..... 28

Table 2: The Attico Perception Survey Analysis ..... 29

Table 3: Comparative Overview ..... 47

Table 4: Identified Technologies and Their Use Cases..... 66

Table 5: The Attico: Identified Key Challenges ..... 146

Table 6: The Attico: Use Case Decision Matrix ..... 147

Table 7: The Attico Success Measurement Metrics..... 148

Figure 1: Methodology Approach ..... 22

Figure 2: E-Commerce The Attico – Version A ..... 98

Figure 3: The Attico Virtual Pop-up Store – Version A ..... 98

Figure 4: E-Commerce The Attico – Version B ..... 99

Figure 5: The Attico Virtual Pop-up Store – Version A ..... 99

Figure 6: Immersive Journey of Product Life Cycle..... 101

Figure 7: Surreal Advertisement of Benchmark Brands ..... 102

Figure 8: Surreal Marketing Campaigns for The Attico ..... 102

## 1. Introduction

As the importance of Generation Z (Gen Z) for brands rises, so do the assumptions trying to pin down the unique characteristics of this generation. They are claimed to be the “most sustainable” and the “most digitally savvy” (Maguire 2023). As fashion brands have always chased the youth (Sherman and Lee 2022), Gen Z’s consumption behavior is highly complex, making it increasingly difficult for brands to unlock their valuable spending power (Schneider and Lee 2022). Despite the challenge, Gen Z accounts for 25% of the world’s population, and their overall spending power is estimated to expand three times faster than previous generations (Kuzminov 2023). Ultimately, in an ever-changing landscape, every player in the industry faces the critical question: How can brands embrace innovation to keep up with Gen Z’s demands and desires and positively influence their perception of the brand?

In recent years, the success and dominance of e-commerce and social media have shown that technology has drastically changed the fashion industry and will continue to do so, as current trends in the industry saw a significant rise in investment in fashion technologies in 2021, with the top 50 investments increasing in value by 66% from 2019 (McKinsey & Company 2022). The digital transformation has altered the role of the consumer from being a passive observer to gaining a voice to express their needs and preferences (Deloitte 2018). The shift sets standards for brands to meet by providing a seamless and consistent shopping experience across various channels and platforms. Experimenting with new emerging technologies is crucial for brands to create unique and memorable experiences that allow more profound interaction with consumers on multiple dimensions and simultaneously provide a competitive edge in a highly competitive industry (McKinsey & Company 2019). In an era of conglomerates and a highly concentrated market, the fashion industry is continuously

## Group Part

dominated by the established luxury groups LVMH, Kering, and Richemont. The ongoing trend of mergers and acquisitions to further diversify portfolios and increase market power ultimately poses a threat to less established and independent labels (Sherman 2022). The high level of competition is further intensified by the emergence of premium brands, blurring the boundaries between accessible fashion and luxury fashion, and thus paving the way for further entrants and competitors.

For fashion brands to better understand how they spend precious resources and apply new technologies, a better understanding of the perception of Gen-Z is required. Therefore, the following research question was developed:

*RQ: How can premium and luxury fashion brands leverage emerging technologies to overcome their unique challenges, based on Gen Z's brand perception?*

The social relevance of this study lies in its potential to contribute to the ongoing debate on the application and acceptance of new technologies and the efforts of brands to attract the highly sought-after Gen Z as customers. The Attico as an emerging fashion brand can significantly impact the fashion industry and set an example for other companies. In addition, the study explores the perceptions and values of Gen Z and helps to understand consumer behavior in the twenty-first century and the decision-making process of a new consumer group. Understanding these young consumers will help brands develop more effective strategies to meet those needs.

The scientific relevance of this work is that it contributes to the existing knowledge about new technologies in the fashion industry and their acceptance by Gen Z by specifically analyzing brands in different phases, positioning, and problems. Furthermore, previous studies have focused on the general fashion industry and neglected the diversity of individual players.

In this Work Project, Attico is used as an example, as its position as a new and independent brand allows the results to be compared with more established brands and generalized to different sectors of the industry. By analyzing the critical characteristics of Gen Z consumers, this study provides a new perspective on the impact of social and cultural factors on consumer behavior and opens new avenues for future research in this area. The approach of this Work Project is illustrated in the methodology.

## 2. Literature Review

### 2.1 Luxury Industry

The Luxury Fashion Industry is a rapidly growing sector with a market value of €345 billion in 2022. Despite uncertain economic conditions, it is expected to grow between 5-12% to reach €360 to €380 billion in 2023 (Bain & Company 2023). Luxury fashion sales are predicted to increase by 3-8% in Europe, 5-10% in the US, and 9-14% in China in 2023 (The Business of Fashion; McKinsey & Company 2023). As a result, the market of personal luxury goods is expected to double in the decade from 2020 to 2030 (€265 billion to €530-570 billion), as projected by Bain & Company (2023). The luxury goods market has a significant market concentration, with five companies responsible for more than 40% of total sales in 2021 (Sherman 2022). Roughly 23% of the total sales in 2021 (€64bn of €283bn) can be attributed to the leading French luxury group *LVMH*, while its French competitor *Kering* retains a 6% share (€18bn of €283bn), followed by the Swiss-based group *Richemont*, which is responsible for 5% of total sales (€13bn of €283bn). Furthermore, a study by Deloitte in 2022 found that the top 10 luxury companies, including the aforementioned companies, account for 81% of the year-on-year growth in sales and 85% of the combined net profits of the top 100 companies in 2021 (Faccioli and Martin 2022). With growing merger and acquisition activity in 2021 and

## Group Part

2022, luxury goods companies are looking for opportunities to expand their brands, increase control over supply chains and distribution channels, and improve their digital capabilities. This trend will continue to solidify these current market dynamics, making it increasingly difficult for smaller and independent companies to remain profitable (Sherman 2022).

### **Definition of “Luxury”**

Defining "luxury" is a multifaceted task influenced by various factors, including the situation, geographic location, temporal context, and the individual's perspective (Cabigiosu 2020). Furthermore, *luxury* is a dynamic concept that constantly evolves over time. The origination of the term could be the Latin word "luxus" suggesting an abundance or excess in lifestyle beyond actual needs (Sombart 1967) and "luxuria" indicating opulence and a lascivious lifestyle (Lipovetsky and Roux 2003). Additionally, it can also tie to the French "loxos", meaning deviation from the norm (Mattia 2013). This notion is echoed by Kapferer and Bastien (2012), who associate luxury with "luxation", implying a significant deviation from usual practices, often involving high-value experiences, objects, and services with symbolic importance, commanding prices far exceeding the average, not based on production costs.

### **Premium vs. Luxury**

The terms *luxury* and *premium* are often used interchangeably, leading to confusion. Premium brands may imitate luxury codes, creating a blurred distinction between the two concepts. This ambiguity is further reinforced when premium brands are perceived as more innovative. Additionally, the overlapping price range between premium and luxury products complicates this differentiation (Kapferer and Bastien 2012). The most recent development of “*Democratization of Luxury*” further contributes to the blurring of the boundaries. Fostered by the rapid growth of the luxury industry, this phenomenon refers to the trend of luxury goods

## Group Part

becoming more accessible to a broader range of consumers, challenging traditional definitions based on the scarcity and physical rarity of a luxury good and creating the tension of maintaining exclusivity whilst attempting to reach a more comprehensive market (Shukla, et al. 2022).

The differentiation between premium and luxury brands is grounded in distinct attributes. Premium brands aim to create the best product in their category, focusing on customer needs, quality, and innovation, while luxury brands emphasize heritage, prestige, and exclusivity, often being defined by the creator's vision. The correlation between price and function is evident in premium brands as they charge a price premium for higher quality products. They are more accessible and aim to set industry standards through exceptional quality (Sung 2018, Miller 2023). In contrast, price alone is not enough to identify luxury products, as it is often a reflection of the brand's image and prestige (Kapferer and Bastien 2012). Luxury brands embody multi-layered attributes beyond economic value such as innovation, creativity, heritage, selective distribution, storytelling and rarity, both in terms of the product's material and craftsmanship, as well as the exclusivity of the customer base (Kapferer 1997, Fabris 2003, Corbellini and Stefania 2015).

In summary, the differentiation between luxury and premium brands lies in their core attributes and market approach. Premium brands focus on superior quality, customer needs, and innovation, with a price that reflects product functionality. Luxury brands, on the other hand, are characterized by their heritage, prestige, and exclusivity, with pricing often based on brand image and prestige rather than functionality.

## 2.2 Gen Z in the Luxury and Premium Fashion Industry

Generation Z, commonly referred to as “Gen Z” is currently the second youngest generation – preceded by millennials and followed by Generation Alpha. Akin to previous generations, Gen Z has been shaping and transforming many aspects of life, the broader population, and consumption in general (Francis and Hoefel 2018). In the luxury and premium fashion industry, Gen Z has supported the growth and further expansion of the market (D'Arpizio, Levato and Prete, et al. 2020). Already, Gen Z accounts for 25% of the world's population (Sherman and Lee 2022) and Bain & Company suggest that the overall spending pattern of Gen Z and the following Generation Alpha is estimated to expand three times faster than those of the previous generations by 2030 (D'Arpizio, Levato und Prete, et al. 2023). By 2035 Gen Z's spending is expected to make up 40% of the global market for personal luxury (The Business of Fashion 2021).

### **Gen Z Definition and Characteristics**

More generally, a generation is defined in the literature as “the entire body of individuals born and living at about the same time” (Seemiller and Grace 2019). Gen Z can be roughly specified as people who were born between 1997 and 2012, placing them between 11 and 26 years old, at the time of writing (Wilson 2021). Important cultural and societal issues, as well as political, socioeconomic, and technological events, shape the overall characteristics of each generation and the impact it has on its surroundings (Seemiller and Grace 2019). The unique characteristics of Gen Z include being the first generation where technology is integrated and present in almost all aspects of life, which is typically why this generation is thus often referred to as “iGen” or “Digital Natives” (Francis and Hoefel 2018). Additionally, Gen Z is known for its “*idealism*” in its pursuit of social justice and equality by promoting diversity and inclusivity

## Group Part

(McKinsey & Company 2023). Self-expression and individuality are also widely celebrated among this generation, seeking out unique and personalized experiences and customization (Francis and Hoefel 2018). Gen Z has also witnessed several economic challenges, most recently the COVID-19 pandemic, and therefore tends to be financially cautious and less stable than previous generations (Schneider and Lee 2022).

### **Gen Z Characteristics in the Fashion Industry**

The typical characteristics of Gen Z mentioned above are mirrored in its consumption behavior in the fashion industry, including the luxury and premium segment. Gen Z's impact is predicted to be disruptive and focused on revolution, which poses a unique challenge for brands to capture the very promising spending power and demands for change in many aspects. The tech-savviness of this generation also demands new business models and innovative consumer engagement (The Business of Fashion; McKinsey & Company 2023). Therefore, those fashion brands that embrace emerging technologies can differentiate themselves and create unique experiences that resonate with Gen Z (The Business of Fashion 2022). According to The Business of Fashion Insight Report, Gucci is the only luxury brand to feature in the top 10 favourite fashion brands among Gen Z, securing the second spot (Schneider and Lee 2022). Gucci has been at the forefront of utilising emerging technologies to appeal to younger demographics. Through initiatives like their early entry into the virtual gaming world and their general omnichannel approach, the brand was able to attribute 50% of its sales to Millennials and Gen Z (G & Co 2023). As 98% of luxury consumers are present online, luxury brands must integrate a strong digital approach (G & Co 2023). Growing up in a digital age with easily accessible information, Gen Z demands diversity, inclusivity and values that need to be reflected in the products, marketing, and advertising of a brand (Bakhtiari 2022). Closely tied

## Group Part

to this is the need for representation and self-expression. Gen Z views fashion as a means of self-enhancement, social recognition, and identity construction (Francis and Hoefel 2018). Being more environmentally conscious than previous generations, Gen Z is placing greater emphasis on the impact that brands have on the climate crisis and is advocating for a more sustainable fashion industry (Schneider and Lee 2022). Although being more critical of sustainability matters, the paradox of Gen Z increasingly supporting fast-fashion players like Shein, due to their trend-chasing habits, proves the complexity for brands attempting to please this generation (McKinsey & Company 2023). Fast fashion can be defined as a business model that is built on the quick production and consumption of fashion at an affordable price point, which is highly criticized for its negative environmental and social impact (Niinimäki, et al. 2020). At the same time, however, there is an emerging trend of Gen Z wanting to support smaller more underrepresented designers. Even though they are less financially stable than previous generations, a large percentage of Gen Z's disposable income is spent on fashion. Although the spending on luxury fashion is limited, a majority of this generation aspires to purchase more luxury clothing as they gain purchasing power (Schneider and Lee 2022).

To conclude, with a growing purchasing power Gen Z is expected to continue to transform the luxury fashion industry over the next years. The tech-savviness and demands for diversity, inclusion, and representation, as well as sustainability, are all characteristics that brands need to adapt to in order to secure their future. Luxury brands like Gucci have already successfully embraced and captured Gen Z, by leveraging more digital approaches and providing more engaging consumer experiences. As a result, it is strongly suggested that emerging technologies provide a valuable opportunity for premium and luxury fashion brands to gain access to younger demographics, and to attract as well as align their values and preferences to them.

## 2.3 Emerging Technologies in the Luxury and Premium Fashion Industry

Emerging technologies are defined as a broad range of technologies that have the potential to trigger significant technological, cultural, or economic change. Typically, these technologies are referred to as "emerging" because, whilst they have been developed, they are either i) not yet widely used or ii) are sufficiently expensive that they are too infrequently to bring about meaningful socioeconomic transformation. Some emerging technologies are previously invented technologies that are now more affordable or widely available. For instance, television, computers, and cell phones were invented decades before they became widespread enough to have a significant cultural impact (Kte'pi 2023).

The spectrum of emerging technologies is broad and diverse, encompassing a range of ground-breaking innovations that promise to change a wide variety of industries fundamentally. This thesis focuses on Augmented Reality (AR) and Virtual Reality (VR), Generative AI and 3D Printing, as these exhibit significant innovation and growth potential, especially in the premium and luxury fashion industry. In particular, AR and VR have the potential to reshape the industry. It is predicted that the AR and VR market in retail will increase by 67% and reach around 2.4 billion dollars by 2027 (Alsop 2023). In addition, generative AI will be examined in more detail as part of this thesis due to its considerable, still largely untapped potential in the fashion sector. A McKinsey report shows that 75% of fashion executives see generative AI as key to the future, but only a minority have already integrated this technology into creative design and product development processes (The Business of Fashion; McKinsey & Company 2023). The discrepancy between interest and application indicates significant opportunities for innovation. Lastly, 3D Printing has the potential to revolutionize the fashion industry. For instance, the market value of 3D Printing is estimated to reach USD 34.5 billion by 2028 and is expected to grow at a compound annual growth rate of 18.1% from 2023 to 2028 (Markets

and Markets 2023). The conclusion to focus on these technologies in this paper is based on the recognition that the potential of these technologies is still largely untapped and represents fertile ground for groundbreaking applications and transformative advances in the luxury fashion industry.

### **2.3.1 Augmented Reality and Virtual Reality**

Augmented Reality and Virtual Reality are immersive technologies that redefine our interaction with both digital and physical realms (Shirmohammadi and Shen 2008). AR involves overlaying digital information onto the real world, enhancing our perception, and providing an enriched experience. It is often made accessible using devices like smartphones, smart glasses, or AR headsets, enabling users to interact with both the physical and digital aspects of their environment simultaneously (Johnson 2023). On the other hand, VR immerses users in a completely virtual environment, isolating them from the physical world and allowing for immersive, simulated experiences. It creates a fully immersive digital environment that users can explore and interact with through specialized VR headsets. These headsets transport users to a simulated reality, completely separating them from their physical surroundings and providing an immersive experience that can range from educational simulations to entertainment content (Johnson 2023).

### **Augmented and Virtual Reality in Luxury and Premium Fashion Industry**

AR and VR is also finding application in the fashion industry. The transformative technology offers numerous opportunities to improve various aspects of the fashion industry, from design and production to retail and personalized customer experience.

Enhancing the design process is one of the key use cases. AR and VR enable to create and test designs in a virtual environment. This reduces the need for physical prototypes,

## Group Part

accelerates the design process, and significantly cuts sampling costs, allowing for more experimentation and creativity (Shivangi 2022). Additionally, AR and VR enable a personalized customer experience. This involves digital enhancements that enrich the real-world shopping experience, such as virtual try-ons, allowing customers to try products virtually before purchasing (Toppan n.d.). Likewise, the technology facilitates collaboration with customers to create unique and customized items, by providing a virtual demo version of a product, enabling customers to see how the final product will look in real life. This reduces wasteful expenditures in the production of sample items and improves customer experience and brand perception (Mathur 2022). AR and VR also find application in marketing and can be used to create virtual fashion shows and showrooms, enhancing engagement and brand visibility. It also enables a unique marketing experience and creates a connection with tech-savvy consumers (Empevia 2021).

### **2.3.2 Generative AI**

In addition to AR and VR, Generative AI also plays an important role in the fashion industry. In the broader context of artificial intelligence, Generative AI refers to a class of technologies and algorithms that exhibit an extraordinary capability: the autonomous generation of novel content, data, or information. This capability spans a wide range of domains, including text, images, audio, code, and simulations without requiring direct human input or explicit programming instructions (McKinsey & Company 2023). Generative AI systems essentially rely on machine learning techniques as their foundation. These techniques enable these systems to recognize and internalize patterns from existing data, which then serve as the basis for producing diverse and creative results. This innovation has profound implications for multiple industries by improving content creation, problem-solving, and driving innovation. Generative AI represents a significant advancement in the field of Artificial

## Group Part

Intelligence and differs from traditional AI models that are primarily concerned with identifying and categorizing data that already exists. Instead, generative AI drives us forward by generating entirely new and original content. This transformative technology is embodied in models such as GPT-3.5 and DALL-E, which are advanced deep-learning models that can handle complex tasks simultaneously (McKinsey & Company 2023). The potential applications of generative AI are vast and promise to revolutionize industries by streamlining content creation, optimizing operational efficiency, and improving the overall customer experience. The ability to work with unstructured data such as raw text, images, and video enables the creation of a range of innovative media formats, including scripted narratives, intricate 3D designs, and lifelike virtual models. This offers the fashion industry an unprecedented wealth of possibilities in the world of artificial intelligence (McKinsey & Company 2023).

### **Generative AI in the Luxury and Premium Fashion Industry**

As a powerful force, Generative AI is capable of fundamentally transforming the entire value chain of the luxury and premium fashion industry, from the design process to the prediction of trends (Bain 2023, Harreis, et al. 2023). The enhancement of design concepts and design generation are important use cases for Generative AI in the fashion industry. The technology is also used in the creation of visual content and marketing images. This enriches idea generation and design possibilities, whilst shortening the timeline for content creation (Harreis, et al. 2023). Similarly, the use of Generative AI in the creation of sales descriptions and marketing content can also increase efficiency in this regard. In terms of product customization, it can be used to tailor products to the individual topography and preferences of consumers, enhancing product fit and fostering a stronger connection between a brand and its customers (Shoplazza Contributor 2023). Generative AI can also be used for personalized

styling recommendations and virtual customer care, which also increases loyalty and the overall customer experience (Harreis, et al. 2023). Even in terms of trendspotting and marketing precisions the technology finds application. By analyzing unstructured data to predict trends, targeted and flexible marketing strategies can be developed for the luxury and premium fashion industry. This allows more personalized marketing activities (Harreis, et al. 2023). Furthermore, Generative AI can be used to optimize the store layout with the help of AI-driven data analysis and to improve the overall in-store experience (Shoplazza Contributor 2023).

### **2.3.3 3D Printing Technology**

3D Printing technology refers to a manufacturing process that utilizes adhesive materials, such as powder metal or plastic, to create objects through layer-by-layer printing based on digital models. It is often termed rapid prototyping technology due to its ability to produce objects quickly (Cheng 2022). Originally applied in mold manufacturing and industrial design, 3D Printing has evolved to encompass the production of various items, and now finds applications in diverse industries, from aerospace engineering to jewelry and footwear. The technology's significant feature is the production of customized goods in response to market demand, facilitating a new economic growth point in the modern service industry. It enables quick adaptation to market needs and the establishment of a production mode characterized by remote customization, local production, and innovative changes in the production and operation process (Zhang 2022, Cheng 2022).

### **3D Printing in Luxury and Premium Fashion Industry**

The merging of 3D Printing technology with the luxury and premium fashion industry is changing the way high-end clothing and accessories are designed, produced, and experienced (Morand 2016). This combination offers new opportunities for creativity, sustainability and

## Group Part

personalized luxury that are changing the face of fashion (McCormick, et al. 2019). Enhancing the design process is one of the key use cases of 3D Printing within the fashion industry. As the technology can be utilized for the creation of intricate shapes and textures, which are not possible with traditional methods, creative boundaries in design can be expanded and innovation in design and craftsmanship can be fostered (Vanderploeg, Lee und Mamp 2017). Furthermore, it enables and streamlines the creation of unique and personalized fashion items, contributing to overall enhanced customer engagement. By implementing in-store 3D Printing studios, the production process transparency can be improved (Chakraborty and Biswas 2020). The technology also contributes to increasing efficiency, facilitating faster prototyping (Morand 2016) and demand-driven production, leading to the acceleration of the overall creative process and the improved sustainable use of resources, attracting environmentally conscious customers while underlining the brand's commitment to innovation (Morand 2016).

In conclusion, the integration of Augmented and Virtual Reality, Generative AI, and 3D Printing in the luxury and premium fashion industry represents a paradigm shift that holds transformative potential across various dimensions. AR and VR serve as a dynamic bridge between the physical and digital worlds, offering real-time insights and simulations for enhanced design processes, supply chains, and personalized customer experiences. Generative AI, with its autonomous content generation capabilities, revolutionizes design concepts, marketing strategies, and customer interactions, helping drive innovation throughout the industry. Lastly, 3D Printing has emerged as a game-changer, enhancing design possibilities, streamlining production processes, and fostering sustainability. Together, these technologies usher in a new era of creativity, efficiency, and customer-centricity, redefining the luxury and premium fashion landscape and positioning it at the forefront of technological advancement and sustainable practices.

### 3. Methodology

#### 3.1 Research Approach

Given the relevance of the study and after a careful review of the literature, a few questions remain to guide the rest of the Work Project. The overarching research question is:

**RQ:** *How can premium and luxury fashion brands leverage emerging technologies to overcome their unique challenges, based on Gen Z's brand perception?*

Due to its complexity, the overarching research question was divided into three sub-questions, each to be answered with one specific brand within a fictional consulting project. This particular Work Project's aims to answer the following research question:

**RQ3:** *How can emerging technologies help new luxury brands to establish themselves while enhancing Gen Z's perception and awareness? – A Case Study of The Attico.*

As part of this overarching research question, the fashion brand Attico was selected, challenges identified, and a fictitious consultancy project carried out. The use of a consultancy project in research offers several advantages. It provides a practical application for theoretical concepts and demonstrates how strategies might work in real-life scenarios. They are inherently solution-orientated and fit well with research that aims to address specific problems through innovative technologies. This approach enables data collection and analysis that provides immediate insights into the strategies' effectiveness. In addition, consultancy projects provide adaptability to meet the three brands' unique challenges and market positions. Finally, this method is a practical test of theory and contributes valuable insights for academic knowledge and industry practice. The consultancy project follows a six steps approach:

## Group Part

**1. Project Initiation and Scope Definition:** Understanding the brand's business, market, and challenges, setting objectives aligned with the research question, and defining the project's scope.

**2. Data Collection and Analysis:** Analyzing Gen Z's initial brand perceptions through a quantitative survey and identifying key challenges. The survey was conducted with Generation Z individuals born between 1997 and 2012. Due to limited accessibility, the random sampling method was chosen, and data collection was limited to readily available respondents. The detailed design of the survey can be found in Chapter 3.2.

**3. Strategy Development:** Development of proposed solutions within the framework of the technologies identified in the literature review and evaluation of the options with expert insights through semi-structured interviews and secondary research. The goal is to assess each technology application's feasibility, risks, and benefits for each brand. The detailed design of the expert interviews can be found in Chapter 3.3.

**4. Implementation:** Develop a detailed plan for the identified solutions.

**5. Assessment:** Validate the solutions with consumers who have a personal interest in the luxury and fashion industry and might possess academic or professional backgrounds in this field through semi-structured interviews to enhance the quality of feedback. The detailed design of the consumer interviews can be found in Chapter 3.3.

**6. Project Closure:** Summarizing key findings and recommendations, reflecting on the research process, learnings, and their contributions to the research questions.

## Group Part

Following this, a comparative analysis is carried out to summarize the findings of and to draw more a comprehensive conclusion about the overarching research questions.

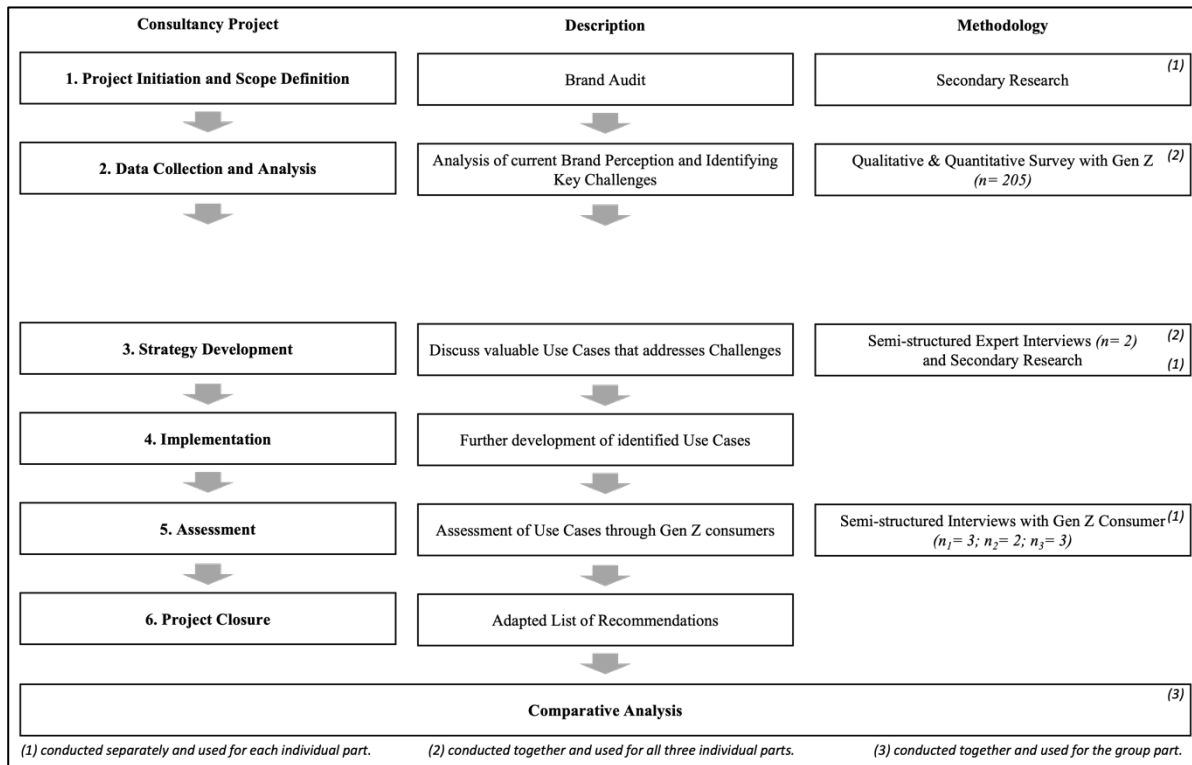


Figure 1: Methodology Approach

## 3.2 Survey

### 3.2.1 Survey Design

The survey was created with the online tool Qualtrics and was available for 14 days. The link was distributed to multiple WhatsApp groups, shared on social media platforms, as well as forwarded to LinkedIn profiles. In the survey, the participants were asked to provide their email addresses to be able to generate leads to contact for the consumer interviews at a later stage. The structure of the survey was created to assess Gen Z's initial perception and brand equity of the three chosen brands. The survey was divided into three parts, one for each brand, consisting of questions surrounding brand awareness, associations, attributes, feelings, quality, and loyalty. The survey's initial questions asked for the participants' age, only allowing

those who fit into the category of Gen Z (18–26-year-olds) to continue, ultimately ensuring the relevance of the findings on the research topics.

### **3.2.2 Survey Results**

A total of **206** answers were gathered (N=**206**), of which 135 (65.53%) were represented by the target group of 18-26-year-olds. Out of the participants, 81(60.71%) were female, 53 (39.29%) were male and 1 (0.74%) answered with others. In correlation to the frequency of luxury goods consumption, 21(15.56%) consume products regularly, 99 (73.33%) sometimes and 14 (10.37%) never. A detailed analysis of the participant's perception of each of the brands will be examined in the individual parts.

## **3.3 Interviews**

### **3.3.1 Interview Design**

In the course of this Work Project, two types of qualitative interviews were conducted, Expert Interviews and Consumer Interviews. The detailed interview guides and transcripts can be found in Appendix B and Appendix C.

#### **Expert Interviews**

The two Expert Interviews were structured to gain in-depth insights into the interplay between technology and brand challenges from industry experts and were employed utilizing virtual Microsoft Team meetings. Each of the meetings lasted between 45 minutes to 1 hour. The two interviewees were individuals with a professional background in luxury and technological industries. One of them is an adjunct university professor, teaching classes in the realm of fashion entrepreneurship and luxury to Master students, and the other expert is currently employed by LVMH. The following steps outline the scripted interview process:

## Group Part

Firstly, the three brands along with their key challenges were introduced to ensure familiarity. Secondly, with the support of a decision matrix, the three technologies and their use cases were discussed and with the help of the Experts decided whether they addressed any of the brand's challenges. Thirdly, Experts are asked to share potential limitations and risks, as well as identify other brands that serve as benchmarks or success stories in employing similar technologies.

### **Consumer Interviews**

The Consumer interviews were conducted using a mixed-method approach, utilizing face-to-face interviews, as well as virtual Microsoft Team meetings with a total of 9 participants, 3 for each of the brands. Each of the interviews lasted 30 minutes to 1 hour. The participants were individuals within the Gen Z age category, from different genders, nationalities, and professional backgrounds. To ensure a good quality of responses the Gen Z representatives were chosen based on their personal or professional knowledge of the fashion industry. The three strategies of each of the brands were presented and tested with the consumer to understand their perspective and ultimately validate the strategy. Firstly, each brand and its key challenges were introduced to ensure familiarity. Secondly, the proposed strategy to overcome their unique challenges, informed by Expert interviews and secondary research, was presented. Lastly, Consumer feedback was gathered to assess the perceived effectiveness and appeal of the proposed strategy.

### **3.3.2 Interview Results**

#### **Decision Matrix Findings**

The results from the decision matrix completed during expert interviews offer insights into which technology and use case combinations are most effective for each brand, considering their unique challenges. These insights were used together with benchmark companies and

## Group Part

further secondary research to transform the identified use cases into practical strategies. The detailed findings can be found in the Chapter “Strategy Development” (Chapter 4.3)

### **Validated Strategy with Consumer Feedback**

Feedback from consumer interviews plays a crucial role in validating and refining the proposed strategy. It ensures that the strategy is not only theoretically sound but also aligns with consumer expectations and preferences. The detailed findings can be found in the Chapter “Assessment” of the individual parts (Chapter 4.5).

#### **4. Consultancy Project – The Attico**

This section will test the usability and effectiveness of new technologies applied to a new and independent brand. The Italian brand *The Attico* was selected for this purpose.

The brand faces challenges that differ from those of established brands, such as capturing brand awareness in a highly competitive market dominated by a few conglomerates.

##### **4.1 Project Initiation and Scope Definition**

###### **Brand Introduction**

Founded in 2016 in Milan, The Attico, which translates to "penthouse" in Italian, was established by Gilda Ambrosio and Giorgia Tordini (Morency 2017, The Business of Fashion 2023). It is a fast-growing independent brand that is on its way to positioning itself as a luxury fashion brand and whose wholesale distribution includes more than 250 international stockists (Williams 2023). Although the brand has opened temporary pop-up stores in various locations, it does not currently operate its own stores, albeit this being a significant goal for the near future. Furthermore, the brand achieves an average sell-through rate of 78%. Moreover, the label works with Italian suppliers and focuses on Italian techniques and textures (Carrera 2022, Chitrakorn 2023). Emphasizing Italian craftsmanship, the brand focuses on local suppliers and techniques, reflecting the founders' inspiration drawn from Milan's culture, vintage aesthetics, and art. This influence is evident in their product range, which includes silk dresses and kimono-inspired peignoir robes priced between \$1,070 and \$3,450 (Chitrakorn 2023, Morency 2017).

###### **History**

Ambrosio and Tordini started as consultants in the fashion industry and leveraged their growing prominence by launching their first collection in 2016, immediately capturing attention with 70 stockists worldwide. This period marked a burgeoning optimism for emerging labels,

propelled significantly by social media platforms like Instagram, as consumers sensed a feeling of excitement and uniqueness when discovering an independent and rather unknown brand (Morency 2017). In 2018, Archive, led by Moncler's Remo Ruffini, acquired a 49% stake in The Attico, providing crucial financial support for expansion, and appointed Stefano Marcovaldi, formerly of Bain & Company, as CEO (Fernandez 2018, Chitrakorn 2023). May 2019 saw the brand's foray into sustainable fashion with an upcycled collection. Amidst the COVID-19 pandemic in 2020, The Attico demonstrated social responsibility by launching a charity e-store to support Italy's Civil Protection Department (Mondalek 2020). Since then, the Italian label has gained more publicity, also through celebrities like reality TV star Kim Kardashian and singer Taylor Swift. In September 2023, The Attico staged its first runway show during the Milan Fashion Week (Williams 2023). Despite The Attico's rapid success, the label faces various challenges compared to the established and group-owned brands Louis Vuitton and Diesel.

### Challenges of Independent Labels

Although academia still needs to delve into the challenges that await upcoming luxury brands, there are a few informative white papers and magazine articles that offer implicit insight into the world of independent brands. Three major challenges can be identified:

<b>Challenge Category</b>	<b>Description</b>	<b>Implication</b>
<b>Distribution and Suppliers</b>	Independent brands struggle to gain market presence due to conglomerates' control over distribution and supplier relations (Sherman 2022).	Difficulty in entering the market and achieving profitability leads to closure of independent operations.
<b>Imitation of Big Players</b>	New brands face the risk of imitation as they work to establish their brand image in a market where consumers are willing to pay more for established brand images (Jørgensen and Liddo 2007).	Increased risk of consumers choosing cheaper alternatives or counterfeit goods results in legal challenges in protecting designs.

<b>Brand Reputation and Image</b>	Brand reputation is crucial for consumer perception and loyalty, influencing the willingness to pay higher prices. Emerging brands lack the established trust and identity (Khoa 2020, Delmas and Grant 2014).	Challenge in building trust and brand identity results in difficulties in justifying high prices and competing with established brands.
-----------------------------------	--	---

Table 1: Challenges of Independent Fashion Brands

#### 4.2 Data Collection and Analysis

In this step, a survey was carried out to confirm the challenges above and to identify new specific challenges for The Attico. The analysis is based on all genders, as no significant differences were found between the genders of the participants. In the first section of the survey, participants were asked about their general purchasing habits for luxury items and any potential obstacles they might face when considering purchases from lesser-known luxury brands. The primary goal was to identify essential criteria that new brands must meet to minimize these purchase barriers. In the second section, respondents were introduced to The Attico before being asked about their perceptions regarding the brand. Most respondents did not know The Attico (74/91; 81.3%). Meanwhile, a few had known the brand before (10/91; 11.0%) or had briefly encountered it (7/91; 7.7%). However, none of the respondents purchased from it. The goal of the second section of the survey was to identify further challenges based on Gen Z's initial perception of the brand. The key insights can be found in the following table:

<b>Analysis Area</b>	<b>Respondents Insights</b>	<b>Implication</b>
<b>Purchase Incentives</b>	<ul style="list-style-type: none"> <li>• Uniqueness of product (62/99; 62.6%)</li> <li>• Ability of self-expression (60/99; 60.6%)</li> <li>• Value alignment (47/99; 47.5%)</li> <li>• Product quality (34/99; 34.3%)</li> </ul>	As there is a shift in importance from brand heritage towards the customer's personal relevance when buying luxury, independent brands should focus on differentiation, personal connection to customers, and product quality.
<b>Purchase Barriers</b>	<ul style="list-style-type: none"> <li>• Quality uncertainty (77/98; 78.6%)</li> <li>• Environmental and ethical concerns (45/98; 45.9%)</li> <li>• Uncertainty about brand image (36/98; 36.7%)</li> <li>• Lack of brand awareness 24/98 (24.5%)</li> </ul>	The Attico should prioritize establishing a reputation for high quality and ethical practices to overcome consumer uncertainties about product quality and brand image, thus minimizing purchasing barriers.

<b>Sustainability Perception</b>	<p><i>"The brand makes an effort to be sustainable and environmental conscious"</i></p> <ul style="list-style-type: none"> <li>• The Attico: "neither agree nor disagree" (65/90; 72.2%),</li> <li>• Diesel: "neither agree nor disagree" (64/93; 68.8%)</li> <li>• Louis Vuitton: "somewhat disagreed" (44/106; 41.5%)</li> </ul>	The Attico's smaller scale could be an indicator for more sustainable production compared to Louis Vuitton and Diesel. Communicating sustainable practices is vital for brand identity, especially to meet Gen Z's growing demand for ethical production.
<b>Quality Perception</b>	<p><i>"I trust the brand to deliver high-quality products"</i></p> <ul style="list-style-type: none"> <li>• The Attico: "neither agree nor disagree" (40/90 (44.4%),</li> <li>• Diesel: "neither agree nor disagree" (50/107; 47%)</li> <li>• Louis Vuitton: "somewhat agree" (60/105; 57.1%)</li> </ul>	The greater confidence in the quality of Louis Vuitton, as a prestigious and established brand with a strong reputation, compared to The Attico could be an indication of the uncertainty around quality that might exist with lesser-known luxury brands. Establishing a reputation for quality is crucial for competing with established luxury brands and reducing market entry barriers.
<b>Price Perception</b>	<p><i>"I think that the price range of the products is justified."</i></p> <ul style="list-style-type: none"> <li>• 32/90 (35.6%) "somewhat disagree"</li> <li>• 11/90 (12.2%) participants "strongly disagree"</li> </ul>	Uncertainty regarding quality, reputation and image can impede additional perceived value, which generally increases the willingness to pay for luxury products, and thus ultimately creating a barrier to purchase.
<b>Associated Values</b>	<ul style="list-style-type: none"> <li>• Creativity (53/90; 58.9%)</li> <li>• Individuality (44/90; 48.9%),</li> <li>• Innovation (30/90; 33.3%),</li> <li>• Authenticity (28/90; 31.1%)</li> <li>• Inclusivity and Diversity (22/90; 24.4%)</li> <li>• Sustainability (5/90; 5.6%)</li> </ul>	Aligning brand strategy with these values while improving its communication of sustainability efforts can lead to a stronger brand identity and resonance with target consumer groups.

Table 2: The Attico Perception Survey Analysis

### Identification of Key Challenges

The analysis of the survey revealed various challenges for The Attico, which will be addressed in the further course, and which can be decisive for the growth and success of the brand in the highly competitive luxury market. The *first part* of the survey revealed that brand recognition by peers and heritage is less significant for consumers when purchasing luxury goods. The key factors include the brand's ability to help express one's personality, uniqueness, alignment with personal values, and the ability to stand for a high-quality product. Uncertainty about quality and environmental and ethical concerns pose the most significant barriers to buying from lesser-known luxury brands, while brand image, reviews, and testimonials also

play an essential role. The *second part* of the survey revealed that given the limited brand awareness, respondents expressed uncertainty regarding the quality of The Attico's products. As quality plays a vital role in luxury purchases, it is crucial to alleviate these doubts to earn consumer trust. Consequently, most respondents disagreed with The Attico's product pricing. Improving the perceived value of their offerings and establishing a clear and positive brand image could impact buying decisions and boost the willingness to invest. While The Attico performs reasonably well in sustainability perception compared to Louis Vuitton and Diesel, there is a need to communicate those values. Highlighting sustainability as a selling point can be essential for The Attico to align with changing consumer preferences. To conclude, the challenges fall into three categories: *1. Brand Awareness, Image, and Reputation*, *2. Quality Perception and Price Justification*; and *3. Communication of Sustainability Value* (see Appendix D).

### **4.3 Strategy Development**

The aim of this project is to develop strategies addressing the identified challenges, minimize potential purchasing barriers, enhancing The Attico's brand awareness, and eventually answering *RQ3*. Therefore, insights from expert, benchmark companies, and secondary research are used to develop meaningful strategies.

Regarding the first use case of AR and VR, *1.1.: Personalized Customer Experience*, both experts were optimistic that The Attico could leverage a personalized customer experience in the virtual world within the brand's already functioning online activities to improve the customer experience. Expert 2 added that this use case provides a valuable opportunity to strengthen the brand's identity and thus address *Challenge 1 Brand Awareness* by emphasizing on transparent and authentic storytelling, which seems to be especially important for Gen Z.

Another point raised was that this technology, for example, when implementing virtual try-ons, could improve the perception of product and material quality and therefore address *Challenge 2* of quality perception. In addition, product returns could be minimized as customers can engage with the product more effectively than in regular e-commerce. The Attico could use this to communicate its sustainability efforts effectively and thus overcome *Challenge 3* of communication of sustainability values. A Spring 2023 study conducted by Vogue Business in collaboration with Snap Inc. shows that 72% of luxury fashion consumers in the UK believe it is vital for brands to offer AR solutions as part of their shopping experience. Furthermore, leading luxury fashion houses such as Christian Dior are already developing solutions to enable digital try-ons for their customers. The luxury house is cooperating with the American company Snap Inc. to enable customers to try on products using Snapchat's camera (Vogue Business and Snap Inc. 2023). The main advantage of virtual try-ons is creating a more seamless and convenient experience compared to trying on products in stores (Vogue Business and Snap Inc. 2023). This shopping experience could overcome potential barriers such as location and disabilities of customers. The former is an essential point due to the limited physical availability of The Attico. However, when implementing a personalized customer experience in a virtual space, certain issues may arise and are important to consider when developing a strategy. Expert 1 mentioned the need for customer consent and proactive engagement. Expert 2 pointed out the risk of losing IP rights and exclusivity of digital creations, as they can be easily copied in the virtual space without legal consequences. To conclude, this use case was classified as attractive for The Attico and will therefore be further developed and tested with consumers.

*Use Case 1.2: Creation of Customized Luxury Items* was classified as feasible by both experts. Expert 2 focused primarily on the advantage of saving resources for trend research if products can be designed directly with customers. The Attico could enhance the uniqueness of

its products while increasing the perceived value of products through co-creation, especially among Gen Z customers, addressing *Challenge 2*. According to Zalando Designer's buying director, Anaheta v. Berenberg, co-creation and personalization are particularly valued by Gen Z (The Business of Fashion 2021). Expert 2 highlights the opportunity for self-expression and self-identification with the brand and its values through personalization, ultimately addressing *Challenge 1.2*. However, these co-creations should only happen within a creative framework so that the brand identity does not face the risk of dilution, especially in the case of brand identities that are not yet established and widespread. To conclude, this use case will also be developed further and tested with consumers.

The *Use Case 1.3, Immersive Marketing Campaigns*, was also considered helpful for The Attico by both experts. Expert 1 said that for an unknown brand like The Attico, an immersive marketing campaign could increase brand awareness and product visibility, therefore addressing *Challenge 1 Brand Awareness*. Expert 2 suggested the concept of a virtual experience around the manufacturing process of the items, reinforcing essential criteria such as quality, sustainability, and human craftsmanship of the product, thus addressing *Challenges 2* and *3*. By doing so, The Attico could enhance its authenticity and transparency, which is especially valued by Gen Z. Several luxury fashion brands have leveraged immersive marketing campaigns to enhance their brand engagement and customer experience. One example is the collaboration between Italian luxury fashion brand Gucci and Roblox, where Gucci developed the 'Gucci Garden Experience' in a virtual world where users could immerse themselves in the brand's aesthetics and history, helping the brand to appeal to a younger and digital audience (McDowell 2021). Burberry's partnership with Google ARCore to develop interactive advertising (Burberry 2020) is another way for customers to interact with the brand's products.

Therefore, this use case will be further developed and tested using the example of a virtual experience relating to the creation process of The Attico's designs.

In the first use case of Generative AI, *2.1: Creating Visual Content and Marketing Imagery*, the opinions of the two experts diverged between a rather traditional definition of luxury and a more modern and open approach. Expert 1 saw the risk of losing the personal and human connection with customers. Accordingly, the usage of Generative AI by luxury brands creates the risk of losing essential differentiation points regarding creativity and personal relationships and may jeopardize the "human" component of luxury. Other industry experts also recognize the fear of losing human creativity (Bain 2023). In contrast, Expert 2 said that Generative AI could create extraordinary campaigns and thus significantly enhance brand awareness if those campaigns are well-sold and publicized through relevant channels (*Challenge 1*). Moreover, the advantage in terms of cost and time, which can be essential for smaller and independent brands like The Attico, has been reinforced. Besides these benefits, Expert 2 also acknowledged some risks when implementing Generative AI. On the one hand, the protection of one's own creations is hardly given, as Generative AI draws data from different sources. Therefore, designs could be copied quickly, but legal consequences could also arise if the brand uses AI-generated images that resemble another brand's design, even if unintentionally. In addition, a streamlining of creative processes could cut jobs, raising another issue concerning corporate social responsibility. The industry already shows various use cases for implementing Generative AI for the creation of visual content. Generative AI can enable surreal marketing campaigns, helping brands to jump on the trend started by Jacquemus in Spring 2023 (Ap 2023). The French luxury brand pioneered with their surreal campaign showing oversized bags moving around the streets of Paris as trams, facilitated by computer-generated imagery. Brands like Tod's, Isabel Marant, and The North Face (Fear 2023) followed

this trend and were thus able to improve their social media engagement. Marketing experts argue that surreal campaigns can help brands stand out in the fast-paced social media algorithm of Gen Z consumers. The French luxury label Casablanca already uses Generative AI for its marketing images (Bain 2023). However, there is a risk of this trend being over-exploited when brands continue trying to outdo other surreal campaigns, which can ultimately lead to traditional campaigns being seen as more refreshing (Ap 2023), which should be acknowledged when implementing this technology. However, the latest report by The Business of Fashion and McKinsey states that 73% of fashion executives believe that Generative AI is a 2024 priority for their companies (The Business of Fashion; McKinsey & Company 2023). It could therefore be an advantage to explore this technology and experiment with certain use cases at an early stage. Thus, this use case will be tested with Gen Z consumers as part of a short-term marketing campaign that potentially has impact on improving The Attico's brand awareness (*Challenge 1*) among the broader consumer base.

*Use Case 2.2: Tailored Product Recommendations and Support* and *Use Case 2.3: Trendspotting and Marketing Precision* were both not considered suitable for The Attico by either expert and will therefore not be tested going forward. The latter in particular was questioned by expert 1, as luxury brands do not aim to serve trends but rather to create them. Imitating trends can lead to brands losing their luxury status. In the case of The Attico, there is a risk of not being able to establish themselves on the market as a luxury brand. Expert 2, conversely, claims that even luxury brands need to determine which materials - especially regarding sustainability -, colors, and other features, appeal to Gen Z. As this use case cannot be tested in the scope of this Work Project, it will not be examined any further. However, it could be relevant for The Attico's product development to understand the market behavior of Gen Z.

The first use case of 3D Printing, *3.1 Personalization and Collaboration*, was not assessed to be valuable for The Attico by both experts. Expert 1 only sees this application as valuable, if at all in the context of a short-term marketing campaign or customer experience. As The Attico still wants to earn its luxury status, the brand could experiment with new ways to produce bespoke items. However, Expert 1 and Expert 2 see the risk that this would eliminate the human craftsmanship and possibly raise doubts about quality due to the shorter production time, as well as the value of the product by eliminating the craftsmanship and human component, which would further increase *Challenges 2*. Due to these concerns, this use case will not be explored further in the case of The Attico.

*Use Case 3.2: Promoting Sustainability* could enable on-demand production of the yet small brand, according to Expert 1. The Attico could thus make more effective use of its stock, potentially addressing *Challenge 3*. However, the concerns from *Use Case 3.1* persist. This use case, for instance, in the form of on-demand production, does not directly affect the perception of customers or Gen Z. Furthermore, any possible correlation is difficult to test in the scope of this Work Project. Thus, this use case will not be investigated further. Nonetheless, on-demand production could be interesting for the product development for The Attico as this is still a smaller brand. However, avoiding any image of fast fashion and ensuring that production methods are communicated clearly to maintain the brand's luxury identity is essential.

#### **4.4 Implementation**

To test the use cases identified in the previous section, three strategies were developed and later evaluated through consumer interviews. The visual outline of all strategies, which was shown to the interviewees, can be found in the interview guide in Appendix C.1. To measure

the effectiveness and success of these strategies and make necessary adjustments various metrics should be used, which can be found in Appendix F.

### **Strategy 1 – Virtual Pop-up Store**

A virtual pop-up store is being developed that will allow customers to discover, try on, customize certain items, and ultimately purchase The Attico's current products in a virtual space adapted to the brand's aesthetics. The customer can access the virtual pop-up store via regular e-commerce and navigate through the store to take a closer look at products from a 360-degree perspective. Information on materials and composition can be displayed in pop-up windows if desired. Another essential feature of this shopping experience is the virtual try-on of products via the "Try on Myself" button. Customers can access the virtual try-on on their own smartphone by scanning a QR code. The code links to a camera setting displaying the respective item in their personal space and allows customers to interact with it. For the technological implementation, The Attico could work with Lens Studio, with which Gucci and Farfetch collaborated in the past to enable 3D virtual fittings using augmented reality (London 2021). The last feature includes the personalization of selected products, such as embroidered initials.

### **Strategy 2 – Immersive Journey of Product Life Cycle**

The second strategy is to develop an immersive tour along the life cycle of a product from The Attico. The aim is to give an exclusive insight into the life cycle of a piece by The Attico, from the creative idea, sketching, prototyping, material selection, tailoring, fitting, shooting, and placement in e-commerce or shipping to physical locations. The individual steps of selected pieces, for instance, the new collection, a capsule collection, or iconic pieces, are captured virtually. Through this virtual journey, the customer can experience the story of the product in an immersive way and thus get to know the work, the people, and the value behind

such a product in a completely different way before purchasing it online. The Attico could make this virtual experience possible by collaborating with specialized technology companies, such as Roblox or Google ARCore as mentioned earlier.

### **Strategy 3 – Surreal Advertisement powered by Generative AI**

The third strategy entails the creation of surreal marketing campaigns with the help of Generative AI, thus *Use Case 2.1: Creating Visual Content and Marketing Imagery*. These AI-generated marketing campaigns can be individually tailored to the customer, such as the customer's location. With the help of image generation companies such as Midjourney, who work with the French luxury fashion brand Casablanca (Bain 2023) or DALL-E, The Attico can create marketing visuals free of charge. Marketing visuals for The Attico generated with ChatGPT can be seen in the scope of the interview guide in Appendix C.1.

## **4.5 Assessment**

This chapter critically assesses the proposed strategies. To this end, three semi-structured interviews were conducted with Gen Z representatives. Each strategy was presented, and specific questions were asked to understand the consumer responses to these strategies and the ability to address the identified challenges of The Attico effectively.

### **Strategy 1 – Virtual Pop-up Store**

All interviewees concurred on the innovative potential of this strategy. The ability to visualize products within personal spaces and recognize the convenience of overcoming geographical and physical limitations was appreciated by all interviewees. However, concerns were voiced regarding the inability to evaluate the tactile quality of products, a significant aspect of the luxury goods shopping experience. While virtual try-ons could mitigate issues

related to size and fit, they do not adequately address the sensory experience associated with the material quality offered during a physical shopping experience. Thus, the uncertainty about improved perceived value and justified price (*Challenges 2*) was only tackled to a certain extent, given the residual concerns over material quality. The fit with brand identity was seen as congruent as the brand was perceived as young and innovative, based on the brief brand introduction and previous knowledge of one interviewee. The potential for this virtual experience to enhance brand awareness was acknowledged, primarily due to its novelty, thus addressing *Challenge 1*.

All three interviewees express a general enthusiasm for personalization in luxury products, emphasizing the value of self-expression and individualism, which were identified as particularly important in the first Gen Z Consumer Survey (see Chapter 4.2.). They share the viewpoint that personalization can enhance the connection between the consumer and the product, particularly in terms of luxury status and self-identification with the brand. The practicality and appeal of being able to visualize custom options virtually are recognized by all interviewees. However, one states that personalization should also be offered in-store to create a seamless customer experience across all channels. Despite this positive response regarding personalization, all three interviewees stated their concerns regarding personalization's relevance and added value for a relatively unknown brand like The Attico. They question whether personalization would substantially enhance the brand's appeal, given that the exclusivity and specialty of wearing a less mainstream brand already provide a sense of individuality and trendsetting. The interviewees suggest that while customization could be intriguing, it may not be as impactful for a luxury brand that does not have widespread recognition yet compared to established luxury brands, where personalization can help the products stand out more distinctly.

In summary, the virtual shopping experience and the virtual try-on of clothes and accessories in one's personal space using augmented reality was perceived very positively. The previously identified Challenges 1 and 2 addressed by this strategy were confirmed by Gen Z consumers, whereby the latter could only be addressed to a limited extent, given the residual concerns over material quality. The previous assessment of improving sustainability perception (*Challenge 3*) through this use case could not be confirmed by the insights of the interviews. The challenges that personalization could overcome, *Challenge 1* and *Challenge 2*, were confirmed in a broader sense, however, were considered unsuitable in the case of The Attico due to the lower brand awareness among the broader public.

### **Strategy 2 – Immersive Journey of Product Life Cycle**

Virtual immersive journeys enable consumers to witness the creation of products in a storytelling format. All interviewees valued this strategy for its transparency and the depth it adds to the brand narrative and, eventually, Brand Identity (*Challenge 1*). Furthermore, the storytelling feature was appreciated by all interviewees as it created a personal and emotional connection to the brand and a passion for its products (*Challenge 2*). The interviewees believed that by providing a behind-the-scenes look into the production process, The Attico enhances its credibility and consumer trust, potentially reducing doubts about the price justification and positively influencing perceived value, addressing *Challenge 2*. Furthermore, through this transparency, concerns about sustainability can be mitigated (*Challenge 3*). However, one interviewee highlighted a potential issue with engagement levels and the consumer's attention span during such virtual experiences. Therefore, such a virtual experience must be seamlessly implemented in the current e-commerce of The Attico and needs to be accessed and exited at

any time the customer desires. To conclude, the initial assessments of the challenges addressed with this use case were confirmed by Gen Z representatives.

### **Strategy 3 – Surreal Advertisement powered by Generative AI**

Interviewees were keen on AI-generated campaigns as they have the potential to deliver personalized and localized content. The campaigns were seen as a testimonial to a brand's modernity and creativity, especially when aiming to appeal to Gen Z and to stand out. Nonetheless, concerns about the possibility of such content misaligning with luxury brands' images were raised. One interviewee was insistent about the risk of a brand's prestige being devalued by overexposure. However, all interviewees agree on the positive influence such campaigns can have on the overall brand awareness of The Attico, addressing *Challenges 1*.

#### **4.6 Project Closure**

The project explores the use of emerging technologies to enhance The Attico's brand perception among Gen Z, addressing *RQ3*. It tackles the three challenges of brand awareness, quality perception, and sustainability communication, that were identified through the Gen Z consumer survey. To overcome these, use cases were identified, developed, and evaluated.

*VR and AR*, in the form of a Virtual Pop-up Store, contribute positively to brand awareness, price justification, and, to a certain extent, to quality perception. Consumers have embraced the personalization of luxury products as it amplifies values of self-expression and individualism. However, the added value has been doubted in the case of The Attico due to the lack of brand awareness among the broader population. Utilizing AR and VR to showcase the creation process can enhance perceptions of quality and sustainability. *Generative AI*, such as AI-generated surreal marketing campaigns, can significantly contribute to brand awareness among the broader public, while overuse can harm the brand's luxury image. Experts viewed

the use of *3D Printing* skeptically, citing its impact on traditional craftsmanship. While 3D Printing's on-demand production aligns with sustainable practices, its relevance was not further explored due to limited to the limited context regarding the central research question.

To conclude, the use of VR/AR and Generative AI presents an excellent opportunity for The Attico to overcome the identified challenges and thus contribute positively to the overarching challenge of market establishment and enhancement of Gen Z's perception. As the brand navigates through the competitive fashion landscape, being particularly demanding for upcoming and independent brands, these technological strategies can be instrumental in aligning the brand with the preferences and values of a new generation of consumers and ensuring its relevance and success in the future.

## 5. Comparative Analysis

This chapter contains a comprehensive and joint evaluation and understanding of the three projects in a more general context. The aim is to compare the individual parts' findings, recognize similarities and differences, and ultimately answer the Research Question of which technologies are relevant for what brands at what stages.

### Cross-Project Findings and Learnings

The fashion industry is highly diverse and dynamic, including various stakeholders and players. However, they all face the same challenge of effectively addressing their future customer group, Generation Z, to secure sustainable growth and future success. Industry experts say emerging technologies offer opportunities to make brands more attractive to Gen Z, a generation with unique values, demands, and expectations of the brands they consume (see Chapter 2.2.) (McDowell 2023). Due to the high complexity of the fashion industry, three brands were selected for this Work Project, each of which being at a different stage of market establishment and positioning to ensure diversity. *Diesel* is an established and widely recognized premium brand but has not yet been relevant to Gen Z. *Louis Vuitton*, as a flagship luxury brand, is performing extremely well financially, but according to Gen Z, lacks innovation and has therefore been replaced by its Italian competitor Gucci when it comes to appealing to Gen Z. *The Attico* is an up-and-coming independent brand that is on its way to positioning itself in the luxury segment. Without brand heritage and broad brand recognition, this young brand faces completely different challenges than the established brands Diesel and Louis Vuitton.

As a premium brand, **Diesel** operates in a different segment from Louis Vuitton and The Attico. While the brand has enjoyed great success at the beginning of its establishment, it has

## Group Part

faced challenges, including defining a clear strategy and maintaining its relevance in the face of rising competition. Having its historical peak before the years of Gen Z, Diesel is now facing the challenge of bridging the generational gap to enhance the revitalized brand recognition and relevance amongst the younger demographic. Despite its repositioning efforts in recent years, Diesel's efforts have not yet significantly impacted the average Gen Z consumer. Its rich heritage and uniquely innovative identity, however, provide an opportunity to embed those values in the minds of consumers. Due to the brand's industrial and controversial premium positioning, Diesel can leverage and experiment with upcoming fashion technologies and new marketing approaches with a lower risk of hurting the brand compared to more prestigious brands like Louis Vuitton and ultimately find new ways to resonate with Gen Z.

Currently excelling in the luxury fashion market, **Louis Vuitton**, a renowned and established brand, faces the industry-wide challenges of adapting to shifting consumer demographics and ongoing digital transformation. Despite its strong financial performance and prominent market position, Louis Vuitton must address a significant hurdle: enhancing its appeal to the increasingly influential Gen Z demographic. This younger generation, poised to command substantial purchasing power in the near future, currently perceives the brand as less relevant compared to competitors like Gucci, which is seen as more innovative. To sustain and enhance its success, Louis Vuitton must develop a unique value proposition that resonates with Gen Z consumers. By leveraging its rich heritage and creative identity, Louis Vuitton has the opportunity to reinvent its brand image strategically. This involves maintaining its tradition of luxury and exclusivity and innovating in product design, marketing, and brand storytelling to cultivate a stronger connection with younger audiences. The key lies in balancing its esteemed legacy with contemporary appeals, ensuring the brand remains exclusive and relevant in a rapidly evolving luxury fashion landscape. Louis Vuitton's challenge is integrating traditional

## Group Part

luxury values with modern marketing strategies and technological advancements, thereby securing its leadership position in the face of changing consumer preferences and industry dynamics.

As an emerging luxury brand, **The Attico** faces the challenge of creating its brand identity and gaining recognition in a market dominated by established luxury groups such as LVMH, Kering, and Richemont. This dynamic of the luxury industry is particularly challenging for smaller independent brands. It is further complicated by the current trend of ongoing mergers and acquisitions, entrenching existing market structures and the power of the conglomerates above. The Attico needs to create a unique value proposition to carve out a niche in the luxury market. Furthermore, the brand must position itself strategically to gain visibility and acceptance in the luxury fashion industry. This involves a unique and appealing product design and effective marketing and brand storytelling to attract the interest of potential customers and reach a wider audience. The challenge of market establishment in the highly competitive luxury segment is to master the balance between achieving luxury status, traditionally characterized by rarity and exclusivity, while leveraging marketing efforts that ensure growth beyond the luxury industry experts. As the brand is still in the process of establishing itself, The Attico also has the opportunity to experiment more with new technologies despite this challenge. With leaner and shorter processes, decision-making paths, and flatter hierarchies, it may be easier to react agilely to changing customer expectations and test new strategies and technologies.

### **Comparison at Company Level**

Diesel, Louis Vuitton, and Attico, while operating in different segments of the luxury and premium fashion market, have certain challenges and opportunities to navigate the modern fashion landscape, yet they differ in their approach and brand positioning.

All three brands display **similarities**. On the one hand, similarities can be identified regarding the need to adapt to demographic change. All brands recognize the need to appeal to Generation Z, which is crucial to their future growth. To accomplish this, they need to understand and adapt to the preferences and values of this younger generation. On the other hand, each brand is facing the challenge of digital transformation, which involves integrating new technologies into their marketing, design, and sales strategies. Finally, the brand identity is a crucial component of a new strategy for all three brands. Diesel wants to revitalize its brand identity, Louis Vuitton wants to reinvent it and The Attico wants to build and spread it, all three with the aim of remaining relevant and attractive in a highly competitive market. In addition to the similarities, significant **differences** can be identified. Firstly, in terms of brand positioning and heritage. Louis Vuitton, with its traditional brand image, differs from Diesel's industrial and somewhat controversial positioning. As an emerging brand, the company is still in the process of finding its identity in a market dominated by giants such as LVMH. Secondly, significant differences exist in terms of market challenges. Diesel continues to bridge a generational gap and revitalize its brand, while Louis Vuitton faces the challenge of reconciling its prestigious heritage with modern appeal. In contrast, The Attico is focused on establishing a unique market presence amidst industry giants and ongoing market consolidation. Ultimately, the brands also differ in terms of innovation approach and risk. Diesel's positioning means it can afford to take more risks in experimenting with fashion technologies and marketing

## Group Part

approaches than Louis Vuitton, which must strike a careful balance between innovation and maintaining its luxury status. The Attico is a newer and smaller company that is more flexible and can experiment with new technologies and strategies. In conclusion, while Diesel, Louis Vuitton, and The Attico share challenges such as adapting to demographic changes and digital transformation, they differ significantly in brand positioning, market challenges, and approaches to innovation.

### Comparison regarding Applicability of Technologies

The implementation of AR/VR, Generative AI and 3D Printing in the luxury fashion industry reveals clear differences in their applicability and effectiveness for the brands Diesel, Louis Vuitton, and The Attico, particularly in addressing their unique challenges and market positions. *Table 5* provides a comprehensive overview of how the emerging technologies were evaluated by industry experts and consumers at the use case level.

Technology	Use Case	Diesel		Louis Vuitton		The Attico	
		Experts	Consumer	Experts	Consumer	Experts	Consumer
<b>1. AR and VR</b>	1.1 Personalized Customer Experiences	X		X	X	X	X
	1.2 Creation of Customized Luxury Items	X		X		X	
	1.3 Immersive Marketing Campaigns	O		X		X	X
<b>2. Generative AI</b>	2.1 Creating Content & Marketing Imagery	X		O		O	X
	2.2 Tailored Product Recommendations, Support	X	X	O			
	2.3 Trendspotting & Marketing Precision	X		O		O	

## Group Part

<b>3. 3D Printing</b>	3.1 Personalization & Collaboration	X	X	X	X		
	3.2 Promoting Sustainability	X	X	O			

*Table 3: Comparative Overview (“X” indicating that Use Case was either recommended by all Experts or approved by all Consumers, “O” indicating that Use Case was recommended by one Expert)*

The effectiveness of **AR/VR** in the luxury fashion sector varies notably among brands like Louis Vuitton, Diesel, and The Attico, influenced significantly by their market status. Louis Vuitton, as a successful and established brand, effectively utilizes AR/VR technologies like smart mirrors to enhance customer experience and align with modern consumer expectations, particularly from Gen Z. The Attico, an emerging brand, can find value in AR/VR through virtual try-ons and immersive marketing campaigns, helping to build brand recognition and customer connection in the absence of physical stores. However, Diesel, currently a struggling brand, does not see similar benefits from AR/VR, indicating a mismatch between the technology and the brand's current market position and customer engagement needs. This suggests that the suitability and impact of AR/VR is contingent not just on the technology itself, but on the brand's status and its specific market positioning.

**Generative AI's** impact varies across Diesel, The Attico, and Louis Vuitton, reflecting their unique market positions. For Diesel, struggling to reconnect with consumers, AI-driven personalization addresses key challenges, enhancing relevance and sustainability, especially with Gen Z. The Attico, as an emerging brand, could benefit from AI in marketing for broader reach and personalized content, balancing the need to maintain a luxury appeal. However, for Louis Vuitton, an established brand, AI's role in customer experience enhancement has not markedly increased relevance or loyalty among Gen Z, indicating that its success depends on aligning with the brand's existing strengths and heritage. This indicates that the effectiveness of Generative AI is closely tied to each brand's specific stage of development and market presence.

## Group Part

The adoption of **3D Printing** can enhance customer engagement and addresses sustainability, proving beneficial in its turnaround efforts. Louis Vuitton, as a successful and established brand, can effectively use 3D printing to attract Gen Z consumers, offering personalized experiences that underscore its innovative edge. However, for The Attico, an emerging brand focused on building its identity, this technology seems less relevant at its current stage. This disparity highlights that the effectiveness of 3D Printing is closely tied to a brand's market status and strategic needs. While it can serve as a rejuvenation tool for Diesel and a means of enhancing luxury experience for Louis Vuitton, its suitability for The Attico could be limited due to different level of brand awareness. This suggests that the impact of 3D Printing in the luxury market varies significantly based on whether a brand is struggling, thriving, or emerging.

To summarize, it can be assumed that the effectiveness of emerging technologies such as AR/VR, generative AI and 3D printing in the luxury fashion industry varies greatly among brands such as Louis Vuitton, Diesel and The Attico and depends largely on the market status and strategic goals of the individual brands. While established brands like Louis Vuitton could leverage these technologies to enhance luxury experiences and appeal to Gen Z, emerging brands like The Attico could use them for brand building and market entry. Conversely, for struggling brands like Diesel, the impact of these technologies is primarily focused on re-engagement and sustainability. This shows that the introduction and impact of these technologies are not one size fits all but need to be tailored to each brand's unique position and objectives in the fashion market.

## 6. Conclusion

### 6.1 Summary of Findings

This research focused on how premium and luxury fashion labels can leverage emerging technologies to tackle their distinctive challenges, particularly how Gen Z perceives these brands. The study involved an analysis of three different brands each at a unique point in their market development to understand the impact of cutting-edge technologies like AR and VR, Generative AI, and 3D Printing within the luxury fashion sector.

As a struggling premium brand, Diesel is grappling with a lack of appeal amongst Generation Z consumers. This research found that Diesel could boost its appeal with Gen Z by adopting emerging technologies, primarily through groundbreaking marketing strategies and implementing Generative AI and 3D Printing (*RQ1*). Conversely, despite being a successful brand, Louis Vuitton encounters challenges in attracting Gen Z consumers. According to the research results, utilizing AR and VR and offering personalized experiences through 3D Printing enhances the brand's relevance for this demographic (*RQ2*). For The Attico, an ascending luxury brand, establishing a foothold in a market ruled by large conglomerates is crucial. The research findings suggest that using AR and VR to build a personal bond and familiarize the brand with the intended target group and using Generative AI to reach this target group authentically can increase the brand's visibility among Gen Z (*RQ3*).

The findings indicate that premium and luxury fashion brands can significantly refine their positioning and perception of Gen Z by strategically deploying emerging technologies, and thus, these findings demonstrate critical managerial implications for brands in the fashion industry. However, it is also evident from the study that the application of these new technologies needs to be customized to address each brand's specific challenges. The

effectiveness of these technologies varies depending on the brand's market position, brand identity and strategic objectives. Established brands like Louis Vuitton should intertwine their storied heritage with modern technologies to maintain and bolster their standing. For brands like Diesel, aiming to rejuvenate their brand image, these technologies offer opportunities for repositioning and increasing relevance among Generation Z. Emerging brands such as The Attico can harness these technologies to establish their brand identity and penetrate a competitive market rapidly. This research underscores the importance of differentiated application of technologies in the dynamic realm of the fashion industry, particularly for engaging and attracting Gen Z.

## **6.2 Limitations and Recommendations for Future Research**

It should be noted that certain limitations have emerged in the context of this Work Project, which inform recommendations for future research directions. Acknowledging these limitations is central to contextualizing the research findings.

### **Sample Profile Limitations**

The study's approach to defining Gen Z, focusing on individuals born between 1997 and 2012, represents a fundamental limitation due to varying definitions in the literature. This lack of consensus in defining Gen Z may impact the results, since if a different resource had been selected and thus a different age range considered, the results of our survey and our research might have been different. Therefore, future research should aim to establish a more universally accepted definition of Generation Z. Additionally, the survey, focusing only on age and gender, limits a diversity of perspectives. Important variables such as nationality, place of residence, education and income level were neglected. Including these additional demographic characteristics in future studies could provide deeper insights. Furthermore, the inherent

## Group Part

subjectivity of survey responses, in terms of personal style and personal preferences or biases regarding the brands, is a limitation despite efforts to design a biased survey. Future studies could benefit from the use of mixed methods to compensate for the subjective nature of survey responses.

### **Time Constraints Limitations**

The constrained timeframe of this research project limited its depth and comprehensiveness. Selecting only three emerging technologies - AR/VR, Generative AI, and 3D Printing - restricted the study's scope. Future research should include further emerging technologies that offer relevant use cases to the fashion industry. The limited time also meant that only some of the use cases for these technologies were investigated. In addition, use cases that are particularly difficult to test with consumers, such as trend prediction with generative AI, could not be evaluated due to limited time and resources. The timeframe also constrained the study's sample size, the number of industry experts, and consumer interviews. Extending the time for future studies could provide more substantial data and varied expert and consumer insights. In conclusion, although Louis Vuitton and Diesel are financially better placed than The Attico, no financial plan has been implemented to realize these strategies. Future research should consider this in light of the resources available to each brand.

### **General Limitations**

Resource constraints significantly impacted the depth of this work. This included limited access to company sources and industry experts, which may have led to a narrower exploration than initially planned. Future studies should endeavor to develop more exclusive insights and a broader range of resources, for instance through collaboration with the investigated brands. Furthermore, language barriers could present a challenge as most survey

## Group Part

and interview participants were non-native English speakers. This might have led to misunderstandings or misinterpretations, impacting data accuracy. Employing multilingual surveys and translators in future research could mitigate this issue. As there is little academic literature on the intersection of technology, the fashion industry and Gen Z, frequent reference was made throughout the Work Project to articles and reports from respected and leading fashion industry magazines such as Vogue Business or The Business of Fashion. This indicates a clear need for academia to shed more light on this industry sector and facilitate further academic publications.

In summary, while this study provides valuable insights, these limitations must be considered when interpreting and generalizing the research findings. Future research in this area should address these limitations to gain a more comprehensive understanding of Gen Z perceptions and usability of emerging technologies in the fashion industry.

## 7. Bibliography

- Ajao, Esther. 2023. *How generative AI is changing the fashion industry*. 12 07. Accessed 12 08, 2023. <https://www.techtarget.com/searchEnterpriseAI/news/366562492/How-generative-AI-is-changing-the-fashion-industry>.
- Alsop, Thomas. 2023. *AR/VR B2C market revenue worldwide from 2017 to 2027*. 11 15. Accessed 11 16, 2023. <https://www.statista.com/forecasts/1337393/ar-vr-b2c-market-revenue-worldwide>.
- Ap, Tiffany. 2023. *Vogue Business*. June 28. Accessed November 28, 2023. <https://www.businessoffashion.com/articles/marketing-pr/why-surrealist-marketing-is-suddenly-everywhere/>.
- Bain & Company. 2023. "Luxury Goods Worldwide Market Study - Spring 2023."
- Bain, Marc. 2023. *The Business of Fashion*. 03 22. Accessed 10 17, 2023. <https://www.businessoffashion.com/articles/technology/why-fashion-companies-are-creating-virtual-versions-of-their-supply-chains/>.
- . 2023. *The Business of Fashion*. May 12. Accessed November 28, 2023. <https://www.businessoffashion.com/articles/technology/what-really-went-into-casablancas-ai-generated-marketing-campaign/>.
- . 2023. *The Business of Fashion*. 03 22. Accessed 10 17, 2023. <https://www.businessoffashion.com/articles/technology/why-fashion-companies-are-creating-virtual-versions-of-their-supply-chains/>.
- Bakhtiari, Kian. 2022. "Forbes." *Gen-Z demand racial justice, not just diversity, equity and inclusion*. June 5. Accessed September 20, 2023.

## Group Part

<https://www.forbes.com/sites/kianbakhtiari/2022/06/05/gen-z-demand-racial-justice-not-just-diversity-equity-and-inclusion-from-brands/?sh=2494108e1781>.

Blaazer, Esemee. 2022. *Fashion United*. November 21. Accessed December 5, 2023.

<https://fashionunited.uk/news/background/this-is-how-a-fashion-brand-s-collection-is-created/2022112166340#fashioncollection>.

Brown, Sara. 2021. "Machine Learning, Explained." *MIT Sloan*.

Burberry. 2020. *Burberry*. Februar 25. Accessed November 29, 2023.

<https://www.burberryplc.com/news/corporate/2020/burberry-brings-products-to-google-search-through-augmented-real>.

Cabigiosu, Anna. 2020. *Digitalization in the Luxury Fashion Industry*. Italy: Palgrave Macmillan.

Cambridge Dictionary . n.d. *Cambridge Dictionary*. Accessed December 5, 2023.

<https://dictionary.cambridge.org/de/worterbuch/englisch/pret-a-porter>.

Cambridge Dictionary. n.d. *Cambridge Dictionary*. Accessed December 5, 2023.

<https://dictionary.cambridge.org/dictionary/english/stockist>.

Carrera, Martino. 2022. *WWD*. September 14. Accessed November 26, 2023.

<https://wwd.com/fashion-news/fashion-scoops/attico-giorgia-tordini-gilda-ambrosio-pop-up-new-york-1235329962/>.

Chakraborty, Samit, and Manik Chandra Biswas. 2020. "3D printing technology of polymer-fiber composites in textile and fashion industry: A potential roadmap of concept to consumer." *Composite Structures*.

## Group Part

- Cheng, Fu. 2022. "Comparative study on the application of 3D printing and digital printing technology in fashion design." *2022 World Automation Congress (WAC)*. IEEE.
- Chitrakorn, Kati. 2023. "The Attico had the chops to show in Milan. What's next?" *Vogue Business*.
- Corbellini, Erica, and Saviolo Stefania. 2015. *Managing Fashion and Luxury Companies*. Firenze: Rizzoli ETAS.
- D'Arpizio, Claudia, Federica Levato, Filippo Prete, and Joëlle de Montgolfier. 2020. *Bain & Company*. February 5. Accessed October 10, 2023. <https://www.bain.com/insights/eight-themes-that-are-rewriting-the-future-of-luxury-goods/>.
- . 2023. *Bain & Company*. January 17. Accessed October 10, 2023. <https://www.bain.com/insights/renaissance-in-uncertainty-luxury-builds-on-its-rebound/>.
- Delmas, M. A., and L. E Grant. 2014. "Eco-Labeling Strategies and Price-Premium: The Wine Industry Puzzle." *Business & Society* 6-44.
- Deloitte. 2018. "Deloitte." *Digital transformation - the ultimate challenge for the fashion industry*. August 19. Accessed December 5, 2023. <https://www2.deloitte.com/ch/en/pages/consumer-industrial-products/articles/ultimate-challenge-fashion-industry-digital-age.html>.
- Empevia. 2021. *Empevia*. <https://emperiavr.com/2021/12/23/ar-and-vr-in-fashion-retail/>.
- Fabris, Giampaolo. 2003. *Il nuovo consumatore: verso il postmoderno*. Milan: Franco Angeli Editore.

## Group Part

Faccioli, Giovanni, and Karla Martin. 2022. *Global Powers of Luxury Goods 2022*. Report, London: Deloitte.

Fashion Marketing Lesson. 2011. *Fashion Marketing Lesson*. April 1. Accessed December 5, 2023. <https://fashionmarketinglessons.wordpress.com/tag/mass-market-fashion/#:~:text=The%20mass%20market%20caters%20for,the%20famous%20names%20in%20fashion.>

Fear, Natalie. 2023. *Creative Bloq*. November 16. Accessed November 25, 2023. <https://www.creativebloq.com/news/north-face-big-ben-campaign>.

Fernandez, Chantal. 2018. "Remo Ruffini's Investment Company Takes Stake in Attico." *The Business of Fashion*, October 9.

Francis, Tracy, and Fernanda Hoefel. 2018. *McKinsey & Company*. November 12. Accessed October 15, 2023. <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies>.

G & Co. 2023. October 10. Accessed October 12, 2023. <https://www.g-co.agency/insights/gucci-advertising-strategy-case-study>.

Harreis, Holger, Theodora Theodora Koullias, Roger Roberts, and Kimberly Te. 2023. *McKinsey & Company*. 03 08. Accessed 10 17, 2023. <https://www.mckinsey.com/industries/retail/our-insights/generative-ai-unlocking-the-future-of-fashion#/>.

Jørgensen, Steffen, and Andrea Di Liddo. 2007. "Design Imitation in the Fashion Industry." In *Advances in Dynamic Game Theory. Annals of the International Society of Dynamic Games*, by S., Quincampoix, M., Vincent, T.L Jørgensen, 569–586. Birkhäuser Boston.

## Group Part

- Johnson, Arianna. 2023. "Augmented Reality (AR) Vs. Virtual Reality (VR): What's The Difference—And How Do They Work." *Forbes*.
- Kapferer, Jean-Noël. 1997. "Managing Luxury Brands." *Journal of Brand Management* 251–259.
- Kapferer, Jean-Noël, and Vincent Bastien. 2012. *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. London: Kogan Page.
- Khoa, Bùi Thành. 2020. "The antecedents of relationship marketing and customer loyalty: a case of the designed fashion product." *The Journal of Asian Finance, Economics and Business* 195-204.
- Klipfolio. 2023. *Klipfolio*. Accessed October 31, 2023. <https://www.klipfolio.com/resources/kpi-examples/sales/sell-through-rate#:~:text=Sell%2DThrough%20Rate%20measures%20the,efficiency%20of%20your%20supply%20chain.>
- Kte'pi, Bill, MA. 2023. "Emerging technologies." *Salem Press Encyclopedia of Science*.
- Kuzminov, Michael. 2023. "Forbes." *What Should You Know About Gen Z To Drive Your Business?* January 4. Accessed December 5, 2023. [https://www.forbes.com/sites/forbesagencycouncil/2023/01/04/what-should-you-know-about-gen-z-to-drive-your-business/?sh=ae9d4556235e.](https://www.forbes.com/sites/forbesagencycouncil/2023/01/04/what-should-you-know-about-gen-z-to-drive-your-business/?sh=ae9d4556235e)
- Lipovetsky, Gilles, and Elyette Roux. 2003. *Le Luxe éternel*. Paris: Gallimard.
- London, Lela. 2021. *Forbes*. May 20. Accessed November 29, 2023. [https://www.forbes.com/sites/lalalondon/2021/05/20/virtual-try-on-is-more-than-a-pandemic-trendand-these-brands-are-reaping-the-rewards/.](https://www.forbes.com/sites/lalalondon/2021/05/20/virtual-try-on-is-more-than-a-pandemic-trendand-these-brands-are-reaping-the-rewards/)

## Group Part

- Maguire, Lucy. 2023. "Business of Fashion." *Unlocking Gen Z's luxury spending power in 2023*. May 1. Accessed December 5, 2023. <https://www.voguebusiness.com/consumers/unlocking-gen-zs-luxury-spending-power-in-2023>.
- Markets and Markets. 2023. *3D Printing Market Size, Share & Industry Growth Analysis Report*. 04. Accessed 10 30, 2023. <https://www.marketsandmarkets.com/Market-Reports/3d-printing-market-1276.html>.
- Mathur, Vrinda. 2022. *Analyticsteps*. 04 24. <https://www.analyticssteps.com/blogs/virtual-reality-fashion-examples-benefits-and-uses>.
- Mattia, Giovanni. 2013. "Marketing e consumi di qualità in tempi di crisi: Marketing e consumi di qualità in tempi di crisi." In *Il neo-lusso*, by Giovanni Mattia. Milan: Franco Angeli.
- McCormick, Helen, Ran Zhang, Rosy Boardman, Celina Jones, and Claudia E. Henninger. 2019. "3D-Printing in the Fashion Industry: A Fad or the Future?" In *Technology-Driven Sustainability*, by Gianpaolo Gianpaolo Vignali, Louise F. Reid and Daniella Ryding, 137–154. Palgrave Macmillan Cham.
- McDowell, Maghan. 2021. *Vogue Business*. May 17. Accessed November 29, 2023. <https://www.voguebusiness.com/technology/inside-gucci-and-robloxs-new-virtual-world>.
- . 2023. "Vogue Business." *Digital fashion is alive and well for Gen Z*. November 9. Accessed November 25, 2023. <https://www.voguebusiness.com/story/technology/digital-fashion-is-alive-and-well-for-gen-z>.

## Group Part

- McKinsey & Company. 2019. "McKinsey & Company." *Ready to 'where': Getting sharp on apparel omnichannel excellence*. August 9. Accessed December 5, 2023. <https://www.mckinsey.com/industries/retail/our-insights/ready-to-where-getting-sharp-on-apparel-omnichannel-excellence>.
- . 2023. *McKinsey & Company*. March 20. Accessed October 10, 2023. <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-gen-z>.
- . 2023. *McKinsey & Company*. 01 19. Accessed 10 17, 2023. <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-generative-ai>.
- . 2022. "McKinsey & Company." *State of Fashion Technology Report 2022*. May 2. Accessed December 5, 2023. <https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion-technology-report-2022>.
- Miller, Daniel-Yaw. 2023. "Cargo Pants Are Back, But Not the Ones Your Dad Wore." *Business of Fashion*, April 25.
- Mondalek, Alexandra. 2020. "The Dos and Don'ts of Marketing During a Pandemic." *Business of Fashion*, April 6.
- Morand, Pascal. 2016. *Business of Fashion*. 07 27. Accessed 10 18, 2023. <https://www.businessoffashion.com/opinions/news-analysis/3d-printing-technology-disrupt-fashion-and-luxury-pascal-morand/>.
- Morency, Christopher. 2017. "3 Niche Best - Sellers: Magda Butrym, Attico and Saks Potts." *The Business of Fashion*, April 6.

## Group Part

Niinimäki, Kirsi, Greg Peters, Helena Dahlbo, Patsy Perry, Timo Rissanen, and Alison Gwilt.

2020. *The environmental price of fast fashion*. April 7. Accessed October 10, 2023.

<https://www.nature.com/articles/s43017-020-0039-9>).

Pasricha, Anupama, and Rachel Greeninger . 2018. "Exploration of 3D printing to create zero-waste sustainable fashion notions and jewelry." *Fashion Textile*.

Schneider, Benjamin, and Diana Lee. 2022. "Gen-Z and Fashion in the Age of Realism." *The Business of Fashion*.

Seemiller, Corey, and Meghan Grace. 2019. *Generation Z: A Century in the Making*. New York: Routledge.

Sherman, Lauren. 2022. *A New Model for Building Independent Fashion Brands*. Case Study, New York City: The Business of Fashion.

Sherman, Lauren, and Diana Lee. 2022. "Fashion's Gen-Z Obsession." *The Business of Fashion*.

Shirmohammadi, Shervin, and Xiaojun Shen. 2008. "Virtual and Augmented Reality." In *Encyclopedia of Multimedia*, 962–967.

Shivangi. 2022. *rootquotient*. 10 28. <https://www.rootquotient.com/blog/how-ar-and-vr-impact-the-fashion-industry/>.

Shoplazza Contributor. 2023. *Forbes*.

<https://www.forbes.com/sites/shoplazza/2023/08/02/reshaping-e-commerce-the-influence-of-ai-generated-content/?sh=600bff01273e>.

## Group Part

- Shoplazza Contributor. 2023. "Reshaping E-Commerce: The Influence Of AI-Generated Content." *Forbes*.
- Shukla, P., Rosendo-Ríos, V., S. Trott, J. Lyu, and D Khalifa. 2022. "Managing the challenge of luxury democratization: a multicountry analysis." *Journal of International Marketing* 44-59.
- Sombart, Werner. 1967. *Luxury and Capitalism*. USA: University of Michigan Press.
- Sun, Lushan, and Li Zhao . 2017. "Envisioning the era of 3D printing: a conceptual model for the fashion industry." *Fashion and Textile*.
- Sung, Billy, and Ian Phau. 2018. "Applying biometric methods to understand luxury CONSUMERS' EMOTIONAL responses." *2018 Global Marketing Conference at Tokyo*. Tokyo.
- Taylor , Marcus. 2023. *Generative AI Shapeshifts the Fashion Industry*. 10 25. Accessed 11 30, 2023. <https://www.nutanix.com/theforecastbynutanix/industry/ai-generated-fashion-design-is-changing-the-industry>.
- The Business of Fashion. 2021. "BoF LIVE: How Gen-Z Buys Luxury." September 9. Accessed October 20, 2023. <https://www.businessoffashion.com/articles/news-analysis/how-gen-z-buys-luxury/>.
- . 2021. *BoF LIVE: How Gen-Z Buys Luxury*. September 9. Accessed October 2, 2023. <https://www.businessoffashion.com/articles/news-analysis/how-gen-z-buys-luxury/>.
- . 2023. *The BoF 500*. Accessed October 31, 2023. <https://www.businessoffashion.com/community/people/gilda-ambrosio-giorgia-tordini>.

## Group Part

- . n.d. *The Business of Fashion – Fashion A-Z*. Accessed December 5, 2023.  
<https://www.businessoffashion.com/education/fashion-az/haute-couture>.
  - . n.d. *The Business of Fashion – Fashion A-Z*. Accessed December 5, 2023.  
<https://www.businessoffashion.com/education/fashion-az/kimonos>.
  - . n.d. *The Business of Fashion – Fashion A-Z*. Accessed December 5, 2023.  
<https://www.businessoffashion.com/education/fashion-az/peignoir>.
  - . 2022. "The State of Fashion: Technology." May 2. Accessed October 10, 2023.  
<https://www.businessoffashion.com/reports/news-analysis/the-state-of-fashion-technology-industry-report-bof-mckinsey/>.
- The Business of Fashion; McKinsey & Company. 2023. "The State of Fashion 2023." Report.
- The Business of Fashion; McKinsey & Company. 2023. "The State of Fashion 2024." Report.
- Toppan. n.d. *Toppan Digital Language*. <https://toppandigital.com/us/blog-usa/how-fashion-industry-embracing-ar-vr/#:~:text=,location%20using%20the%20camera%20device>.
- Vanderploeg, Alyson, Seung-Eun Lee, and Michael Mamp. 2017. "The application of 3D printing technology in the fashion industry." *International Journal of Fashion Design, Technology and Education* 170-179.
- Vogue Business and Snap Inc. 2023. *Vogue Business*. August 3. Accessed November 28, 2023.  
<https://www.voguebusiness.com/technology/what-luxury-fashion-consumers-want-from-augmented-reality-snap>.
- Williams, Robert. 2023. "In Milan, Independent Labels Are Gaining Ground." *The Business of Fashion*, September 23.

## Group Part

Wilson, Sara. 2021. *Harvard Business Review*. March 11. Accessed October 10, 2023.

<https://hbr.org/2021/03/where-brands-are-reaching-gen-z>.

Zawacki-Richter, Olaf, Victoria I. Marín, Melissa Bond, and Franziska Gouverneur. 2019.

"Systematic review of research on artificial intelligence applications in higher education – where are the educators?" *International Journal of Educational Technology in Higher Education volume*.

Zhang, Zekai. 2022. "Application of Computer 3D Printing Technology in Clothing Design."

*2022 World Automation Congress (WAC)*. IEEE.

8. Appendix

Appendix A – “Most” Relevant Emerging Technologies

Technology	Use Cases	Description	Benefits
1. Virtual and Augmented Reality	<b>1.1 Design Process Enhancement*</b>	Create virtual replicas of luxury clothing and accessories, enabling designers to experiment with styles, materials, and colors in a digital environment (Shivangi 2022).	Reduces the need for physical prototypes, accelerates the design process, and significantly cuts sampling costs, allowing for more experimentation and creativity (Empevia 2021).
	<b>1.2 Personalized Customer Experiences</b>	Facilitating personalized shopping experiences and virtual try-ons to enhance customer engagement and accuracy in product recommendations (Toppan n.d.).	Optimizes the production process, ensures smoother operations, and enables proactive decision-making to address potential bottlenecks in the luxury fashion supply chain. Improves customer satisfaction, fosters brand loyalty, reduces uncertainty about fit, and elevates the overall luxury shopping experience through tailored interactions (Empevia 2021).
	<b>1.3 Creation of Customized Luxury Items</b>	Working with customers to create unique, bespoke luxury items. For example, virtual design workshops where designers collaborate with customers, fostering a sense of inclusivity and community in the creation process (Mathur 2022).	Enhances customer engagement, fosters a sense of exclusivity and loyalty, and elevates the perceived value of personalized luxury products (Empevia 2021).
	<b>1.4 Immersive Marketing Campaigns</b>	Craft augmented reality and virtual reality experiences for virtual fashion shows and showrooms to deepen engagement, amplify visibility, and foster authenticity (Empevia 2021).	Enhances the brand's storytelling, provides a unique and immersive marketing experience, and connects with tech-savvy Gen Z consumers (Empevia 2021).
<b>2. Generative AI</b>	<b>2.1 Enhancing Design Concepts and Generation*</b>	Utilize Generative AI to generate design ideas, convert sketches into 3D models, create limited-edition luxury items based on customer preferences, ensuring exclusivity and aligning with the desire for	Enriches ideation, broadens design possibilities, and improves overall design creativity, allowing for more innovative and unique collections, drives anticipation and excitement and encourages repeat purchases.

## Group Part

		unique fashion pieces and enhance the overall creative output in luxury fashion design (Harreis, et al. 2023) (Bain 2023).	
	<b>2.2 Creating Visual Content and Marketing Imagery</b>	Employ Generative AI to automatically generate high-quality visual content for marketing, social media, and e-commerce purposes, such as sales description (Harreis, et al. 2023).	Offers creative freedom, shortens content creation timelines, and reduces logistical challenges, ensuring a consistent and visually appealing brand image (Taylor 2023).
	<b>2.3 Customizing Products for Consumers*</b>	Leverage Generative AI to tailor products to the individual topography and preferences of consumers (Shoplazza Contributor 2023).	Personalizes the shopping experience, enhances product fit and satisfaction, and fosters a stronger connection between the brand and its customers ( Ajao 2023).
	<b>2.4 Tailored Product Recommendations, Support</b>	Utilize Generative AI for conversational shopping and customer service, e.g. virtual stylists who provide personalized fashion recommendations based on individual style preferences and current trends (Harreis, et al. 2023).	Tailored product suggestions, enhances the overall customer support experience, improves customer engagement, and establishes the brand as a trusted style advisor ( Ajao 2023).
	<b>2.5 Trendspotting and Marketing Precision</b>	Employ Generative AI to analyze unstructured data for trendspotting, enabling targeted and flexible marketing strategies in the luxury fashion industry (Shoplazza Contributor 2023).	Expedites content creation, personalizes marketing efforts, enhances digital shopping experiences, and improves overall customer service (Shoplazza Contributor 2023).
	<b>2.6 Store Operations Optimization*</b>	Optimize store layouts using generative AI-driven data analysis, incorporating real-time video monitoring for operational efficiency and personalized customer service (Shoplazza Contributor 2023).	Improves the in-store shopping experience, equips sales associates with consumer insights, and enhances overall operational efficiency (Shoplazza Contributor 2023).
<b>3. 3D Printing</b>	<b>3.1 Creative Design Exploration*</b>	Utilize 3D Printing for the creation of intricate shapes and textures not possible with traditional methods, expanding creative boundaries in luxury fashion	Expands creative possibilities, enhances collection uniqueness, and fosters innovation in design and craftsmanship (Pasricha and Greeninger 2018).

## Group Part

		design (Vanderploeg, Lee und Mamp 2017).	
	<b>3.2 Personalization and Collaboration</b>	Streamline the creation of unique fashion pieces using 3D Printing, encouraging collaboration with customers. Consider implementing in-store 3D Printing studios for personalized elements, allowing customers to witness the production of customized luxury items (Chakraborty and Biswas 2020).	Boosts brand loyalty, drives exclusive revenue, and enhances consumer engagement by providing unique, personalized products. Adds transparency to production processes, reinforcing the brand's commitment to craftsmanship (Sun und Zhao 2017).
	<b>3.3 Prototyping and Refining Designs*</b>	Employ 3D Printing for rapid prototyping and refining of designs, reducing the risk associated with traditional prototyping methods and speeding up the overall creative process (Morand 2016).	Speeds up the design process, reduces waste, and improves design accuracy, ensuring a more efficient and sustainable luxury fashion production (Sun und Zhao 2017).
	<b>3.4 Promoting Sustainability</b>	Utilize 3D Printing for on-demand production and efficient material usage, contributing to sustainable practices in luxury fashion. Showcasing the brand's commitment to innovation and eco-friendly practices (Morand 2016).	Enables efficient use of materials, minimizes waste, enhances the overall sustainability positioning of the luxury fashion brand, and attracts environmentally conscious consumers (Pasricha and Greeninger 2018).

*Table 4: Identified Technologies and Their Use Cases*

*\*Note: As these use cases are not directly related to the overall research question and do not have a direct impact on the Gen Z customer segment or contribute to addressing the identified challenges, they will not be further considered in this paper.*

## Appendix B – Expert Interviews

### Appendix B.1 – Expert Interview Guide

**Formalities:** *"Thank you for agreeing to participate in this interview. Before we begin, may I ask if it's okay to record this conversation for analysis and reference purposes? Do we have your permission to record this interview? During our discussion, we may discuss details such as your name, job description, the company or university you're affiliated with, and other professional information. Are you comfortable with us using this information for this project, while ensuring confidentiality and compliance with data protection laws?"*

#### **I. Introduction and Background Information:**

1. Please introduce yourself briefly, highlighting your professional background in luxury and technological industries.

#### **II. Research Introduction**

- Introduce Research Objective
- Introduce three Technologies: AR and VR, Generative AI, 3D Printing
- Briefly introduce the three brands, focusing on their history, current market position, and unique selling points.
- Discuss the key challenges identified through secondary and primary research

#### **III. Detailed Evaluation of Technology:**

*"In the next step, we would like to fill out the following decision matrix with the help of your expertise. The aim is to decide which technology and which of its use cases could be interesting and feasible for which brand"*

- Ask those questions for each Use Case and each Brand

## Group Part

2. How, if at all, do you see the application of this Use Case enhancing any of the challenges of Brand X?
- Ask those questions for each Technology:
3. Are there any concerns or drawbacks you can identify in implementing Technology X? (*legal, ethical, financial, or technological issues*)
4. How can a smooth integration of this technology be ensured without disrupting the customer experience?
5. In your view, are there any other luxury fashion brands successfully implementing this technology? If so, what can we learn from their experiences?

### **IV. Thank You and Next Steps**

*„Thank you for your valuable insights and feedback. Your expertise is greatly appreciated. If you are willing, we may reach out for further discussions or guidance as we proceed with our strategy. Would that be acceptable to you?*

**Appendix B.2 – Expert Interview Transcript - Inês Risques, Adjunct Professor at NOVA,  
Coordinator of the Luxury Stream**

**Interviewer**

Could you please introduce yourself briefly, highlighting your professional background in luxury and also in the technological industries?

**Interviewee**

Sure. So, my name is Ines Risques. I am an invited professor at NOVA School of Business and Economics. I am also in charge together with another professor of the Luxury Stream Management, which is a specialization in luxury within the Master's in Management program. And I also teach or I'm in charge of a luxury seminar where I teach a class on fashion entrepreneurship. In that class, I focus a lot on new business models and a part of it is also the technologies that enable. I'm also doing a PhD on the topic of artificial intelligence applied to business and strategy. And I also have kind of a niche fashion brand that I manage as well. So that's kind of my link to luxury, to fashion and technology. Thank you very much.

**Interviewer**

OK, perfect. So, I will talk you through the first technology, which is AR and VR. And the way I'm going to do it is just I'm going to quickly highlight the use case again. And then we can discuss each of the brands and if it's helpful for each of the challenges in any way. The first one is the personalized customer experiences, which means using AR and VR for customers facilitating personalized shopping experiences and virtual clients to enhance customer engagement and accuracy in product recommendations. If you see the three challenges that Diesel is facing, do you think any of those three are being addressed with this technology?

## Group Part

### **Interviewee**

OK. Well, Diesel's problem is much bigger than that. It's not easy to just answer your question. I think for a brand like Diesel, leveraging online and on improving the customer experience online, it's something that it's okay. It's possible. So yes, I think the digital twin and this personalization of the digital experience would solve some of the problems, yes.

### **Interviewer**

Okay, and talking about the same technology, do you see any fit with the issues Louis Vuitton is facing?

### **Interviewee**

For Louis Vuitton, I think the application should be much more, how can I say, segmented or catered? I think for Louis Vuitton, this type of technology of personalized experience or virtual try-ons should be done, but I don't know if that's something that you are considering in your approach to the technology. They should do it in-store, not online. I think for a brand like Louis Vuitton, this should be done, yes, a virtual trial on probably the smart mirrors and this personal experience can be improved at the store so that it becomes much more interesting for a young client to go to a store and experience technology. This is something that you can search for at Chanel. Farfetch was developing this type of technology for the stores in China. I think it can be something interesting that for Louis Vuitton to use at the store. It would be a little bit of a different approach as the one I think you're kind of taking originally. In terms of the immersive marketing campaigns with virtual fashion shows, I think this could be interesting for Louis Vuitton to engage the younger generations who are not high-potential clients but are clients interested to keep or to engage. They could do virtual fashion shows for these consumers who are not going personally to the fashion shows. I think this could be interesting. And because

## Group Part

fashion shows in the context of Louis Vuitton are more important than any of the other brands that you're studying. I think this particular part of the digital twin could be interesting for Louis Vuitton in a virtual way. In terms of The Attico, I think it's the same as Diesel. I think they can be innovative online, so they can do experiments with their websites and give recommendations to their clients.

### **Interviewer**

Okay. Thank you very much. What do you think about the second point, the creation of customized luxury items? Do you see fit with any of the three brands?

### **Interviewee**

Possibly. Although, again, I think because the brands are different, it's very difficult to apply them in the same way. For a brand like Louis Vuitton, of course, personalization of products is something that they do. This co-creation could be done in Diesel the same thing, and I think at The Attico as well. So, yes, I think for all of them. Yes.

### **Interviewer**

OK, and what about the immersive marketing campaigns? You've mentioned that it would be a nice way for Louis Vuitton to engage with the customers. Do you see it also fitting to Diesel and The Attico or should they maybe try something else?

### **Interviewee**

Yeah, I don't see such a fit because well at least for virtual fashion shows or showrooms. Showrooms perhaps for The Attico. Showrooms may apply better to The Attico because it is a niche brand that is more unknown. They could do virtual showrooms. But for Diesel, I find it a little bit more difficult because there is no link to the activities, to the marketing activities that they actually do.

## Group Part

### **Interviewer**

OK. Thank you. That's very interesting. And to sum up this part, we want to ask if you have any concerns or drawbacks you can identify with implementing AR and VR. For example, that could be legal, ethical, financial, also technological issues.

### **Interviewee**

Well, I think there's always the issue of privacy. But I'm not an expert there. But of course, every time that you're dealing with gathering data, using that data from customers, from clients, from users, even if it is to personalize, you would need their consent and probably their proactive engagement in that activity. I think that is a big thing to explore.

### **Interviewer**

Yeah. Okay and with your expertise how can the smooth integration of this technology be ensured without disrupting the customer experience? Without disrupting the customer experience?

### **Interviewee**

Well, it needs to be integrated with whatever the brands are doing online. The problem is if the brands are not doing a good job online, it's not going to be this that will solve the problems that you have identified. You see? It's just not applying a new technology to kind of a broken online store or to a broken communication strategy that is going to fix the experience magically. I think there is something probably to be done before you implement this. You see what I mean? But I mean, if they have, probably Louis Vuitton, if they have a great online store or if they have great virtual images that they can use very high-quality content that they can share. I think it's very easy to implement that. Perhaps for Diesel, which is a little bit more mass or it's an industrial premium brand, not a luxury brand, of course, it's going to be much more difficult,

## Group Part

but it can be more creative, perhaps. For The Attico, I think the brand probably has space to kind of still define that and implement things they haven't yet. But yes, I think it really depends on how the online experience is right now at each of these brands.

### **Interviewer**

That makes a lot of sense. And when you think about this technology, in your view, are there any other luxury fashion brands that have successfully implemented this technology? If so, what can we learn from the experience? Is there any brand that comes to your mind when you think of these technologies?

### **Interviewee**

You should look into Stitch Fix. Stitch Fix is not a brand, but it's a platform for personalized recommendations. It's exactly this. When you go, their goal is that way or DS. So Stitch Fix and DS, both are fashion platforms that try to completely personalize the online experience and the product recommendations. In terms of co-creation or customization, they do this differently, at least Stitch Fix, which is they find gaps in the market. Products that the customer needs, but there are no brands offering. They started producing those products, people with long arms or weird body shapes. So more than just personalizing or co-creating is really finding markets or product gaps that are not being addressed. You should look at the DS and Stitch Fix. And Chanel at the store, in-store technology.

### **Interviewer**

OK, perfect. Thank you so much. We will now move on to the second technology we've identified. Moving on to the Generative AI and the first use case. It's about the creation of visual content and marketing imagery. Do you see the application of this use case enhancing any of the challenges of these brands?

## Group Part

### **Interviewee**

For this one is tricky. I think that we have it all now because it's just not a fit for the type of personalization that a luxury brand needs to give. And probably for The Attico, the same, because it's a niche brand, but it is still, there is a personal connection that cannot be kind faked with automation of chats or visual content. There's a lot of creativity, original creativity that comes. If you create something, if you generate something with artificial intelligence, basically you are kind of giving away your differentiating points. Diesel, perhaps. I don't think Diesel would be penalized for being probably more efficient, and probably having better customer service. To improve services and to improve communication, chats, sales descriptions, and visual content. So probably Diesel would be in a part of the market where this is not hurtful. So only to Diesel, I would say it applies.

### **Interviewer**

The next use case is streamlining and copywriting content. You already said that this does not fit the two brands Louis Vuitton and The Attico. Could you maybe for the use case before the marketing imagery, would you say that creating marketing content also does not fit Louis Vuitton and The Attico?

### **Interviewee**

I don't think it fits their model. No. Of course, I'm sure in the future there will be ways that it will be done. But the big part of luxury brands is their originality. They're creating things that haven't been thought of. When you use everything that has been done before to create something that is not really done by you, you lose a lot of what makes you a luxury brand. So yeah, I don't think it would fit. There is a lot about human content in luxury brands. And that's why for Diesel, which is an industrial premium brand, most of these technologies can be applied and

## Group Part

help them not to solve the underlying problem, but to make them more efficient, to make them more up to date. The Attico, which is an aspiring luxury brand, I think it would lose this human component of luxury.

### **Interviewer**

Thank you. For the third use case, the tailored product recommendations, and support, for which of the three brands would you say the application is useful

### **Interviewee**

Yeah, okay, it's the same answer.

### **Interviewer**

Okay. The last one for the Generative AI is the trendspotting and marketing precision. How would you analyze this use case for the three brands?

### **Interviewee**

For trendspotting, again, I think it would be interesting for Diesel. For Louis Vuitton and The Attico, it's not about trendspotting, it's about creating trends. It should be completely the opposite. It should not be used. Of course, it can be used as information, but not strategically to address the problems that they have. It's again for the same reasons. I think Clara, if she did the course, knows that luxury brands follow a very different business model. And when you automate, when you imitate, you lose what makes you a luxury brand. I think, again, for Diesel, it would be appropriate. For Louis Vuitton and The Attico, no.

### **Interviewer**

Okay, thank you very much. Are there any concerns you can identify when implementing generative AI?

## Group Part

### **Interviewee**

Well, here the copyrights that I think you mentioned, of course, this will be an issue. Who owns this content? Who owns the even the creation of trends, the imitation of trends? Is it an imitation? Is it something new? This will be very tricky to give ownership to the original creators that are being used as a base for the generation of new information. This is the very, very tricky part, especially the creation of it, especially of the visual content, marketing, and trendspotting. Now, of course, in sales descriptions and chats, I think it's perfect. But when it's something creative that you're using in your own collections or in your campaigns, the brand, even if Diesel uses it, Diesel can be using something from Levi's 10 years ago and not even being aware of it. It creates a problem.

### **Interviewer**

And how can a smooth integration of this technology be assured without disrupting the customer experience?

### **Interviewee**

I think in this case it's just who is creating the content, not exactly how it is being communicated or reached to the client. I don't think it has a lot of implications on that.

### **Interviewer**

And lastly, in your view, are there any other luxury fashion brands successfully implementing this technology?

### **Interviewee**

Who is a good case for chats? Because mostly it's not in fashion brands. No, I'm not aware.

### **Interviewer**

## Group Part

Okay, thank you very much. All right, so then we will move on to the last technology, so 3D printing technologies. Do you see any application of this use case being useful and effective among those three brands?

### **Interviewee**

I think it's not done with craftsmanship. It would almost be just an experience or a marketing campaign, something like that. But I think with Diesel, for sure, again, I think Diesel can use all of this to address sustainability, because they also produce in much bigger quantities, to do, but you're talking just on bespoke products, right, and personalization.

### **Interviewer**

I would then move on to sustainability. Can this technology be used to promote sustainability?

### **Interviewee**

Yes, so I think these addresses, and especially demand planning, I think it's very, very good. And I think it's something that fashion, in general, really suffers from. I think if 3D printing and more bespoke products are able to be produced at a low price or at a lower price than something very personal like luxury brands do, I think it addresses one of the biggest sustainability problems of fashion brands, especially for those who produce more. in the scale of sustainability and usage of resources, because they do mostly jeans as well. So, the same as Levi's who implemented a big sustainability practice. So, yes, I think this can be very, very good for Diesel. Again, I think The Attico can experiment because they're starting so they can innovate and understand new ways of producing bespoke products without still losing a luxury status that they still don't have. It's a matter of understanding how to use this to create a new luxury status a new craftsmanship So I think for The Attico especially because they're a smaller on-demand planning brand and pricing using this type of technology can be very interesting for them

## Group Part

because they're a small brand and to make a better use of all their stock of the production and to do it as most bespoke at lower costs possibly is very good for them. But this is probably not in terms of solving the problem. So maybe it's not going to solve the awareness problem of the ethical, you see. But it might solve the sustainability concerns with Diesel, for instance.

### **Interviewer**

Okay. And with implementing this 3D printing technology, do you see any concerns and drawbacks, be it legal, ethical, financial, technological?

### **Interviewee**

No, here I don't see any problems, at least within my knowledge. Of course, operationally, I don't know.

### **Interviewer**

And in your view, are there any other luxury brands or fashion brands that already implemented 3D printing successfully?

### **Interviewee**

I know there are, but I cannot tell you examples. I don't know the names. But I'm sure it's being done.

### **Interviewer**

Maybe one question, now moving beyond the use cases we presented to you, seeing those three brands, what would if you have to say one sentence, what would they need to implement to solve that challenge?

### **Interviewee**

I think it's all about their own brand identity and seeing which technologies best fits what they

## Group Part

are, bearing in mind that they're not all the same. I guess if there is one sentence that can put them all under the same umbrella, I think it's that. It's understanding the brand identity so that you can connect that brand identity to the problems you identified and see which technologies make sense in the context of the identity of each brand.

### **Interviewer**

And is there any technology we didn't cover so far that comes into your mind that we maybe also need to look at?

### **Interviewee**

No, I think you have a good start. I think you have a good start. I think in 3D printing, I think there's a lot of demand planning that can be looked at. And I know Levi's was doing a lot with implementing artificial intelligence and being smarter in the way they produce. With pricing, it's not such, I don't know if it's such an applicable example, but with pricing, there is a platform called StockX that sells shoes, and they define the price by demand and supply. It's not defined by the retailer, it's defined by the kind of who is looking for what, which makes much more sense than the current pricing being done in the market. I think you're looking at the technologies that are applicable to fashion. So yes, I think it's just the problems of the brands that are different.

### **Interviewer**

All right. Thank you very much. We're really happy about your insights and the feedback you gave us. I think that's very valuable for us and for our further Work Project.

### **Interviewer**

Thank you very much. If you're willing, maybe is it OK if we reach out for further discussion and maybe questions?

## Group Part

### **Interviewee**

Sure, of course! I hope to talk to you soon. Bye!

### **Interviewer**

It was really helpful. Thank you very much for taking the time.

*Note: This interview was conducted in English and transcribed with Cockatoo. Despite some review, there may be logical or grammatical errors due to the transcription.*

## **Appendix B.3 – Expert Interview Transcript – LVMH Employee in Marketing and Activations**

### **Interviewer**

Could you please introduce yourself briefly, highlighting your professional background in luxury and also in the technological industries?

### **Interviewee**

I currently work in marketing at LVMH. I do event planning, marketing, and activations specifically for Hennessy. I did my bachelor's degree in the creative industry back then and also worked with marketing and everything related to fashion brands and music labels.

### **Interviewer**

We have identified three use cases for digital twin technology that might be interesting. The first one is the Personalized Customer Experience. And that is to Build Digital Twin Profiles for Customers, facilitating personalized shopping experience and virtual try-ons to enhance customer engagement and accuracy in product recommendations. Can we talk about Diesel first? Do you see any of the three challenges that could fit?

### **Interviewee**

I would say that these twin technologies are definitely a sustainable way of consuming fashion. If you say I'm going to try on 10,000 products and take them home and maybe buy them in the end because I'm too lazy to take them home again, then that's unnecessary consumerism. With this training technology, if you were to try on a well-designed product on yourself, as far as that goes, I would say that it would definitely be a sustainable initiative in that case. And I think also simply for the value communication, what's behind it. I think that whenever there's a bit of

## Group Part

excitement, something new, it touches the consumer a bit more. What is also very important for Gen Z consumers is that there is transparency and authenticity. If you say you can try it on in any way, you can say, for example, I've created an avatar here or created a copy of myself and try it on in a scenario where I'm out in the forest or in a scenario where I'm in Paris. You can also incorporate it more or less through the technology somewhere, which in my opinion would be very innovative and also tell a bit of a storyline around it and also somehow have an authenticity for the consumer and on top of that is of course also exciting and something new and definitely creates awareness and also communicates a certain value, I think. So, you could say that the first use case addresses all three challenges. Exactly, so you have a lack of relevance, then you have a communication gap. I would definitely say relevance is important and sustainability. With the communication gap, I don't know exactly whether I would classify it there because I think it's more something that you apply. You can communicate it through marketing and say, here we've just built a new technology, but I think it would be more about relevance and sustainability practices.

### **Interviewer**

Okay, perfect, great, thank you. Then we can also work with the same use case at Louis Vuitton.

### **Interviewee**

Yes, we actually have exactly the same thing with sustainability. Once again, of course, the sustainable aspect. You have less consumerism. Although I would say that a brand like Louis Vuitton is inherently more sustainable anyway because it's a luxury brand and because it's a product that has a kind of long-term value. So not now, for example, my Diesel may also be categorized in this way, but I think Diesel is consumed more in this way than Louis Vuitton, simply because of the price range. The question is, of course, whether it is sustainable in this

## Group Part

way, because the step to buy it is already a totally bigger step due to the price range. That's why I would actually say that, among other things, it clearly falls into sustainability, but perhaps more into brand loyalty, that you just say or in Word of Mouth, that you say, look, Louis Vuitton has, I have Digital Twin Technology, can I now buy a product here in my, can you also use it in Metaverse? I don't even know.

### **Interviewer**

Yes, you can use it in Metaverse,

### **Interviewee**

Like Gucci has done, for example. They have, what's it called, in any case in a Web3 of all these worlds, they've set up the workers and you can try everything on there. And that went down really well in all the PR magazines. Like in the exhibition, people could try it on. Again, in different scenarios. So, with a big brand like Louis Vuitton, I think that's another factor that definitely has a word of mouth effect, but it also improves loyalty. Ultimately, if you want to get into the metaverse, you have to buy an NFT, for example, you have to buy some shares so that you can be part of this immersive world of Louis Vuitton or Gucci. That's why digital twinning is definitely a good way to build that up. And then yes, Limited Self-Expression Innovation, I think that's self-explanatory, but definitely innovative. Of course, the question is how you can build that up so that it doesn't differ from other big top-tier brands like Gucci. Because a lot has happened there. Gucci, for example, has also created a gallery. Can you also do a gallery now or do you want to build Metaverse? Would you like to say you have Candyland? Well, there are quite a few options for how you can do it. You can put yourself anywhere with the product you have through Digital Twin. It's definitely innovative too. You can also present yourself in a normal way that you can't in the real world. For many consumers,

## Group Part

it's also a form of escapism; we're fleeing from the real world. This is definitely possible with a digital twin.

### **Interviewer**

Thank you. And what about the last brand, The Attico?

### **Interviewee**

I need to have another quick look. It's all a bit similar, so it's exactly the same again with Environmental Practices. But I think that with a new brand like this and the fact that it's probably priced higher, I don't know, what's the price category?

### **Interviewer**

It's relatively high, something like a coat for 900 to 1500 euros. So already higher than Diesel, cheaper than Louis Vuitton.

### **Interviewee**

Yes, then it's definitely important to justify it first of all. Why is it so high? Why is that? Maybe with the digital twin you can then say, hey, we can put ourselves back into a metaverse and say, we're now here in the production site of The Attico or whatever and here you can see how sustainable it is. So, you've stacked one with the other and can then try on the products. That's all possible. I also simply believe that when you see me trying on the product on my avatar or trying on this new blouse, I realize that it fits me well and is also of high quality. For example, you can write down which boxes are made of which material. You can really open up all worlds and that definitely gives you a bit of a justification as to why this product is more expensive than if you were to simply pick it up in a store without any kind of description, without any kind of self-presentation, perhaps even how it would look on you. I definitely believe that the

## Group Part

price is also important, of course the environment, which is what we've just said, and brand awareness is of course, I think it all goes hand in hand, because it's also a trend at the moment. In other words, if you sell well, market well, do PR, write to good magazines, then it's definitely at the top of the agenda.

### **Interviewer**

Yes, great. Perfect. Very good. Thank you very much. Then we've ticked off the first point. Now the second is a bit of co-creation with the customer in the form of Digital Twin, that you create unique customized luxury items with this technology together with the customers. Back to Diesel, do you see any fit with the challenges?

### **Interviewee**

So, I would say definitely for sustainability for all three, because then you don't have unnecessary production of products that might not even be relevant for the specific target audience. For example, with Gen Z. Of course, the old money aesthetic is back in at the moment, but you can't put any old products out there without a new twist. You save yourself money by saying that we don't have to do trend research, we have the consumer in front of us. Together with us, they create a luxury product or a customized luxury product. So, it's definitely sustainable. I think it would be very, very high brand loyalty for Louis Vuitton. Firstly, because Gen Z loves to be part of an exclusive community. And it's all about being a hypebeast, for example. Gen Z is a typical hypebeast consumer. In other words, they want to be in a community where they have products that not everyone necessarily has and that are perhaps of higher quality and cheaper. And if you create a product with a brand like Louis Vuitton that only you have and that no one else has, then you have definitely gained a high level of loyalty from the consumer. And also, this artificial scarcity model, where you say that you somehow

## Group Part

create a product that is so rare that no one else has it, which in my opinion would definitely resonate 100% with Gen Z. Then with The Attico, definitely brand awareness. I know very few brands that do that. And I think I would also give a newcomer brand that would create this more freedom, because there are probably fewer, what do you call it, hardened structures in such a brand, as there are now at Louis Vuitton. So, I think there is more freedom there. You can also work with younger designers, for example. Not everything comes from one head. With us, for example, everything comes from Louis Vuitton, from the bigwig. Everything has to be coordinated until it reaches the bottom at some point. And with such a small brand, I think it could definitely be cool. And then also through cool campaigns where people say, here, you can create an avatar. You can create your own product with the avatar in the metaverse together with us. And with the materials, which are high quality and sustainable. So, I think that would definitely be cool with The Attico. And I think this relevance is definitely also, as I said, relevant for Gen Z if it's authentic and if it's something new and exclusive. And I think this exclusivity factor is definitely very important for everyone here.

### **Interviewer**

Perfect, very good. And thank you. And the last one would be immersive marketing campaigns, using augmented reality to create a virtual reality experience, for example virtual fashion shows or showrooms, to increase custom engagement, so to speak.

### **Interviewee**

Exactly, I think we've already discussed that a bit before. I think for me, not necessarily for all brands, I wouldn't necessarily say that it helps with sustainability. I don't think that's perhaps the main point of this activation, I would say, of this kind of innovation. I think it might even be more of a consumerism thing in a way when you see something like that online, when you

## Group Part

see a bunch of new products online. I believe that it definitely creates relevance and awareness for Diesel or for everyone. And definitely loyalty again. So, I think that's very important for Louis Vuitton. And again, with Gen Z, what you're saying, with twinning, that you can perhaps copy the products, for example, from these fashion shows that you've seen online. And then you might be invited exclusively to these fashion shows and can then copy these products exclusively into the digital world. So, I could imagine that this could definitely open up loyalty and then relevance and awareness for Diesel and The Attico.

### **Interviewer**

Okay, perfect, thank you. Then we're done with that. In general, do you still have any concerns or risks that you see with the implementation of these technologies, it could somehow be legal, ethical, financial or problems like that?

### **Interviewee**

Unfortunately, I don't know enough about legal issues, but I imagined that if at some point you can duplicate every product that exists online in a way that it might somehow lose its exclusivity and patents or rights, if at some point it becomes a mainstream technology, I could perhaps imagine that. Or that it could just aspire to hyper-consumerism, because at some point you might be addicted to trying everything online again somehow - we are also a very consumer-friendly generation.

### **Interviewer**

Very good. And if you have the whole study, can you think of a brand that you know is already using this technology? You already mentioned Gucci.

### **Interviewee**

## Group Part

Yes, but I'm not sure if they used digital twins exactly. Maybe I don't know enough about it, but I think that maybe it just goes hand in hand with a lot of metaverse methods that are taking place here, which many brands are currently doing, or many artists are doing. But exactly, I don't know much about it per se, for example.

### **Interviewer**

I have another question about collaborating with consumers or small designers, for example. You said that The Attico, for example, could actually create a bit more brand awareness. Do you perhaps also see a risk that, for example, a brand identity for a brand that is perhaps not yet so strongly established could quickly become blurred if you go straight into collaborations and give the consumer a bit of power? Because the idea is that luxury brands tend to set the trends and not follow them. Do you perhaps see a risk there?

### **Interviewee**

I think so. So, I think if you give too much freedom, then perhaps the identity of the brand will be lost. But perhaps there are also options, such as a brand having different designers. You can work with different designers who go in this and that direction and say that you have to be open about it, but there are already, let's say, frameworks set by the designer as to what is possible or perhaps some prototype products. So, I think you can't just give consumers freedom in the digital world, because at some point it expands to such an extent that you no longer have any control over it. I think there are no limits. Especially if you have a brand, you have a brand identity and a mission. You have to stay true to that. But I think there's definitely room for maneuver on how to implement that in a cool way.

### **Interviewer**

## Group Part

Okay, thank you very much. The next technology would be generative AI and the first use case here would be Creating Visual Content in Marketing Imagery. So, it's simply about using generative AI to produce visual content for marketing, social media, etc. How do you see this working for these three brands? How can or can the challenges be rehearsed with it?

### **Interviewee**

Okay, so I think in general, in my opinion, this generative AI is a bit scary and dangerous. For example, in my master's thesis I created a sneaker with Journey, just with a simple prompt and it looked like a Nike sneaker. That's easy copy and paste, I think you have to be very careful how you approach it and always make sure that you have a patent or something like that. I definitely think for Communication Gap and relevance at Diesel, you can create visual designs or create communication that is simply extraordinary. And I think that applies to all brands in this case, you save money because you don't need as many designers, of course. You also don't need as many copywriters, which of course isn't good for the brands either, but you can move forward quickly, you're faster behind the trends. I don't think I would relate this to sustainability in any way, shape, or form, in terms of paper consumption, if you say that more people are switching to digital than to billboards or something like that. And I think what's really cool, I don't know if you're familiar with it, for example in Times Square, there are 3D billboards and they also work with AI and all kinds of things and can create immersive fashion shows, for example. And I believe that for all brands, including Louis Vuitton or The Attico, for example, when it comes to creating brand awareness, where a KPI is, the main thing is brand awareness and not conversion at the beginning. And then you say, okay, we just have to get the attention from somewhere. And then I think an AI campaign is cool if you somehow have an idea that no normal designer could implement quickly, for example, that is also a bit immersive.

## Group Part

### **Interviewer**

Thank you very much. Now you've basically already covered use case 2, i.e. streamlining, copywriting and content production. Do you have any other tasks, especially streamlining?

### **Interviewee**

I think at The Attico, if you have a young brand and you have AI, you automatically build a professional image for this quality perception in the part. You don't have a lot of budgets, you can work well with AI, you can create a good design, create a good visual board. For example, you can also use AI to animate your products as a pre-launch, streamline them, anything along those lines. And what perhaps also goes hand in hand with sustainability here is that when you create prototypes with AI, for example, which is perhaps easier, you can order more with small badges. So, you say, here's the prototype, how do you like it? Then you can go back to digital twinning and say, try it on here in the metaverse. And then you have so and so many orders and you can arrange that. I don't know if you know Sporty & Rich? They do, they don't have AI now, but they also do something quite sustainable, for example. They say, okay, they take up to 100 orders and then they say, then we order. So, then we make our big order of 100 shirts, for example, and then the consumers have to wait again until it's ordered again. So, it's not fast fashion, but I think it's actually quite cool for prototyping through AI, maybe for slow fashion and high quality.

### **Interviewer**

The third use case revolves around tailored product recommendations and support. This is particularly about using Generative AI to improve general customer service, but also to give customers personalized recommendations based on trends or what the company can do in general. How would you rate that?

## Group Part

### **Interviewee**

That could be really cool. I could well imagine that for Diesel. You all know Spotify and there are always these tailored playlists. We know that the problem with jeans is that once you've found the right pair, sometimes you can't find any more because the sizes don't fit. And that if, for example, you have a tailored jeans list or playlist with Diesel, with AI, where you know that this is my size, I have specified it once. These are the perfectly fitted jeans that would fit well. The latest ones then come in and they are also adjusted to your sizes. I could imagine that that would be cool for relevance because it's simply a market gap for me too, a little bit with jeans, because it's just difficult. Definitely also environmental practices, so that you don't just have consumption and consumption, but you know what suits you. I would also count all brands. And especially with Louis Vuitton with brand loyalty, if you have tailored products, I can also imagine if you know, okay, look, I bought this product once, there are the recommendations. But it's often the case that you have similar products to your last purchase. But exactly, I think with Diesel, I would find it cool to have a tailored list of jeans based on your preferences and shopping behavior.

### **Interviewer**

Okay, great. And the last use case would now be trend spotting.

### **Interviewee**

I think technology is extremely important, but I also notice it in my work. It's actually more and more about discovering the latest trends and knowing what the consumer wants. Especially with such a dynamic consumer segment like Gen Z, you always need to know what colors are in, what styles are in. Six months ago, it was brown and pink, now all of a sudden, it's light blue and yellow. How does that come about and what is the next step? You can't just think, what's

## Group Part

next month? You have to think about what trends are coming next year or in the next two years. AI is definitely a good help for all brands, for everyone here in this case. And especially for established brands like Louis Vuitton, I think, simply because they are still so outdated in many respects. And of course, new designers like Pharrell or Virgil Abloh have rejuvenated everything. But if you want to address this target audience, then you also have to use AI, I believe, to make it easier to understand and get to know this audience and understand market behavior and shopping behavior. That's why I definitely believe that all points can actually be ticked off here, because this trend spotting and trend research is also totally important in terms of sustainability. For example, women also really like leather products and if you want to be sustainable, then you need an alternative product. And then there's apple skin, for example, and which alternative products are actually respected, which are well received and authentic. I think that's the be-all and end-all, I would say, to appeal to Gen Z.

### **Interviewer**

If you do now or can you think of any competitors if or when you think of implementing this technology for one of these companies?

### **Interviewee**

I just think hire freeze and budget cut if you say we have to invest in AI now and we have less manpower for copywriting. Copywriting is almost eliminated with chat GPT. I think that's the risk and otherwise I just think that AI and maybe data protection, if you just say, okay, you go totally into the consumers and observe what they like. And I think otherwise, regardless of that, it's very beneficial and especially for this trend studying and trend research, because it's very complex. And I think if you have a machine learning or AI bot that can see through that, then I don't think that's a bad thing.

## Group Part

### **Interviewer**

And finally, can you think of any luxury fashion brands that already use this in some way?

### **Interviewee**

I think almost everyone is using it, slowly, I have a feeling. So, AI content, I know that with AI, for example, you can also get a lot of NFTs. They also sell these NFTs online for 200,000 euros or 300,000 euros for a sneaker. That's all generated with AI. So, I think it's also just cool to get into this metaverse world, which is also relevant in order to be innovative.

### **Interviewer**

Great, thank you. I have another quick question. You said that generative AI for content production can actually be used very well by all brands to simply be a bit more creative, to somehow design campaigns that simply have a wow effect. This comes from the last Expert interview. She had focused a bit more on this more traditional definition of luxury, that human craftsmanship is super, super important. Maybe less so for a brand like Diesel, but for Louis Vuitton or The Attico, for example, which want to position themselves more in this luxury sector, do you see a danger that this human touch will become less important and that consumers might not find it so great, even though it is innovative in itself?

### **Interviewee**

I would say no because I think one is marketing and the other is production. And I believe that if you somehow retain production in marketing and say that you can also use AI or use generative AI to draw attention to production. You can also give consumers the opportunity to immerse themselves in the world of production without having to fly to Paris, or probably the production is not in Paris, but somewhere where production takes place, to see how it works.

## Group Part

For example, I don't know if you know the Shoe Surgeon, he's a designer who takes a lot of luxury products and studio products and puts them together and then there's a very limited selection of products because they're handcrafted. And he always mentions this in his marketing and shows the process. And I just think that if the luxury brands are afraid that something like this is no longer clear, then it has to be emphasized and it can be with marketing, because in my opinion AI then no longer plays a role, because I think that luxury brands lose a bit of their rarity. It's no longer like owning a diamond like it used to be. It's more like you just have a fast fashion product. So, I think that's more the essence of luxury brand communication and marketing in general, which I think is a bit lacking. And I believe that AI could perhaps also be a means of simply emphasizing how it really is.

### **Interviewer**

Thank you very much. Then we would come to the last technology, 3D printing. The first use case, similar to the others, is personalization and collaboration with consumers, so that you can design one-of-a-kind fashion items, whether in-store or online. Do you see a good application for the three brands?

### **Interviewee**

I would definitely say that it creates loyalty or awareness for everyone. Simply because, as I said, if you can build a personalized 3D product in a store where everyone maybe buys a Bottega bag and then you buy a Bottega bag that is personalized or somehow has a logo of yours on it and whatever. Then it's exclusive again in a way. There's also a reason why people, for example, like to have their things personalized, buy a badge to put it on somewhere, so that it's simply their own product. And I would also say that's definitely a big reason why this would definitely stimulate loyalty and awareness. In terms of quality perception, I don't know exactly whether

## Group Part

that would help with The Attico, because I think it shows a bit that you have a design, and it can be produced here quickly in 15 minutes with a 3D printer. I think you'd have to think a bit more about why it's so expensive now, then maybe that aspect would be gone a bit. And I would also lose a bit of the sustainability aspect. I think 3D always comes across a bit like it's a plastic production. And I don't think that would necessarily be sustainable for me in a way, especially because you can produce and consume it so quickly. Sure, it's a cost, but I wouldn't say it's 100% sustainable for me at first glance. Sure, you can produce on the multi-handed approach, but I think 3D production is more likely to be a lot at once because it's so fast.

### **Interviewer**

Then in the last use case of 3D printing that we have identified is, as you have just said, promoting sustainability. I think we're now moving a bit more in the direction of perhaps using this on-demand production or being able to incorporate more sustainable or recycled materials into this 3D printer. Yes, you probably see that in the third challenge for everyone, but how do you see it being used?

### **Interviewee**

So I think if you produce it, the question is also whether you produce it on site on quick demand or whether you say you're generally switching to 3D printers in production, then, as I said, I think transparency is the be-all and end-all, because especially if you want to correspond to Gen Z, I think that's also extremely important for these consumers and also to know which products it's made from. So, if you say you're doing 3D printing, you still have to say what materials are used and whether it's even possible. And you also need to perhaps, which is also often seen, is simply a list of materials, is this 100% cashmere here, 100% in the wool here, for example, just to record that when something like this happens, because I think otherwise it very quickly falls

## Group Part

back into the image of fast fashion and fast production. And it's not like you imagine someone, a designer, who then sits at a table and assembles a shoe for you, for example. You just imagine that you've typed it into your computer, there's not much heart and soul behind it and it's just printed out. That's why I believe that if it's to be sustainable and this authenticity and transparency is to be created, it definitely has to be listed or somehow a kind of Metaverse, where we have a shoe lock, where it says next to it which materials are included. I think there is a risk that this will be seen as such very quickly.

### **Interviewer**

Do you know a luxury or fashion brand that has already implemented 3D printing?

### **Interviewee**

Not luxury brands at all, maybe I just don't know. But I don't think I knew, maybe you know some, I didn't know whether it's recognized at all or whether it's seen as such high quality. No, I don't actually know them. I just know that it happens. But not in the luxury sector.

### **Interviewer**

Okay, great. I think that really helped us a lot. Could ask if we could come back to you again?

### **Interviewee**

Yes, with pleasure.

*Note: This interview was conducted in German and transcribed and translated with Cockatoo.*

*Despite some review, there may be logical or grammatical errors due to the transcription.*

## **Appendix C – The Attico: Consumer Interviews**

### **Appendix C.1 – The Attico: Consumer Interview Guide**

**Formalities:** *"May I record this interview and use it for analysis and reference purposes? I may touch upon personal data, but it will be kept confidential and in compliance with data protection laws. Do you agree?"*

#### **I. Introduction and Background Information:**

1. What is your name, and how old are you?
2. Please emphasize your background, interests, or experiences in the luxury fashion industry.

#### **Purchase Behavior**

3. How often do you purchase Luxury Fashion? (*weekly, monthly, yearly*)
4. When buying a higher price for luxury items, which criteria are essential to you? (*regarding product & brand*)
5. What would prevent you from purchasing a product at a higher price of an unknown luxury brand?

#### **Brand Introduction – The Attico**

6. Are you familiar with The Attico? Have you heard from the brand before? If yes, how?

#### **II. Strategy Presentation**

*"We collaborated with industry experts to develop strategies to address certain challenges. Let me outline each strategy, and I'd appreciate your initial impressions and thoughts."*

## Strategy 1 – Virtual Pop-up Store

### Version A – Current E-Commerce

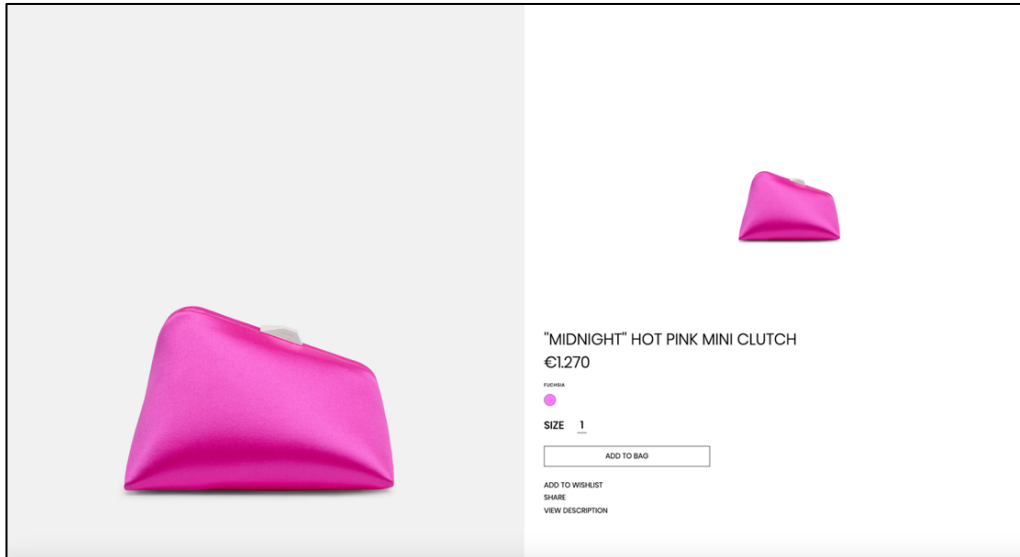


Figure 2: E-Commerce The Attico – Version A (Source: [The Attico](#) 2023)

### Version A – Virtual Pop-up Store



Figure 3: The Attico Virtual Pop-up Store – Version A (Sources of Images: 1) [WWD](#)

2021, 2) [The Attico](#) 2023, 3) Leonie Hanne via [Instagram](#) 2023)

Version B – Current E-Commerce

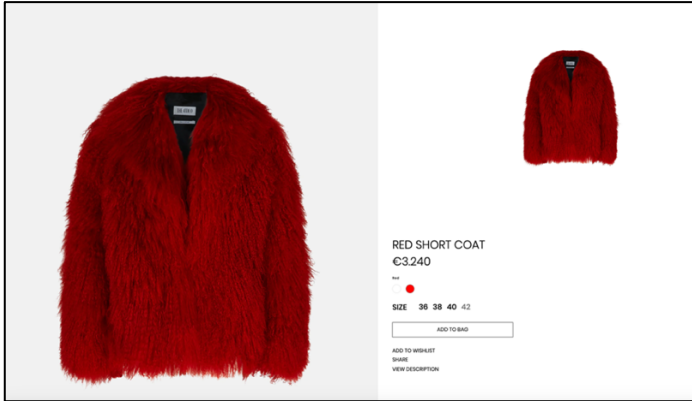


Figure 4: E-Commerce The Attico – Version B (Source: The Attico 2023)

Version B – Virtual Pop-up Stores

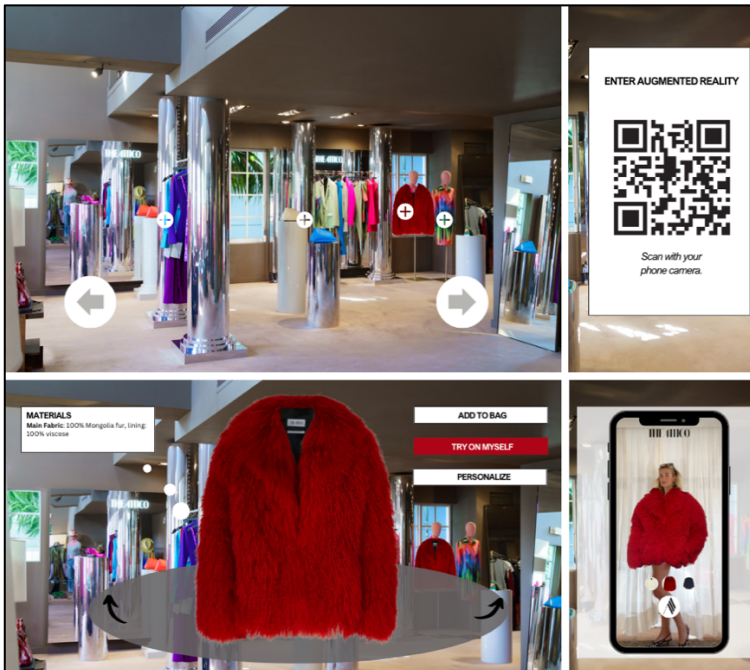


Figure 5: The Attico Virtual Pop-up Store – Version A (Sources of Images: 1) [WWD 2021](#), 2) [The Attico 2023](#), 3) [Xenia Adonts via Instagram 2023](#))

7. What is your **initial reaction** and thought about this virtual experience? Does it resonate with you or seem appealing?
8. Have you ever had such a shopping experience before? If yes, how was it, and which brand?
9. If you heard about this shopping experience from a friend, would you likely try it?
10. Does this way of shopping and exploring a product help reduce **uncertainty** about **product quality**?
11. Would you like to create and own a customized item by The Attico? If yes, why? If not, why not?
12. Would this way of shopping increase the probability of purchasing a product compared to regular e-commerce?
13. What are the factors that would disturb your experience?
14. Would you prefer this way of shopping over regular e-commerce, and why?
15. How would you describe the **Brand Identity** after seeing this?
16. How does this experience help to increase **Brand Awareness**?
17. **Would this kind of shopping experience fit** The Attico's brand identity? If yes, why? If not, why?
18. Would this shopping experience improve your perception of a brand like The Attico?

### **Strategy 2 – Immersive Journey of Product Life Cycle**

19. How important is it to you that a brand is transparent about its production?
20. What, if anything, do you inform yourself about before you buy a luxury product?

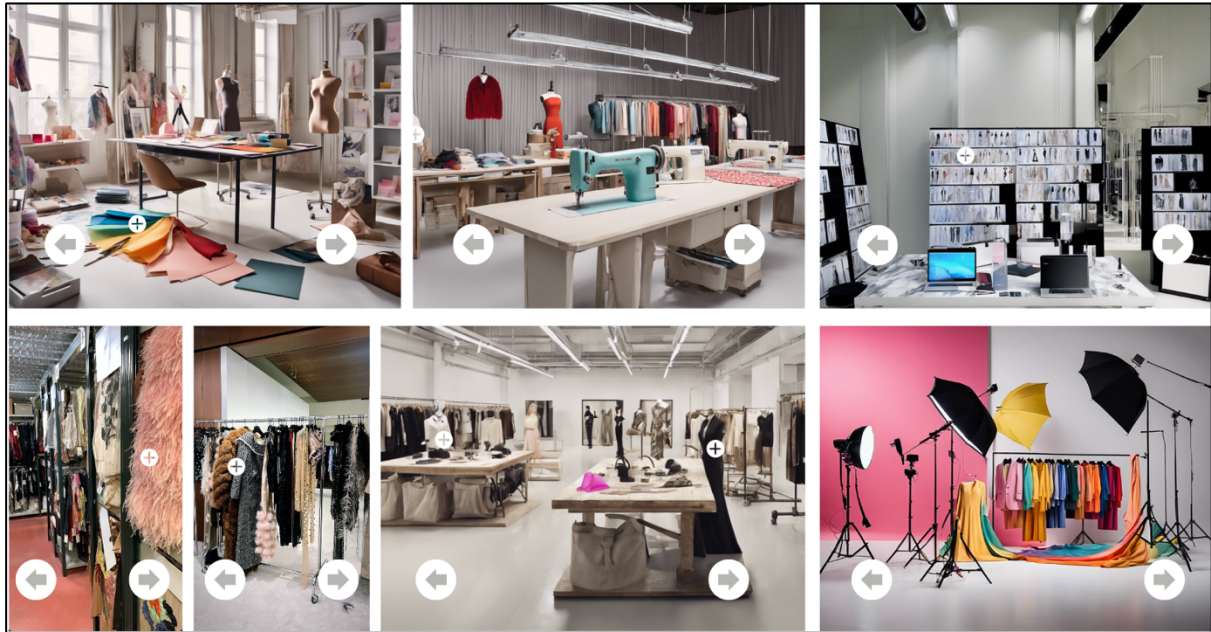


Figure 6: Immersive Journey of Product Life Cycle (Sources of Images: 1) The Attico 2023, 2) AI-Generated via ChatGPT)

21. Do you find it interesting to get insights behind the scenes of brands? If yes, why? If not, why?
22. What is your initial reaction and thought about this virtual experience? Does it resonate with you or seem appealing?
23. Have you ever had such a shopping experience before? If yes, how was it, and which brand?
24. Would this tackle any purchasing barriers? If yes, which one and why? If not, why?
25. Does this way of exploring a product help to reduce any uncertainty about product quality?
26. How would you describe the Brand Identity after seeing this?
27. How does this experience help to increase Brand Awareness?
28. What are the factors that would disturb your experience?
29. Would this kind of experience fit The Attico's brand identity? If yes, why? If not, why?
30. Would this experience improve your perception of a Brand like The Attico?

### Strategy 3 – Surreal Advertisement powered by Generative

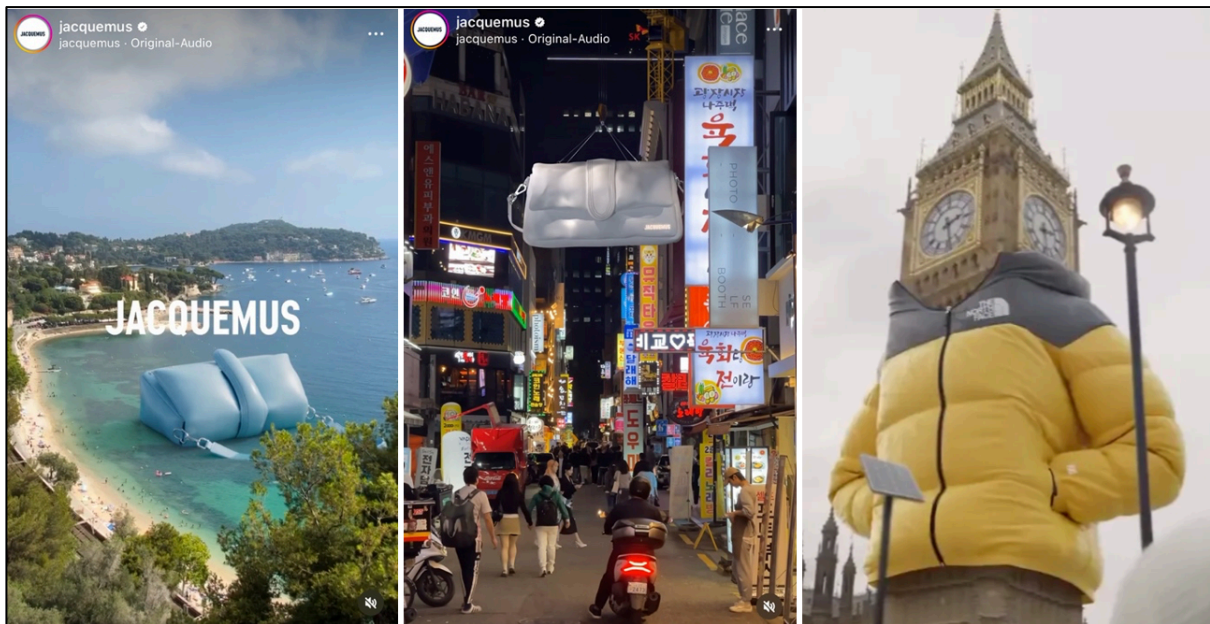


Figure 7: Surreal Advertisement of Benchmark Brands (Sources: 1) Jacquemus via Instagram 2023, 2) The North Face via Creative Bloq 2023)

31. Do you remember seeing those ads before?

31.1.If yes, what was your initial reaction? Did you inform yourself about the brand? Have you considered purchasing something from the brand?

31.2.If not, what are your first thoughts about this campaign? Does it resonate with you or seem appealing?

32. Are you more interested in the brand after seeing this ad?

33. How would you describe the brand identity after seeing those videos?



Figure 8: Surreal Marketing Campaigns for The Attico (Images are AI-generated using ChatGPT 4.0)

34. How does this kind of advertising help to increase Brand Awareness?
35. Does this advertising help reduce any uncertainty about product quality?
36. How does this advertisement compare to other ads you've seen of other luxury brands?
37. Do you prefer this ad over other ads in the same category? Why or why not?
38. Would that kind of animated Marketing Ad fit the Brand Identity of The Attico? If yes, why? If not, why?
39. To conclude, would this marketing campaign improve your perception of a Brand like The Attico?

#### **IV. Conclusion, Thank You, and Next Steps:**

*"Thank you for your valuable insights and feedback. Your expertise is invaluable, and I deeply appreciate your time and thoughts. Would you be open to further discussions or guidance as I refine my strategies? Your continued involvement would be greatly beneficial."*

**Appendix C.2 – The Attico: Consumer Interview Transcript – Consumer 1 (Female, 25)**

**Interviewer**

And could you briefly describe your background, interest, or perhaps experience in the fashion or luxury industry?

**Interviewee**

I wouldn't say I have any professional experience, but I am of course a consumer in the fashion industry. I'm very interested in luxury brands and their vintage collections, let's say beautiful bags. But I also like discovering new things and I always think it's great when luxury brands adapt a little to today's world and modern times and, above all, set trends, and I find that super exciting. So yes, I really like aesthetics and somehow have a lot of fun discovering such brands and identifying with them.

**Interviewer**

Yes, all right. Okay, so let's start by introducing you to a total of three strategies and asking you a few questions about them. [INTRODUCTION TO FIRST STRATEGY] Exactly, first question, have you ever encountered a purchase experience like this?

**Interviewee**

Not with fashion, but with pieces of furniture. For example, a sofa in my living room. There was a website that offered that you could virtually pull it into the environment, into your home so to speak, with your cell phone camera, and then you can see how it is placed or how it might not be completely true to detail, of course, but how it looks, and I definitely found that very exciting. But never with clothes.

**Interviewer**

And what exactly did you like about it compared to normal e-commerce from a sofa?

**Interviewee**

Yes, because of course I could see straight away, which was really cool, in which corner you can put something like that. You can somehow grasp it a bit better visually than if you only see it in a picture. I found it a very positive experience because it took away a bit of the distance to an online product, especially when it comes to something bigger or more expensive, because you can see it live in your own living room. That was very positive and very cool.

**Interviewer**

If you try to put yourself in a shopping experience like this, what is your first reaction, your first thought?

**Interviewee**

I think it's super exciting, I think it's a very innovative idea. Especially if you don't know a brand well or haven't really experienced it yourself, so to speak, or have always had the products in your hand or perhaps seen them in a store, because you don't have your own stores yet, I think it's super exciting that you can set it up like this and then take it a bit further and bring the store experience home, because I don't think it's a bad thing at all that we do a lot with e-commerce these days. We simply do most of our shopping online. It also gives you a little bit of security so that you think, do I want to spend the money on this now? If you can perhaps experience it a little bit in a virtual experience, of course you can't touch the product, but it still brings it closer to you. You can be sure, for example with the bag or the jacket, how big the products are. So, for example, if you could somehow put it on virtually, does it suit me, how

can I style it? That's a very cool experience. And it also brings a bit of that luxury feeling home without actually having to be there.

**Interviewer**

Very cool. If you've been told about this experience by a friend or something. Would you always like to try it out?

**Interviewee**

Yes, I think I would actually want to try it out. I find that very exciting. of shopping or getting to know a product.

**Interviewer**

Would that help you to minimize such uncertainty about product quality? You've just touched on it a bit, but I would approach it a bit.

**Interviewee**

Exactly, well, as I said, I think you can only evaluate the product, the quality of the product, when you have it in your hand. But the fact that it's a little bit more accessible also gives you a little bit of trust in the brand, that there really is high quality behind it. And the fact that you can see the product from all sides, as true to scale as possible, gives you a higher degree of certainty than if you only saw it in a single picture in an e-commerce store, in my opinion.

**Interviewer**

Yes, okay. Exactly, if you were to compare this shopping experience and just normal e-commerce, would that increase the likelihood of you buying a product or would it stay the same or would it get worse?

**Interviewee**

Never deteriorate under any circumstances. If in doubt, always increase. As I've never done this myself, I can't judge it exactly, but I think it would increase it more than if I just saw it in three pictures that I clicked through, because I simply can't judge it at all.

**Interviewer**

And what would bother you about such a buying experience? So, what would have a slightly negative impact on your experience?

**Interviewee**

That's a bit of a question, because maybe it's just about being able to look at products up close and somehow drag them to the right and left. I think the only thing that would be annoying is that you still can't try it on properly. I don't know how sophisticated it will be before it becomes very virtual, where you sit down in front of the camera, and it's scanned somehow. That would be the only thing that would still make the whole experience virtual and not like going into a store. I think that's the only thing that might bother me. But that goes hand in hand with being in e-commerce.

**Interviewer**

So, it's kind of like, if you try to do it yourself here, that you then somehow, when you're on your cell phone or that I make myself a camera, that you Snapchat again, there are these filters where you can look like, okay.

**Interviewee**

Exactly, so if that was included as an option, then of course that would be a very cool experience.

**Interviewer**

When you see a campaign like this now, how would you describe the brand identity of the brand? So, what does that say about brand identity?

**Interviewee**

So first of all, the first term that would be so easy for me would simply be innovative and very sophisticated and very focused on strengthening the customer experience or the consumer experience by offering something like this and not relying on the product itself just because you're a luxury brand, but that you give something back to the consumer with innovations behind it or create something new and create a virtual experience that perhaps becomes something that speaks for quality, which speaks for innovation, but also speaks for the fact that the brand wants to approach the consumer and is aware that it can only work in this way via an e-commerce store, possibly, and that this can simply be a very exciting experience.

**Interviewer**

And how do you think such an experience could influence brand awareness, if it could at all?

**Interviewee**

Yes, of course. The fact that it reflects the experience of a normal shopping experience a little bit and that's perhaps also the mission a little bit, so this luxury in everyday life and in everyday fashion, that could of course somehow consolidate it a little bit, this kind of consumer experience or virtual experience. I'm just not sure whether it represents the brand so well, because it's somehow a bit... I think it's just that it's supposed to be extravagant and eye-

catching, but also represents these vintage luxury stores and things like that a bit, so I think this, I don't know whether I think this virtual experience is too clean. I don't know if what I'm saying makes any sense at all, but it's a bit of a struggle for me at the moment. But it's actually very cool because it's so innovative and so new and somehow very much in line with the brand identity.

**Interviewer**

Okay, now just to summarize this experience. Do you think this would theoretically improve your perception of The Attico or would it not change it?

**Interviewee**

I think the fact that I didn't know the brand before would definitely improve it, because you can simply get to know the products much faster and in a cool setting and an innovative setting. And also, that I don't just have to click through a store, an online store like that, but can go into it like a department store and then actually look at all the products and browse through them a bit without clicking on each one or anything like that, but simply see them and they are presented. So that will definitely make the brand more interesting for me and somehow, if you don't know the brand, it will also give you a little bit more proximity to the brand than if you only see it in an online store.

**Interviewer**

All right, great, let's move on to the second use case, and before I show you that, I have three more questions for you. Firstly, how important is it for a brand to be transparent about its production or the clothing creation process in general?

**Interviewee**

That's really important to me. I think that as a brand, you should get to know where something comes from and why you might choose certain production methods or production origins as a brand. I think that's extremely important, especially in the luxury sector.

**Interviewer**

And what do you normally do or what would you do, what would you inform yourself about before you buy a product from a luxury brand?

**Interviewee**

Most of the time, if I'm interested in a brand or a product, I'll actually look at the website, because it's usually about sustainability or corporate identity or something like that. And then I would actually read through it and see where it comes from. And perhaps which organizations, as I mentioned at the beginning, are supported by the brand. These are points that I would inform myself about. Especially if it's in a higher price range, then you generally just find out more about the brand or the product and if the points then also match, it helps the decision-making process.

**Interviewer**

Do you find it interesting to get a bit of a look behind the scenes of brands, if it's a bit more in the direction of creativity, but also how you decide on materials. Do you find that kind of thing interesting or is it more a case of okay, I'll see if the brand somehow matches my values, if they're sustainable, as you just said?

**Interviewee**

No, I find that really interesting. That's why social media is such a hot topic. I think every brand can simply use a platform like this to make processes like this more transparent. And I also

believe that it's simply very, well, when I see it and realize, okay, somehow, you're taken along a bit as a consumer or maybe you understand certain designs and backgrounds, then that's already, yes, somehow makes it a bit more personal. And I think that somehow, you can identify with a luxury brand much, much more quickly.

**Interviewer**

[INTRODUCTION TO SECOND STRATEGY]. What is your first reaction to such an experience?

**Interviewee**

I think it's really cool. So, I would really like it if, especially if you don't really know a brand yet or if it's just establishing itself or is not yet so well-known and you're interested in it, then you simply understand much more quickly what's behind it and what the processes are. You can understand the product better, perhaps also understand the price better, if you are hindered a little and if that is such an inhibition threshold. And I find that a very interesting way to establish a brand or get to know a product better.

**Interviewer**

Have you ever done something like this before or have you ever seen it anywhere?

**Interviewee**

I don't think it's in the way you've imagined it now. So, if that were a sophisticated cycle, so to speak. No, I don't think so yet.

**Interviewer**

And you've just mentioned a little bit, so purchase barriers such as price, but generally product or brand, if you just don't know that much about it yet, can you think of any other barriers, i.e. purchase barriers, that this would theoretically address?

**Interviewee**

Yes, I do believe that something like that can be addressed precisely. For example, the quality of the product, if you can see what materials are used, where they come from. Corporate identity or social sustainability, where is it processed, by whom and who are the people behind it. That will of course also address this directly and somehow make it a bit more transparent. And yes, I think the quality of the product is also somehow enhanced by the fact that you can see how much is behind it, how much work is behind it, which people are behind it, how much thought or creativity is put into such a product. And when you see that, perhaps by seeing the designer or the employee or whatever, then of course it's somehow immediately taken on board and yes, a barrier like that can be overcome really quickly.

**Interviewer**

Okay, great. That brings me to my next question, whether this would reduce uncertainty about quality. Would you think that such an experience could increase brand awareness?

**Interviewee**

Yes, I find it really difficult to assess that. I think it would only have a positive effect on her if anything. I can't say whether it's that extreme. Just like with the first one. I think it's a bit more sensitive with this topic because many people would simply remove these barriers, especially when it comes to luxury brands. If you can look at everything in detail and know exactly what is happening or where something comes from. I think many people in our generation are a bit

inhibited about associating the luxury market with something that they perhaps can't really identify with because it's so old-established. Just because it costs a lot doesn't mean it's sustainable. I believe that if this makes the process more transparent, it can also have a very positive effect on the brand and awareness.

**Interviewer**

In other words, it would first have to be communicated somehow, of course, that something is happening.

**Interviewee**

Yes, absolutely.

**Interviewer**

If you were to go through an experience like this now, what would you do or participate in as a customer, what would be the things that would bother you?

**Interviewee**

Of course, the whole duration of this process. I think you quickly become a bit unfocused. I just don't know how it's structured. Of course, you can choose for yourself whether you want to go through it at all. But of course it also depends on it being designed in such a way that our social media-trained brain, which somehow has no attention span, has more than three seconds, that it is really stimulated in such a way that you don't get bored quickly or somehow just click through a survey that is too long and then somehow don't quite know what you're looking at, but it has to be designed in a way that would keep consumers or me in the experience, so to speak.

**Interviewer**

Okay, great. Okay, would that now, in comparison to the first use case, would that fit The Attico's brand identity? If so, why not?

**Interviewee**

Yes, I think so. The Attico actually wants to represent the two women behind it a little bit, as I understand it, and also bring in this creativity and innovation and extravagance and so on. And of course, that's a given when you see what's happening, who's behind it and get to know the personalities behind it. So, I think that will have a positive effect on the identity of the brand. In fact, perhaps a little more than the others, because you can perhaps design it more creatively and make it a little more modern, the brand perhaps.

**Interviewer**

Okay, so you've probably answered the question of whether this experience would influence your perception of the brand positively, negatively, or not at all.

**Interviewee**

Yes, definitely positive.

**Interviewer**

Great, let's move on to the last one. I'm going to show you two clips. Have you seen these ads before? And what was your first reaction when you saw her for the first time?

**Interviewee**

I've seen the one with the buses before, I know it. I thought it was really cool. I thought it was very innovative and just something that doesn't look real.

**Interviewer**

And after you saw this ad, were you more interested in the fire, i.e. in Jacquemus here in the comparison?

**Interviewee**

When I saw the ad on Instagram, I actually went straight to the account. Because I already knew the brand, it didn't do anything more for me and my interest in the brand than before. I think the brand is cool, they do cool things, but it's not like I want to engage with the brand any more than I did before.

**Interviewer**

Okay and would you, do you think that a brand like this, even if it's now spread on Instagram or social media, would improve brand awareness?

**Interviewee**

Yes, I think anything that's innovative and in terms of marketing that simply hasn't been seen by everyone yet and that is embedded in a surround where it really looks as if it could be inflated into a huge bag, like now in the sea, for example, even if it is perhaps somehow generated by AI, of course makes it very interesting and can significantly increase brand awareness because it's simply something that not everyone is doing yet and, as I said, is very innovative.

**Interviewer**

You live in Cologne, if you were to see a campaign by The Attico to place a bag on the Cologne Cathedral. How would you like that?

**Interviewee**

I think it's really cool. So, I find it very interesting. I think that's why it's a bit of a provocation because you don't really know what it is, whether it's real or not. I think all things that are somehow about marketing, even if they are perhaps negative things, as long as you talk about it and then it comes out in the end that it was somehow fake or just AI-generated, then of course it is always positive for the awareness of this brand, because in the end it is simply something that people talk about and that can simply have a positive effect if it somehow only generates AI in terms of marketing. A bit of buzz and all that.

**Interviewer**

Generative AI can be used to produce content that is adapted to the consumer relatively quickly. That means, in your case, you would see a bag from The Attico on the Cologne Cathedral. But I would see it on a Lisbon streetcar. Would something like that catch you?

**Interviewee**

So, it would definitely catch me immediately, because it's just funny, you don't see it every day and it's also in the same city where you live, it's tailored to me. So of course, it's always cool because you feel directly addressed as a user when you somehow realize that it's happening in your city or somehow at a landmark that you often walk past or something. That's really, really cool and positive.

**Interviewer**

Do you see a danger that the luxury status because it is not man-made, but machine-made. Do you see a danger or a point of criticism from you?

**Interviewee**

No, because I think I know what you're getting at, but if it's really just about an advertisement or a marketing measure, no. So I don't think that, especially nowadays, everything is somehow e-commerce and with AI generated or generated with artificial intelligence, you can simply implement something like that quickly and I think we are already very used to it, that as long as it is done in a way that still represents the luxury status a bit and I think that is a luxury status, to implement something like that in the marketing measure, to say I present my bag here huge on the Cologne Cathedral. I think that would, if it still corresponds to the values of the brand and somehow corresponds to this, for example, if The Attico were to do it, just this coolness and innovation and so on, then it won't actually jeopardize the luxury status in my opinion. Yes, but it's still something completely new that you don't see every time and especially not from, I don't know, H&M or something.

**Interviewer**

Would a marketing campaign improve or not improve or negatively change your perception of a brand?

**Interviewee**

So, I think it's improved, because you can just talk about it a bit, which I've already mentioned, and then you'd probably send it directly to friends and say, oh look, how funny. And that just increases brand awareness a little bit. So, I actually think it's quite different from the other examples you showed me, because they're simply advertising measures and the other is really the experience when you're on the e-commerce store, so to speak. That's why it's naturally a way that can spread much faster and simply increases brand awareness more quickly.

**Interviewer**

Then I have some smaller questions. Firstly, would you be interested in creating and personalizing your own product?

**Interviewee**

Yes, I think I would be interested in that. So, the fact that something like this could then simply be personalized directly. And that just makes it easier to identify with it and then perhaps overcome any barriers, just because you don't know the product or the brand that well yet, if you get involved with it, that you simply create this unique piece for yourself, even if it's perhaps not unique, and my initials are engraved on the bag. And it also gives it a bit of a luxury status when you somehow say, okay, this really is my name on the bag or in it or something. That could definitely be a positive thing.

**Interviewer**

And if you were to see such a creation process, would you rather see it virtually or would you see it in store? Where do you think that would pick you up the most?

**Interviewee**

I think virtually. When it comes to advice or feeling the product, it's always better to do it in-store. Then you also have that exclusivity where you can sit with someone. They advise you and show you everything, different materials or different options. But the fact that it's... If an experience can be created virtually, as you have imagined, and you can click through the various options and then imagine it so well, then that would actually be enough. So, I don't think I personally would care.

**Interviewer**

Would that answer change in the context of a relatively unknown brand like The Attico?

**Interviewee**

Yes, I totally understand what you mean. I think that's why I struggled a bit about whether I was really that interested. Because, as you've just said, the fact that it's not such a widespread brand or that lots of people wear it anyway means that, as you say, it's still something special and you're still somehow a trendsetter or somehow, I don't know, you have, you own a luxury brand that's still something special either way because it's not yet so widespread. That's why I understand what you mean. That's why I don't think it would help the brand just because you could individualize it. I don't think it would have an extremely positive effect on the brand itself, because the limitation of the product, which is also a bit of a thing with luxury brands, that it's simply limited or not everyone can afford it, won't counteract that, because it's still a luxury product that not everyone knows yet and there's still a bit of exclusivity there.

**Interviewer**

Thank you very much.

**Interviewer**

With pleasure.

*Note: This interview was conducted in German and transcribed and translated with Cockatoo.*

*Despite some review, there may be logical or grammatical errors due to the transcription*

**Appendix C.3 – The Attico: Consumer Interview Transcript – Consumer 2 (Female, 23)**

**Interviewer**

Could you describe your background or interest or maybe also your experience in the luxury or fashion industry?

**Interviewee**

First of all, I would say private. I like to look at clothes, I like to shop in small shops, but also through big, well-known brands and follow many Instagram accounts about styling and trends. I would like to buy one or not. I can't say my first touch points with Luxury, but I know that it was a big wish for me to get a designer handbag for my 18th birthday. I think it's great to do something that excites you privately, because you're better in it and you do it for the most part of your life in that area. That's why I did my first internship in a PR agency, where I was settled in the luxury sector, but it was more about luxury hotels and travel, but also for a new customer acquisition, by Value Retail at the time. These are outlets, they call themselves Hungarian Outlets or Shopping Destinations, with 11 outlets worldwide. Then in the next internship I was at TechnoNeo Co. for six months, in PR and Marketing, I could get into the NSL, VMH environment. And then I did my last internship at Vallejo Retail in Germany, in the Wertheim Village and Ingolstadt Village and was a bit more in the retail area what I could look at a bit.

**Interviewer**

Great, thank you very much. How often would you say you buy luxury products if you can categorize it weekly, monthly, yearly?

**Interviewee**

I would say maybe one handbag per year. I can say that roughly. I don't necessarily buy the

things myself. I bought the bags with my salary, but otherwise it's more wishes that I make for Christmas, birthday or after a graduation, or rather not so often, but I have to save them or have wishes, and then also mostly an emotional connection through something, like an event.

**Interviewer**

All right. And when it comes to spending a higher price for luxury items, What are the criteria or points that are important for the product itself and for the brand?

**Interviewee**

On the one hand, definitely quality, but also that it is timeless. Because I think if you invest a lot of money, it shouldn't be something that I don't like after a year or that is in the trend. It's a combination of my own taste, but also what you're wearing right now. And yes, definitely the two points, that it's not in the closet, because that's just too bad.

**Interviewer**

Yes, I understand. If it's a relatively unknown luxury brand, what are the factors that would prevent you from spending a lot of money on an unknown luxury brand?

**Interviewee**

On the one hand, it's about credibility. Is it really luxury? The question is, of course, how far do you want to go with it? I think this self-expression point is very important. How far do you want to go with it? Do you want to have a product that others have and see that you have it? Or do you want to have something that is more of an understatement? And basically, it's not something I like to adorn myself with, but I buy things because I like them. So, it would be more about how far it holds up, I could imagine that or also just quality and yes, so quality and how far I like it in a few years.

**Interviewer**

Exactly, okay. All right, then I would like to introduce the brand to which I am building my thesis, The Attico. Do you already know The Attico?

**Interviewee**

I came across the brand in a course on luxury and fashion marketing.

**Interviewer**

[INTRODUCTION TO FIRST STRATEGY] Okay, and what is your first reaction to that virtual pop-up store?

**Interviewee**

I would be so surprised. I think it is very important for many people to be able to look at it and it becomes more tangible, especially if they don't have any real stores. However, I think that it will not limit the physical stores, especially in luxury. They play a big role, also because of the amount of money you have, the sensory, the way you can touch it, the way you see it, the size. I think that helps you to see it better, how it is in a photo. I can imagine that it helps, but not to the limit. Also because of the color. It often looks very different than in real life. Or the material. I think the material says so much about... I also have to deal with a lot of things, even with a sweater, for example. Also, with scratches or whatever. You always have to have it touched. And often it helps me, especially when you rely on the gut feeling, whether I will really wear it often or not. So not only from the look, but also from the feel. And I think it's the future that everyone has to do it, that you can enter the store. But not only. But I wouldn't do it like that. It depends. I ordered a luxury bag online in the past because I didn't want to stand in line in front of the store. I think that's really, really terrible. But I don't know if I would make a decision

based on that. I think it's important to... I would say, before I buy something or order it online, I've seen it at least once. Whether I saw it in a store or someone who wore it.

**Interviewer**

Would you say that such a shopping experience, compared to e-commerce, would reduce insecurity in terms of quality or would it remain the same?

**Interviewee**

In the case of size, for example, I would say that it would reduce the uncertainty. Of course, it also depends on how well it is really done, that you see it, that you know, okay, so it falls on the body or... So that's difficult again because everyone has different sizes or... So, size in terms of height, but also in terms of width or body build is very different I think it helps a lot in e-commerce when people wear it and also different models because nobody well, there are people, but many people are not 1,80m and weigh 40kg exaggeratedly I think it can help, but this touch factor, this feeling is still missing.

**Interviewer**

In comparison to normal e-commerce, would that virtual experience affect the probability of you buying something?

**Interviewee**

I think because I don't know the brand in itself and I don't know if I've ever seen anything of it in real life. Not necessarily. Not without a direct contact. I think if you've been to the store once, that's another barrier. But really without any contact point, I don't know. I would find it difficult.

**Interviewer**

There you see a small button with Try on myself. The idea is, theoretically, that you can expand it and not just see the product in 360 degrees, but eventually try it out on yourself with a mobile phone camera. If this feature would be added, would that affect further points for you?

**Interviewee**

Yes, because I, for example, with sunglasses, you have that quite often. And I think that works quite well, because you really see how it fits in your face. It may not be 100% matured as it will be at some point, but I think it definitely helps to see the clothes.

**Interviewer**

What would be things that would bother you, that would negatively affect your buying experience?

**Interviewee**

So, if for example my phone doesn't show me properly... So technical problems in general. I think if the friction flow works, it wouldn't be negatively influenced by that. Of course, it depends on how I look, but I think that it's just a technical diversity.

**Interviewer**

Alright. If you had a buying experience, how would you describe the brand.

**Interviewee**

Actually, that it is very innovative and that it would like to integrate this technology and is already well ahead of the game. There are also brands that have websites where you can't find anything you can buy. Which I also find a bit difficult because there is this luxury as a distance. And here I think it's nice that you know what's out there, see what you could have and also be a head of times.

**Interviewer**

And do you think that such a buying experience could influence brand awareness?

**Interviewee**

If it is well done, I think so. If you have free-of-charge processes and it really looks like it does in a store, definitely. Because not everyone, or there are no stores right now, but if there are any stores, not everyone has the possibility, if it is opened in Milan, to go there and try it for real. And I think that would make the threshold for some people much lower.

**Interviewer**

Okay. To sum up this experience, do you think that your perception or opinion about the ethical would improve, would remain the same or would have a negative impact?

**Interviewee**

I don't think it would have a negative impact. I find it difficult to judge whether it is positive or negative. If it is well done, there is no reason for it to be negative. But how much it helps me is another question. But in itself, it is neutral or positive. If I have the possibility to buy something or not only for me, but maybe also for others if you can really look at it in real life. I don't know, is it automatic that you have it live? Or you could maybe do it like this, that you have a photo of someone you want to give something to, for example, that you could paste in. And that would maybe also make the gift. and give them presents. Depending on who the shopper is. It's a simplification, so it's more positive.

**Interviewer**

Alright. Before we go to the next one, I would like to ask you three questions. First, how important is transparency and that the brands are transparent about their production or their production processes?

**Interviewee**

In itself very important, because especially the brands that call out such a high amount should be the ones that are pioneers in how far you can and should be sustainable. And as a guideline for other brands, you pay a premium for it, and that should not only be for the name, but also for quality and the craftsmanship itself. So definitely important.

**Interviewer**

Is there anything you are specifically informed about before you buy a product? Is it about the product itself or the brand?

**Interviewee**

Definitely price design. I find it very exciting. For example, what did it cost a few years ago? Or in retrospect, I always look at whether the prices have gone up or not and whether it was a smart decision. Then also about which materials are processed or where you can buy it, for example, of course. But I also pay attention to, for example, whether I have seen it somewhere. Every time I see someone with a bag I think, no. I really think, no. I don't know about you, but when I go shopping normally, I find it really stupid when I go to university and see someone wearing the same thing I'm wearing.

**Interviewer**

So it's important to you that you have things that are unique?

**Interviewee**

Yes, also unique. Yes.

**Interviewer**

Do you find it interesting to get a look behind the scenes of brands? Whether it's about how products are made, how the creative process is behind it. Are you interested in that? It depends on the situation. For example, with jewelry, I'm very excited, also because I did my internship there. I find it very exciting, especially with jewelry, also probably because of the internship. Because you looked behind the scenes a bit boring, but it is still exciting to know why, for example in the case of a Birkin bag, why is it so expensive, because you think it's all going to be made of one piece of leather, which is attached to each other at the beginning. And it still raises a price, but it's exciting to understand why, how, what is being done.

**Interviewer**

[INTRODUCTION TO SECOND STRATEGY] What is your first reaction to that?

**Interviewee**

It makes it much more personal and tangible. Especially with a new brand that doesn't have a lot of brand history, like Tiffany from the 1800s, I think it's a bit of storytelling. Even the old brands do that. How did it look in the beginning? What came out of it? And that will help the brand in the long run, to build something and to keep this consistency. I think that makes it much more credible, or not more credible, but the credibility increases in any case. It's a storytelling and it makes the brand more tangible. And also, how much work is put into it. It's not like Zara, where it's mass production and the simplest fabrics, the simplest cuts. There's a very good strategy.

**Interviewer**

Okay, great. You just mentioned that you've seen a film by Bulgari. Have you ever had an experience in this direction with a brand?

**Interviewee**

I was in PR, so it was a lot about storytelling and understanding how it works, how different ideas came about, which designer is behind it. There are three designers who are still at the core of the products. And it's super exciting in itself, because if you think about it, still designs today which are being reinvented it is already extremely exciting what kind of story for the long time that is already being carried and also people enthusiastic and still fulfilled definitely yes somehow exciting It's just exciting. Okay. And would that address any of your buying barriers? Yes, I think that a piece like that, even if it exists more often, and also not what the designer created at that time, somehow carries a story and also has a meaning, which you can get a deeper emotional connection. No matter who gives it to you or who bought it, it has its own story.

**Interviewer**

You said at the beginning that quality and credibility are important points, especially for unknown luxury brands. Would one of the two be relevant?

**Interviewee**

Both. Because if you see how it's made, it's not mass production. You see where the fabrics come from and how the things are selected and with what care and thought.

**Interviewer**

Next question, would that reduce the insecurity about quality?

**Interviewee**

Yes.

**Interviewer**

How would you describe the brand identity of a campaign like this?

**Interviewee**

I would say that he is an honest and transparent person. He is someone you can talk to, and he lets you look deeper into the background. How would you think that's what's important in luxury brands. Something tangible and deep. Not just the product, but also what's behind it. That will definitely have an impact.

**Interviewer**

You've already got to know the brand quite well. Would you say that such an experience of the brand identity of the article would fit?

**Interviewee**

Yes, because the two founders, if they already share it on social media, they are influencers, right? They also have a huge reach, for which people are interested in what they do in their free time actually from morning to night in their free time so it is very credible and would fit into the life that they are communicating on social media

**Interviewer**

Ok, great! To conclude would such an experience of your perception of The Attico influence? positive, negative, neutral?

**Interviewee**

I think I would definitely look at social media after this interview because I find it exciting. And I think if you follow both of them for a long time and follow them even before that I would probably be interested in looking at their website The best example is actually from Alexandra Anody, she also founded a brand with a friend, and, for example, there are a lot of things on my wish list from the brand. So, it's nice, although I've never seen a store and although I've never

touched a product, but by wearing it and showing how they decide for which fabric and how you combine it and so on, the brand definitely comes closer to me and then also interests me.

**Interviewer**

[INTRODUCTION TO THIRD STRATEGY] Okay, then I would like to show you two little clips. Do you know these two ads? Have you seen these ads before? What's your first reaction, your first thought?

**Interviewee**

No, neither. Well, with the first one I wouldn't have said it was an ad, it's just a teaser, right? When we open it next time. I think it's funny that he's wearing it now because it's probably impossible to do that. So, it's super cool. I think with Jacquemus, it's like, you're curious where they're opening up and especially for the people who live in the area it's super cool. Because it's in Asia it's not as important to me. I don't care that much about it. But with the Big Ben, with the jacket, I don't think it would appeal to me that much. I had one and I looked like a Michelin Man. But it's just the jacket. Exactly, it's not about the product. I think it's super exciting and I think it's super cool. And the idea is super funny. It wouldn't make me buy anything, but if I see a Big Ben, I would think about it.

**Interviewer**

With generative AI you can create images that are also focused on the person. For example, you are from Barcelona. If you came across a campaign on the internet where you would see a bag or a shoe from The Attico on the Familia. What would be your reaction?

**Interviewee**

I think it's super funny. Because you ask yourself, is it really like that or not? And I think if you would drive into a roadside shop, you would look. And somehow, it's also quite funny when you think about it, that it's so close to you from such a big brand.

**Interviewer**

And if you were to compare it to other campaigns, how would you classify it? Would you like it more or less? Why?

**Interviewee**

Tiffany does a campaign every year, a full brand campaign. And it has been with Beyoncé for the last three years. And I have to say, that person doesn't appeal to me. That's not necessarily what I would associate with luxury or fine jewelry. That's why I don't find it at all... I just don't like it. I didn't think about it at all. But now, when the new store opened in New York, the flagship store, with the AI1, where the bird of the rocks flies through the whole store. And I think that's super cool, because not everyone has the opportunity to walk through the store. And also, the way they did it in a playful way, with underwater world and all... And if you know the brand, you see different elements of, yeah, armpits or also brooches and so on, which are included in the video. Which I just somehow found super cute. So, I found it really... I could probably tell by what it looks like, because I've looked at it so many times. Because I just thought it was incredibly well done. And I think that, for example, connects me much more with the brand than a video where Beyonce is half naked, I would say, somehow moves, but really these brand elements are included and somehow more tangible for everyone.

**Interviewer**

Do you think that animated marketing ads or AI-generated apps would fit The Attico?

**Interviewee**

Yes it does. Especially if you would do e-commerce, for example, with try-on and really go into the store, you would go with the time and AI is just a bit of a hype right now, we see it with Chats GPT and so on. So, we would just go with the time and take a marketing strategy that is too expensive, especially as a young brand. Definitely.

**Interviewer**

Okay, again the question that I ask at all your interviews. Would a marketing campaign like this affect your perception The Attico?

**Interviewee**

I think they would make you younger. I would say that they are young, but the news about them, I would not say positive or negative, because I have not enough opinion about the brand, but I can imagine that it will become more popular maybe virality on the internet just becomes more known and with Jacquemus it was like they created a bag and suddenly they were known before.

**Interviewer**

Would you be interested in a personalized piece of clothing, bag, or accessory from a rather unknown luxury brand? If so, why?

**Interviewee**

I think that's a big thing, personalization. Also because of the self-expression in our genre. It's also about taking yourself off and making individualism a bit more extreme. I think that's why the piece itself is so individual, so individual, it's just more expressive. And especially with bags, for example, it's like, it contributes a lot to the outfit, but you can also warm up an outfit. That's why I can imagine that it's definitely cool.

**Interviewer**

Okay. And if you do a personalization, would you rather see it in-store or e-commerce, in a virtual space?

**Interviewee**

I actually think e-commerce, because it can be better presented, because you can see exactly what it looks like. And probably, if they do it in the store, it will probably also run over the website, so that you can see what it really looks like. Except that it's just your initials.

**Interviewer**

Would you also be interested in personalized goods of The Attico, a relatively unknown brand?

**Interviewee**

For The Attico it is more different than with bigger brands like Gucci. With more known brands you can differentiate yourself with personalized items. However, The Attico, itself is a way of differentiating because you don't wear the "mainstream" luxury brand, you know? So maybe, you would not even need personalization.

**Interviewer**

All right. Thank you very much.

*Note: This interview was conducted in English and transcribed with Cockatoo. Despite some review, there may be logical or grammatical errors due to the transcription*

**Appendix C.4 – The Attico: Consumer Interview Transcript – Consumer 3 (Female, 24)**

**Interviewer**

Could you please introduce yourself, name, age and your background or interest in the luxury fashion industry?

**Interviewee**

I'm currently in my master's degree in management with a focus on luxury. I have many courses in the context of management and luxury, such as brand management, fashion, and luxury. My interest in luxury was already awakened early. I think it's great how interesting the interplay between luxury and sustainability and luxury and new technologies is and what else can come in the future.

**Interviewer**

How often do you consume luxury items if you could break it down weekly, monthly, or yearly?

**Interviewee**

I would say... Maximum twice a year. And usually its jewelry, accessories, or bags.

**Interviewer**

If it comes to spending a higher price for luxury products, what are the criteria that are particularly important?

**Interviewee**

Quality On one I would say and on two... that it's personalized, or not personalized, but that it's a little more unique, that it's something that not everyone has.

**Interviewer**

Okay, and what if it's a relatively unknown luxury brand, what are the criteria that would stop you from paying a higher price?

**Interviewee**

If I don't know where the material comes from or what material has been used. And... what would stop me? If I notice that the price discrepancy is too big for what it offers. Do you understand what I mean? If the price does not correspond to the quality.

**Interviewer**

Do you know the brand, The Attico?

**Interviewee**

Yes, I do.

**Interviewer**

[INTRO TO THE FIRST STRATEGY]. My first question would be, what is your first reaction to such an experience?

**Interviewee**

I think it's important to create a connection to this reality when you're introducing new technologies. I think that's what makes it possible to experience this experience in a different way. I think it's very futuristic, so I like it.

**Interviewer**

Would that increase the probability of you purchasing a product of The Attico?

**Interviewee**

If it's well made and easy to use, then definitely. If it's super complicated and not quite realistic, then it's difficult. Because then you can also present it quite normally. For me, it's not a problem.

**Interviewer**

Have you ever had a shopping experience like this before?

**Interviewee**

No, I don't think so. I never really dealt with it that much.

**Interviewer**

If you would compare this experience with other e-commerce platforms, would the insecurity of the quality of products or materials be reduced? Or would it remain the same or would it be increased?

**Interviewee**

It is still difficult to find out how the material feels. It is not possible at least at the time. So, I would say it stays the same. I think it's difficult when you see a product that is very expensive to buy it online because you spend a lot of money and you don't know how it feels, how it feels on my body, it sounds weird now, but how do you feel with the piece? I would say it stays the same. I don't think it will be strengthened, but I don't think it will be taken completely.

**Interviewer**

Okay, and if you see here, you see a little button with Try On Myself. Theoretically, you can still expand this experience. And the idea is that you could add a feature that the consumer can try it on themselves. So, for example, maybe you know that from Snapchat, with augmented reality, you can try glasses, try watches, but theoretically, you can also try other products.

Would that be something that would somehow affect your experience more positively, or would that be something you would be interested in?

**Interviewee**

Yes, definitely. I think so, but I think that it wouldn't take all my insecurity. It's an add-on and it would be attractive for many.

**Interviewer**

What are the factors that would make such an experience negative for you? What would bother you?

**Interviewee**

Well, that it's still digital, despite the fact that there is no experience on site. And if you spend so much money, you want to get something out of it and you want to know where you invest your money. But I think that if you look at it as a whole, if it is on a distance, for example, that it can replace that to a certain extent. But yes, as I said, this feeling, that's just not possible.

**Interviewer**

Would you prefer such an experience compared to regular e-commerce?

**Interviewee**

Yes. I think that it is profitable, especially for a luxury brand, simply because you spend so much money on it and want to get something back from it. I think that it is not as important for a normal past fashion brand as for a brand like The Attico.

**Interviewer**

How would you describe the brand personality of a brand that offers something like that?

**Interviewee**

In any case, innovative, inclusive, and consumer oriented.

**Interviewer**

Okay, perfect. Do you think that such an experience could influence Brand Awareness?

**Interviewee**

I think it's already in the coming. That's why I don't think it's completely new. It has already been there; the technology is already there. But I think it's definitely already there. I think at this point, definitely.

**Interviewer**

And do you think, after you've got to know The Attico a bit, that this would fit the brand identity?

**Interviewee**

Yes, I think so, because it's a relatively cool, new, young brand and it would not come out of nowhere and would not to Identity at all. It shows that they work innovatively which suits the brand. So, I think it fits very well.

**Interviewer**

To sum it up, would such a shopping experience negatively or positively influence your perception of the brand The Attico?

**Interviewee**

I would say positively, because I think that they can stand out a bit from the traditional luxury companies that have been around for a long time and have a long tradition, but that they can simply come into this innovative niche or go in that direction and become attractive.

**Interviewer**

Sure. Then, before I introduce the next one, I have three more questions for you. How important is it to you that brands are transparent about their production?

**Interviewee**

Very important. Because I feel like there is a lot of greenwashing these days. So, it's important how it's presented and that facts are put on the table and not just anything is written. Nowadays, it is important to know where the materials are coming from, what kind of work responsibilities are given, what the supply chain is, just on the subject of sustainability but also on the subject of work and corporate and social responsibility, exactly.

**Interviewer**

And what are the things you usually get informed about, product-related or brand-related before you buy a luxury product?

**Interviewee**

I would like to know more about the material. I think it is very important. There are a lot of materials that are sold for a high price, but don't have a good quality and don't feel good. That's why I think it is very important. And then also about what other offers are there, for example, I don't know, you bought a bag, and you want to have it cleaned, what kind of possibilities are there. So, these add-ons you have after you've bought a product. Yes, those are the main things, I think.

**Interviewer**

And do you find it generally interesting to get insights behind the scenes of brands, be it somehow to the creative process of products, how materials are selected, how things are created in general, do you find that interesting?

**Interviewee**

It's interesting, but I think if I don't buy anything from the brand or just watch it, it's not the first thing that interests me. I wouldn't read a text through it; it should be portrayed differently.

**Interviewer**

[INTRO TO SECOND STRATEGY] I want to ask you directly, what is your first reaction?

**Interviewee**

I think it's a good idea, because I already said that this supply chain transparency is important nowadays. And I think that many young consumers will value it. I don't know if it will be used in the end, But it's definitely a good strategy to get people involved and to get a bit of passion for the product. Yes, that's why I like it.

**Interviewer**

You said at the beginning that you purchase barriers are quality and uniqueness of a product. Or that you know what you are investing your money for. Would such an experience be related to your buying barriers?

**Interviewee**

Yes, you can solve these problems that often exist in the supply chain by becoming more transparent. So, it's a good idea to skip these hurdles.

**Interviewer**

And now again in relation to insecurity in terms of quality. Would that reduce them, would they stay the same or would they be weakened?

**Interviewee**

I think that it will actually improve. Okay, and because you can see that the brand is trying to deal with its consumers and is trying to involve them, which I think is a good strategy.

**Interviewer**

Do you think that an experience like this could influence brand awareness?

**Interviewee**

There are a few brands that do this, but I think that they can stand out from others if it's well communicated.

**Interviewer**

Which brands do you think are offering something similar?

**Interviewee**

No, I mean in general, this transparency that they offer, from the process how products are made. I can't say now if they use the same technology, but it's more common that these journeys are put on display.

**Interviewer**

I understand. In such an experience, what are factors that would annoy or disturb you? What would make it a bad experience for you?

**Interviewee**

I think if you implement something like that, it has to be well done and have a flow. And maybe give some explanations. I think if it's shown on the website for no reason, I'd be a bit confused as a consumer. But maybe explain again why it is done, why it is presented in this way. Give it some context.

**Interviewer**

Great. Again, I ask you, would this fit the brand identity of The Attico in your opinion?

**Interviewee**

I think if they want to be transparent and want to stand out, then it definitely fits. And regarding innovation and being innovative. which

**Interviewer**

And again, the last question to sum it up. Would such an experience improve your perception of The Attico?

**Interviewee**

It's hard to say because I haven't seen the final product yet. But I think it would improve the transparency.

**Interviewer**

Okay, then I will show you two short clips. But you can tell me, have you seen the advertisement?

**Interviewee**

Well, from Jacquemus, Yes, but from The North Face, no. But of course, I've seen advertisements like those as many brands uses them.

**Interviewer**

And when you saw Jacquemus' ad for the first time, what was your first reaction?

**Interviewee**

The brand is quite innovative, and they do that a lot. When I saw it, my first reaction... I think it's cool. It's something new, something creative. You're sticking out.

**Interviewer**

And after this ad, were you more interested in the brand, or did it stay the same?

**Interviewee**

No, but it definitely... it didn't take away my interest more than once, because I was already interested before, but it just creates awareness for the mass. And I think that's why it's a very good strategy. But I think you still have to be careful about the extent to which you do it.

**Interviewer**

What do you think could be the risks?

**Interviewee**

That there is too much, that they try to appeal to the mass too much. And that it can be a bit... how can I say it differently? A bit trashy.

**Interviewer**

Okay. You're from Frankfurt. What would be your reaction if you saw an ad where a bag from The Attico is placed on the Frankfurt TV Tower for example?

**Interviewee**

It's a difficult question, because with The Attico. There is not one bag that's famous for the brand or that stands out and you say, okay, that's the brand. That's why I think that as a fashion enthusiast I would be caught by it and would be like, okay, cool bag, which brand is it from? I

think that you can create an interest there. But I think on the other hand it's difficult if you advertise it to the masses on the Frankfurt TV Tower, advertised by the mass media in Frankfurt. Because many people probably don't know which brand it is and can't connect it.

**Interviewer**

Okay, do you think that such advertisements, compared to more traditional ones, would arouse your interest? Or what would you prefer?

**Interviewee**

I think that to a certain extent they would interest me I would be interested in a certain amount and would quickly encourage the purchase list. But as I said before, if it becomes too much, you are quickly annoyed. You have to find a good medium, because it can be too much very quickly and too much information and that it's more distracting.

**Interviewer**

Okay, and now to the conclusion of this strategy. Would such a marketing campaign improve your perception of the brand, The Attico? Or would it be negatively influenced, or would it stay the same?

**Interviewee**

I think, it would stay relatively the same.

**Interviewer**

Good, then I have three more small questions. Would you be interested in having personalized products from The Attico and creating them? If yes, why? If no, why not?

**Interviewee**

I think co-creation is extremely important nowadays. As I said at the beginning of the interview,

it's important to connect the personal with the luxury. That's why I would definitely go in that direction.

**Interviewer**

Would you like to be able to do that co-creation in-store or in a virtual space?

**Interviewee**

I think the most important thing is that if you buy it in-store, it is possible in-store and if you buy it online, it is also possible online. So that there is a smooth transition and that it fits together.

**Interviewer**

Would you also be interested in personalized goods of The Attico, a relatively unknown brand?

**Interviewee**

I'm sure that's a problem, too. Because I said that the article doesn't have a bag that is totally brand related. I see the bag and think of the article. They have a lot of bags that have a special shape or something. And that's why I find it difficult, just like them. I think this personal thing is not really asked. With Louis Vuitton it worked, I said that if it can be personalized, it makes sense. But I don't feel like paying 500 or 1000€ more to personalize it. I think you should talk to some hardcore luxury consumers. There are so many things you can do. But I think it doesn't make that much sense for a rather unknown brand like The Attico.

**Interviewer**

Okay, thank you very much. Then I'll finish the recording.

*Note: This interview was conducted in German and transcribed and translated with Cockatoo.*

*Despite some review, there may be logical or grammatical errors due to the transcription.*

**Appendix D – The Attico: Identified Key Challenges**

Challenge Category	Challenge Description	Specific Issues
<p><b>1. Brand Awareness, Image, and Reputation</b></p>	<p>The Attico faces the task of establishing a robust and recognizable brand identity to foster consumer confidence. This is especially crucial given the current limited awareness of its brand, which can lead to uncertainty about its product quality among potential customers.</p>	<p><b>1.1 Brand Identity:</b> Creating a distinctive identity that reflects The Attico's unique aesthetic and emphasizes personal expression, uniqueness, and alignment with customers' values.</p> <p><b>1.2 Brand Visibility:</b> Convey brand identity that can serve as a recognition factor and create clarity about the brand's values and quality standards to differentiate from competitors and establish market presence.</p>
<p><b>2. Quality Perception and Price Justification</b></p>	<p>Concerns regarding the inherent quality of The Attico's products, along with skepticism about its pricing, present a significant challenge for the brand.</p>	<p><b>2.1 Quality Assurance:</b> The need to minimize doubts about product quality to increase consumer confidence.</p> <p><b>2.2 Value Communication:</b> The perceived value of offerings must be enhanced to justify pricing and influence purchasing decisions by highlighting the craftsmanship, exclusivity, and design innovation that justify a higher price.</p>
<p><b>3. Communication of Sustainability Value</b></p>	<p>Consumers are increasingly conscious of the brands' environmental and ethical standards, which affects their purchasing decisions.</p>	<p><b>3.1 Sustainability Positioning:</b> Reinforce Attico's commitment to sustainability through transparent and verifiable practices and emphasize this as a key selling point to appeal to consumer preferences and values.</p>

*Table 5: The Attico: Identified Key Challenges*

**Appendix E – The Attico: Use Case Decision Matrix**

<b>Technology</b>	<b>Use Case</b>	<b>Targeted Challenge(s)</b>	<b>Expert Approved</b>	<b>Decision</b>
<b>1. AR and VR</b>	1.1 Personalized Customer Experiences	1 + 2 + 3	Experts: 1. Yes 2. Yes	Test with Consumers
	1.2 Creation of Customized Luxury Items	1 + 2 + 3	Experts: 1. Yes 2. Yes	Don't test with Consumers
	1.3 Immersive Marketing Campaigns	1 + 2	Experts: 1. Yes 2. Yes	Test with Consumers
<b>2. Generative AI</b>	2.1 Creating Content and Marketing Imagery	1	Experts: 1. No 2. Yes	Test with Consumers
	2.2 Tailored Product Recommendations, Support		Experts: 1. No 2. No	Don't test with Consumers
	2.3 Trendspotting and Marketing Precision	1	Experts: 1. No 2. Yes	Don't test with Consumers
<b>3. 3D Printing</b>	3.1 Personalization and Collaboration		1. No 2. No	Don't test with Consumers
	3.2 Promoting Sustainability		1. No 2. No	Don't test with Consumers

Table 6: The Attico: Use Case Decision Matrix

**Appendix F – The Attico: Success Measurement Metrics**

Strategy	Metrics	Description
<b>1. Virtual Pop-up Store</b>	Traffic Analytics	Analyzes the number of visitors, session durations, and page views to determine the virtual store's reach and how effectively it attracts and retains visitors.
	Conversion Rate	Tracks the percentage of visitors who make a purchase after using the virtual try-on feature, indicating the feature's direct impact on sales and compare it to the regular e-commerce.
	Social Media Mentions	Monitors frequency and sentiment of social media mentions related to the virtual store, assessing its impact on brand awareness and customer engagement.
	Customer Feedback	Collects detailed user feedback on the virtual shopping experience, focusing on usability, satisfaction, and areas requiring improvement.
<b>2. Immersive Journey of Product Life Cycle</b>	Traffic Analytics	Evaluates the number of users who start and complete the virtual tour, indicating its ability to captivate and maintain user interest.
	Heat Maps	Utilizes heat maps to visualize the most interacted-with sections of the tour, offering insights into user engagement and content effectiveness.
	Correlations with Sales	Investigates the relationship between user engagement in the virtual journey and subsequent online purchasing behavior, indicating the tour's influence on sales by either gathering sales data for a defined period following the engagement and qualitative customer feedback.
	Social Media Mentions	Monitors frequency and sentiment of social media mentions related to the journey, assessing its impact on brand awareness and customer engagement.
	Customer Feedback	Gathers direct user feedback on the virtual journey, assessing its educational impact and how it influences perceptions of the brand and its products.
<b>3. Surreal Advertisement powered by Generative AI</b>	Engagement Metrics on Social Media and Digital Platforms	Measures user engagement with AI-generated ads, including likes, shares, comments, and overall reach, to gauge the campaign's impact on digital platforms.
	Ad Performance Metrics	Analyzes key performance indicators like click-through rates and conversion rates from the AI-generated ads, assessing their effectiveness in driving sales.
	A/B Testing	Compares the performance of generative AI ads with conventional ads in terms of engagement, conversion rates, and overall audience impact.

*Table 7: The Attico Success Measurement Metrics*

Strategy	Metrics	Description
<b>1. Virtual Pop-up Store</b>	Traffic Analytics	Analyzes the number of visitors, session durations, and page views to determine the virtual store's reach and how effectively it attracts and retains visitors.
	Conversion Rate	Tracks the percentage of visitors who make a purchase after using the virtual try-on feature, indicating the feature's direct impact on sales and compare it to the regular e-commerce.
	Social Media Mentions	Monitors frequency and sentiment of social media mentions related to the virtual store, assessing its impact on brand awareness and customer engagement.
	Customer Feedback	Collects detailed user feedback on the virtual shopping experience, focusing on usability, satisfaction, and areas requiring improvement.
<b>2. Immersive Journey of Product Life Cycle</b>	Traffic Analytics	Evaluates the number of users who start and complete the virtual tour, indicating its ability to captivate and maintain user interest.
	Heat Maps	Utilizes heat maps to visualize the most interacted-with sections of the tour, offering insights into user engagement and content effectiveness.
	Correlations with Sales	Investigates the relationship between user engagement in the virtual journey and subsequent online purchasing behavior, indicating the tour's influence on sales by either gathering sales data for a defined period following the engagement and qualitative customer feedback.
	Social Media Mentions	Monitors frequency and sentiment of social media mentions related to the journey, assessing its impact on brand awareness and customer engagement.
	Customer Feedback	Gathers direct user feedback on the virtual journey, assessing its educational impact and how it influences perceptions of the brand and its products.
<b>3. Surreal Advertisement powered by Generative AI</b>	Engagement Metrics on Social Media and Digital Platforms	Measures user engagement with AI-generated ads, including likes, shares, comments, and overall reach, to gauge the campaign's impact on digital platforms.
	Ad Performance Metrics	Analyzes key performance indicators like click-through rates and conversion rates from the AI-generated ads, assessing their effectiveness in driving sales.
	A/B Testing	Compares the performance of generative AI ads with conventional ads in terms of engagement, conversion rates, and overall audience impact.

Table 8: The Attico Success Measurement Metrics

## 9. Glossary

Term	Definition
<b>Artificial Intelligence (AI)</b>	Artificial Intelligence (AI) refers to the capability of computers to perform tasks typically associated with human cognition, such as learning and problem-solving. It encompasses a range of technologies and methods, including machine learning, natural language processing, and neural networks (Zawacki-Richter, et al. 2019).
<b>Collection</b>	A fashion collection comprises various garments, often in multiple colors and fabrics, designed for mix-and-match. Brands typically release collections seasonally, traditionally spring/summer and fall/winter, with some creating up to four collections annually, including 'pre-spring', 'pre-fall', and or 'resort/cruise' seasons. The naming conventions for these collections vary widely (Blaazer 2022)
<b>Haute Couture</b>	Haute Couture, a term with strict criteria, refers to high-end, custom-made fashion. Originating from 19th-century dressmaker Charles Frederick Worth, it requires members to create bespoke garments with multiple fittings, employing significant atelier staff. Members must present a biannual collection of at least 50 unique day and evening designs (The Business of Fashion n.d.).
<b>Kimono</b>	Kimonos are traditional Japanese T-shaped robes with wide sleeves and full length, wrapping at the front, integral to Japan's national dress (The Business of Fashion n.d.).
<b>Machine Learning</b>	Machine Learning is defined as a subfield of artificial intelligence that enables computers to learn without being explicitly programmed. It is crucial in most AI advancements and involves using data to train computers to find patterns or make predictions, gradually improving through experience (Brown 2021)
<b>Mass-Fashion</b>	Mass Fashion involves producing ready-to-wear clothes in large quantities and standard sizes for a broad customer base, using inexpensive materials to create affordable fashion. Designers in this market often replicate trends established by high-end brands, using cost-effective materials and production methods for cheaper sales (Fashion Marketing Lesson 2011).
<b>Peigner</b>	A long, sheer garment often worn by women over a negligee in private settings. Its name derives from the French word

## Group Part

---

	'peigner', referring to women combing their hair while dressed in such delicate fabrics (The Business of Fashion n.d.).
<b>Prêt-à-Porter / Ready-to-Wear</b>	Prêt-à-porter, or "ready-to-wear," refers to clothing made in standard sizes rather than tailored to fit an individual (Cambridge Dictionary n.d.)
<b>Sell-Through-Rate</b>	The sell-through rate indicates the percentage of inventory sold in a month compared to the inventory shipped by the supplier (Klipfolio 2023).
<b>Stockist</b>	A stockist is a retailer that specializes in selling a specific type of goods (Cambridge Dictionary n.d.).

---

## Group Part