

LUXURY FIRSTLOOK

Post-pandemic trends usher in age of Gen Z luxury shoppers: Luxury FirstLook 2023

January 31, 2023



Saks' \$250 million flagship renovation was completed almost exactly one year ahead of the global health crisis, which would go on to shape the current state of retail. Saks CMO Emily Essner expands during Luxury Daily's digital event. Image credit: Saks Fifth Avenue

By EMILY IRIS DEGN

Luxury FirstLook experts have made clear the pandemic's mark on the luxury market, highlighting younger consumers as the generation most readily embracing these changes.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

In light of this year's 10th edition, Luxury Daily's Luxury FirstLook conference called on an 11-year luxury retail veteran to detail shifts in the landscape of luxury, stressing the influence of Gen Z and young consumers during the first programming session of the day. Based on post-pandemic retail trend analysis, the expert offered an outlook for the year ahead paired with insights on how the luxury retailer is opting to navigate the market and evolving consumer behavior.

"Where we are now isn't post-pandemic, but for most of our customers [it] is largely in the rear-view mirror," said Emily Essner, chief marketing officer at **Saks Fifth Avenue**, New York.

"I think there are two pieces that are playing out," Ms. Essner said. "One [is the] changes that have happened that are a little bit more [than] the standard changes than you would think [of]."

"Then I think there is another piece that is a much larger evolution that happened because of the pandemic, [and] that we are now living in a different world because of."

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

Gen see

One of the leading luxury retailers in the world, U.S. department store chain Saks has been experiencing tremendous growth.

Breaking down Saks' success during this new age of commerce, Ms. Essner laid out how the post-pandemic market is poised to best serve Gen Zers' retail needs, as luxury entities revel in the excitement of newness alongside the generation.

During the hour-long digital session, the expert detailed a mindset shift, exemplified by the ways in which brands and shoppers alike are attempting to make up for lost time, as people regain access to social activities, in-person events, face-to-face interactions and travel openings.

"The reality of living over the last few years has made it such that customers are going to recognize – and I think it will live with them for a long time – that these moments are really important," Ms. Essner said.

"You really can't take them for granted, because we truly don't know what will happen."



Emily Essner, chief marketing officer at Saks Fifth Avenue

Ms. Essner explains that today, customers are more likely than ever to host celebrations or venture out on an international excursion, in which luxury goods purchases are absolutely on the table, both beforehand, and during.

"We tend to be very well positioned because our customers are tending to want to go on that trip' and they want to get dressed for it," she said.

"They want to make sure that they have the clothing and merchandise that will make them feel really fantastic."

This refreshed outlook has fostered a more definitive place for luxury items as of late. Consumers are pursuing new experiences, therefore renewing their respective tastes in items that complement these events – for young customers, these events truly are entirely new terrain.

As Ms. Essner outlines, individuals falling on the lower end of the age spectrum are entering the world as newly grown adults with inherently fewer adventures under their belts. Now, with lined pockets, the newcomers are driving the luxury market forward with an even more intense zest for the lifestyle than that of those simply returning to the scene.

The evolution of the luxury market is further playing to Gen Z's preferences as digital commerce takes over – for a generation that is especially tech-savvy, this is a welcome development, says the expert, who makes mention of the expedited pace with which young consumers are stepping into the future.

"A comfort with e-commerce, and then embracing live commerce [and] embracing virtual events are changes that would have taken decades for some consumers to really get," Ms. Essner said.

"Those changes got compressed into less than a year."



Emily Essner, chief marketing officer of Saks, outlined the ways in which the company is leaning into the trends made popular by Gen Z.

Saks has especially welcomed the technological focus of the younger customer base, having acquired two million-

plus customers with the digital reorientation, according to Ms. Essner.

"Some of that is [due to] changing our strategy, but some of that also is [because of] the reality of e-commerce [being] incredibly important," Ms. Essner said.

"[E-commerce] is increasingly central to talking to our customers and serving them."

The new influx of customers consists mostly of young shoppers getting introduced to luxury for the first time. This group also tends to be more diverse, she stated – Saks is stepping into the role of the introductory brand for these newcomers, focusing a segment of marketing efforts on those who are interacting with luxury for the first time.

"Our customers are either looking for something that is really unique, that is really exciting and interesting, something that they don't see walking down the street, or they are looking for that real it' item," Ms. Essner said.

"For the younger customers, TikTok is very huge in this."

The social platform is where those "it" items are floated, with viewers latching onto the micro-trends being highlighted by digital influencers across short-form video content.

Related, the expert discussed how diversifying online channels, in general, is key in successfully navigating post-pandemic luxury market waters.

"[Omnichannels offer] a major competitive advantage," she said.

As Gen Z consumers also heighten the overall demand for immersive shopping experiences, Saks is among those responding with in-person and virtual events. The push for interactive elements has resulted in innovations such as in-house stylists, celebrity appearances and an overall elevation of customer service at the company.

"Personalization is super core to the way that we think about how we engage with our customer," Ms. Essner said.

@saks 3 coats you need this winter #saks
#winterfit original sound - evie

"We are very well positioned because we have incredibly robust customer data," she said. "We have developed over the last few years something that we call customer DNA, which is a composite of 250 plus attributes of our customers."

Measuring the purchase behavior of the consumer base clued Saks into the uptick of Gen Z shoppers, allowing them to pivot their marketing efforts to play up angles that highlight favorable trends such as customization.

"We have really leaned heavily into using that customer DNA integrating that in with our email program," she said.

"At this point, about 90 percent of the content that we're sending [is] personalized in some way."

Launch Saks

As other panelists at the Luxury FirstLook event detailed how heightened economic risk and factors such as interest rates are barring some from luxury (see story), Ms. Essner addressed how Saks customers are fairing.

"Our luxury customers tend to be more insulated," she said.

"Inflation largely for our customers has not been a concern, but we know that noise, and especially noise in the stock market, can make our customers nervous, [making] them feel less comfortable [and] less confident in making a big purchase."

For this reason, Ms. Essner stressed the importance of remaining flexible and leaning into trends.



*The newly renovated menswear space at the Saks Fifth Avenue New York flagship store features 19 shop-in-shops from key menswear designers.
Image credit:Luis Guilln for Saks*

The brand recently extended an invitation to another important demographic via the launch of a gender-specific ambassador program. "The Saks Man" intends to reel in even more of the rising luxury interest group, as men increasingly turn away from streetwear and sneakers and towards wider and more formal options ([see story](#)).

Ms. Essner finished out her segment with a discussion of the luxury's new tone, as people thirst for more joy in their lives and young people rejuvenate the market.

"Coming out of the pandemic there just will be more of a recognition that you never know what's going to happen, and so we are going to really enjoy ourselves whenever we can."

© 2023 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.