

LUXURY FIRSTLOOK

Sustainable luxury is new norm, thanks to young consumers: Luxury FirstLook 2023

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Two experts weighed in on the greening phenomenon of the luxury industry, exploring the reasons that young consumers are behind it. Image credit: Shutterstock

By EMILY IRIS DEGN

Luxury FirstLook experts have weighed in on the power of value-based consumers, shining a light on the fact that sustainability is no longer just a trend, but rather, the new norm.

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During this year's 10th edition, Luxury Daily's Luxury FirstLook conference tapped two ethical luxury experts, collectively bringing decades of experience to the table. Together, they outlined the current drive towards sustainable luxury and offered advice for how retailers can respond in the new market.

"So these changes are actually becoming seismic for fundamental organizations because values are not an option," said Diana Verde Nieto, co-founder and CEO of **Positive Luxury**.

"It's not [just] nice to have anymore," Ms. Nieto said. "So, it's not something that is optional or perhaps an aspiration.

"Companies really need to start embedding their values into everything that the company does and how they show up in the world."

The Jan. 26 Luxury FirstLook 2023 digital event was moderated by Mickey Alam Khan, editor in chief of Luxury Daily, New York.

Values evaluators

Based on current demographics, this new demand for value-based luxury is being driven by Millennials, Genzennials and Gen Zs.

The duo detailed why young people are the ones driving the fight for a sustainable world, viewing the values of a company as more important than its tangible products when deciding where to buy from.

During the half-hour session, the experts reflected on the identity of the demographic group, pointing out what sets them apart from their parents.

"The face and the culture of luxury is evolving," said Keri Richardson, vice president of brand activations for

Essence Ventures.

"The [significance] of Millennials, Gen Zers and Genzennials is that they are becoming critical growth levers in the luxury space," Ms. Richardson said. "When you think about these two consumer groups, they have more consumption power, and they have more access to information.

"We have been exposed to more technological innovations than our predecessors."



Keri Richardson outlined young consumer demographics, exploring the ways in which values play into their consumption habits.

Ms. Richardson explained that this group grew up with technology, which normalized having a wealth of information at their fingertips. Because of this, these consumers want transparency, but they also have the information to know the importance of sustainability.

Due to this education, they are informed consumers, knowing the difference between sustainable brands and unsustainable ones. This is turning green business practices from a niche into the standard.

"This is a very very very big shift that happened within the last few years, because before it was something that was perhaps optional," Ms. Nieto said.

"So Millennials and Gen Zs have an option now to truly vote with their money," she said. "We have been saying this for a long, long time, but this is the year in which we can start seeing this real shift in terms of what [information] is given to them, what they can find out about these companies and how they actually make decisions."

Since consumers are so environmentally informed, they have designated themselves as points of accountability for brands, with Gen Zs often calling out brands for weak sustainability or disinformation. Ms. Nieto pointed out that this is something that brands should keep in mind when operating online.

"When you think about omnichannel strategies they [Gen Zs] are super savvy [about] reading between the lines, so they are much more aware about false claims, putting brands through scrutiny," she said.

"They do not shy away from [calling out] what's called greenwashing' and actually telling brands why [they are not buying from them]."

She went furthered the point of young consumers being researchers, bringing in the fact that Millennials spend a lot of time looking into brands before they support them, as they see their possessions as reflections of themselves.



Diana Verde Nieto brought in her experience as cofounder/CEO of Positive Luxury to speak to sustainable legislation.

"They [Millennials] are digital natives, and because of that, they have a lot of time to research brands," Ms. Nieto

said.

"They have a real desire for brands that represent them."

Ms. Richardson also spoke to this, delving into the way that consumption is a form of expression, as "culture influences consumer behavior." Consumers are "more cognizant" about what their "purchases say" about them, as self-expression and identity are being explored in such a public way online.

"Consumers now get to decide who they want to be, what they want to stand for, and they have easier access to acquire it," Ms Richardson said.

"They build a community off of it," she said. "How else do we express ourselves than through the consumption of goods?"

Discussed by Ms. Richardson was the idea that consumers also want brands to be expressing their identity and values, just as they are through the products that they buy. Consumers want meaningful shopping experiences.

"Going forward, brands will have to [put forward] more thoughtful experiences that are authentic, and that connect with the consumer on a cultural level and how they self-identify," Ms. Richardson said.

"That's how brand loyalty is built at this point."

Circling back

Both experts stressed the importance of circularity when it comes to luxury business practices, as it is among the most popular demands coming from young consumers.

Circularity is already defining the way that young people see luxury, as Ms. Nieto pointed out that Gen Z consumers especially "prefer to buy preloved items" rather than new luxury pieces. This is how many are introduced to the luxury world now, which as Ms. Richardson put it, is "changing perceptions of what luxury is."

Buyback programs, leasing options, luxury-led legislation pushes and other efforts are all a reflection of the Millennial, Genzennial and Gen Z collective voice.

Luxury companies are also paying closer attention to sourcing, working to green their material supply chain. Louis Vuitton is among them, working with the nonprofit People for Wildlife ([see story](#)).



Brands like Louis Vuitton are hopping on board the sustainability train, working to implement actionable changes to reflect the values of their new customer base. Image credit: Louis Vuitton

"You cannot have sustainable consumption unless you have sustainable production," Ms. Nieto said.

The pandemic sparked a lot of these conversations, as the digital face of businesses became vital for survival, amplifying brand voice and values. Consumers are now flooded with e-commerce and social media branding, and they are paying attention to which companies echo their own values.

"The pandemic set these things on fire," Ms. Richardson said.

This was discussed at a previous session of Luxury FirstLook, as Emily Essner, chief marketing officer of Saks spoke to the ways that the pandemic's effect on the luxury world served Millennials especially well ([see story](#)).