

HOW GEN Z X GEN ALPHA ARE REWIRING THE FASHION INDUSTRY



OCTOBER 2025

WWD X **BCG**

EXECUTIVE SUMMARY

FASHION’S NEXT GEN — Gen Z and Gen Alpha — projected to be 40 percent of the fashion spending over the next decade.

Brands who adjust their go-to-market strategies stand to win disproportionate share and grow faster.

The inaugural *WWD x BCG Future of Fashion Report* takes a deeper look at the consumer insights across the Fashion Next Gen in the U.S.

The study was based on a review conducted across ~9K U.S. consumers, social media listening, and interviews with CEOs of brands winning with younger generations.

Five key insights on Fashion’s Next Gen, projected to drive >40 percent of US spend:

1

Gen Z operates by a new set of rules — distinct from prior generations — redefining discovery and product engagement.

2

Brand heritage no longer guarantees value; youth culture decides which brands earn consideration.

3

Social media is the new battleground, shifting from funnel to a flywheel.

4

Shopping habits are undergoing a seismic shift, with 40 percent of Gen Z using AI tools to shop. Brands must adapt to stay competitive.

5

This generation prioritizes products over brands, accentuating fundamentals like price and quality.

BCG and WWD explored how leading brands are adapting, surfacing five strategies to win with Fashion’s Next Gen.

1

Determine target consumers the brand wants to acquire: create clarity, targets and KPIs.

2

Focus on youth culture. Build authenticity through creators, collaborations and products.

3

Shift from brand control to creator energy and activate the social commerce engine.

4

Prepare for agent engine optimization and prioritize AI search to protect traffic.

5

Focus on the fundamentals of pricing, discounts and quality — invest in critical conversion factors.



FUTURE OF U.S. FASHION STUDY METHODOLOGY

9K+

U.S. responses to BCG Consumer Surveys¹ exploring cross-generational preferences and expectations across fashion & luxury.

50K+

posts on social media channels.

10

in-depth 1:1 interviews with industry leaders winning with younger generations.

Engagement of global BCG Fashion and Luxury experts and WWD journalists.

1. U.S. RESULTS CAPTURED JUNE 2025 (N=4,377) & AUGUST 2025 (N=5,838)



**WHAT WAS PREDICTED
ABOUT FASHION’S
NEXT GEN 10 YEARS AGO
AND WHAT
ACTUALLY HAPPENED.**

10 YEARS AGO

Predictions on What Fashion’s Next Gen Wanted

- LOYAL
- BRAND HERITAGE
- CAMPAIGNS
- LINEAR JOURNEYS
- BUY LESS, BUY BETTER

TODAY

What Fashion’s Next Gen Wants

- EXPERIMENTAL
- CULTURAL RELEVANCE
- SOCIAL-FIRST STORYTELLING
- FRAGMENTED, AI-LED JOURNEYS
- TREND-DRIVEN

WINNING WITH FASHION’S NEXT GEN



5 TRENDS DEFINING U.S. FASHION

1

Fashion’s Next Gen moves by a different set of rules to prior generations, strategies for those generations won’t work for this audience.

2

For younger consumers, heritage no longer determines brand value, youth culture decides who wins consideration.

3

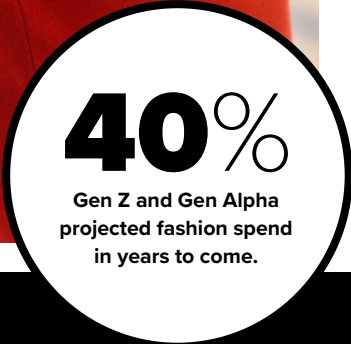
Social media is the new battleground as platforms evolve to full commerce engines, shifting from funnel to flywheel.

4

AI has penetrated fashion shopping in a seismic way with 40 percent of younger consumers using AI to shop, requiring brands to crack the new code to win.

5

This generation is product-driven over brand-driven, accentuating the fundamentals of price and quality.



1

YOUNG FASHION'S NEXT GEN MOVES BY A DIFFERENT SET OF RULES

STRATEGIES FOR PRIOR
GENERATIONS WON'T WORK
FOR THIS AUDIENCE.



THIS GENERATION HAS A GROWING LIST OF EXPECTATIONS FOR THE FASHION THEY BUY

Apparel takes up a larger share of their expenses than those over age 28, with a longer list of needs and wants from their style. With tighter budgets but a strong desire for self-expression, they're choosing looks that help them feel fun, authentic and successful, and that make them feel like an influencer among their peers. They want to impress those around them, but without paying a premium.

THEIR PURCHASE JOURNEYS ARE BASED IN THEIR ONLINE COMMUNITY

The key purchase touch points for this generation are researching online, scrolling influencer content, and turning to their friends and family. Even as their digital influence has grown, in-store browsing has remained the most popular mode of discovery.

IDENTITY IS THE CORE FOR THE YOUNGER GEN ALPHA PORTION OF THIS NEXT GENERATION

Style isn't just about aesthetics – it's about who they are. Traditional levers like brand story or heritage matter less than authenticity and self-definition.

HOW TO RESPOND?

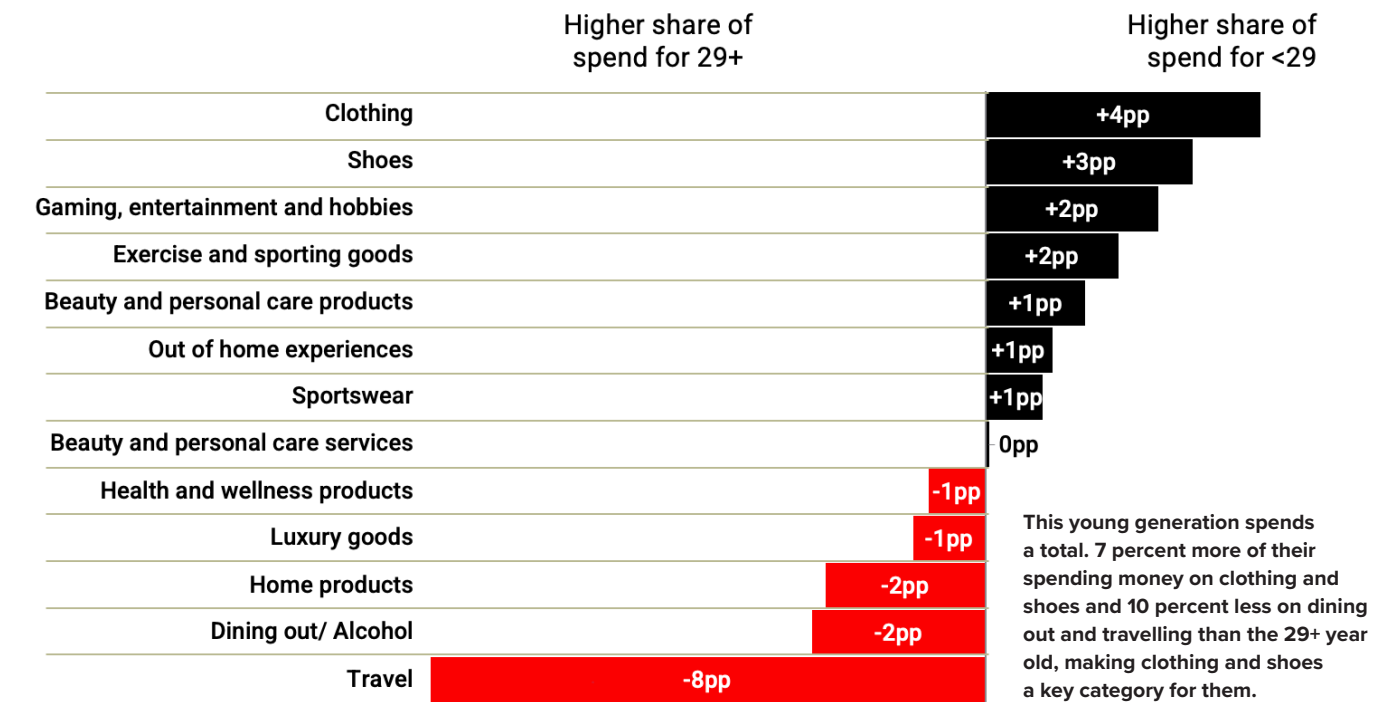
Brands should invite the young generation to co-create and shape their identity, not just consume it – from product design to storytelling. Those that build with their culture, humor and creativity will forge authentic relevance and long-term connection.

DEFINING THE GENERATIONS; GEN Z AND GEN ALPHA ARE FASHION’S NEXT GEN

The Fashion Next Gen					
	Older Gen Alpha	Gen Z	Millennials	Gen X	Baby Boomers
Birth years	2013 - 2016	1997-2012	1981-1996	1965-1980	1946-1964
Age today	9-12	13-28	29-44	45-60	61-79
Life stage	Younger Gen Alpha are kids	Younger Gen Z is typically in high school and college	Mid-career professionals with young families	Established careers	Retired or transitioning out of the workforce
	Older Gen Alpha are tweens (9-12) in middle school	Older Gen Z is establishing their careers	Managing higher costs of living and family priorities	Balancing aging parents, older children, and long-term financial planning	Focus on health, leisure, and lifestyle stability post-career

SOURCE: PEW RESEARCH CENTER

FASHION’S NEXT GEN SPENDS ON CLOTHING, SHOES AND OTHER GOODS WHILE THOSE 29+ SPEND ON DINING AND TRAVEL



FASHION’S NEXT GEN SHOPPERS HAS A GROWING LIST OF EXPECTATIONS ON WHAT FASHION CAN DO FOR THEM



Fashion’s Next Gen Cares About

- Feeling inspired
- Having fun
- Expressing themselves
- Projecting success
- Being fashion forward
- Feeling sporty
- Wanting to influence
- Standing out
- Being authentic
- Feeling stylish

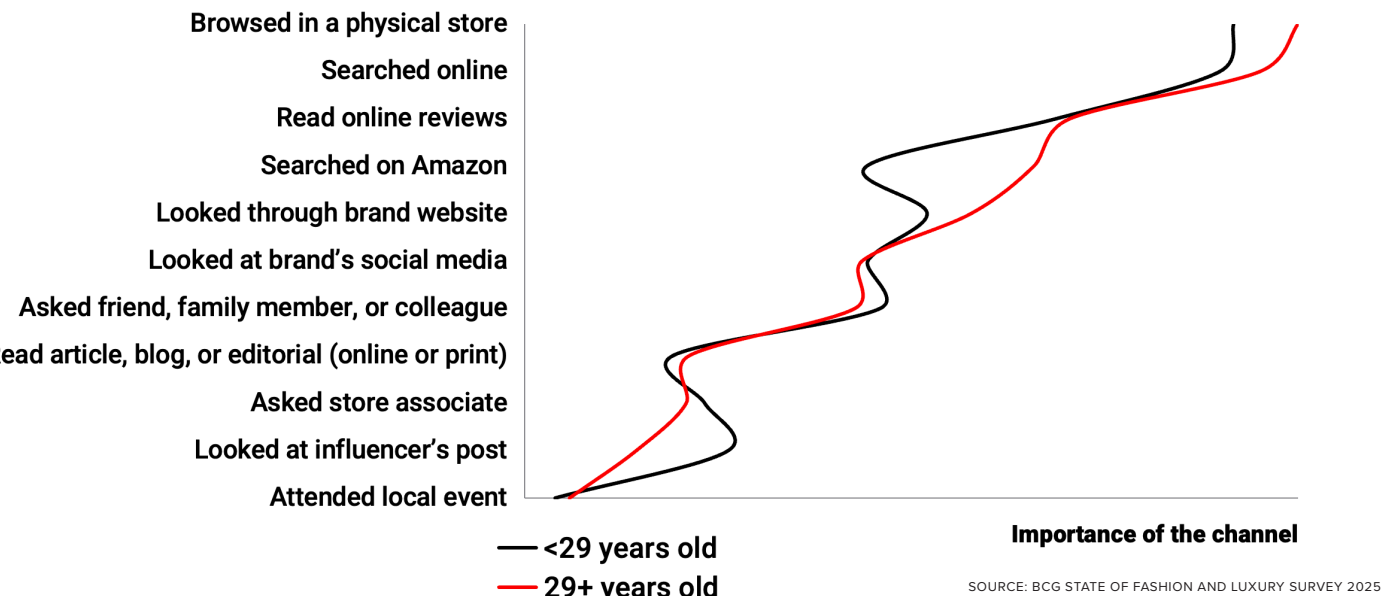
What everyone else cares about:

- Getting their money’s worth
- Products that are durable
- Relaxing fits
- Comfort
- Quality

SOURCE: BCG STATE OF FASHION AND LUXURY SURVEY 2025

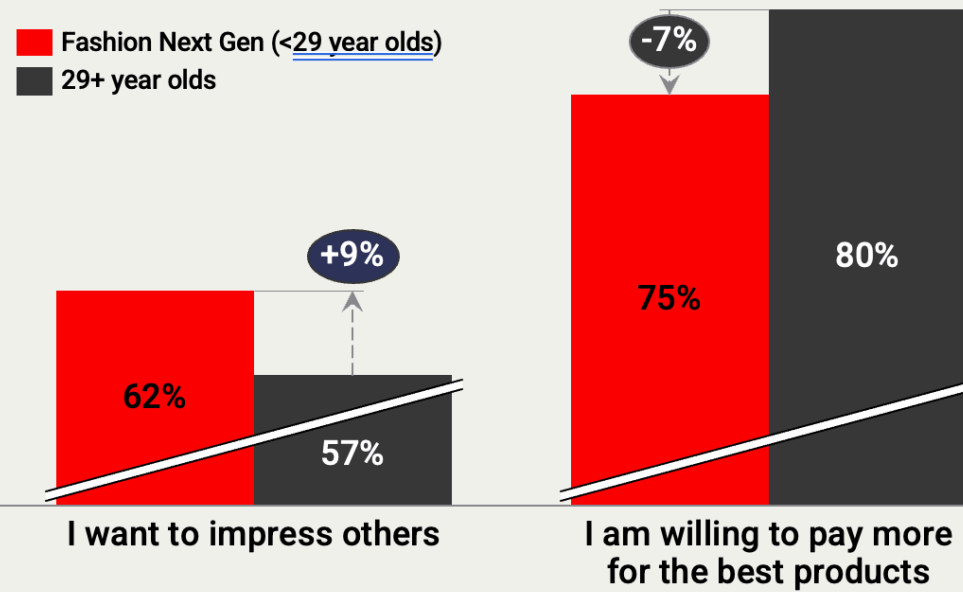


FASHION’S NEXT GEN ARE TURNING TO INFLUENCERS MORE & AMAZON LESS, BUT STILL RELY HEAVILY ON IN-STORE BROWSING TO INFLUENCE THEIR PURCHASES



THE YOUNGER GENERATION WANTS TO IMPRESS OTHERS, BUT UNLIKE THOSE 29+, THEY ARE LESS WILLING TO PAY FOR IT

Share of generation that agrees with each statement



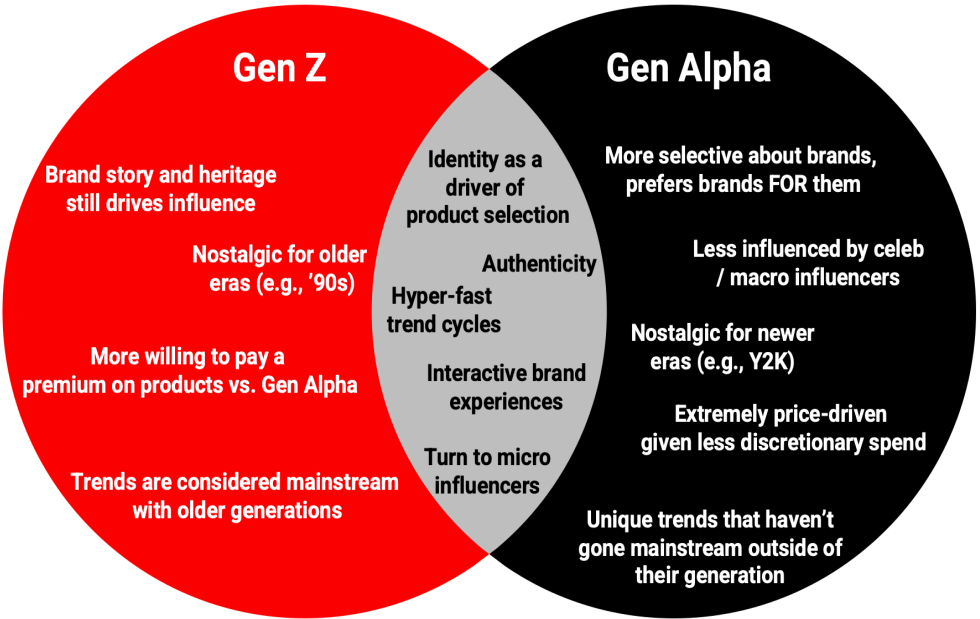
The Fashion Next Gen of shoppers are dressing to impress with nearly half of these shoppers wanting to impress and get compliments from those around them. While those 29+ generations care too, it is not as popular of a priority.

Despite wanting to be noticed and complimented, the young generation is not willing to spend for it in the same way that the 29+ set might.

This next Gen fashion consumer is therefore choosing to spend more time doing research and price comparison to make sure they are finding they best pieces at the right prices.



WHILE THE TWO GENERATIONS WITHIN THIS NEXT FASHION GENERATION HAVE OVERLAP, THERE ARE DIFFERENCES



WORDS OF WISDOM

How leading brands are redefining loyalty by connecting with youth through authenticity, values, and cultural relevance



Jay L. Schottenstein
Chief Executive Officer / American Eagle Outfitters

LEADING WITH PURPOSE AND CONNECTION

“American Eagle is one of the largest and most enduring youth brands, serving generation upon generation since 1977. By understanding what our youth customer cares about - and always putting them first - we have cemented our position as the #1 jeans brand for Gen Z. For nearly 50 years, we have built trust and loyalty through an unwavering commitment to product quality, pricing, compelling marketing and a customer-first approach. American Eagle (AE) has stood for inclusion, belonging and self-expression since its earliest days. We are optimistic and welcoming to all. These fundamental values are key differentiators that consistently resonate with each new generation. Today’s youth consumer expects brands to meet them where they are and to show up in places where they care about most. Leaning into new platforms, cultural moments and experiences has positioned AE at the center of conversation and relevance. Our dominance in jeans and iconic partnerships with some of the most influential talent in entertainment and sports define AE as the American youth brand.”



Jennifer M. Foyle
President & Executive Creative Director / American Eagle Outfitters

BUILDING LOYALTY THROUGH CONFIDENCE, COMFORT AND COMMUNITY

“The magic of Aerie is the authentic relationship we have built with our customers. Everything we do is designed to celebrate the real beauty of this passionate community. Aerie was one of the first to celebrate the unretouched beauty of women in its campaigns more than 10 years ago, launching the #AerieREAL brand platform that continues to inspire confidence and empowerment. Driven by a powerful blend of comfort, style and affordable price points, the success of Aerie and OFFL/NE by Aerie is underpinned by the deep emotional connection between customer and brand. Our customers want to feel amazing everywhere life takes them. By listening, we’ve quickly grown the leggings business to hold the #2 position within our core demo and #3 in sports bras. The future is bright as we continue to capture market share in intimates, apparel and activewear through new fabrics, seasonal drops, and performance styles. Aerie is more than a brand—it’s a movement. More than a decade ago, Aerie ignited women across the globe to love themselves, inside and out. Now, we are inspiring a new generation to do the same as we remain unwavering in our promise to be always and forever real.”

2

**HERITAGE NO
LONGER DETERMINES
BRAND VALUE**

**YOUTH CULTURE DECIDES
WHO WINS CONSIDERATION**



**YOUNGER GENERATIONS
DRIVE WHAT'S FASHIONABLE**

Youth-endorsed brands often benefit from a cross-generational halo effect as brands that capture Gen Z/A attention earn credibility with older consumers who view them as fashion leaders.

RAPID VIRALITY

With the rise of social media, cultural trends scale rapidly, giving brands limited time to respond and capitalize on momentum.

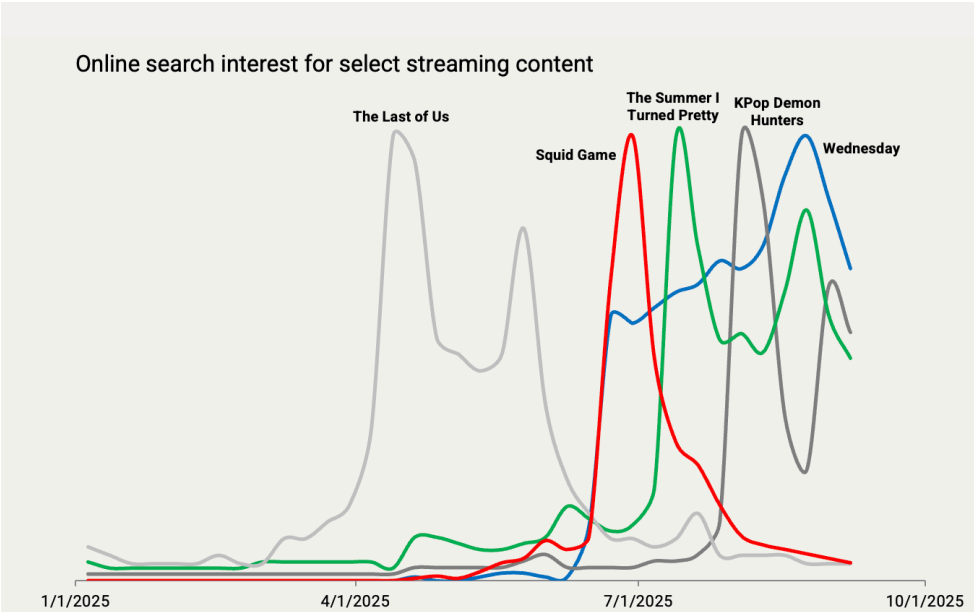
**TREND STARTERS
OVER TRENDSETTERS:**

Brands that are winning are tapping into the right moments before they crest by embedding in youth culture and reacting before others.

HOW TO RESPOND?

Recruit young talent and infuse youth culture into the product, collaboration and creator strategy, with a real time pulse on what is about to take off with Fashion's Next Gen.

WITH THE RISE OF SOCIAL, CULTURAL TRENDS SCALE RAPIDLY, GIVING BRANDS LIMITED TIME TO RESPOND AND CAPITALIZE ON MOMENTUM



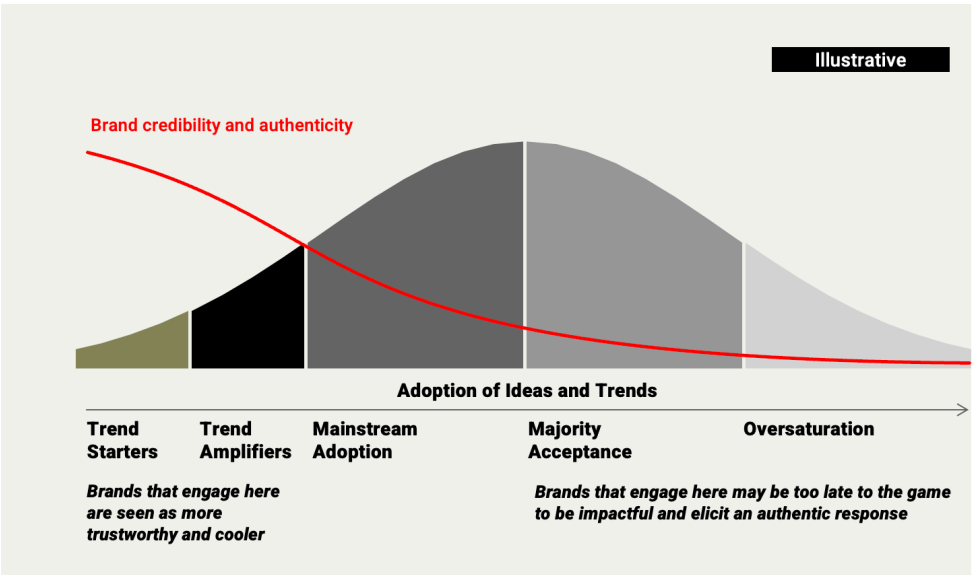
SOURCE: GOOGLE TRENDS (WEEKLY SEARCH INTEREST SCALED 0-100, WITH EACH SHOW INDEXED TO ITS OWN PEAK = 100)

Cultural cycles among Gen Z and Gen Alpha have accelerated, breaking into micro trends that spike and fade within short windows. Social platforms amplify discovery and feed constant novelty, compressing the half-life of cultural relevance. Streaming popularity highlights this, with search interest peaking sharply then dropping 50 to 75 percent within one to two weeks.

In this environment, winners anticipate trends, act at peak interest and do so authentically. When a micro trend aligns with brand DNA, attention converts quickly, especially as social channels function increasingly as storefronts with native checkout.

As these cohorts gain spending power, the stakes rise: brands must deliver products faster than ever, since opportunities now last weeks, not quarters. Success depends on spotting signals early and moving before they hit the mainstream.

BRANDS THAT ARE WINNING ARE TAPPING INTO THE RIGHT MOMENTS BEFORE THEY CREST BY EMBEDDING IN YOUTH CULTURE AND REACTING BEFORE OTHERS



SOURCE: BCG ANALYSIS

Winning with Gen Z means being part of culture, not chasing it after the fact. The brands that resonate most don't just follow trends—they shape them, earning credibility as cultural drivers.

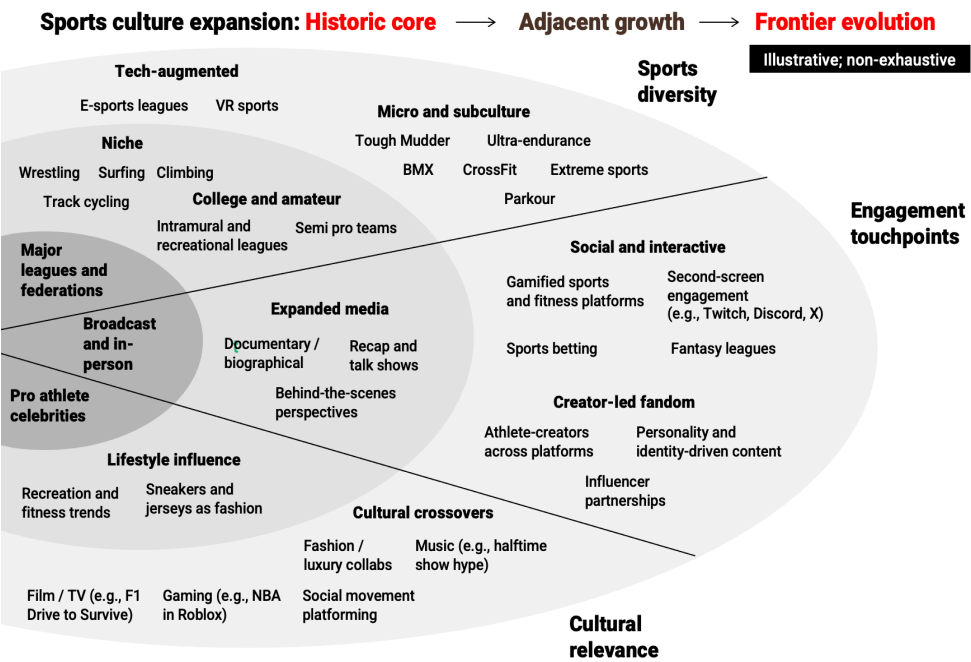
Because cultural waves rise and spread faster than ever, success comes from spotting what's next early and showing up authentically before it goes mainstream. That requires pairing the right products with the right moments and weaving them seamlessly into young consumers' lifestyles.

Not every experiment will hit, but brands that stay agile and open to test-and-learn are the ones positioned to lead.





ONE OF THE FRONTIERS OF YOUTH CULTURE IS IMMERSIVE SPORTS ENGAGEMENT



SOURCE: BCG ANALYSIS

For Gen Z and Gen Alpha, sports culture begins with the traditional core of professional athletes, major leagues and broadcast viewing, but it does not stop there. Adjacent growth now includes college and amateur play, niche sports, and lifestyle expressions such as sneakers or jerseys as fashion.

At the frontier, sports have become immersive, interactive and creator-driven. Younger generations engage through esports, fitness influencers, fantasy leagues, gaming and betting. Social platforms enable constant participation, whether through second-screen viewing, gamified fitness apps, or creator-led fandom that spans multiple channels.

WORDS OF WISDOM

How fashion leaders stay connected to youth culture and creativity

Silvio Campara

Chief Executive Officer / Golden Goose



AUTHENTICALLY CONNECTING THROUGH CULTURE

“At Golden Goose, we stay connected to younger consumers by being an active part of their world — pioneering spaces where authenticity, emotion and self-expression thrive. We tailor our collections to local tastes and celebrate storytelling through personalization and scarcity. Each piece is meant to feel unique, emotionally valuable and reflective of the individual wearing it.

Since the beginning, Golden Goose has always been tied to the world of art. From partnerships with the Venice Biennale and local artists, our stores also serve as artistic hubs — spaces where young creatives can express themselves, showcase their work and share

their authentic stories. This connection strengthens our ties with local communities and keeps us in tune with the evolving creative energy of youth culture.

At the same time, we’re continuing to strengthen our deep connection with the world of sports — a source of inspiration that has always been part of our DNA. We have significantly expanded our ties with the skate community, a universe that has deeply influenced our sneakers and collections. More recently, we’ve taken another step into the world of racket sports with the opening of the Golden Goose Arena, our first padel center in Milan CityLife — a space where passion matters more than performance, and where the game becomes a moment of authentic connection.”

3

SOCIAL MEDIA IS THE NEW BATTLEGROUND

SHIFTING FROM FUNNEL TO FLYWHEEL

SOCIAL MEDIA IS EVOLVING FROM BRAND DISCOVERY TO A FULL COMMERCE ENGINE

Shoppers under 28 are two times more likely to cite influencer content as reason for conversion.

CREATOR-LED OVER THAN BRAND-LED

Brand-only content is too static – virality now comes from creators and user-driven conversations that spark engagement in real time.

NEW ERA OF INFLUENCE PATHWAYS

Modern consumer journeys revolve around four key behaviors: streaming, scrolling, searching and shopping. Unlike the rigid, sequential approach of the funnel, influence mapping uncovers overlapping and influencing touchpoints simultaneously.

HOW TO RESPOND?

Unlocking the social commerce engine requires tailored strategies by audience type, creator content strategies and blended distribution formats.

TODAY’S FASHION CONSUMPTION ENVIRONMENT LOOKS DRASTICALLY DIFFERENT WITH MORE OPTIONS AT EVERY STAGE

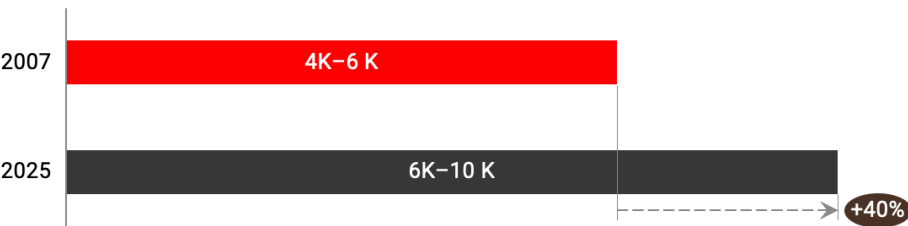
The consumer journey is no longer linear as consumers are experiencing ...



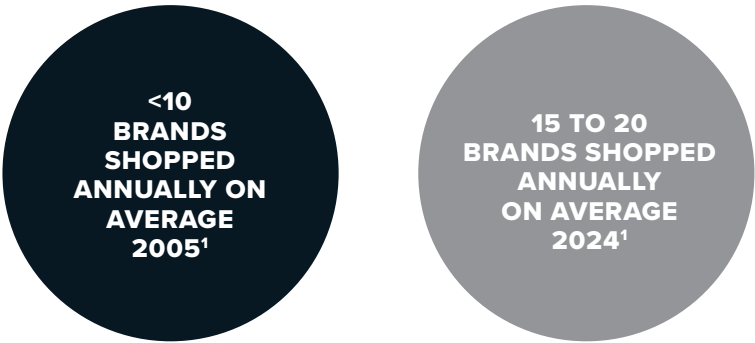
Recent advancements in AI are also driving disruption in the way brands interact with consumers.

CONSUMERS TODAY ARE EXPOSED TO MORE ADVERTISING THAN ANY GENERATION BEFORE...

Daily ad exposure (number of ads)



...AND ENGAGE WITH MORE BRANDS ANNUALLY THAN OLDER COHORTS.



SOCIAL MEDIA IS EVOLVING FROM BRAND DISCOVERY TO A FULL COMMERCE ENGINE FOR YOUNGER GENERATIONS



Brand discovery among young consumers is led by online channels, with digital advertising and social media the most influential paths to finding new brands. Retail and in-store moments still matter, but traditional media is the smallest contributor. For Gen Z and Gen Alpha, commerce is inherently social, and brands must leverage social media platforms beyond inspiration. The winning model is not separating discovery from transaction but collapsing them into the same moment. A consumer might see a product in a friend’s video or creator’s post, try it on digitally through an AR filter, validate the choice by sharing or checking peer reactions, and then complete the purchase instantly without ever leaving the platform.



COURTESY OF TAPESTRY

WORDS OF WISDOM

How top retail execs are staying ahead of evolving consumer journeys



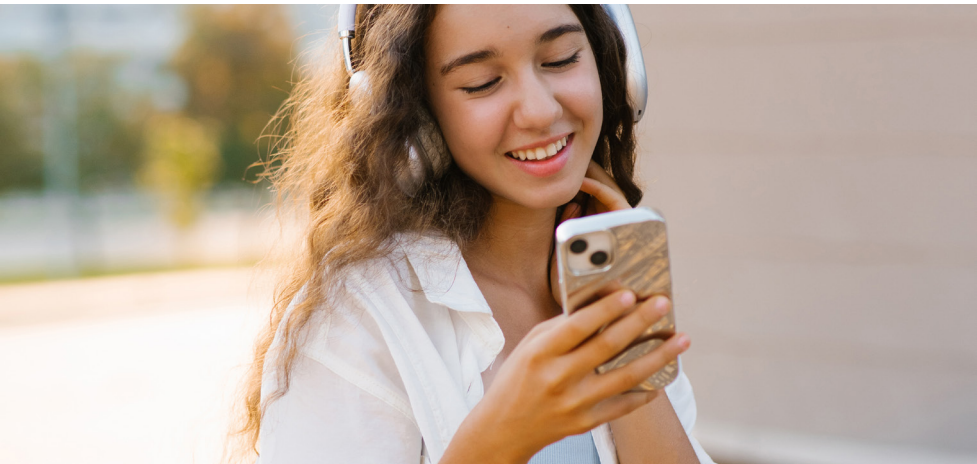
Joanne Crevoiserat
Chief Executive Officer / Tapestry

EVOLVING WITH YOUR AUDIENCE

“With younger consumers, loyalty is earned through emotional connections. That means aligning to what they value in a way that is authentic to our brands. We’re focused on understanding the moment when young consumers enter our category, fostering deeper brand love and providing higher lifetime value through lasting relationships. To do this well, it starts with knowing the consumer and understanding them deeply to ensure that our brands are relevant and fit into their evolving lives. We place a heavy emphasis on consumer insights, pairing quantitative data-powered tools with qualitative research which are key to gaining a deeper understanding of consumers’ needs. With younger consumers, loyalty is earned through emotional connections. That means aligning to what they value in a way that is authentic to our brands. Coach’s expressive luxury positioning and Kate Spade New York’s uplifting luxury positioning resonate with what our target young consumer values. This is the foundation of durable growth and the reason why last year, we acquired 6.8 million new customers in North America alone, with strong representation from Gen Z. We’re constantly listening to our consumers, testing and leveraging data to inform the choices we make across the value chain, from design and assortment planning through store operations, pricing and marketing. The path to discovery is shifting. Social platforms remain important, but as AI tools and agents gain traction, the way consumers ask questions and find brands is evolving. We’re studying these behaviors closely and testing new approaches and content to better meet changing queries. By deploying tools like AI, we’re able to optimize search visibility, and personalize both our marketing and the shopping experience.”

THE TRADITIONAL FUNNEL NO LONGER REFLECTS THE CONSUMER JOURNEY, WHICH IS NOW FRAGMENTED ACROSS SCROLLING, SEARCHING, STREAMING AND SHOPPING. ONLINE DISCOVERY AND SHOPPING PLATFORMS SUCH AS TIKTOK SHOP AND OTHER INFLUENCER-DRIVEN ENTRANTS FURTHER FRAGMENT CONSUMER ATTENTION AND SPEND.

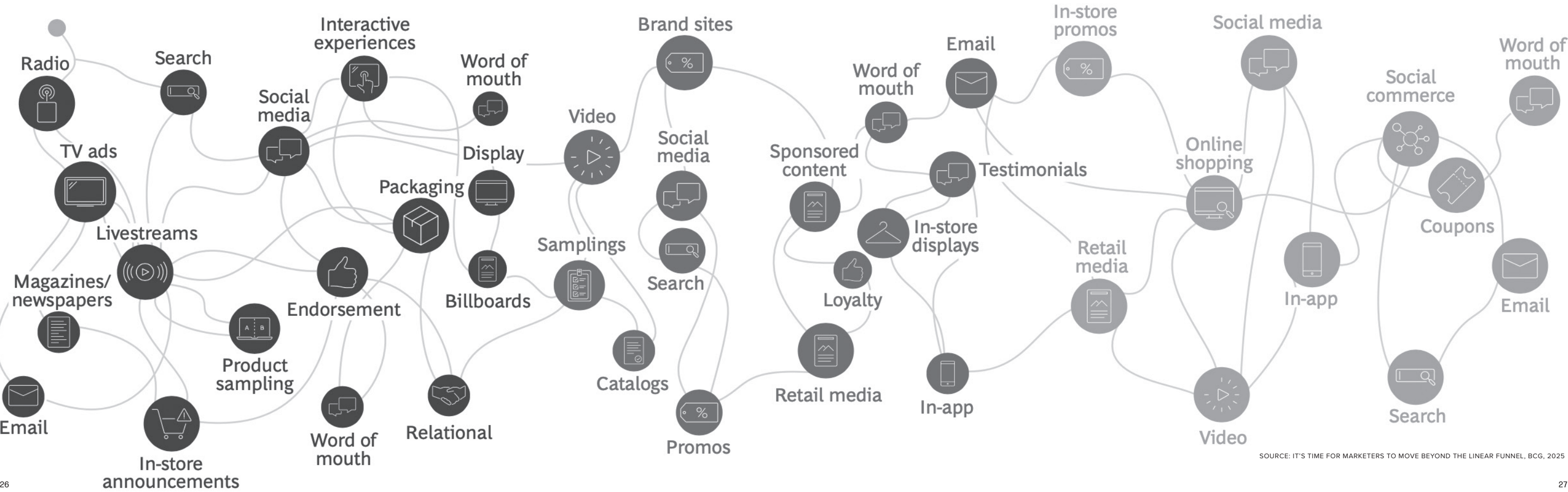
Modern pathways are highly fragmented and fluid, involving streaming, scrolling, searching and shopping across all stages. Finding the right touchpoints requires a deep understanding of your target consumer.



Awareness

Consideration

Action



SOURCE: IT'S TIME FOR MARKETERS TO MOVE BEYOND THE LINEAR FUNNEL, BCG, 2025

DISCOVERY IS OFTEN CREATOR-LED; INFLUENCERS MATTER ALMOST AS MUCH AS CELEBRITIES AS CONSUMERS LOOK FOR MORE AUTHENTIC CONNECTIONS

APPAREL: COMPARED TO OTHER GENERATIONS, GEN Z & GEN ALPHA ARE...

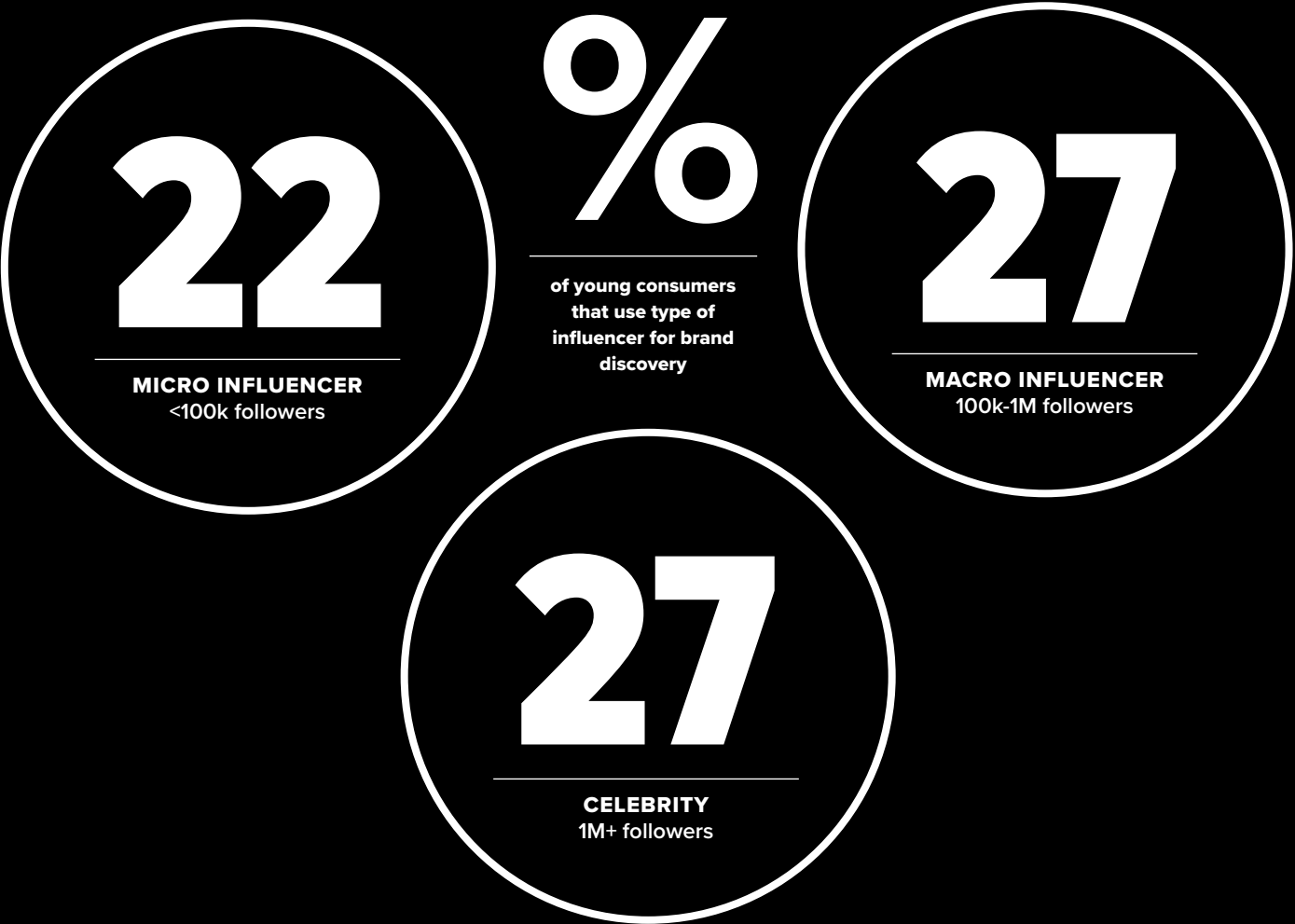
2.0X

More likely to cite influencer content as reason for conversion

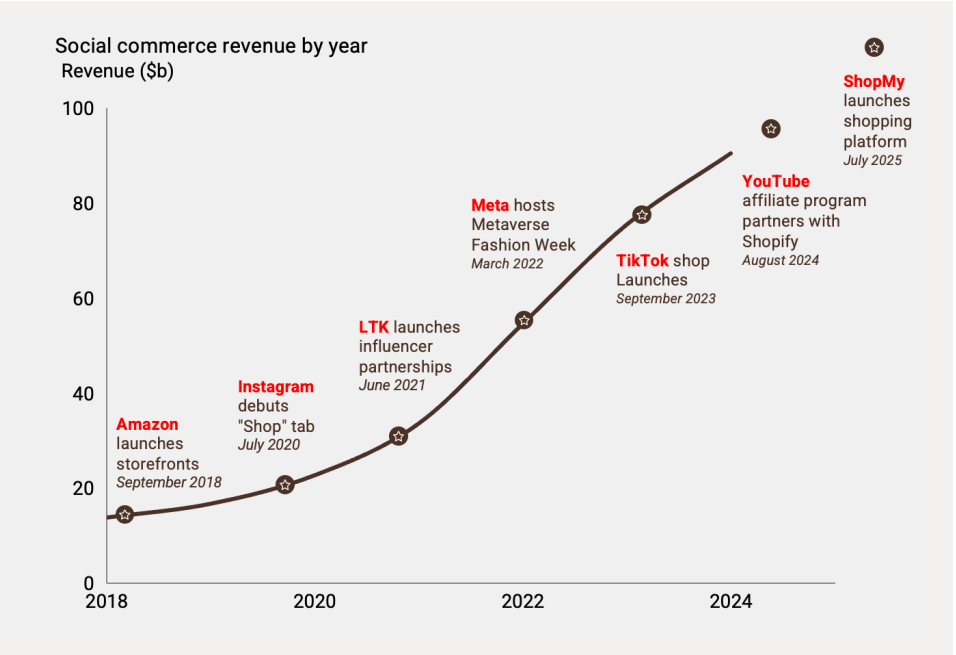
1.3X

More likely to cite high follower counts or social media engagement as primary driver of brand status

MICRO INFLUENCERS matter nearly as much as celebrities as young consumers look for authentic connections.



SUCCESS IN SOCIAL COMMERCE MEANS CHOOSING THE RIGHT CHANNELS AND BEING READY TO MEET DEMAND



SOURCE: CAPITAL IQ; U.S. CENSUS BUREAU; BCG ANALYSIS

BY 2024, U.S. social commerce revenue surpassed \$80 billion, with consumers engaging across more brands and categories than ever. What began as experimental is now mainstream.

Platforms have collapsed the gap between discovery and purchase. Instagram Shop (2020), TikTok Shop (2023), and YouTube's Shopify affiliate program (2024) created native purchase rails that remove friction. Content is no longer just inspiration; it is instantly shoppable, shortening the path from interest to checkout.

Commercial readiness is critical. Brands must align shoppable content with product feeds and native checkout flows, while ensuring sku-level accuracy. Promotions, fulfillment and logistics must be tuned to handle demand spikes from viral content and activations.

Winners embrace channel-first strategies. Leading players treat channel planning as dynamic, rebalancing presence across social commerce, marketplaces and owned destinations. By staying in sync with where the next generation transacts, they ensure relevance and resilience in a competitive landscape.

WINNING SOCIAL: UNLOCKING THE COMMERCE ENGINE BEYOND BRANDED CONTENT

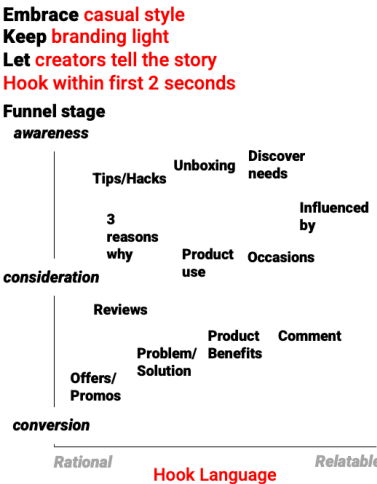
Audience

Mass appeal
Tap cultural and seasonal trends

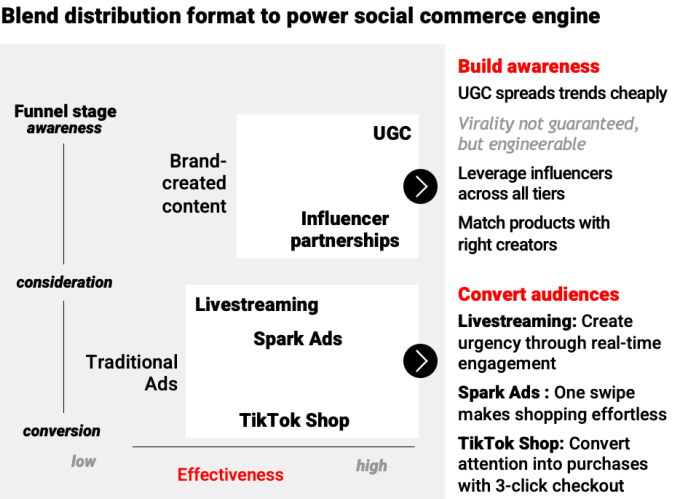
Community fit
Ride niche trends brand followers love

Tribe focus
Build a consistent aesthetic for core fans

Content



Distribution



4

AI HAS PENETRATED FASHION SHOPPING IN A SEISMIC WAY

40% OF YOUNGER CONSUMERS NOW USE AI TO SHOP, REQUIRING BRANDS TO CRACK THE NEW CODE TO WIN



AI ADOPTION

Across generations, overall weekly AI use is higher among Millennials and older at 58 percent versus 51 percent for Gen Z and Alpha. However, a key point of divergence is that younger generations are much more likely to use AI for fashion shopping.

USE CASES

90 percent of consumers use AI for trends, shopping research and product/price comparisons multiple times a month.

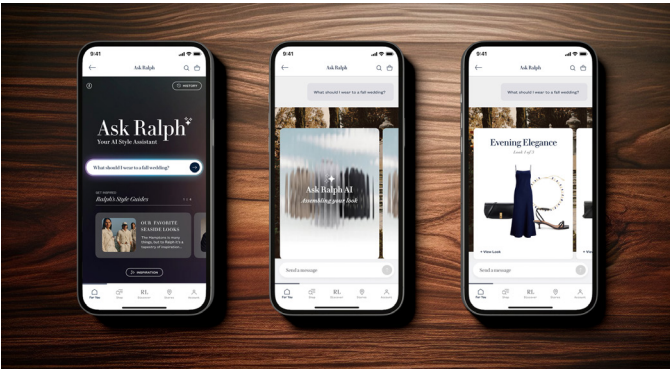
CUSTOMER TIERING

High-spending Gen Z and Alpha apparel shoppers are about 2x as likely to use AI daily, journeys for the most valuable consumers will be first to be disrupted.

HOW TO RESPOND?

An Agentic Search Engine strategy rests on four pillars: optimizing for how users ask questions, enabling AI-friendly content architecture, managing brand presence across third-party stores, and showing up

AI IS DISRUPTING THE SHOPPING LANDSCAPE, WITH GEN Z AND ALPHA EMERGING AS THE MOST ENTHUSIASTIC ADOPTERS OF AI-POWERED SHOPPING TOOLS



41%

Young consumers use AI weekly to explore fashion, compare products, and style outfits.

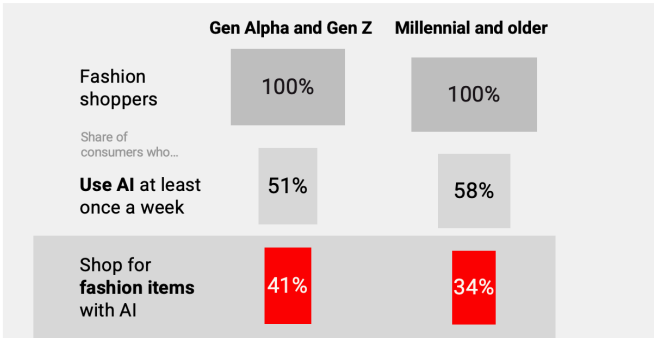
AI is reshaping how consumers shop, blending inspiration with utility. Younger shoppers are turning to AI to discover new trends, get styling advice, visualize outfits, and compare prices across retailers, making AI a trusted co-shopper in their fashion shopping journey.

SOURCE: BCG STATE OF FASHION AND LUXURY SURVEY 2025

GEN Z AND ALPHA’S AI USE IS TIGHTLY LINKED TO THE FASHION SHOPPING JOURNEY, WITH HIGH-SPEND YOUNGER APPAREL SHOPPERS ABOUT TWICE AS LIKELY TO USE AI DAILY

Younger shoppers channel AI into fashion more, even though older cohorts use AI more overall

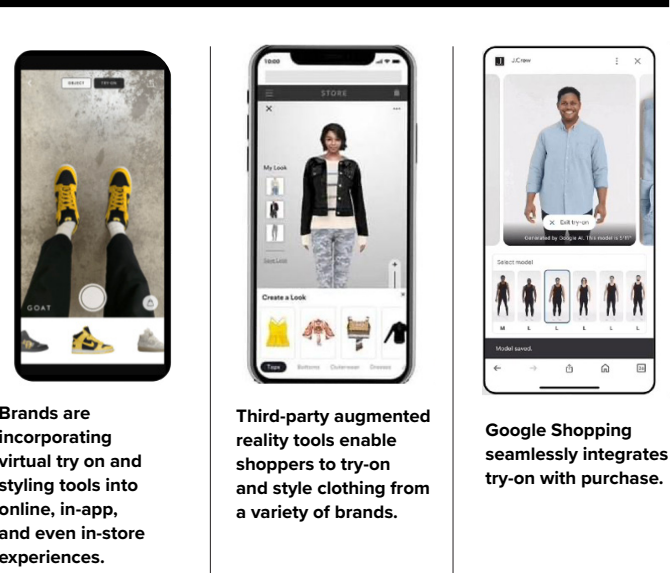
Gen AI use by generation (% of fashion shoppers, Gen Alpha and Z vs. Millennials+)



Across generations, overall weekly AI use is slightly higher among Millennials and older at 58% vs. 51% for Gen Z and Alpha. However, a key point of divergence is that younger generations are much more likely to channel AI into fashion shopping. Despite this lesser share of overall AI engagement, the share of Gen Alpha and Gen Z that use AI to shop for fashion is a resounding 7 pts. higher than older generations.

Interestingly, older consumers are more frequent AI users overall. Millennials and older generations are slightly more likely than Gen Z and Alpha to use AI weekly (58 percent versus 51 percent). However, when it comes to fashion, the younger generations lead. Gen Z and Alpha are more likely to shop for fashion items with AI (41 percent versus 34 percent of older consumers), signaling that fashion is the entry point to AI for many young consumers.

The shift is raising new expectations. Emerging tools like virtual try-ons, AI-powered stylists, and real-time product recommendations are redefining what “good service” looks like. While still early, rapid advancements and brand adoption point to AI’s growing role in shaping the future of shopping.



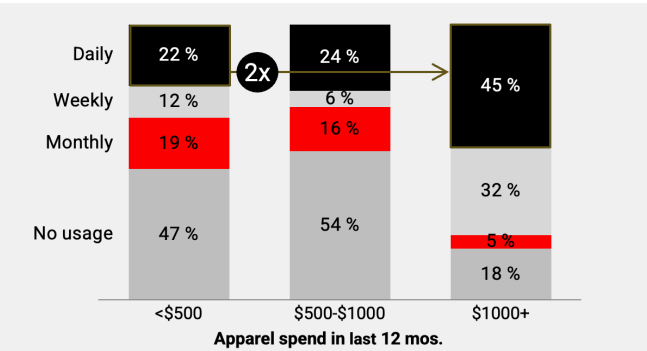
Brands are incorporating virtual try on and styling tools into online, in-app, and even in-store experiences.

Third-party augmented reality tools enable shoppers to try-on and style clothing from a variety of brands.

Google Shopping seamlessly integrates try-on with purchase.

High-spend Gen Z and Alpha apparel shoppers are about 2x as likely to use AI daily

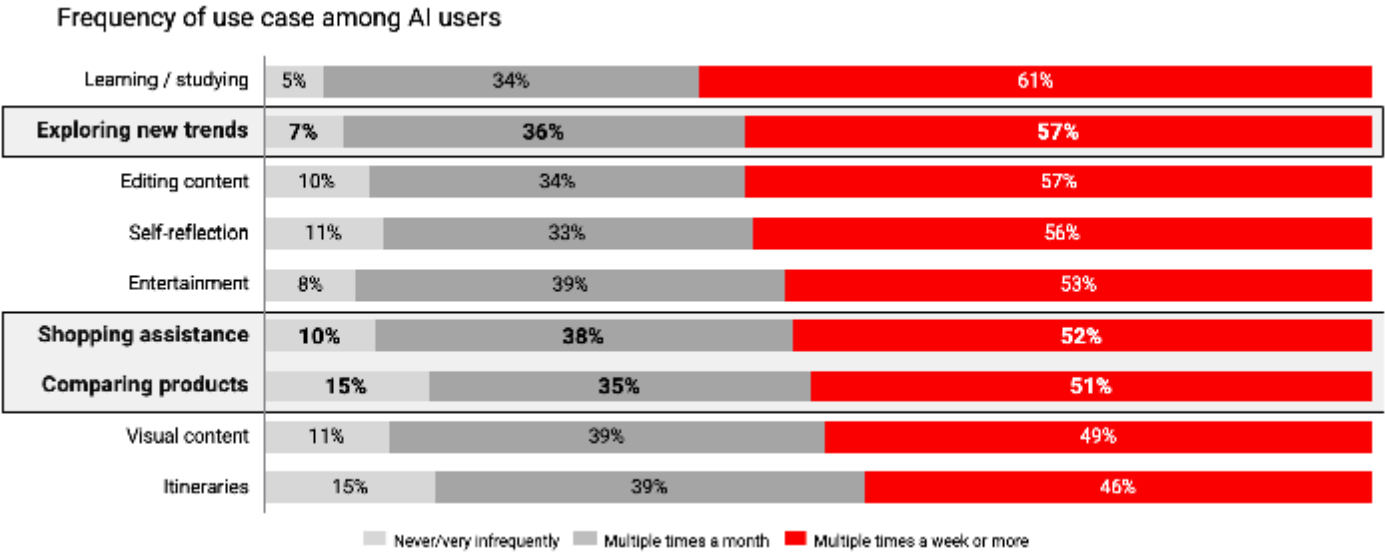
Gen AI use by apparel spend (% of Gen Alpha and Gen Z consumers)



Within Gen Alpha and Gen Z, AI use frequency scales with apparel spend. Light spenders remain sporadic or nonusers, while high spenders cross a threshold at roughly the \$1,000 annual spend level where behavior consolidates into weekly and daily use and non usage largely declines. This pattern indicates that for the highest value segment AI functions as a default companion rather than an occasional tool.

SOURCE: BCG STATE OF FASHION AND LUXURY SURVEY 2025

WHILE LEARNING/STUDYING IS THE HIGHEST USE CASE FOR YOUNG USERS, SEARCH FOR TRENDS, SHOPPING ASSISTANCE AND PRODUCT/PRICE COMPARISONS ARE PREVALENT



SOURCE: BCG STATE OF FASHION AND LUXURY SURVEY 2025

WORDS OF WISDOM

How marketing leaders are embracing AI to drive lifetime value

Iris Langlois-Meurinne
Global Chief Marketing Officer / Ralph Lauren



EMBRACING THE NEW ERA OF AI

“AI is shifting customer expectations and behaviors, blurring the lines between inspiration and commerce. At Ralph Lauren, we have built a deep understanding of the Next Gen mindset, their digital-first behavior, values-driven decision-making, and redefinition of what luxury means in today’s world.

Today’s consumers want entertainment, convenience, and service, all at once. Ralph Lauren has always been about storytelling and about inviting consumers into cinematic worlds and immersive experiences. With that as a foundation, we’re embracing this new era, building opportunities for us to entertain and style at scale. We’re reimagining our full marketing funnel, leveraging innovative new tools, predictive analytics, and AI

to enhance customer experience and drive lifetime value.

When it comes to styling, younger consumers highly value personalization, creativity and self-expression. These are core elements to who we are, with Ralph’s iconic and unique take on styling providing inspiration. We are working to deliver this at scale, using a blend of human creativity, data, insights and predictive analytics, to help our customers express their individuality in a way that feels authentic and inspiring. This deepens our relationship with them and builds lifetime value.

We are focused on showing up to reach audiences where they spend their time, like LLMs, TikTok, WeChat, YouTube, and gaming. We’ve also invested in AI to inspire customers and to improve discovery, such as with the launch of “Ask Ralph,” our new AI styling assistant in the Ralph Lauren mobile app.

REIMAGINING DISCOVERABILITY

A STRONG ANSWER
ENGINE OPTIMIZATION
STRATEGY RESTS
ON FOUR PILLARS

OPTIMIZING FOR
HOW USERS ASK
QUESTIONS

AI favors concise, factual, and authoritative content.

Content that answers common user questions directly is far more likely to be selected.

Formatting information with summaries, numbered lists, Q&As, and well-labeled sections that match natural language queries increases the chances of being surfaced in AI answers.

MANAGING
BRAND PRESENCE
ACROSS THIRD-
PARTY STORES

AI answer engines don't just pull from your website. From Reddit and product review sites to news articles and social media, third-party sources shape the digital picture of your brand.

If your messaging is inconsistent or inaccurate across these channels, you risk being overlooked or misrepresented. Getting it right everywhere your brand shows up isn't optional anymore — it's how you stay visible and credible.

ENABLING
AI-FRIENDLY
CONTENT
ARCHITECTURE

Content depth (longer sentences containing thoughtful explanations) and readability (e.g., Flesch Reading Ease scores) are also strong predictors of AI visibility according to a recent analysis of the top 10 percent most cited pages across ChatGPT, Perplexity, and AI Overviews.

SHOWING
UP WHERE
INFLUENCE
HAPPENS

AI answer engines like ChatGPT favor content from authoritative domains — and the data proves it. Sites like Wikipedia, G2, Forbes, and Amazon dominate citation volume, with Wikipedia leading by a massive margin at 1.3 million citations. To increase visibility in AI-generated answers, your brand must show up where AI already looks for credible information.

Enhancing presence on these high-trust sources — through syndication, guest contributions, or strategic partnerships — can significantly improve the chances of being cited.



THREE IMPERATIVES FOR BRANDS AND RETAILERS IN THE AGE OF AI AND AGENTIC COMMERCE



**BRAND CONTENT
NEEDS TO SHIFT FROM
HUMAN-READABLE TO
MACHINE-READABLE**

1 BE STRATEGIC

DECIDE WHETHER AND HOW TO PLAY ON CHATGPT

Destination game: Drive customers to owned channels to protect margins and brand.

Evaluation game: Be recommended by agents to partake in growing channel and attract new customers.

2 BE VISIBLE

INVEST IN ANSWER ENGINE OPTIMIZATION (AEO)

Publish high-quality and authoritative content.

Optimize presence on LLM sources (e.g., review sites, Google Business Profiles).

Use clear & concise language (FAQs, summaries).

Test AI Search Ads (future).

3 BE ACCURATE

CONTROL WHAT AGENTS SAY ABOUT YOU

Structure PDPs for agent consumption.

Participate in open-source protocols (e.g., ACP1) so data is up-to-date and shared on your terms.

Build ChatGPT apps to surface products directly in user queries.

5

THIS GEN IS PRODUCT- DRIVEN OVER BRAND-DRIVEN

ACCENTUATING FUNDAMENTALS
ON PRICE AND QUALITY



**PRODUCT LOYALTY
OVER BRAND LOYALTY**

Gen Z and Alpha prioritize distinctive products over heritage brands, signaling a shift away from traditional brand loyalty (especially in performance categories).

**PRICING AND QUALITY
STILL MOST CRITICAL**

Competitive pricing (especially with transparency through agentic shopping), discounts and quality most important factors when deciding where to shop.

**RESALE POTENTIAL IS
AN IMPORTANT PART OF
THE VALUE EQUATION**

Younger consumers, especially aspirational buyers, weigh financial return of individual products alongside overall brand status when making purchases.

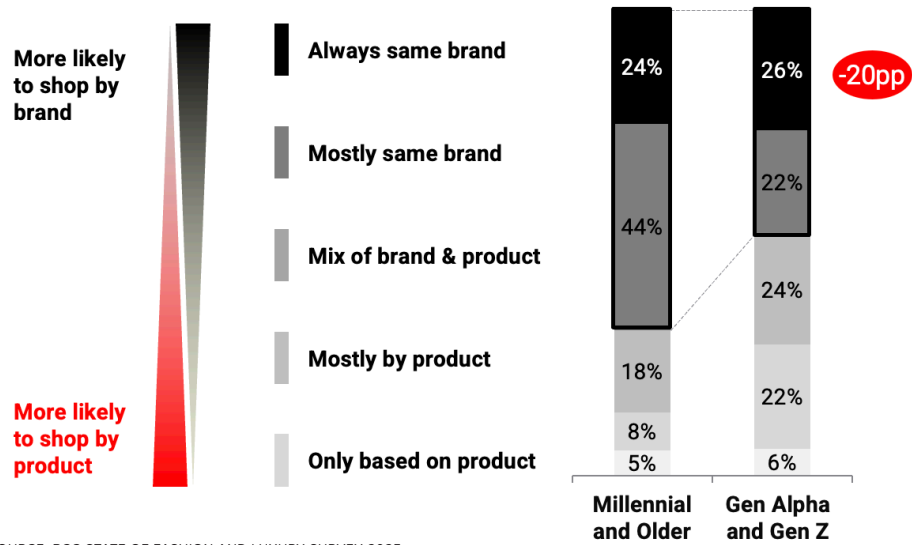
HOW TO RESPOND

The back to the basics approach focused on good quality product for the right price still the most critical factor for consumers when deciding where to shop.

GEN Z AND ALPHA PRIORITIZE DISTINCTIVE PRODUCTS OVER HERITAGE BRANDS, SIGNALING A SHIFT AWAY FROM TRADITIONAL BRAND LOYALTY

Gen Z and Gen Alpha are 20 percentage points less likely than older generations to shop consistently by brand

Consumer motivations in luxury purchases: brand vs. product



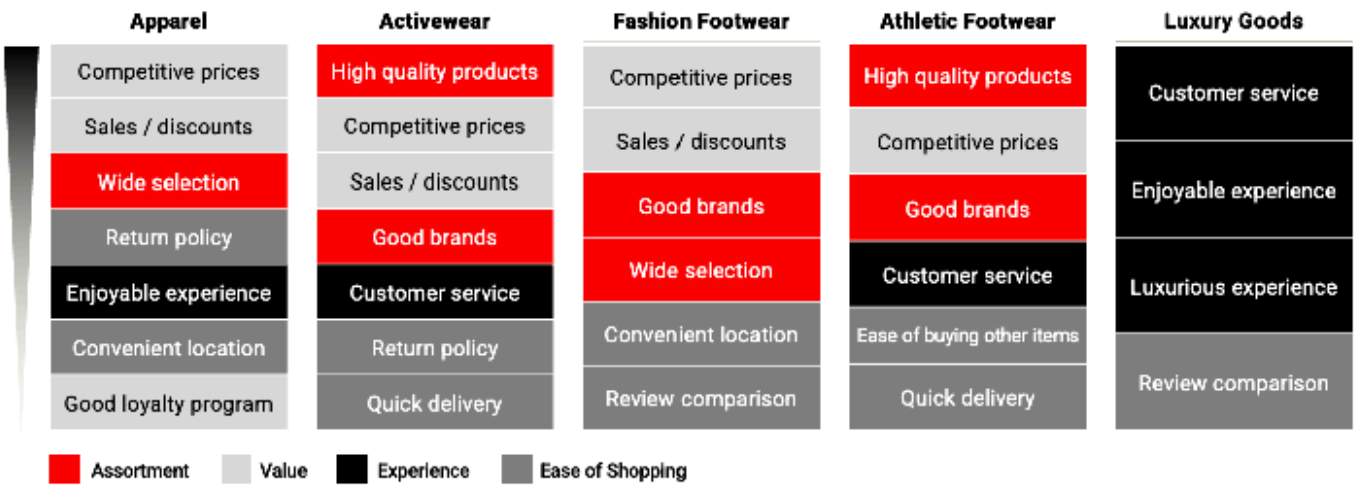
As cultural cycles accelerate, Gen Z and Alpha are redefining how they engage with fashion. Unlike older generations who built lasting loyalty to specific houses, these consumers prioritize products that feel distinctive, relevant, and expressive in the moment. They mix heritage names with emerging labels, curating identities rather than committing to a single brand.

This shift away from traditional loyalty means that resonance today comes less from legacy and more from delivering the right product at the right cultural moment. For brands, the challenge is not only to catch these moments, but to translate them into enduring relationships — securing the next generation of fashion’s core consumers.

SOURCE: BCG STATE OF FASHION AND LUXURY SURVEY 2025

COMPETITIVE PRICING AND PRODUCT QUALITY TWO OF THE MOST CRITICAL FACTORS THAT DRIVE CONVERSION

Most important factors when deciding where to shop, by category (High relative importance within category AND compared to other categories)



SOURCE: BCG STATE OF FASHION AND LUXURY SURVEY 2025

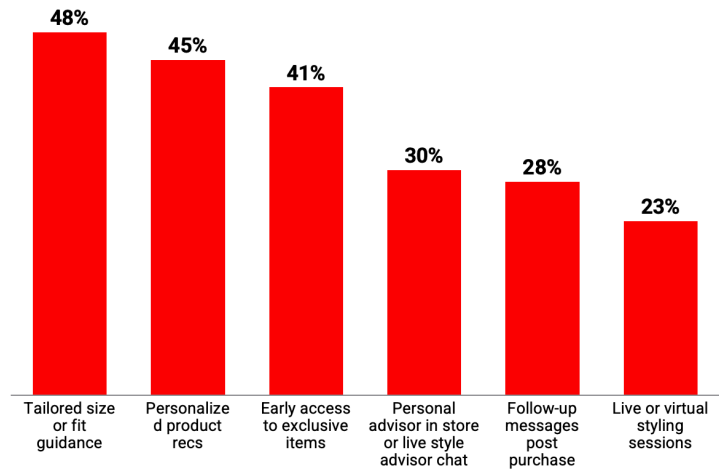


YOUNG SHOPPERS EXPECT HIGH-TOUCH, PERSONALIZED SERVICES AT ALL PRICE POINTS

Young consumers may prioritize price and assortment when shopping apparel, but their expectations do not stop there. Gen Z and Gen Alpha are looking for personalized services even when shopping at entry price points, reshaping what “value” means in fashion retail.

Nearly half now expect personalized attention through tailored size and fit guidance and tailored product recommendations. Online, young shoppers view virtual styling sessions and live chat with advisers as standard offerings, not perks.

% of young apparel shoppers who expect the following services as a standard



SOURCE: BCG STATE OF FASHION AND LUXURY SURVEY 2025

WORDS OF WISDOM

How groundbreaking brands are putting the real lives of customers first, making luxury accessible and authentic



Daniella Kallmeyer
Founder & Chief Executive Officer / Kallmeyer

MATCHING DISCERNING QUALITY WITH ACCESSIBLE VERSATILITY

I consider myself a problem-solver more than a fashion designer. I’m focused on how to solve problems in modern women’s lives. The younger consumer is shaping that. Her lifestyle is very versatile and requires more flexibility, causing luxury to mean something different to her. I ask myself — what’s a wardrobe that suits her lifestyle and makes her feel comfortable? To me, luxury is about making the most beautiful things that make people feel like they can be the deepest, richest version of themselves — comfortably.

From the beginning, I’ve built Kallmeyer as a DTC model. I put the customer’s ability to own a luxury product at an accessible price point before the priority of becoming a “fashion brand.” I couldn’t even conceive of using my expertise in luxury to design products that my friends, my peers, or my family couldn’t afford. So I built a brand that was about accessibility and expertise at the same time.

What bothers me most is a fashion consumer who looks at a full closet and feels like she has nothing to wear because she’s been buying marketing pushes based on someone else. We’ve made a product for the daily lives of real women, but is also quality first. A woman who could afford something more expensive can choose our product and be comfortable, but feel less “precious” about buying and wearing it in her everyday life. We’ve also been able to capture the aspiring consumer, by teaching them the value of quality, of fit, and of styling for her life today that will last for the long term.

As you dress people, you have to be intentional about the moments that you create. I like to consider us the frontier of warm, kind fashion. We don’t want to create an image of our brand that’s exclusive. We want to create an image that is thoughtful, discerning, and kind, especially as we seek to expand digitally. We are setting out to replicate that personal shopping experience with product education and styling knowledge that our customers have come to love in store, but now online.

FASHION’S NEXT GEN DEMANDS NEW WAYS TO THINK, BUILD AND WIN

WINNING WITH FASHION’S NEXT GEN



WHERE TO PLAY

DETERMINE WHO YOUR TARGET CONSUMER IS AND THE ROLE GEN Z AND GEN ALPHA PLAY IN YOUR GROWTH.

Understand what they value, how they live, what they want, and how to speak to them in their role

WHAT TO OFFER

SCALE WHITE GLOVE SERVICES IN PERSON AND ONLINE.

Develop and scale personalized high-touch experiences focused on fit guidance, product recommendations, styling suggestions and more.

HOW TO WIN

EMBRACE AND OBSESS WITH YOUTH CULTURAL RELEVANCE.

Relinquish control to content creators, proactively seek out micro influencers to drive content, product, and marketing.

WHAT TO BUILD

BUILD AND ACTIVATE THE SOCIAL COMMERCE ENGINE OF THE FUTURE.

Build personalized AI-driven omnichannel journeys that blur inspiration and purchase.

HOW TO GET AHEAD

PREPARE FOR AI AGENT ENGINE OPTIMIZATION IN PLACE OF TRADITIONAL SEARCH.

Reimagine digital visibility for the AI era focused on how users are searching & asking differently, turning to AI over traditional search engines.

DRIVE EFFICIENCIES WITH A CORE PROPOSITION TO GENERATE BETTER PRICE TO VALUE FOR THE CONSUMER.

Optimize promotional strategy, loyalty program, merchandise strategy, and cost structure to drive efficiency.

INVEST IN THE ENABLERS.

Build agile teams with a deep understanding of AI and youth culture and invest in data pipelines to respond at the speed of the next generation.



ABOUT WWD

Women’s Wear Daily (WWD) provides a balance of timely, credible business news and key fashion trends for leading retailers, designers, manufacturers, marketers, financiers, Wall Street analysts, international moguls, media executives, ad agencies, trend-makers, and global

consumers. Founded in 1910 by Edmund Fairchild and helmed for over two decades by legendary publisher John B. Fairchild, WWD continues the daily media of record and the industry voice of authority for over 115 years. Operated and published by Penske Media Corp. under Fairchild Media Group, WWD reaches a global audience of nearly 16 million+ every month

across print, digital, mobile, video, social, and events, including the annual WWD Apparel & Retail CEO Summit and Global Summits in three international markets. As an increasingly complex marketplace heightens the need for information and competitive intelligence, WWD delivers spirited coverage with frequency, integrity, and a legacy of getting it right and getting it first.

ABOUT BCG

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational

approach aimed at benefiting all stakeholders – empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact. • Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through

leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

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THANK YOU!

