

NFT and Metaverse - The Future of the Luxury Fashion Industry

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Abstract:

The recent shifts in consumer culture have presented the luxury fashion sector with several new hurdles. The COVID-19 epidemic has pushed the fashion industry's transition to digitization even faster, particularly in the luxury market, which has typically been late to adopt electronic and digital commerce. The 21st-century fashion firms must take into account a variety of digital trends if they want to succeed. Two of these digital trends that have caught the attention of the fashion industry and are already beginning to dominate other market settings are the expansion of metaverses and the subsequent adoption of NFTs. Since NFTs share characteristics with luxury fashion, they have been proposed as a means of winning over the hearts of the expanding clientele of youthful high-net-worth individuals. Gen Z is positioned as the primary consumer segment that will drive and impact digital fashion since they are tech smart, future-ready, and important to luxury fashion businesses. Examining the potential benefits of NFTs for the high-end apparel sector and the factors to consider when integrating these digital assets into existing business strategies are the primary aims of this research. The study draws on theoretical frameworks from the NFT and high-end fashion enterprises, as well as ideas about global luxury consumption, shifting consumer attitude and requirements, and the virtual world, to provide conceptual and managerial implications on high end fashion NFTs.

Keywords: Blockchain, Cryptocurrency, Digital Assets, Gen Z, Luxury Fashion Industry, Metaverse, NFTs, Tokenization

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1. Introduction

With the advent of technology and the world hit by the pandemic, another revolution in digital technology is just about to begin. The new digital era has led to such a transformation, on digital investments and digital currencies. Cryptocurrency has turned into a huge industry that has increased demand from investors across the country willing to invest in these digital assets and cryptocurrencies. Everything is now publicly displayed online as a result of the digital revolution [12]. The digital platform has negatively impacted the creation and innovation of original artists as people have no idea about the writers or creators of the works that are presented online. The notional worth of an artist's or creator's work is all that is left when security and authenticity are absent. This is what the NFTs aim to solve, that represent a unique ownership of item which is then attached to a token via the blockchain.

NFTs and the Metaverse bring up new areas of risk and possibility for the economy. Luxury fashion has always been an industry obsessed with what's new and what's next, and in 2022 It's nearly difficult to discuss the future without mentioning the Metaverse and NFTs [1].The metaverse is viewed as a special technology that offers more advantages and prospects for luxury clothing companies. The adoption of such cutting-edge technology allows premium fashion firms to simply stand out from the competitors. Heading towards the mainstream art world, 2020 saw a boom in the market for NFTs, climbing from \$41 million to a market cap of almost \$338

million in 2018 [11]. A new generation of traders is being observed in the NFT market, i.e., digitally native people with accumulated reputation and wealth who are willing to invest in asset classes outside of the established investment markets [12].

1.1 What are NFTs?

Digital assets known as NFT (non-fungible tokens) represent tangible or digital works of art or intellectual property, such as music, video clips, gifs, games, and more. They are therefore special, one-of-a-kind assets that cannot be traded or duplicated for value [5]. In an NFT, the term "non-fungible" refers to the fact that individual token is a distinct entity that represents a single particular thing and cannot be exchanged for another token. These tokens, which are made up of electronic data stored in the form of media, can be valued using cryptocurrencies. Rapid technology development and progress provide more security and authenticity threats. The non-fungibility and distinctiveness of NFTs make it easy to determine who owns an asset and put an end to the problems of forgery and widespread counterfeiting. Tokens are digitally signed by their owners, making it easy to verify their legitimacy. Additionally, it deals with the issue of misleading people into buying fake goods, such tickets or pieces of art. In order to guarantee a legit sale, customers can simply locate the sellers themselves. In the modern era of digital enterprises, artistic businesses have typically found it difficult to develop web storefronts due to the absence of exclusive rights of ownership. This is evolving now, however, thanks to NFTs. NFTs, which were previously only familiar to a subset of the blockchain industry, have recently emerged as a separate market and have the potential to generate up to \$1.2 billion by July 2022.1 (Insider, 2021). Although NFT is still a young field of study, it has already seen substantial growth. NFT's usability is expanding beyond the realm of digital assets, with the emergence of several new utilisation cases.

1.2 Luxury Fashion in Metaverse

Since Facebook became meta, the metaverse, an immersive technology, has grown, and Apple and Microsoft have followed suit. Meta focuses on future-oriented virtual world construction and shaping. Experts say it provides a 3D virtual reality environment where people from around the world may engage, marking the next step in social interaction. In a more specific explanation, the Metaverse will allow users to share their 2D experiences with other users from around the world in a 3D virtual environment where they are truly complete with their own avatars, such as shopping on a computer or smartphone, attending concerts, or watching movies (3D replicas of themselves). So, clients may now easily visit a 3D virtual store utilising the same digital technology that lets them buy on 2D devices like phones and computers [2]. Internet use affects many parts of life. Information, international communication, and social media interaction are still done online. The metaverse has made these interactions more immersive, boosting online relationships. Augmented and virtual reality allow humans to live in a digital world, making this possible. Metaverse activity involves users. Metaverse luxury fashion is evolving. Anyone can use a computer to explore a website for clothes and buy them. This depicts internet user engagement. Metaverse users can try on clothes at virtual boutiques before buying. Products can be viewed from all sides. Customers can virtually test on items by dragging photos. To replicate the retail experience in the metaverse, you may need to bring the fitting room home. Fashion and the metaverse interact most clearly in the formation of fashion-related NFTs.

1.3 Luxury fashion consumption in the age of Metaverse through NFT's

Luxury fashion retailers are using NFTs for marketing and advertising [10]. As these companies digitise more, their products become more unique in the digital world, driving demand for digital fashion. In addition to their web presence, companies that sell garments that can only be worn in the digital realm will elevate premium fashion. As metaverses become more integrated in people's daily lives, clothing is expected to become more significant in both the virtual and actual worlds. Cryptocurrencies are becoming more popular and meeting luxury fashion's commercial needs. In fact, high-end manufacturers have started integrating NFTs in their online clothes. Metaverse's target demographic, the younger generation of the vast fashion market, like to experiment with new technology. These businesses are finding new ways to engage with the younger generation as the Metaverse grows in popularity.

New digital technology will improve consumer experience and product understanding in fashion. In 2022, NFTs will rule the runway. NFTs are becoming more important in the fashion industry since technology allows fashion enterprises to collect detailed data on manufacturing processes and consumer preferences. Technology has had a big impact on fashion worldwide. NFTs' ownership, stability, and royalty acquisition benefits luxury clothes firms. Several fashion companies use the internet to reach more people, yet their exorbitant costs make knockoffs

and reproductions appealing. Copying branded products costs businesses, a lot of money, but NFTs can reduce or eliminate these losses. After nearly a year of store closings, the fashion industry is exploring fashion technology, including NFTs. Businesses are incorporating digital NFTs into actual objects to prove ownership and uniqueness. Luxury fashion faces new challenges from consumer culture transformations [8,4]. Luxury products are mostly bought by the wealthy [6]. Wealthy Millennials and Gen Z are driving luxury sales [8]. Younger, wealthier generations are changing the luxury market with their spending patterns, needs, and reliance on digital first [4].

The luxury sector, which has been slow to adopt e-commerce and digital commerce, has been accelerated by the COVID-19 pandemic [13,11]. Premium clothing sales have dropped due to COVID-19 store closures and work-from-home rules. In order to continue operating and placing orders, several fashion industry players moved to online marketplaces. They even used virtual shows to target consumers. They are currently investing in a variety of new technologies and relying increasingly on digitalization. They want cutting-edge technology because they know it will become more important. Progress is both necessary and well-reasoned. Morgan Stanley, a US-based investment bank and financial services provider, estimates that Metaverse may generate more than \$50 billion in revenue for the luxury apparel industry, which includes a \$22.6 billion NFT market. In the next years, this will increase, and fashion will become entrenched in the Metaverse. High-end fashion brands are joining the Metaverse to meet future demands.

Metaverse's DApp enables users create, view, and interact with NFTs. There are positive indicators as blockchain technology and NFT aim to recruit more frequent consumers. To understand the market's customer group, luxury companies like Kering have aggressively explored asset digitalization through NFTs. The Kering Group increased spending on communication, IT system upgrades, digital platforms, and e-commerce in its 2021 financial report [9]. Digitalization and NFT assist the house's COVID-19 two-year customer behaviour shift interpretation. Issue Magazine, a fashion e-magazine, was created by Bottega Veneta [9]. This displays Kering's social and environmental responsibility. NFT mode study discovered various difficulties. Cryptocurrencies' price swings make NFT's future unpredictable. The value chain of creative industries, especially art, includes innovation, production, distribution, display, and mediation [6]. Luxury brands sell their products online and in stores. Digital distribution may dilute NFT brand equity and reduce metaverse sites for luxury brands to showcase NFT merchandise. Fashion NFT designers, merchants, and platforms should note that many purchasers buy luxury goods as status symbols. NFTs are intangible, so platforms or companies that allow display and presentation are more likely to sell luxury fashion goods made of NFTs. Customers may be interested in buying and displaying NFT if they can curate their own virtual gallery on NFT platforms. Virtual galleries may assist luxury fashion brands and NFT purchasers. As NFT fever has reached fashion, every major designer will have a tempting 2022 digital release timetable [7]. NFTs and the Metaverse's fast fashion may forecast our future wardrobes. NFT is popular among academics. NFT has expanded beyond digital assets.

1.4 The role of Gen Z in the metaverse

Every new technical advancement, the shift needs to be motivated by something. Gen Z just so happens to be the trend-setters and game-changers in the metaverse [7]. This generation is an excellent illustration of how users and operators inside the metaverse must collaborate to further technical advancement. Gen Z's impact on previous generations is advantageous for promoting participation and investment in the metaverse. You are essential to the success of the metaverse and the transactions that take place within it since you are essentially a tech enabler. Four times as many people attended Ariana Grande's 15-minute show than the world's largest stadium could ever hold during Fortnite's Rift Tour, a virtual reality event. This tested the metaverse's ability to grow globally, and its limitless capacity continues to be one of its key selling features [4].

2. Objectives

i. Impact of NFT & Metaverse in Luxury Fashion industry.

3.0 Review of Literature

3.1 Sales of NFT

In May 2014, Kevin McCay became the first person to develop the first NFT. He created Quantum as his first NFT even though the cryptocurrency market was not yet buzzing. Between the start of the first NFT in 2014 to the middle of 2017, there was a lack of public awareness. However, in December 2017, the popularity of Crypto Kitties served as the catalyst for increased public knowledge of and demand for non-fungible tokens. Although

interest in this new technology was beginning to grow, overall performance remained below standard. However, NFT began to expand quickly during the COVID phase, or in 2020.

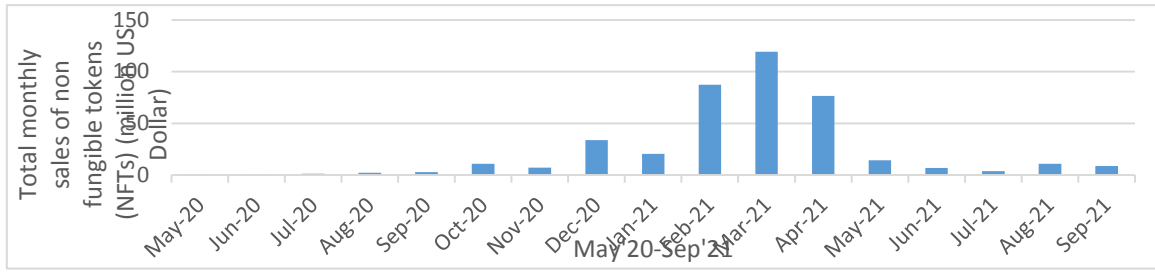


Figure 1: Total monthly sales of non-fungible tokens (NFTs), May' 20-Sept'21; Source: Nifty Gateway worldwide

As per Figure 1, The Nifty Gateway histogram showed the total monthly sales of NFTs, which started to climb in the fourth quarter of 2020 from almost nothing. After February 2021, volume exceeded \$50 million and sales value rose to \$76.79 million. The NFT industry and its supporting platforms, like the 2018-launched Nifty Gateway, were still young, but the sudden spike in sales value may imply that consumers liked NFTs. Figure 1 shows the international Nifty Gateway's monthly NFT sales histogram from May 2020 to September 2021. Between May 2020 and September 2021, Nifty Gateway sold 408.8 million US dollars in NFTs on the primary and secondary markets. NFT traders use Nifty Gateway. Nifty Gateway's online sales allow us to study how virtual gallery space affects NFT purchases. Time is on the X-axis and transaction volume on the Y. Fig. 2 illustrates NFT sales by category: PFP, Cultural Items, Game, and Art.

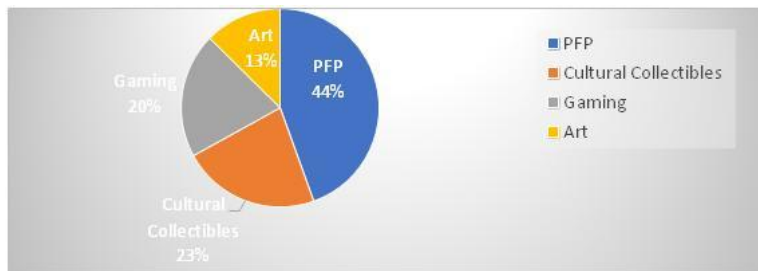


Figure 2: NFT Sales Volume- 2021 (Category-wise), Source: 1confirmation

In 2021, NFT activity skyrocketed, showing hints of widespread adoption. In contrast to 2020, which was the DeFi year, 2021 was the NFT year. Compared to merely \$86 million in 2020, the total NFT trading volume increased to \$19.6 billion in 2021. Table 1 depicts the approximate 2 million NFT traders that were active in 2021.

Table 1: 2021 was a banner year for NFT's; Source: 1confirmation

	2018	2019	2020	2021
Annual NFT Trading Volume (\$ M)	1.3	8.6	86	19,600
Change(y/y)		7x	10x	229x



Figure 3: OpenSea Monthly NFT Sales Volume and Active Traders, Jan'21-Jan'22; Source: Dune Analytics

The market looked to be oversaturated with NFT collections after the summer of 2021, and activity quickly decreased from a peak of \$325M in daily volume in September to barely \$50M daily by November 2021. However, NFTs gained momentum by the end of 2021 and the beginning of 2022, when sales started to pick back up (Figure 3).

The number of active NFT buyers and sellers is increasing despite these changes in transaction volume (Figure 4). Up from 627,000 in Q4 2021, 950,000 distinct locations acquired or sold an NFT in Q1 2022. Since Q2 2020, there have generally been more active NFT buyers and sellers each quarter. As of May 1, 491,000 addresses had transacted with NFTs in Q2 2022, enabling the NFT industry to maintain its trend of quarterly participant growth.

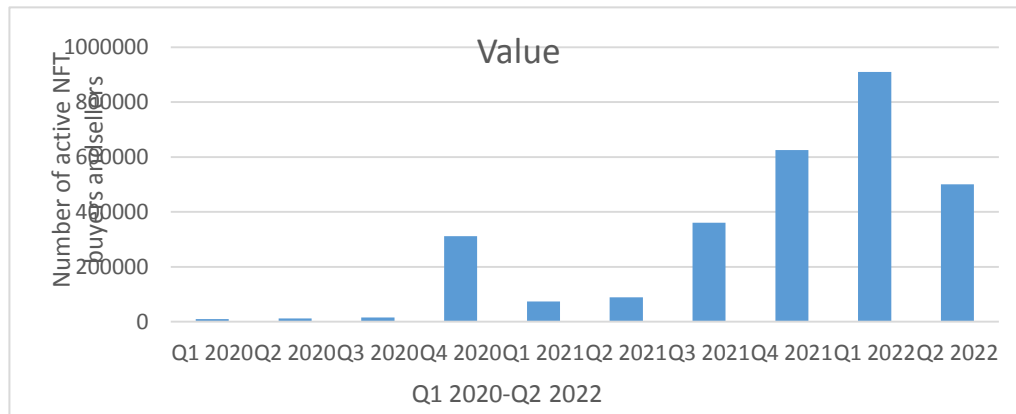


Figure 4: Number of active NFT buyers and sellers, Q1 2020- Q2 2022; Source: Chainalysis

3.2 Related Case Studies – NFT's x Luxury Fashion Brands

Table 2: Description of Case Studies as real time examples: NFT's X Luxury Fashion Brands

Sr. No	Case Study	Launch Date	Marketplace	Description	Reference link
1	Hermes: Baby Birkin	May-21	Basic. Space	A virtual animated bag from the Hermes line called Baby Birkin shows a 3D animation of a 40-week pregnant foetus against a background of space and theme music. As the baby grows, it travels about the bag, which does not physically exist.	https://www.highsnobiety.com/p/baby-birkin-nft-basic-space/
2	Gucci	Jun-21	Christie's Auction House	On the eve of the brand's 100th anniversary, Gucci released its first-ever NFT, an animated film that was inspired by the Aria collection.	https://hypebeast.com/2021/5/gucci-nft-debut-film-aria-collection-inspired-announcement
3	Burberry	Jun-21	Blankos	In their main game, Blankos Block Party, Burberry offered a few characters and other in-game objects that may be purchased as NFTs.	https://www.burberryplc.com/en/news/brand/2021/Blankos.html
4	Louis Vuitton	Aug-21	Android & Apple stores	A video game called Louis was released by Louis Vuitton: the game created to commemorate the brand's founder's 200th birthday. In the video, the players amass 200 candles, each of which contains a postcard detailing the brand's history and the trip of its creator. There are also 30 NFTs to collect.	https://wwd.com/fashion-news/designer-luxury/louis-vuitton-200-bicentennial-celebration-1234889762/
5	Dolce & Gabbana	Aug-21	UNXD platform	Collezione Genesi, the first NFT-based line from D&G, has nine NFT one-of-a-kind pieces created in collaboration with UNXD.	https://unxd.com/drops/dolce-gabbana-collezione-genesi?selected=all
6	Balenciaga x	Sep-21	LendEDU	A really remarkable fashion and gaming partnership, where Fortnite gamers will be	https://www.dezeen.com/2021/09/22/balenciaga-

	Fortnite			able to create their look by shopping the Balenciaga collection in the online boutique.	fortnite-video-game-fashion/
7	Jimmy Choo	Oct-21	Binance Platform	The 8888 mystery boxes and the virtual shoe were both introduced by Jimmy Choo. The hand painted limited edition shoe with the mystery box is sent to the virtual sneaker purchaser.	http://www.binance.com/
8	Bulgari			The first artificial intelligence-based NFT artwork from Bulgari will be unveiled. The logo's signature snake pattern was already included into the brand's digital artwork when it was first released. Along with the release of the renowned scent from the company, the 3D sculpture also includes 70 million images of plants and other natural scenery.	https://jingculturecommerce.com/bulgari-serpenti-metamorphosis-refik-anadol-ai-nft/
9	Republique	Aug-20	Ethereum Platform	A digital start-up to improve virtual fashion without using actual clothing It was advised for social media fans to purchase digitally and personalise their digital attire using NFTs.	https://pressat.co.uk/release/s/republique-clothing-drops-earth-day-inspired-crypto-fashion-looks-as-nfts-5d6134306820e8751164dced55db0dca/
10	Clothia	May-21	Rally.io	An eco-friendly method is offered by Clothia, an NFT platform for both customers and creators. Customers will be kept up to date on the latest trends if designers reach out to a global audience.	https://nft.rally.io/clothia?tab=1
11	Karl Lagerfeld	Oct-21		The team produced owner's avatars as collectibles to be owned and shared on social media as a way to show respect to the dead owner.	https://fashionunited.uk/news/fashion/sold-out-in-33-seconds-what-is-the-fashion-nft-phenomenon-all-about/2021092958034
12	Overpriced Hoodie	Apr-21	BlockParty	A brand-new company called Overpriced introduced a tangible hoodie that was connected to a scannable V code.	https://www.theguardian.com/fashion/2021/apr/15/virtual-hoodie-sells-non-fungible-token-nft-overpriced
13	Rebecca	Sep-21	OpenSea	Rebecca and Yahoo launched a 3D fashion collection gallery where shoppers could virtually purchase the digital clothing.	https://finance.yahoo.com/news/close-yahoo-x-rebecca-minkoff-214350740.html
14	Takashi Murakami x RTFKT Studios	Oct-20	Decentraland	Intersection between the sneaker and gaming industries, a collaboration that allowed gamers to experience a range of sneakers in their games and could be purchased as NFTs to show their ownership.	https://jingdaily.com/rtfkt-nft-luxury-chinese-new-year/
15	Jacob & Co.	Apr-21	ArtGails	An original timepiece with the name of NFT SF24 was introduced by the brand and was modelled around its own watch, the Epic SF 24. The NFT-based watch has a split-flap display that displays the top 10 cryptocurrencies in a 10-second, animated movie.	https://gothammag.com/jacob-and-co-sells-nft-watch
16	Krigler	Jun-21		In partnership with NFT, Krigler established a leasing scheme for its well-known fragrance. The purchaser of this scent will receive ownership of the NFT and perfume for a period of one year. This NFT is a digital video of the rented fragrance.	https://news.yahoo.com/krigler-gets-nfts-150106527.html

4.0 Methodology

4.1 Research Model

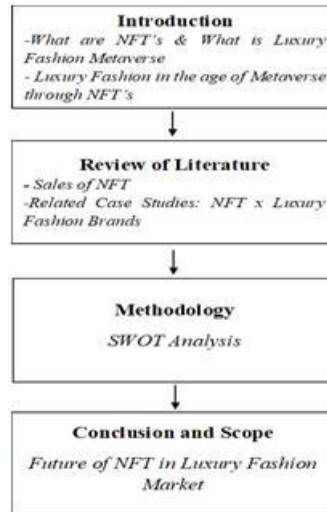


Figure 5: Research Model

4.2 Research Analysis

This methodology section uses a relatively small collection of data because the NFT luxury fashion business is still in its early phases and there isn't much information available about what has been done there. Additionally, the NFT market and the high-end fashion industry are both undergoing rapid change, highlighting the idea that this article's focus on the chosen case studies will be on exploring the wider opportunities the NFT market has to offer the luxury fashion industry from the perspective of these cases rather than solely on their individual accomplishment. The analysis focused on the exploration of principles, ideologies, meanings, ideas, experiences, and emotions characteristic of the phenomenon through SWOT analysis because the primary goal of this paper is to understand how the luxury fashion sector can stand to benefit from incorporating NFTs into their existing business model.



Figure 6: SWOT Analysis

5.0 Results and Discussions

- *Luxury brands continue to struggle with digitalization:* The virtual economy now has about 2.5 billion participants. This is the path that the world is following. Luxury brands must have a virtual presence, just like in the real world. Luxury lagged behind the digital revolution. Luxury firms lag behind mass-market companies in e-commerce and social media for various reasons. Luxury clothes brands' biggest challenge is replicating the luxury experience online.

- *Legal Structure:* Luxury fashion brands and NFT start-ups should be cognizant of legal issues. Buyers should be mindful of the "smart contract," a compilation of computer code and data that works as self-executing software and may supply the NFT conditions. The buyer should be informed of acquired rights and liabilities that could affect the NFT and underlying asset's value. Luxury fashion brands who want to enter the Metaverse must register their inventions and trademarks with the USPTO and other agencies. To secure exclusive rights and avoid brand damage like trademark dilution, a physical and metaverse plan may be needed.
- *Phygital Goods:* The long-awaited meta-economy will revolutionise how people engage, purchase, and connect, creating new luxury business options. NFTs can give your goods a digital overlay. Therefore, real-world purchases that unlock virtual realms. Branded goods for customers and avatars will soon be available. Cult & Rain, a New York-based digital luxury fashion firm that makes high-end physical footwear, launched its first NFT shoe line to merge the virtual and real worlds.
- *Laying the groundwork for long-term environmental sustainability:* Cryptocurrency and high-end fashion may not have the finest reputations when it comes to environmental effect. Bitcoin, for example, consumes half the energy consumed by the whole global banking industry. The good news is that not all cryptocurrencies are equally harmful to the environment. Others, such as Solana, have turned carbon neutral. In short, the environmental impact is totally dependent on you and how you construct your NFTs. If one is thinking about using NFTs in business, it can be given back to the environment simultaneously.
- *Establishing an online community:* According to our 2022 Future of Commerce survey, 40% of luxury firms intend to offer more methods for customers to connect with them in 2022 and beyond. A thriving community is one of the most fundamental foundations of a successful ecommerce brand. Each successful NFT effort has a thriving community where consumers can interact with your business and volunteers may form lasting bonds. Premium brand digital artefact buyers are motivated to refer more individuals and become brand ambassadors.
- *Customized experiences:* Exclusivity fuels desire. Customers want unique, customised experiences from their preferred luxury brands. Epsilon found that when premium businesses offer personalised experiences, 80% of customers are more likely to buy. An NFT collection with member-only advantages may strengthen client relationships. NFTs allow customers to show off their business ownership on social media. Ownership fosters emotional attachment, allowing clients to continue and increasing client lifetime value.
- *Create one-of-a-kind loyalty programmes:* Tailored loyalty programmes with NFTs can provide a competitive advantage to premium businesses in the future of commerce. Luxury fashion companies may utilise NFTs to provide customers tokens in return for discounts, early access to new goods, membership in exclusive groups, access to special events, and much more.

6.0 Limitations

First, the luxury fashion industry has only lately started employing NFTs, thus there are few cases to investigate. Further literature and examples are needed to apply the findings to traditional luxury fashion firms. These luxury fashion NFT projects' financial and visual effects are being explored. Combining research findings with updated long-term effects of adopting NFTs into a brand's commercial plan may allow for more comprehensive conclusions.

- Second, the NFT market is growing technically and in popularity, influencing its digital asset status. NFTs, a new asset class, may cause clients and luxury fashion companies unexpected issues. Further research on legal developments is needed to update the findings.

- Third, the luxury fashion sector and NFTs are complex, making research difficult. Future research should additionally categorise luxury fashion buyers. This article discusses luxury fashion consumption by younger, richer consumers.

Then, each segment's fashion NFT purchase motivations and behaviours can be studied. Digital fashion may appeal to elderly consumers, but more research is needed to establish how fashion corporations can advertise it to them and reach new and existing consumer groups. Owing to the complexity and ongoing evolution of NFT and luxury fashion, nomenclature is still inconsistent, making literature and theoretical background interpretation challenging.

-Finally, the fashionable NFT road is long. Virtual fashion uses 3D NFTs, which are underdeveloped for mainstream fashion customers and have minimal virtual use. As virtual reality and the metaverse grow in popularity, NFTs will change. These cases use real, imaginary, and revolutionary luxury fashion NFT, which the findings section states is the best method for integrating and selling digital assets. Virtual components may take precedence over physical experiments and products.

7.0 Conclusion and Scope

Metaverse platforms are increasingly becoming a valuable potential for luxury brands. To please luxury shoppers, a brand must offer a superior online experience, such as personalised chat or technical support. Luxury shoppers have been used to purchasing the goods they desire. NFTs have shattered the single-ownership model of luxury products while securing simulated products' scarcity. NFTs certify asset ownership and record it on an open-source blockchain registry. Therefore, NFTs are a novel way to track ownership while protecting the luxury industry's exclusivity. As part of their digitalization plan, luxury brands have entered the NFT market, and the debut of NFT works has boosted their virtual presence and stimulated digital innovation. Digital fashion, bitcoin, and NFTs have allowed fashion houses to expand outside their physical goods and brand culture. Due to new categories of offerings that merge the physical and digital worlds, conventional luxury fashion companies are now able to create and express their creative work across several channels, including digital ones. This aids in the battle against counterfeiting and maintains the brand's appeal to customers. NFTs may assist fashion enterprises in reaching out to new clientele and broadening their horizons beyond the physical, giving them countless creative choices. Instead of simply replacing a physical garment with a digital one, NFT fashion provides a chance for established luxury fashion houses to make a name for themselves online and gain access to a previously untapped commodities market and audience. The luxury fashion business was forced to join the crypto frenzy of non-fungible tokens. Gucci, D&G, LVMH, Burberry, etc., also joined this digital race. Gaming, art, and virtual fashion have seen collaborations amongst high-end fashion brands. In order to increase brand awareness among Gen Z, fashion companies have started to provide NFTs as customised video game avatars, 3D galleries, virtual clothing, in-game merchandise, and tribute videos as artwork. Users are able to interact, personalise, and play with like-minded people in the virtual world by using virtual collections offered by various businesses. Exclusiveness naive notion was also adopted to keep updated with technology and serve the community. In many cases, NFT sales revenues were donated to charities helping Covid-19 sufferers. Luxury companies embrace NFT's future in line with the current trend. For designers, artists, innovators, and computer professionals, NFTs will open up a variety of opportunities. Social media has made people more self-conscious about their online persona than their outward appearance. With the elimination of physical garment production thanks to this new technology, premium fashion companies may analyse digital clothes and guarantee sustainability.

Non-Fungible tokens entered the market sooner than predicted, hence their future is important. To comprehend futuristic possibilities, we must analyse luxury fashion's pointers. Some companies see it as a risky venture, while others see it as an opportunity to grow. Due to crypto's volatility, sceptics won't go with the flow without a trend or research. Luxury fashion is optimistic about the potential benefits that blockchain will offer for companies and end consumers, even if certain problems were covered in the Weakness & Threats part of the SWOT Analysis. The way we currently view life and how we experience the world will be completely altered by this technology. Gartner predicts that by 2026, one-fourth of people will use the metaverse for work, commerce, education, socialising, and leisure. Most luxury brands may not completely appreciate the power of wearable digital fashion and NFT features like unlock values. Therefore, further research and patience is needed before fashion NFTs can become the new normal for most premium fashion brands - we're just scratching the surface of what NFTs can unlock for luxury fashion.

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