

THE REALITIES (AR/VR/XR) OF DIGITAL FASHION

EXTRACTED FROM THE TALK BY

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02

“Digital identity and expression in my opinion has surpassed the physical form of reach and frequency, and I come from ten years in the world of media where reach and frequency is really what every Fortune 500 brand goes for, and what that means is they want to make sure”

MATT MAHER

INTRODUCTION

Matt Maher is a Futurist, Speaker and Founder of M7 Innovations, an independent research and development firm. His thought leadership and award winning work has been featured in Vogue Business, Forbes, Quartz, Men’s Journal, Retail Touchpoints, and Adweek. At M7, Matt leads a team specializing in artificial intelligence, augmented and virtual realities, voice technology, and the evolving internet, including digital twins, co-creation, digital distribution, digital identity, and gamification. M7 guides executive teams through the rapidly evolving media and technological landscapes - conceptualizing, presenting and executing on innovative solutions.

Matt sits on the international advisory boards of CHANEL and the Glimpse Group (NASDAQ: VRAR) and has given keynote presentations on innovation at CES, SXSW, industry panels, and private client events around the world.

03

EXECUTIVE SUMMARY:

From the increasing importance of digital identity and expression to the potential of digital fashion to revolutionize the industry. We are looking at the shift towards digital expression surpassing physical forms in terms of reach and frequency, especially in an age where smartphone usage has skyrocketed. From AR lenses on Snapchat to the gamification of fashion in platforms like Fortnite, we see the breadth of opportunities in this space.

We explore different facets of digital fashion, from digital twins to co-creation and gamification, as it becomes clear that there's a lot of experimentation happening, with brands exploring new ways to engage with consumers in the digital realm.

We dive into the discussion of the challenges and opportunities ahead, such as the importance of interoperability and the potential for AI to enhance the digital fashion experience. The examples provided, from the use of zero party data to the rise of synthetic media, paint a compelling picture of the future of digital fashion.

The report is a thought-provoking overview of the current landscape and future possibilities in digital fashion.

04

KEY OBSERVATIONS:

WHAT ARE THE CHALLENGES?

We address common criticisms and challenges facing digital fashion, such as the perceived lack of critical mass in certain platforms and concerns about revenue generation. However, we counter these arguments by citing examples of successful revenue models in platforms like Roblox and Fortnite, where digital fashion items generate significant revenue through in-game transactions. Furthermore, we discuss the evolving technology landscape, including advancements in real-time rendering and synthetic media, which enable increasingly realistic digital fashion experiences. We speculate on future trends, such as the potential for AI-driven personalization and the integration of spatial computing devices like the Apple Vision Pro.

Overall, this discussion provides a comprehensive analysis of the current state and future prospects of digital fashion, emphasizing its transformative potential within the fashion industry and broader cultural landscape.

05

APPROACHES TO DIGITAL FASHION

1. **Digital Twins:** Brands like Balmain, and Dior are exploring the concept of digital twins, where physical fashion items are accompanied by digital counterparts. These digital twins offer additional value through features like blockchain authentication and enhanced visual aesthetics that go beyond what is possible in the physical realm.
2. **Co-Creation:** Brands like Nike and Rebecca Minkoff are engaging consumers in the creative process by allowing them to co-create digital fashion items. This collaborative approach enables consumers to personalize their fashion choices and fosters a deeper sense of connection with the brand.
3. **Digital Distribution:** Brands like Tommy Hilfiger, Puma, and Adidas are leveraging digital distribution channels such as Minecraft, Roblox, and Decentraland to reach audiences in virtual environments. By dropping digital fashion items within these platforms, brands can extend their reach and engage with consumers in new and immersive ways.
4. **Digital Identity:** Brands are exploring ways to enhance consumers' digital identities through digital fashion. For example, profile picture platforms like Gucci Grails allow users to accessorize their digital avatars with virtual fashion items, creating a sense of digital clout and self-expression.
5. **Gamification:** Gaming platforms like Fortnite are becoming increasingly important spaces for digital fashion experimentation. Brands can leverage these platforms to offer limited edition skins or digital fashion items that allow players to customize their avatars and express themselves within the game environment.

Overall, these approaches demonstrate how brands are embracing digital technologies to innovate and redefine the fashion experience for consumers. By leveraging concepts like digital twins, co-creation, digital distribution, digital identity, and gamification, brands can create new opportunities for engagement and interaction in the digital fashion landscape.

06

COMMON CRITICISMS

Limited Critical Mass:

One criticism is that certain digital fashion platforms, such as Decentraland, may lack a critical mass of users. Such platforms may have fewer than 100,000 monthly active users, which could be perceived as insufficient to reach a wide audience or justify investment in digital fashion initiatives.

Revenue Generation:

Another criticism pertains to the uncertainty surrounding revenue generation in digital fashion. Given the different revenue models and lower profit margins compared to physical fashion, there may be skepticism about the financial viability of digital fashion endeavors.

However, here we challenge these criticisms by highlighting examples of successful revenue models in existing digital platforms like Roblox Sandbox and Fortnite. These platforms have demonstrated significant revenue generation through in-game transactions, indicating the potential for digital fashion to thrive in the digital landscape despite initial concerns.

AI-DRIVEN PERSONALIZATION

The potential for AI-driven personalization in the context of digital fashion is enormous.

The concept of an "age of assistance" facilitated by AI, where users can interact with digital platforms more seamlessly to achieve their desired outcomes, notably Snapchat's voice search AR lenses is an example of how AI can assist users in real-time, allowing them to make personalized adjustments to their appearance.

Furthermore, the future integration of AI-driven personalization into digital fashion experiences will only grow so much that AI could play a role in tailoring digital fashion recommendations to individual preferences and behaviors, enhancing the overall user experience and engagement with digital fashion platforms.

There is undoubtedly potential for AI to play a significant role in shaping the future of digital fashion.

ZERO PARTY DATA

"Zero party data" is a potential solution to the challenges posed by increasing privacy concerns and limitations on traditional data collection methods. Zero party data is data willingly provided by consumers in exchange for value from brands.

There is a growing difficulty for brands to connect with consumers due to factors such as ad tracking transparency and the deprecation of cookies. A vast majority of consumers opt out of app tracking, making it challenging for brands to gather data through traditional means.

Zero party data represents a shift towards a more transparent and value-driven approach to data collection, where consumers actively choose to share information with brands in exchange for something valuable to them. This could include personalized offers, discounts, or exclusive content tailored to their preferences.

By leveraging zero party data, brands can build more meaningful relationships with consumers and deliver more relevant experiences. This approach aligns with evolving consumer expectations around privacy and data control, offering a potential solution for brands navigating the changing landscape of data privacy regulations and consumer preferences.

SYNTHETIC MEDIA

We are currently (potentially) experiencing the rise of synthetic media as a significant trend with implications for the future of digital fashion. Synthetic media refers to media content generated by artificial intelligence algorithms, often using machine learning techniques to create realistic images, videos, or audio.

While synthetic media raises concerns regarding issues like deep fakes, there is also a potential for positive applications, particularly in the realm of digital fashion. In his talk, Matt Maher provides examples such as a song featuring Drake and The Weeknd that garnered millions of views on TikTok and hundreds of thousands of streams on Spotify before it was removed. Additionally, he shares his personal experience of being moved by a rendition of "Let It Go" from Frozen performed by Freddie Mercury.

These examples suggest that there may be a growing demand for synthetic media content, with consumers seeking out and engaging with such content. We can speculate on the potential for synthetic media to play a role in digital fashion, where consumers may actively seek out synthetic fashion content to express themselves in virtual environments or enhance their digital identities.

Overall, synthetic media has potential as a powerful tool for digital expression and creativity, with implications for the future of digital fashion and beyond.

10

SUMMARY

This talk, several key points and insights can be gleaned:

1. **Digital Fashion's Growing Importance:** The speaker emphasizes that digital fashion is becoming increasingly significant, surpassing physical forms in terms of reach and frequency. As consumers spend more time in digital spaces, brands have an opportunity to engage with them through innovative digital fashion experiences.
2. **Diverse Approaches to Digital Fashion:** Brands are exploring various approaches to digital fashion, including digital twins, co-creation, digital distribution, digital identity, and gamification. Each approach offers unique opportunities for brands to connect with consumers and express themselves digitally.
3. **Challenges and Opportunities:** While there are challenges such as limited critical mass and concerns about revenue generation, there are also significant opportunities in the digital fashion landscape. Platforms like Roblox and Fortnite demonstrate the potential for digital fashion to generate revenue through in-game transactions, while advancements in technology like AI and synthetic media offer new possibilities for personalization and creativity.
4. **The Importance of Data and AI:** The speaker highlights the importance of zero party data as a means for brands to gather consumer insights in a transparent and value-driven manner. Additionally, they discuss the potential for AI-driven personalization to enhance the digital fashion experience, offering tailored recommendations and assistance to users.
5. **The Future of Digital Fashion:** Looking ahead, the speaker envisions a future where digital fashion becomes seamlessly integrated into everyday life. They discuss the potential for spatial computing devices like the Apple Vision Pro to enhance the digital fashion experience, allowing users to customize their digital identities in real-time.

Overall, the talk underscores the transformative potential of digital fashion and emerging technologies, urging brands to embrace innovation and creativity in the digital realm to better connect with consumers and shape the future of fashion.