A Look at Possible Transformations of Fast Fashion and Market Share in the Virtual Fashion of 2030

Prepared by Dojo Partners
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1 *A look at the consumer trendscape in 2030 and charting a comprehensive approach to innovate, roadmap and operationalize a future state of fast fashion.*

Looking 10 years into the future seems more fantastical and yet more plausible with every passing decade. While there may be a consensus view of possible future outcomes based on popularly supported trends, no future blueprint is etched in stone as unforeseen milestones organically conflate to shape the trajectory by which innovation changes a market. Each new decade requires a bolder agenda and scrupulous attention to the development of its promise while accommodating twists based on Force Majeure and an increasingly collaborative consumer market.

The virtual fashion opportunity lighthouse can upgrade a retailer's market position through digital innovation: addressing critical infrastructure and retail experiences from automated production to supply chain, to channel acquisition, to augmented design and hyper creative marketing in a vastly different 2030 landscape.

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The path forward in forecasting, ideating, validating and operationalizing the future of fashion retail growth in 2030 requires a fast, flexible strategic framework that seeks constant validation and incubates the piece parts necessary to make it materialize over time

No one would deny that the largest epoch change agent in the past decade as been a confluence of a mature mobile ecosystem and the emergence of ubiquitous smart data. And with it, our adoption and new behaviors came shockingly fast.

- Online communities and their use cases have shifted radically from discussion to video influencing.
- Shopping is virtually all mobile and made convenient personalization a must have in all consumer markets.
- We use mobile applications, almost exclusively, on everyday tasks from finding mates to counting calories.
- The pandemic, an un-forecasted event, exacerbated mobile dependence, changed the very nature of school, work and health forever and forever set a faster innovation consumption rate for the world's youth born after 1980 who represent the changing of the guard of consumer adoption.
- We Chat changed the world (and we still don't know it in the West).
- Virtual life is just making its first bow onto the cultural stage, even though it's generated more skepticism than its economic impact thus far.


Waves of Innovation.
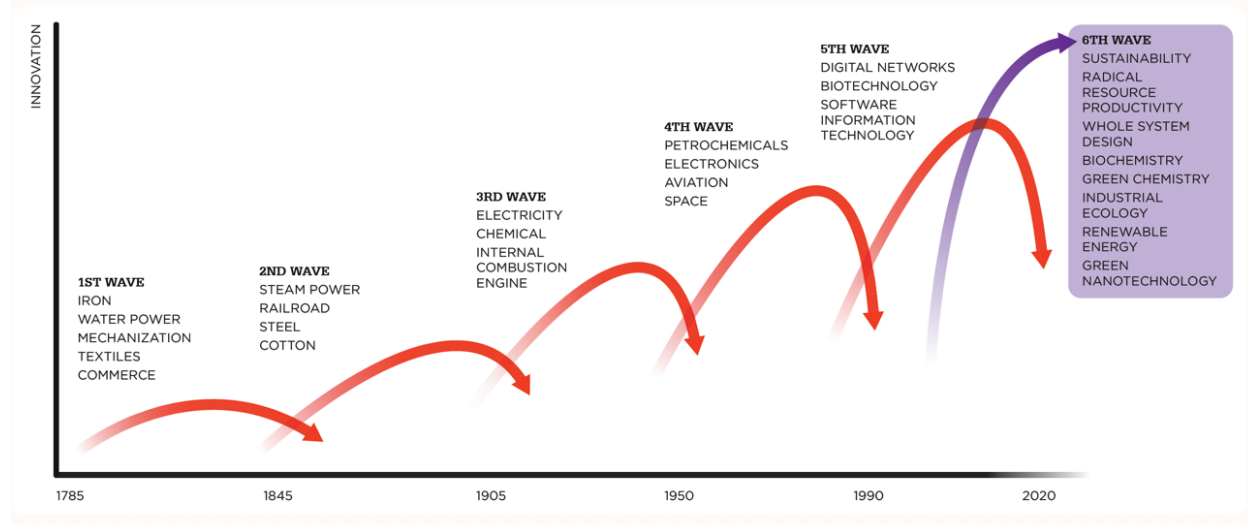
In 2000, the notion that everyone would be tracked by an active database seemed Orwellian to most. However, in hindsight, the rapid surge of big data should engender a more forgiving lens towards embracing some of the more outlandish-sounding predictions for 2030.

Staking out a market position to increase growth and value in 2030 requires bold thinking tempered by a practice of sound and flexible everyday decision making and a healthy dose of alternative reasoning and careful weighting of options along the way. The path forward in forecasting, ideating, validating and operationalizing fashion retail growth in 2030 requires a fast, flexible framework for making small, rapid evaluative decisions based on adoption and scale of new technologies; against the backdrop of large technical investments, forecasted consumer adoption, an effective circular supply ecosystem and the necessary business shifts to meet cultural shifts that start to manifest in the next decade.

2 *For retail clothing brands, charting the right path forward is exponentially more complicated and risk laden as they are compelled to make often uncomfortably big bets on new consumer market trends that will manifest adoption at different speeds over the next decade:*

Retailers must bank on transformative technological and ecosystem innovation milestones that are not yet evident or proven. They must make detailed investment and ROI assumptions against the timing and scale consumer adoption. They must formulate and model new business shifts from retail stores, manufacturing, supply chain new organizational models and many others while asserting new positions in the market to be well positioned for significant business growth in the next decade.

THE LAW OF DISRUPTION
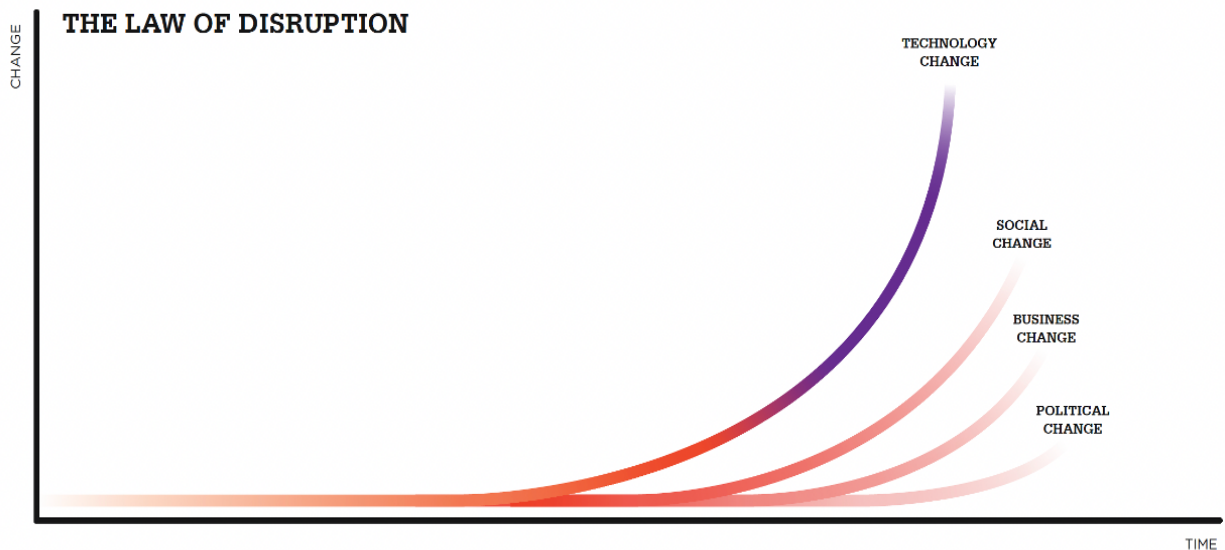
The consumer trendscape for 2030 points to a very different, yet not 100% unfamiliar consumer landscape as compared to 2000-2010. The market of 2030 will witness a faster convergence of major technical, societal, cultural and business trends than ever before. These can illuminate big bold bets and a multitude of risky execution pitfalls – some of which the market is already experiencing today.

The landscape of 2030 portends the mainstream marriage of humanity and augmented technology that reaches far beyond the screen and challenges consumer values. McKenzie plots the innovation of these new technologies against the interest and perceived importance both from the market, in terms of investment but also consumers.

McKinsey Technology Trends Outlook 2022
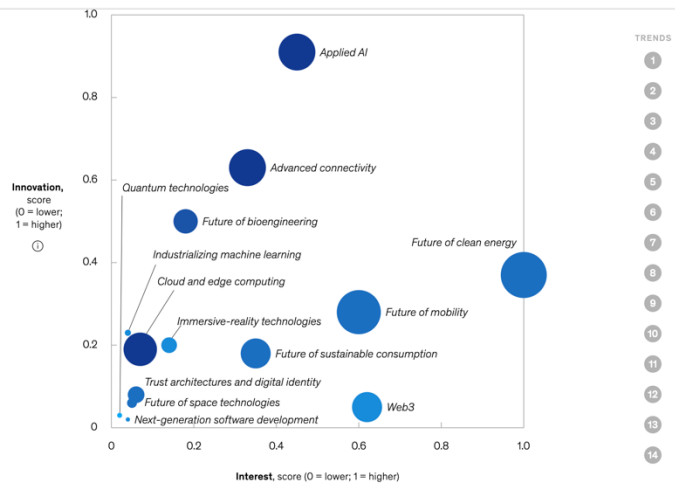
This view of innovation vs market interest is a sound starting point from which technologies evolve into market changing forces. Naturally, the position of these technologies will shift over time, namely as different forces bring previously un-noticed, game changing services to consumers in the limelight. For example, the current buzz and obsession of Web 3.0 software evolution shows strong visibility and interest and appropriately, relatively low innovation scores against some of the more impactful trends of 2030. However, these tools, relatively new to the market, will prove instrumental as building blocks to realize future technologies and their impact in the market. Digital identity has yet to become a visible consumer tool despite its critical, foundational nature to enable multiple channel consumption, digital twinning, machine-human cooperation, AI-augmented data, brand dialogue and other technologies to come. Immersive technologies will likely prove as key enablers to the future of 'mobile' even though today's implementation is immature in form, ecosystem, and revenue.

People will live in an increasingly 'phygital' world where an augmented, human self, a hybrid carbon/digital persona has new tools for navigating a world where quantum computing is pervasive in everyday environments at work, play, school and more.

This look at market investment and innovation impact, belies the new paradigms that are emerging between people, things, places and the environment. Some of the themes that will influence the 2030 market include a new collection of trends that nod to the digital bond that will act as a hyper efficient and self-learning market nervous system.

Universal activism

Trend 1: Acclimatise now

Trend 2: A new data paradigm

Trend 3: Kaleido-dentity

Synthetic society

Trend 1: Beyond human – homo deus

Trend 2: Virtual sets the standard

Trend 3: Tech togetherness

Bigger bolder brands

Trend 1: Rise of the Titan brands

Trend 2: Every brand is a health brand

Trend 3: 5-star citizens

The human dividend

Trend 1: What robots can't do

Trend 2: Objective-free play

Trend 3: Emotion trumps objectivity

People will live in a 'phygital' world where an augmented, human self, a hybrid persona has new tools for navigating a world where quantum computing is pervasive in everyday environments at work, play, school and more. Current trends suggest a world where:

- We will have digital twins, anchored by a trust ecosystem of identity and connectivity facilitated by blockchain, enabling the brokerage of personal information to the world around us to power a variety of use cases.
- Automation and Ai-augmented big data will be a living part of the fabric around us as we work and collaborate with "Co-bots" to accomplish more in everyday life.
- AI and quantum, edge computing, will facilitate a world augmented by technology creating dialogue with the static and living things around us.
- Mass personalization will create micro-moments for consumers where computing is attuned to their emotional state as well as their behaviors, histories, and circumstances.
- Brain-to-Computer Interface (BCI) will slowly start to introduce itself and accelerate instant online connections and dialogue with the phygital world around us

People's digital twin, also called APID, will become the most powerful tool consumers have. Federated Identity will give people the ability to connect with peers and businesses alike via API's and secure blockchain.

Digital Receptacles, such as a personal, digital wallet, will be as commonly used as credit cards today – replicating the financial function of mobile wallets found in smart phones today but tailored more towards facilitating a digital, extensible identity with the world around it.

- We will use these receptacles to digital touch points from our absolute, protected identity to interface with commerce, services and more through a secure blockchain.
- We will use these receptacles to enable our digital twin, our augmented presence in the phygital world.
- We will use these receptacles as a personal assistant to communicate with the phygital world through AI powered chat bots.
- We will use these receptacles to broker personal information for rewards, incentives from brands and services.

Places and things will be augmented with similar capabilities to interact with people, services, goods, and other things in the phygital world.

- Responsive intelligence will reshape the way we inhabit, maintain and experience spaces.
- Buildings will behave like living organisms and will function within intelligent cities.
- Places and things will relay services to augmented people and interact with co-bots to solve problems, enroll in services or deliver products.

Customer Experiences will enable comfort in the interaction with obtaining and interacting with products and services powered by AI and EI. Gartner forecasts that 80% of all customer contacts will take place via AI by 2030.

- Engagement channels become multimodal, allowing customers to fluidly switch from one channel to the next, from one communication mode to the next in a single interaction.
- AI will drive, monitor and measure customer experiences with predictive methods.
- Customer behaviors and opportunities will be recognized and acted on real time.
- Services and subscriptions will become essential for any retail brand to grow.

- Emotional Intelligence (EI) will enable brands to be predictively and accurately responsive to customer needs complimenting and working in tandem with AI making the customer feel that there is an "understanding" between themselves and AI-fueled services.

Systems and Sustainability will become reflective of a growing consensus of consumer values and decision-making criteria reflecting climate breakdown.

- Customers will select brands who demonstrate the priority to regenerate the environment featuring a net-positive impact on sustainability, and to survive, with a focus on protective tech for climate adaptation.
- Decentralization will take on a more critical emphasis on the results of circular ecosystems and products.
- Planet-friendly and sustainable methods featuring collaboration and creation will take on more cultural urgency.
- Same-day delivery, enabled by decentralized production delivered by drones will be common place

- Transparency in ethical supply chains will be top of mind for customers and should be obvious in the sourcing of products and services and drive preference to engage with brands that not only follow but make this an overt priority. This will include details on origin, source, and supply chain. While this trend is emerging and gaining momentum today, it will have functionality attached to it by 2030

Sustenance will be a focus continue the post-pandemic focus on physical and mental wellness and this priority will be reflected in the forefront of brands and services.

- New technology will enable not just personalization but will enable personalized wellbeing.
- This focus will be present not just in diet and health solutions but will appear in new goods and services that had previously been digitally mute.

The appeal of technology – the focus on how (2023) will be eclipsed by 'why' (2030**).** The overstatement of how new technologies work (such as Web 3.0 and software innovation) will give way to the novelty and impact of their use cases.

- Adoption of new technologies will be dictated by the observable benefits delivered by new use cases
- The onus on creativity will reside with the rationale and goal brands promote today's newest technologies. AI, Blockchain, GPT, digital currency and extensible identity, darlings of new tech today, will have long-since moved well-beyond novel technologies and will 'disappear' into their use making it incumbent on brands to not only wield them effectively and creatively.
- Behind the scenes, enabling technologies will move to the forefront of consumer consciousness when a game-changing services are attached to them.
- Identity will become an essential service, as critical to everyday life as a car fob or secured home entry, a credit card or a shopping cart

The market will react quickly from the early missteps of speculative technology (such as the Metaverse) and, like a living organism itself, will take strides to move quickly away from premature markets

- Each epoch changing technology requires a methodical ramp to adoption, no new technology starts at the finish line.
- Strategic hubris and premature positioning and investment will be shunned by businesses, brands and customers.
- The business and brand landscape will realize that cultural game changers happen from cause and effect over time and that they are not manufactured or force-positioned ahead of consumer adoption.
- Brands focused on innovation will pay closer attention to the ramp of adoption and ecosystem ignition more than the novelty of the technology.

3 Applying the 2030 change lens to retail fashion to a compounding innovation landscape will bring to life what 'virtual fashion holds in store for today's fast fashion market.

By 2030, virtual life will move to an actionable, mainstream spectrum beyond today's tepid, speculative virtual technology (virtual reality) of today to an augmented digital life experience on a ubiquitous scale that seamlessly blends physical and digital life into the same consciousness and customer experience streams.

Circular and local customer experiences will become an overt consumer preference

Augmented Reality (AR) is poised to be the next major epoch changer in mobile as powerful as Zoom was to work. Apple and Google will eventually release a small, lightweight, high-powered set of pedestrian-looking glasses that will power and augmented reality view of the phygital world around us and displace the cultural phenomenon of 'staring at your phone.'

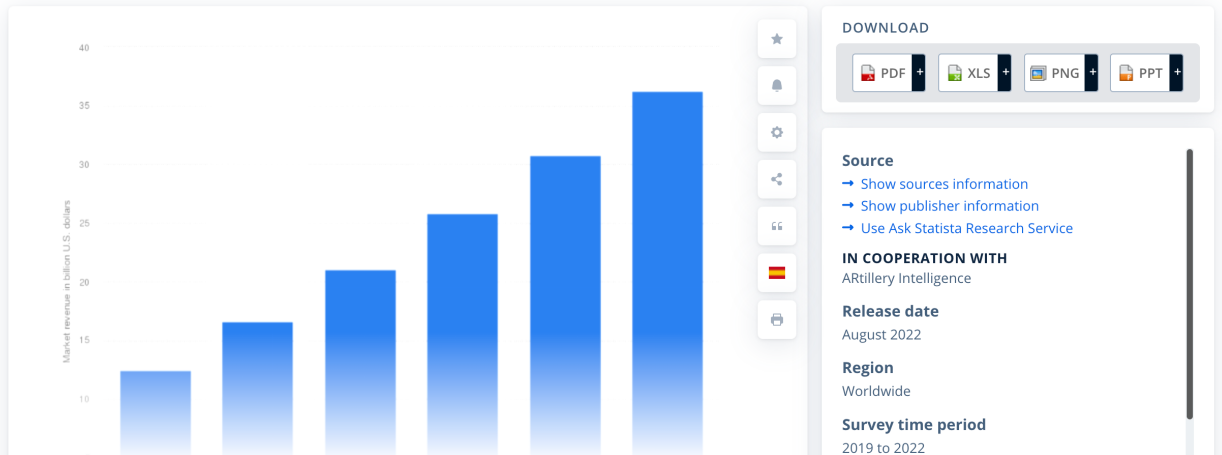## Consumer and enterprise augmented reality (AR) glasses hardware and software revenue worldwide from 2021 to 2026

(in billion U.S. dollars)
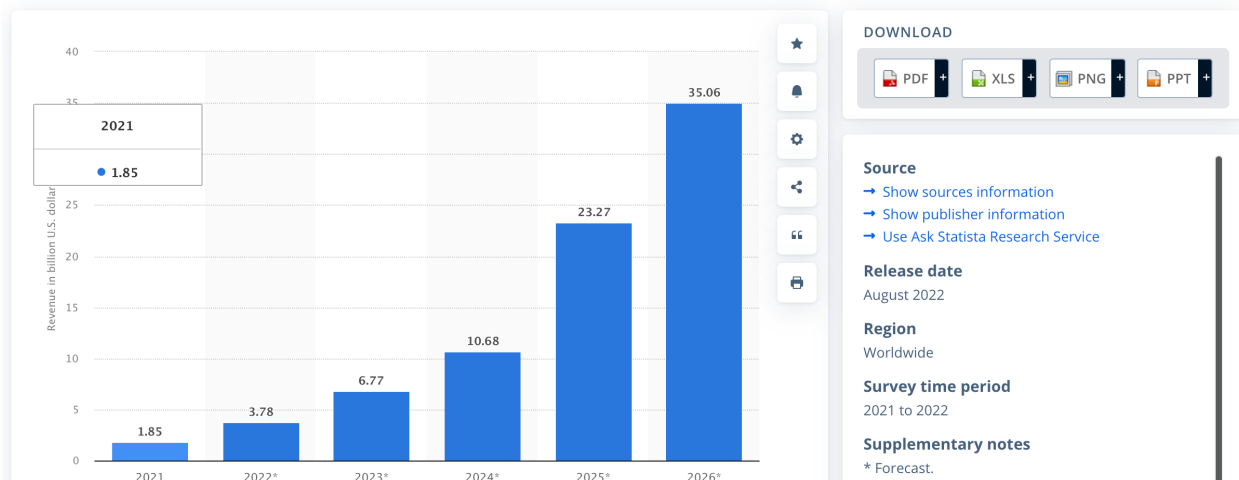
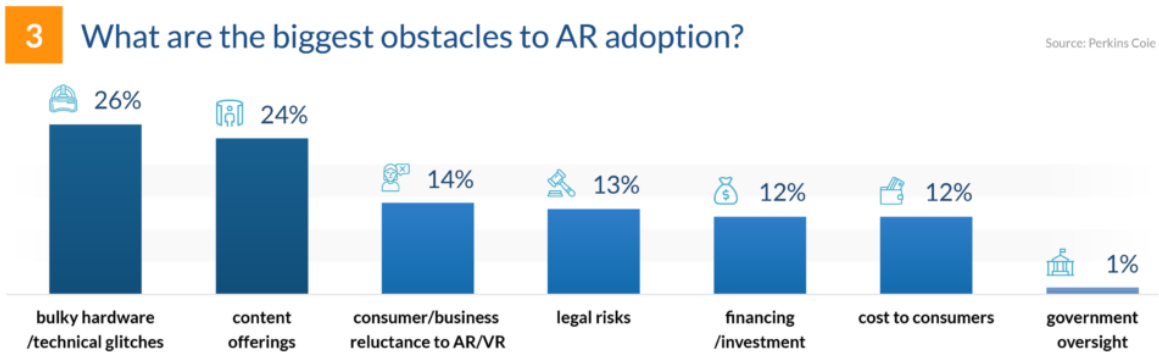Mobile augmented reality (AR) market revenue worldwide from 2021 to 2026
(in billion U.S. dollars)

The AR Glass market is expected to be worth $883.4 million by 2025

The global AR user base is predicted to count 216 million users by 2025.

71% of customers say they would probably shop more often if they used AR.

Implementing AR could lead to 40% higher conversion rates, avoiding today's

21% return rate

The Augmented Reality Market is growing at a CAGR of 92.32% over the next 5 years

AR may take longer than a decade to replace a smart phone market that has more devices than people worldwide, but it's wise to assume it will happen within the decade with a ready-made ecosystem and smaller, smarter devices.

- AR, at mass scale, will create an immersive, opportunistic lens into the phygital world that can be processed and filtered through AI to allow the most personalized and useful interaction with the mobile internet ever experienced in history
- AR will be the primary method for engaging digital content and services. Mobile phones will still exist but will exist as a (more powerful) pocket computer that connects to the network and powers the AR glass
- AR will drive the phygital environment to the mainstream and open the door to digital interaction, brain interaction and create a playing field for AI to dominate the customer experience.
- AR will create a public canvass where someone wearing smart clothing can be 'recognized' and digitally 'followed' allowing a link from one fashion wearer to influence the next facilitating shared fashion and even shared product.
- AR will enable new retail interactions in the phygital world – in stores, at home, on the street, and all things in between.
- AR will enable customers to share fashion amongst their friends, try on virtual clothing and gain feedback from friends and communities – providing a bigger stage for dynamic, grass root design.
- AR will create a living canvas where influencers and customers can wear virtual, digital fashion and take it to the streets – bringing today's Tik Tok and CEEK implementations 'into the wild.' We can change digital fashion like we change avatars in a mobile game based on our moods, shared influence or just a whim.


Machine co-creativity and augmented Design will create another channel for collaborative fashion allowing fast fashion to move beyond the steering of today's high fashion and hand the mantle to tech-forward influencers.

- Fashion influencers will become de-facto fashion designers propagating both promotions in new channels (including IRL) and create dynamic, real-time purchase, sharing and adoption of digital fashion while creating new blueprints for physical fashion.
- AI powered fashion co-bots can help customers create their own fashion visions that take inspiration from existing designs or simply explore new design territory. This will allow for digital self-promotion and allow individuals to set up their own brand-sponsored virtual stores much like influencers do on Tik Tok today.

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Retailers can increase their market share by building an innovative, new brand reputation; making consumers rethink what it means to 'participate' with clothing vs wearing it

- Enable, peer-to-peer channels for customers to discover new fashion ideas, facilitate digital collaboration, NFT sales and set up micro-storefronts to launch their own label within the retailer's phygital universe.

- A 2030, climate-friendly, local ecosystem and supply chain will create easy to use logistics for individuals looking to share or sell their fashion. This will be powered by AI, emotional analysis and adaptability to local market preferences and societal trends
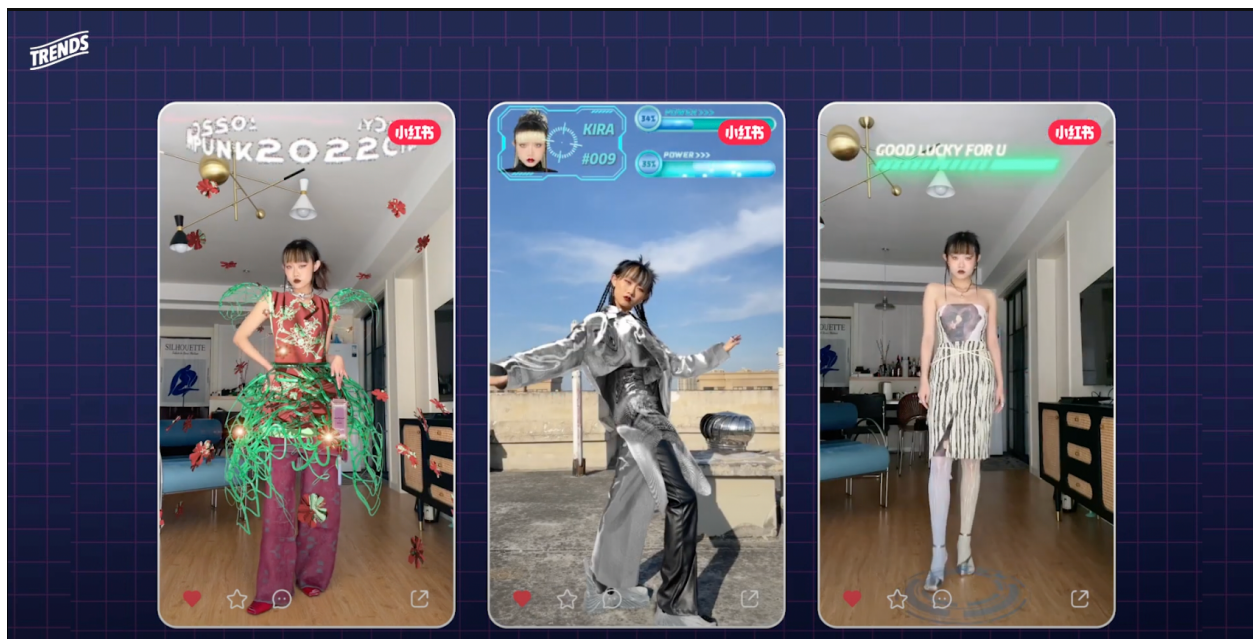
Rented services and shared ownership will be the next great shift in fast fashion retail. By 2030, a younger market will bring climate concerns to the forefront of culture and will drive brand preference. More than ever, brands will either be onboard or they will be shunned. This will drive demand for circular products and services and promote the climate benefits of shared and sustainable resources.

- Fast fashion will move into the service model through subscriptions, recycled materials and transparent, local supply chains
- Ownership of clothing will look more like service subscriptions – allowing rapid, economical, and eco-friendly wardrobe refreshes from a wider variety of 'designers' with the circular promise of re-usable material. Friends will be able to situationally share fashion ownership through a peer-network like Rent the Runway does for affordable high fashion.

- Shared clothing will take the place of consignment and new clothing purchases as a shift in the notion of ownership allows for more situational choices in clothing with less of an impetus to accumulate (and then throw out) clothing over the year (or years)

Clothing that breaks the fourth wall an example of technology and its own brand ecosystem creating critical first mover opportunity that creates new, brand-owned channels and sets new bars for consumer preference – brand reputation gaining dominant share of new market .

- Clothing with sensors that work in tandem with a personalized, fashion co-bot, collecting and transmitting information to the wearer as well as recognizing retailer clothing in stores, on the street and in ads

1 End users are already sharing extraordinary amounts of data via IOT devices. Once in the cloud that information can be shared and accessed based on user permissions.
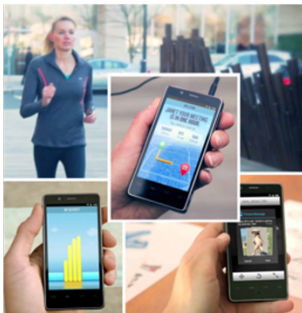
2 Many users, especially Millennials and Gen Z are willing to share personal data if the incentive is there. Many applications now track an end user's complete lifecycle of health.
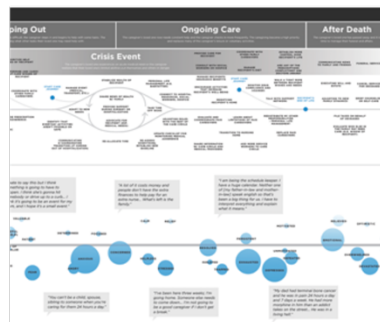
3 This allows users to make more informed decisions about everything from health care plans, choices in diet and care providers. We are entering a highly transparent, ultra-optimized world.
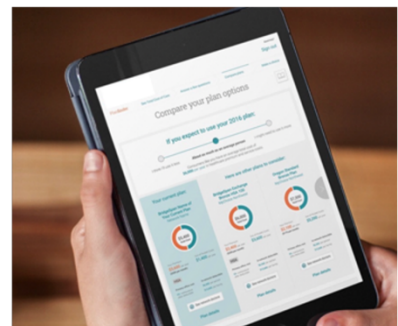
- Clothing will provide a closed feedback loop to the wearer and apply and learning based on future fit adjustments and even bio feedback that augments smart devices such as digital watches; creating dialogue with diet apps, social media and even your health profile

Peer-Powered Supply Chains facilitate shared clothing exchanges, organic personal creations in new and efficient ways utilizing recyclable material and promoting a story based on transparent carbon scoring, the journey of materials and its local manufacturing.

Retail Experiences Shop windows will have interactive screens displaying ever-changing content. The content shown will be adapted to issues like the weather, time, and even to the person standing in front of the shop window. Passers-by can immediately order the displayed items with their smartphone. They will also have easy access to more information about a product via a QR code. Physical shops will have changed into showrooms and "experience centers." Using holograms, virtual reality, and gloves with haptic feedback, the customer will be able to try out and experience custom-made products before purchasing.

About Dojo Partners

Dojo represents a new generation of consulting companies. Dojo was founded by senior level big four consultants, fortune 50 executives, business analysts, acclaimed, creative technologists and creative digital geniuses. Just as a traditional dojo is a place to learn new tools and hone new skills, Dojo Partners work closely with clients to use the latest digital tools to create growth using urgent and unorthodox methodologies. Dojo invents use cases with an array of new technologies; quickly forging them into working prototypes and validating them with scientific user and market research. Dojo is experienced in creating strategic charters and executing high value niche projects. Dojo has also established a network of trusted partners who share a common view of today's radically evolving consulting market.

Dojo Partners have experience working with leading brands across industries creating strategic growth agendas, innovation centers and hyper-critical digital solutions that are generally proven to be ahead of their time.

Market Research Source Material

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