Capstone 2022 White Paper
Due Date: 6/10/2022
Topic: Beauty Renaissance

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TABLE OF CONTENTS

INTRODUCTION

In the following pages, the FIT Cosmetics and Fragrance Marketing and Management Masters' Class of 2022 outlines three key shifts which embody a new, unparalleled universe that has emerged from the ruins of a global pandemic, which we have coined the Neo Consumer Landscape. Within the subsequent analysis, the cohort identifies nine specific drivers of this new landscape, along with corresponding recommendations for the beauty industry. The cohort will conclude by unveiling a new revolutionary marketing paradigm, "the Neo Marketing Model" that will transform the way brands approach strategic planning to engage and attract consumers in this new landscape.

Similar to the Dark Ages, the Covid-19 pandemic shifted consumer mindset and behavior remarkably, following a period of intellectual, social and cultural decline. This moment of historic pause led to an overall sentiment of "languishing", which the New York Times describes as a sense of stagnation and emptiness, as consumers grapple with constant instability and overstimulation (Grant, 2021). Furthermore, the research suggests that those feeling a sense of languishing are also likely to experience major depression and anxiety disorders in the next decade. In our own proprietary research survey results, we found that 55 percent of respondents admitted to feelings of languishing, or described as feeling more restless, stagnant, or lower energy compared to pre-pandemic (CFMM Consumer Behavioral Change survey N=542). This percentage was even higher among respondents between the ages of 18 and 29, of which 62 percent experienced feelings of languishing since the pandemic.

How would you rate your mood since the Pandemic began, when compared to pre-pandemic?					
Answer Choices	ALL AGES	18-29	30-44	45-60	60+
About the same as before the Pandemic began.	33.8%	22.9%	31.9%	32.9%	47.7%
A bit more restless or stagnant, lower energy since the Pandemic began.	54.6%	61.8%	57.0%	56.2%	43.1%
A bit less restless or stagnant, higher energy since the Pandemic began.	7.2%	10.7%	6.7%	7.5%	3.9%
None of the above.	4.4%	4.6%	4.4%	3.4%	5.4%

FIT CFMM Proprietary Consumer Survey, 2022 | N=542

Looking back to the beginning of the 14th century Renaissance period, society had also experienced a paramount paradigm shift across many facets, similar to modern times. This necessitated a rebirth of classical ideals, a boom of creativity, and a moment for change. The

Great Renaissance brought a rebirth and revival of art and culture, serving as a stark contrast from the times of the Dark and Middle Ages. The Renaissance period was fueled by imagination and science, which led to advancement and invention unlike ever before that time in history. This time period also served as a catalyst for revitalizing the arts, architecture, and perhaps most importantly, society and culture as a whole.

Johannes Gutenberg's invention of the printing press around 1436 served as a pivotal innovation that further fueled the Renaissance movement (Roos, 2021). This invention of the first mechanical movable type printing press, is an evident example of knowledge as power, serving as the key to unlocking the modern age that would follow in the 15th and 16th centuries. Most notably, the Gutenberg printing press enabled people to share much more knowledge faster than ever before, akin to modern day technology leading to the rapid spread of knowledge. As a result of the new ability to mass-produce books, the literacy rate skyrocketed amongst Europeans, with revolutionary ideas and knowledge suddenly accessible to the masses. Furthermore, "humanism" called for the comprehensive reform of culture that encouraged the grandest of human potential (*Humanism | Definition, Principles, History, & Influence*, 2020). Humanism promoted the idea that man was the center of his own universe, and people should embrace human achievements in education, classical arts, literature and science.

It was during this time the concept of Uomo Universale (Universal or Renaissance Man) came to light, with the idea that man was limitless in his capacities and that men should try to embrace all knowledge to develop their own capacities as fully as possible (*Renaissance Man | Definition, Characteristics, & Examples*, 2019). In short, the ideal Renaissance Man was knowledgeable, highly educated, and accomplished in many fields. He had the ability to link information between these fields and disciplines to create new knowledge. The Renaissance Man is best exemplified by Leonardo Da Vinci, a decorated painter, engineer, scientist, theorist, sculptor, and architect. At the center of the Renaissance Period, the Renaissance Man aspired to reach their fullest potential, similar to the modern consumer at the center of the modern uni- and meta- verse.

Fast forward to the 21st century, where society is emerging from the Covid-19 pandemic and consumers are faced with a new awakening which underscores the need for a Great Realignment, or an enlightenment of ideas centered around the value of human happiness and the pursuit of knowledge. According to a Mintel study, consumers are seeking paramount change, with 75 percent of US adults agreeing that the pandemic has made them re-evaluate their life priorities (Zegler, 2021). There is also a rising fear of society regressing "back to normal" following the pandemic. According to an IPSOS and World Economic Forum survey which sampled more than 21,000 adults from 27 countries, 72 percent of respondents would prefer their life to change significantly rather than go back to how it was before the Covid-19 crisis started (WGSN, Future Consumer 2024). The same survey revealed that 86 percent of respondents agreed that "I want the world to change significantly and become more sustainable and equitable rather than returning to how it was before Covid-19".

This desire for change is caused by two significant shifts happening in parallel, with consumers seeking a realignment between their emotional and technological needs. In terms of

emotional context, when people are unable to physically venture outwards, they turn inwards, which was the case with the pandemic. After years of necessary resilience, we saw society strengthened and consumers enlightened, prioritizing only the essentials. With this "back to basics" mindset, consumers focused on the things that really matter to them such as authenticity, wellbeing, inclusivity, and social justice. Consumers grapple with how to live in the moment, while exploring new realms of reality such as the metaverse. This leads to new tensions as consumers re-acclimate to in real life (IRL) interactions, which in some cases is met with a sense of anxiety and uncertainty. A WGSN report found that 4 out of 10 Americans reported feeling nervous about interacting with other people again (WGSN: The Connection Economy). "Future shock" refers to the social and emotional paralysis brought on by the "shattering stress and disorientation" at the magnitude and velocity of changes society is experiencing. This feeling of future shock is leaving many feeling disoriented and chronically unprepared for the future (WGSN Future Consumer 2024).

At the same time, with rapid change across all fronts, undeniable online acceleration and technological advancement energized consumers and launched them full speed into new frontiers such as the metaverse and new shopping behaviors. According to McKinsey, in the US alone, e-commerce saw 10 years' growth in the space of just three months (Q1 2020), with 75 percent of consumers reporting trying different stores, websites or brands during the Covid-19 crisis. (WGSN, Future Consumer 2024). Akin to the invention of the Gutenberg printing press, unprecedented tech-ceptance has unveiled new ways for consumers to communicate and engage with each other, allowing for ideas to spread more quickly through modern sociocultural phenomena such as "virality". These new tenets of technology cannot be ignored as the metaverse GDP could represent at least 6 percent of the total global GDP by 2030 (Citi Global Insights). Exponential technological advancements are transforming society and will build a new reality sooner than we think. 2024 marks the dawn of the Everything Net, which can be described as the circular existence where there are no lines between physical and digital worlds (citation needed - WGSN Future Consumer 2024).

With lines blurring between physical and digital worlds, consumers and brands alike are facing a very complex reality in which brands must find new ways to provide value and connect with consumers. Despite great promise and excitement around meta-economies, there is a profound sense of anxiety brought on by rapid acceleration in society and technology in a relatively short period of time. After a long period of cultural decline and stagnation, society is experiencing a pivotal moment in history. The intersection of emotional tensions and technological advancements has resulted in a moment of historic entropy. Similar to the moment directly after the combination of fire and gasoline, this is a moment of intense change; a moment without return. The only course of action from here is to forge forward. A new world will emerge from the darkness. As a result, the future will have no resemblance to the past, full of unparalleled change and a reckoning for realignment and rebirth. The Beauty Renaissance has arrived.

METHODOLOGY

The Fashion Institute of Technology's Cosmetics and Fragrance Marketing and Management graduate class of 2022 conducted in-depth research on *The Beauty Renaissance* over the course of six months, following eighteen months of online and hybrid graduate learning. The subsequent white paper focuses on the future of beauty, which is the product of approximately 300 hours of secondary research to analyze behavioral and value shifts, and patterning markets across various demographics and segmentation.

First, the cohort set out to understand the industry's most pressing issues and topics through the use of design-thinking tools and data. In the spirit of co-creation, the class conducted a comprehensive survey with 105 beauty leaders to discern the most pressing topics in the industry. As shown in Figure 1, the survey enabled industry leaders to rank the importance of key issues concerning the future of beauty. The survey polled industry natives ranging in seniority level as indicated in Figure 2, from younger talent to executive leadership. The survey also polled industry leaders across many beauty companies ranging in size from indie/startup to large multinational corporations and across functions, as shown in Figures 3 and 4. The objective of this survey was then to leverage these learnings to prioritize time and resources to take a very focused approach to research in the months thereafter. This set up the cohort to provide the most relevant, thought-provoking insights and recommendations for the industry.

Figure 1: Industry Survey - Ranking of Key Industry Issues, from Most to Least Important

RENAISSANCE	AVG	Column1
The evolving world of Online & Offline - Connecting and engaging cross channel	3.74	2.27
Conscious consumption and the future of Sustainability	4.58	1.43
Brand's roles in re-shaping what it means to be inclusive and representative	4.93	1.08
Beauty's impact in mental wellness & potential for positive change	5.08	0.94
Future of branded experiences (i.e. evolution of flagship stores, non-traditional retail, and next iterations of emerging experiences and pop-ups)	5.49	0.53
Creating Sensoriality in a digital world	5.79	0.22
Planning for the increasing needs of personalization, in both product and messaging	5.89	0.13
Edutainment & hyper-relevancy in content (i.e. brands investing and operating as media companies)	6.08	-0.06
Planning for beauty in the Metaverse	7.00	-0.99
The future evolution of Augmented Reality and Hybrid Phygital Experiences	7.34	-1.33
Category extensions consumers are demanding more of (i.e. sexual wellness)	7.55	-1.54
The potential role of NFTs, Cryptocurrency, and decentralized platforms in Beauty	8.69	-2.67
Mean	**6.013**	

Figure 2: Industry Survey - Topics Ranked by Seniority Level of Respondents

RENAISSANCE	TOTAL (N=105)	Younger Talent (N=8)	Middle Management (N=26)	Senior Leadership (N=38)	Exec Leadership (N=23)
The evolving world of Online & Offline - Connecting and engaging cross channel	3.74	4.25	4.31	4.03	3.48
Conscious consumption and the future of Sustainability	4.58	6.63	4.65	5.08	4.22
Brand's roles in re-shaping what it means to be inclusive and representative	4.93	5.75	5.15	5.42	4.83
Beauty's impact in mental wellness & potential for positive change	5.08	8.25	5.23	5.47	4.96
Future of branded experiences (i.e. evolution of flagship stores, non-traditional retail, and next iterations of emerging experiences and pop-ups)	5.49	3.13	6.15	5.82	6.61
Creating Sensoriality in a digital world	5.79	6.38	5.54	6.11	7.35
Planning for the increasing needs of personalization, in both product and messaging	5.89	6.50	5.96	7.24	4.83
Edutainment & hyper-relevancy in content (i.e. brands investing and operating as media companies)	6.08	5.75	6.69	6.55	6.35
Planning for beauty in the Metaverse	7.00	7.63	7.77	7.05	7.78
The future evolution of Augmented Reality and Hybrid Phygital Experiences	7.34	6.75	6.85	8.21	8.83
Category extensions consumers are demanding more of (i.e. sexual wellness)	7.55	8.25	8.35	7.87	8.22
The potential role of NFTs, Cryptocurrency, and decentralized platforms in Beauty	8.69	8.75	9.38	9.03	10.04

Title/Level

Exec Leadership	Senior Exec (CEO, GM, President, C-Suite)
Senior Leadership	SVP-VP EVP, Exec Director, Head Of
Middle Management	AVP-Senior Director-Director-Senior Manager
Younger Talent	Manager-Assistant Manager-Coordinator-All Other

- **Exec Leadership** is interestingly most focused on "Online vs. Offline" **(+0.26 vs. Index)** – though overall it was important to all Levels of Seniority. Exec Leadership is also more likely to prioritize "the increasing needs of personalization" **(+1.06 vs. Index)**

- **Younger Talent** was much more focused on the "Future of branded experiences and non-traditional retail" **(+2.36 vs Index)**

Figure 3: Industry Survey - Companies Represented by Survey Respondents

RENAISSANCE	TOTAL (N=105)	All Other (N=17)	Chanel (N=2)	Cos Bar (N=3)	Coty (N=8)	Estee Lauder (N=3)	Firmenich (N=3)	IFF (N=5)	L'Oreal (N=26)	Maesa (N=2)	PPI Beauty (N=8)	Shiseido (N=12)	Unilever (N=6)
The evolving world of Online & Offline - Connecting and engaging cross channel	3.74	4.41	3.00	3.00	2.38	3.33	3.00	7.40	3.50	4.50	4.75	4.50	3.67
Conscious consumption and the future of Sustainability	4.58	4.65	3.50	9.00	4.13	3.67	4.00	8.00	5.54	2.00	2.88	4.83	4.33
Brand's roles in re-shaping what it means to be inclusive and representative	4.93	5.94	4.00	6.00	4.13	5.33	6.33	7.80	4.69	3.00	6.00	4.33	5.83
Beauty's impact in mental wellness & potential for positive change	5.08	5.12	7.00	6.67	5.38	6.00	1.67	8.20	5.50	1.00	4.63	6.83	5.33
Future of branded experiences (i.e. evolution of flagship stores, non-traditional retail, and next iterations of emerging experiences and pop-ups)	5.49	5.82	4.50	5.00	4.75	4.67	7.67	5.80	6.38	5.50	6.88	5.75	5.00
Creating Sensoriality in a digital world	5.79	5.41	7.00	4.00	7.38	5.00	5.00	4.00	6.46	10.00	8.63	6.00	6.67
Planning for the increasing needs of personalization, in both product and messaging	5.89	6.00	4.50	3.67	8.63	5.00	7.33	8.20	6.00	7.00	4.13	6.83	6.50
Edutainment & hyper-relevancy in content (i.e. brands investing and operating as media companies)	6.08	5.71	6.00	7.33	7.25	5.00	10.67	5.20	6.81	7.00	7.50	6.33	4.33
Planning for beauty in the Metaverse	7.00	6.59	10.00	8.33	8.00	10.00	7.00	5.60	7.46	8.00	7.75	7.17	8.67
The future evolution of Augmented Reality and Hybrid Phygital Experiences	7.34	7.47	7.00	6.67	9.00	7.67	8.33	5.40	7.58	11.00	10.38	6.33	10.17
Category extensions consumers are demanding more of (i.e. sexual wellness)	7.55	8.24	10.00	8.00	7.13	11.00	6.33	6.20	8.50	9.50	5.00	9.83	8.17
The potential role of NFTs, Cryptocurrency, and decentralized platforms in Beauty	8.69	8.65	11.50	10.33	9.88	11.33	10.67	6.20	9.58	9.50	9.50	9.25	9.33

Figure 4: Industry Survey - Functions Represented by Survey Respondents

RENAISSANCE	TOTAL (N=105)	Business Intelligence (N=5)	Creative (N=3)	Digital (N=7)	Executive / Sr. Leadership (N=22)	HR (N=6)	Marketing (N=23)	Operations (N=6)	R&D (N=10)	Retailer (N=4)	Sales (N=9)
The evolving world of Online & Offline - Connecting and engaging cross channel	3.74	3.40	4.33	2.57	3.86	5.50	3.26	5.50	5.10	4.25	4.11
Conscious consumption and the future of Sustainability	4.58	5.20	5.00	5.71	3.73	6.00	5.48	4.00	4.20	7.25	4.89
Brand's roles in re-shaping what it means to be inclusive and representative	4.93	4.80	3.67	5.86	4.86	4.50	5.17	4.83	6.50	5.50	5.78
Beauty's impact in mental wellness & potential for positive change	5.08	4.00	7.67	6.71	4.73	4.67	6.48	5.83	4.60	6.50	5.11
Future of branded experiences (i.e. evolution of flagship stores, non-traditional retail, and next iterations of emerging experiences and pop-ups)	5.49	5.00	5.00	7.14	6.68	5.83	5.43	6.00	5.70	4.00	5.78
Creating Sensoriality in a digital world	5.79	6.00	5.33	5.43	7.95	5.17	6.00	5.00	6.40	5.25	5.89
Planning for the increasing needs of personalization, in both product and messaging	5.89	6.60	9.00	4.43	4.91	6.50	7.26	7.17	6.90	3.50	6.89
Edutainment & hyper-relevancy in content (i.e. brands investing and operating as media companies)	6.08	6.00	4.33	4.29	6.09	6.67	6.65	8.50	6.80	6.75	7.67
Planning for beauty in the Metaverse	7.00	10.00	8.00	5.43	7.55	8.00	7.87	5.67	7.10	9.25	6.78
The future evolution of Augmented Reality and Hybrid Phygital Experiences	7.34	8.40	5.67	6.00	9.00	7.67	7.09	6.83	8.20	7.75	9.44
Category extensions consumers are demanding more of (i.e. sexual wellness)	7.55	8.80	10.67	9.71	8.05	6.83	8.04	8.67	7.20	7.75	7.67
The potential role of NFTs, Cryptocurrency, and decentralized platforms in Beauty	8.69	9.80	9.33	7.43	10.05	10.67	9.26	10.00	8.80	10.25	8.00

The cohort then conducted extensive secondary research to strategically analyze consumer behavior and societal shifts across the key topics identified through the industry survey. Additional primary research included 15 interviews with industry leaders and experts to delve deeper into these pressing issues. The cohort carried out an in-depth analysis of the US retail landscape in the fall of 2021, conducting field visits across key cities in the East and West coasts (New York, San Francisco and Los Angeles). They also patterned global markets during their intensive European field study in the spring of 2022, which included visits to Bologna and Florence (Italy), Madrid and Barcelona (Spain), and London (U.K.). This opportunity enabled the cohort to compare and contrast retail trends across both continents, as well as identify commonalities in global consumer preferences.

While focusing on the most pressing issues identified by executives through the industry survey and desk research, the cohort conducted a second quantitative survey (CFMM Consumer Survey) as a way to better gauge context and incidence of the key behaviors and trends observed following the Covid-19 pandemic. The survey included 542 male and female respondents, all U.S. consumers using a panel balanced in age, ranging between the ages of 18 and 60+. The survey was deployed via Survey Monkey on May 10th, 2022, with a balance in age, location, and demographic information. The results of this survey provided further insights into the way consumer behavior shifted related to product discovery, community interaction and brand perception.

NEO CONSUMER LANDSCAPE & NEO HUMANISM

Out of the COVID-19 period's darkness, a new consumer mentality and landscape have emerged. This powerful combination is fueling a Beauty Renaissance. The Neo Consumer Landscape is a new beauty environment which inhabits fluid realities with consumers seamlessly navigating between online and offline worlds. This phygital persona is reshaping our beauty world with their "Real Me" mindset and their avatar inspired alter egos or "Meta Me" mindset.

"Real Me" is a reflection of the consumer's desire for meaningful connection, service, and experience. Here, consumers live in the moment and value authentic, real-life interactions that are grounded in emotional goodness. With a "Real Me" mindset, consumers seek in real life (IRL) experiences that allow them to be their truest self in the flesh. Whereas the Meta Me side caters to the consumers' need for discovery, experimentation and escape to develop a distinct digital identity. Here, new technological frontiers allow for expression, posing new opportunities to cater to their digi-daydreams and to obtain their desired meta-aesthetic. However, it is important to note that this mindset is universal, meaning that the Neo Beauty Consumer experiences both feelings of digital FOMO ("Fear of Missing Out"), while still craving to be entertained and engage in the traditional spaces where they shop and play.

This consumer lives, works, and plays in phygital realities. They treat digital and physical beauty products as equals. In fact, they occupy transversal worlds, in which they can buy both physical and digital versions of beauty products, for themselves and their avatars. With this in mind, consumers are quick to explore and adopt new paths for purchase. As though that were not enough, their expectations from brands are also much more demanding when it comes to integrating technology, with consumers expecting AR (Augmented Reality) and VR (Virtual Reality) tools and services to be integrated in both online and offline experiences. To put the Neo Consumer Landscape into perspective, imagine Alice, a consumer who enjoys doing yoga in the park on Saturday mornings, but during the week is also a gamer on Fortnite, where she flaunts her green hair and designer NFT outfit. As such, she inhibits both the "Real Me" and "Meta Me" worlds in her day to day, with each serving as a distinct channel for self-expression, experience, and experimentation.

In order to connect and build trust with consumers in the Neo Consumer Landscape and provide value, brands must transcend their historical role in beauty and society to meet consumers' new expectations around the role of the individual, trust, and product. Brands must play a critical role in expanding the horizons of human potential to address the rise of "Neo Humanism". We have identified "Neo Humanism" as the new frontier of culture, backed by the optimism that humans are innately endowed with the skills to reshape the world according to their needs, with a strong belief in human dignity. As such, brands must transcend what was to think beyond the previous boundaries of beauty to address the ever-evolving Neo Consumer Landscape with the recommendations identified by our cohort.

SHIFTS & RECOMMENDATIONS

1. BEYOND INDIVIDUAL

Emerging from the pandemic, consumers are moving away from individualism, feeling an undeniable pull towards belonging and collectivism. The pandemic shed light on how interconnected consumers are with one another and consumers have come to expect community and strong relationships as a result. With growing skepticism and lack of consumer trust, brands must transcend the individual and consider their broader impact. In the following sections, we

will look beyond the individual along the spectrum of "Real Me" and "Meta Me", to share best practice examples and recommendations of how brands can appeal to both mindsets. When thinking beyond the individual, the three key areas for brands to activate include Carenection, Retail Revival, and Shared Ownership, all of which can play a fluid role across the spectrum, as illustrated below.

According to WGSN, there will be a paradigm shift by 2024 in which society will move away from the individualism of a human-centric world and instead towards the interdependence of systems (Bell et al., 2021). Furthermore, "this approach will help redefine the pillars of society and business, from informing a new holistic system of consumer needs, to the rise of the care economy, and the blend of physical and digital life into an interdependent existence".

The need for a shift of focus from the individual to community is key to effectively engage and connect with tomorrow's consumer. According to MINTEL's Circular Economy report, more than half (57 percent) of US consumers feel it is important to be a part of a community (Ortega, 2021). This overwhelming need for social interaction and connection is reinforced by the fact that Gen Z is considered the loneliest and most isolated generation. Through our proprietary consumer survey, we discovered that 72 percent of respondents aged 18 to 29 stated a change in the way they find and engage with new people (CFMM Consumer Survey). In fact, 50 percent of younger participants stated that they find themselves doing so via online platforms such as Reddit and Discord.

Consumer distrust and skepticism are also at an all-time high coming out of the pandemic. According to a study by Adobe, 79 percent of consumers are concerned about how companies are using their data (Adobe, 2022). Brands must focus on rebuilding trust through strategies that rely on transparency and information-sharing at the core, earning back faith from consumers.

Amidst the outbreak of Covid-19, the consumption of mental health and wellness content has skyrocketed. According to the World Health Organization, the pandemic triggered a whopping 25 percent increase in the global prevalence of anxiety and depression (*COVID-19 Pandemic Triggers 25% Increase in Prevalence of Anxiety and Depression Worldwide*, 2022). In response to this demand, beauty brands like Goop have dropped makeup and skincare tutorials and replaced them with wellness and health tips, resulting in a 734 percent increase in site traffic (Sadangsal, 2020). According to a recent Euromonitor International survey, consumers ranked "mental wellbeing" as their top health concern in 2021 (nutraingredients.com, 2021). In the US, 42 percent of consumers aged 25-34 say they have experienced a mental health condition in the past year and are more aware of their mental health needs (Mintel, 2022).
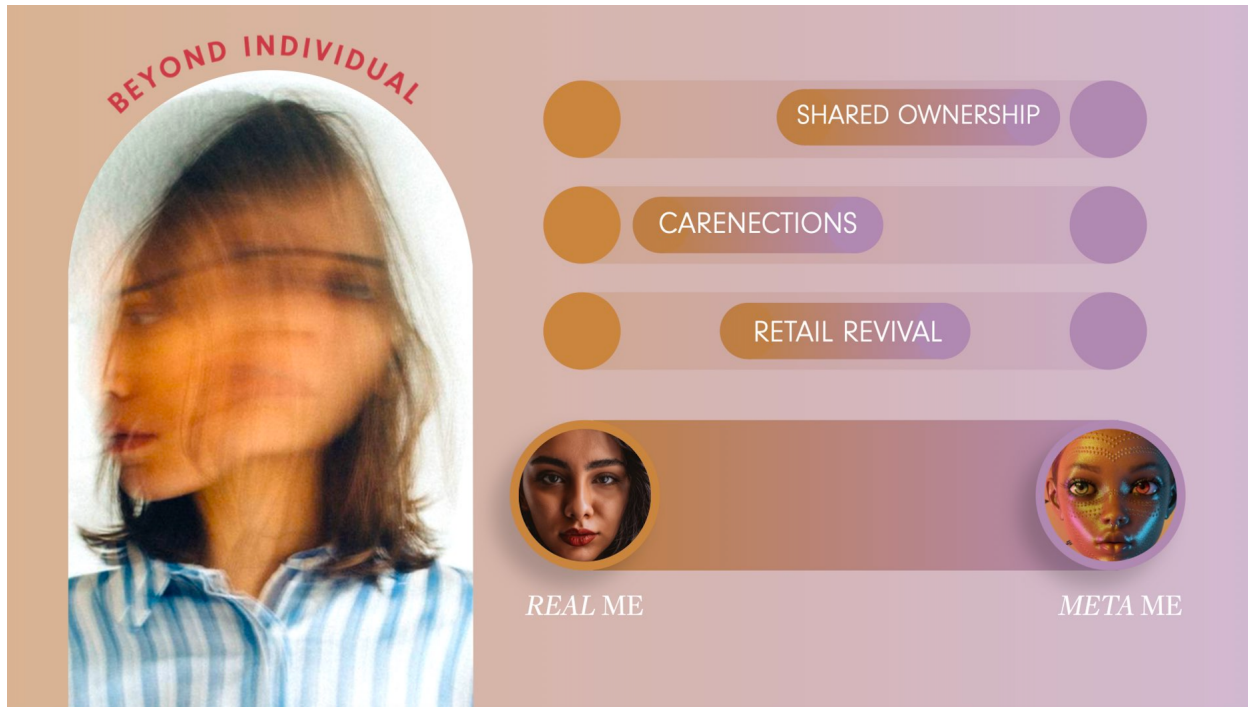
Beyond Individual: Areas to Focus *(Fashion Institute of Technology CFMM, 2022)*

a. *CARENECTIONS*

Consumers are seeking much more than ever before from brands, including positive impact on their mental health and overall wellbeing. Emerging brands are reaching shoppers which are seeking niche marketplaces inclusive of all their needs, while creating connections with others. This presents a prime opportunity for established brands to deeply connect with specific consumer segments. The Future Laboratory describes this shift towards collectivism by saying: "United by values of empathy and community, consumers are shunning individualism in favour of alliances that are decentralizing industries and redistributing power at scale" (Laboratory, 2022). The cohort expands on this by urging that the future longevity of brands relies on the fostering of "carenections": connections united by values of empathy and purpose to bring consumers together as an alliance against centralized powers. "Carenections" are designed to cater most directly to the "Real Me" mindset of consumers.

Maybelline New York is, at the time of writing, the number one global cosmetics brand, offering more than 200 products and available in 129 countries worldwide. Their brand mission is to be there for you, "So whatever the world throws at you, you'll look and feel ready"; Maybelline's commitments go beyond providing the famous Sky High Mascara or SuperStay Matte Ink Lip Gloss. Maybelline's "Brave Together" is a global initiative, which supports those experiencing anxiety and depression (Shoihet, 2021). In partnership with their community of mental health experts, Maybelline has created support tools across four key pillars: Spot the Signs, Talk About it, Explore Resources, and Practice Self-Care. For each of the pillars there is

highly educational and easily digestible information available on Maybelline's website to help destigmatize mental health concerns. Moreover, Maybelline has partnered with Crisis Text Line to sponsor 1 million conversations by 2025. The brand's website reads, "If you or someone you know is feeling anxious or depressed text TOGETHER to 741741 and you will be connected with a trained Crisis Counselor. Crisis Text Line is here to support any time of mental health crisis". Maybelline's Global Brand President, Trisha Ayyagari, describes the program by saying, "Maybelline has always believed in the power of making things happen in your life, and we know that mental health is critical in feeling ready to do that. We want to use our brand's global reach to drive this conversation and make support easily accessible". Maybelline has always been innovative in the products that they bring to market and they are leveraging their innovative spirit and experience to create a new form of connection and community with their loyal consumers beyond their blockbuster beauty products.

According to the CDC, suicide is the second leading cause of death among Gen-Z, and yet only 16 percent of all children receive mental health assistance in school. American singer, actress and producer Selena Gomez launched Rare Beauty in 2020, a makeup brand that unveiled its purpose which focuses on mental health. The brand has committed to donating $100 million to the Rare Impact Fund to connect underserved communities with access to mental health services. Rare Beauty is breaking down unrealistic standards of perfection and taking a very intentional approach to help consumers gain confidence and embrace their own uniqueness. Selena Gomez has spoken candidly about her struggles with mental health over the years, and has fueled this passion into Rare Beauty to convey authenticity through real impact. Among the key objectives of the brand, Rare Beauty aims to reduce the stigma associated with mental health, address the epidemic of chronic loneliness, while making mental health resources more accessible, especially for underserved communities. (DONEGER|TOBE, 2021).

Another example of providing a positive impact is the UK's "C-List", the first beauty platform tailored to people with cancer (Bell, 2022). The platform is focused on providing advice and products with ingredients verified by oncologists and dermatologists as safe for those undergoing treatment. The C-List also serves as a library of resources including suggested beauty routines, ingredients to avoid, and nutritional advice. The C list is an exceptional example of a platform that provides resources to meet the holistic needs of a specific group of consumers. The C-list describes themselves as "more than a beauty shop... there's tips, tricks, advice and inspirational stories to help get you through your journey."

Coa, a US-based "mental health gym" is revolutionizing therapy by inviting people to exercise through emotional fitness classes. The aim is to provide healing for both physical and mental illnesses. According to founder Alexa Meyer, their mission is to "make mental health [resources] as common, accessible, and fun as physical fitness" (Laurence, 2021). Meyer explains that, unlike physical fitness which has become much more accessible, there is still a lot of stigma around mental health, and an overall lack of community. Brands have the opportunity to create a sense of community by providing resources to consumers to reduce feelings of isolation and by encouraging an open dialogue around mental health. According to Euromonitor's 2020 International Health and Nutrition Survey, 64 percent of global consumers

consider mental well-being as the most important factor for being healthy (nutraingredients.com, 2021).

AeBeZe Labs pioneers the concept of "nourishing digital diets". AeBeZe Labs is leading the way in solutions in the quest for healthy digital consumption, and has pioneered the concept of "certified digital nutrition". AeBeZe's concepts are not related to pure nutrition intake, instead, its app-based tools help release neurotransmitters, hormones, and chemical compounds produced by the body (eg dopamine, endorphins, testosterone) that are essential to "nourish" the soul, improve emotional resilience and elevate mood, which will ultimately maximize wellbeing. This is achieved by "feeding" positive digital content, videos, songs, or training regimes that can transport the user to a different world and enhance mood. The idea behind it is that positive digital content can help boost or decrease certain chemical components in the body in the same way that food does; for instance, eating chocolate releases endorphins, dopamine, and serotonin, all responsible for feelings of happiness, in the same way, that positive digital content can do. Designed to improve behavioral health and boost the emotional resilience of their community. (Passport, 2021). AeBeZe Labs is a great example of how brands can create content that specifically is designed with messaging to have a positive impact on consumers' wellbeing rather than simply advertising products.

Rather than focusing on growing their social networks, consumers are increasingly re-evaluating existing connections through friendscaping – the practice of maintaining and considering relationships **(**Saggese, Brielle, 2021) . A 'friendscape' refers to the wider landscape and health of an individual's relationships. Within that landscape, relationships are sorted into the foreground, middle ground or background depending on the time and energy invested in them. This requires a certain amount of intention and consideration, much like how a business might approach its relationships with a list of clients. Consumers may adopt more business-like strategies in their personal lives, depending on the needs and health of their friendscape. Certain groups are more prone to weaker friendscapes than others. In the US, 20 percent of single men claim they have no close friends. Other friendscapes might have previously depended on weak ties or casual relationships that didn't sustain the pandemic.

Business-like tools are emerging that help consumers restructure, maintain, and revitalize their social networks. In addition to fostering community, brand's can provide tips and tricks to help consumers lead a more fulfilling life including their personal relationships. Apple's recent June FaceTime update reflected this shift by transforming the FaceTime experience, which is mostly used for personal calls, to incorporate more business-like features. Much like with a professional tool, users can now schedule FaceTime calls on their calendars, send meeting links to other callers, share their screens and view all callers in a grid layout, humanizing the virtual work experience. Dating app Bumble's friend-finding platform, Bumble BFF, reported users' average time spent on the app has grown 44 percent for women and 83 percent for men this year. Match Group, which owns dating apps Tinder and Hinge, recently acquired Hyperconnect, a South Korean social network that connects new friends around the world. With consumers evidently putting more priority into their personal relationships, brands have the opportunity to

create conversation and new ways for consumers to connect not just with the brand, but with each other to foster a sense of belonging.

b. *RETAIL REVIVAL*

More than ever before, consumers are craving an interactive experience when shopping retail. Think beyond the transaction. Brands must provide a novel and unforgettable experience and a chance for consumers to have new interactions. In order to attract new customers brands will have to relearn their place in the retail space. In this new age of Retail Revival, brands are expected to fulfill social needs and partner with local creators to build a sense of community. This stage of Retail Revival appeals to both the "Real Me" and "Meta Me" mindsets by combining the benefits of digital and physical into a seamless, highly functional experience. While digital spaces can provide more convenience, accessibility, and flexibility, physical environments deliver on more personal immersions that consumers are craving in this increasingly remote world (*FW 2023/24 Consumer Sentiment: Phygital First*, 2022).

The future of commerce looks beyond our own confines, building collective strength by engaging with communities, colleagues, customers, and other businesses in meaningful ways which will have a lasting impact on retail and consumption. Future Laboratory predicts that, "As consumers build platforms for sharing goods and services, consumption as we know it may come to a halt. Retailers will need to shift their focus from selling to coordinating, in turn boosting their eco-credentials" (Laboratory, 2022). There is an inherent resilience in numbers, and in observing the limits to our resources, we realize that we cannot do this alone. Flagship stores must go beyond simply displaying products to find new ways to engage shoppers. According to WGSN: "The museumification of retail and the emergence of art-as-entertainment creates the kind of engagement opportunity that can incentivize even more consumers over the threshold." Furthermore, 70 percent of shoppers consider stores that simplify and streamline shopping to be the most appealing (Evans, 2019).

One example of thinking beyond the traditional role of retail, is leading Millennial and Gen Z focused online fashion retailer, Revolve, which recently launched a new physical location in Los Angeles that focuses on building connections and forming a fashion community. The space, which they named "Revolve Social Club", includes "a lounge, cafe, bar, Instagram-bait photo walls" while acting as the company's first retail store that sells Revolve-exclusive brands (Lieber, 2022). The store is open to the public, but also has an exclusive, members only, second floor with a gym and a wellness center. Amongst the many incentives to visit, the brand offers complimentary coffee and pastries with any purchase, chances to win special goodies, and personalized private shopping. The new three-level space is inspired by the shift in retail trends and the evolution of consumer habits since the company's launch thirteen years ago. Here, Revolve brings their community together through interactive experiences by engaging consumers through a holistic lifestyle approach. The objective of the Revolve Social Club is for the brand to generate hype, convert in-store purchase but ultimately drive traffic to the website. In store experiences will continue to play a bigger role in driving e-commerce sales, with Salesforce

estimating that 60% of e-commerce sales were influenced by physical stores during the 2021 Holiday season (WGSN Insight Team, 2022).

British footwear and clothing brand, Dr Martens, has seen similar results in using the in store experience to drive online sales, with the CEO Kenny Wilson explaining "When we open a store in a new city, within the next six months online sales increase within that city. For example, we opened a store in Rome, and it soon took over as our top-performing city in Italy [for online sales]" (Behrmann, 2022). The retail environment continues to evolve as a place to help build brand loyalty, trust, and likewise, permanence with the consumer.

There is also opportunity for brands to leverage digital tools to create a more curated store experience through "digital entertainment that bridges the digital and real worlds can connect with consumers both online and in-store, creating a consistent shopping experience and driving traffic across all sales channels" (WGSN Insights Team, 2022. *Art & Retail: Curating the Store Experience*). According to Forbes, another retail shift includes the repositioning of stores as a media model to deliver hyper-personalized experiences, messaging and promotions (Parkkinen, 2022). These messages can then be delivered through a number of touchpoints such as QR codes, smart displays, digital signage, or even through mobile devices.

In order to drive online and offline momentum, brands must also redefine the traditional KPIs (Key Performance Indicators) of physical storefronts. CEO of Ulta Beauty, Mary Dillon stated that "Both experiences and fulfillment are important uses for brick-and-mortar stores. We will continue to evolve the role of the store on our continued omnichannel strategy evolution" (*Retail Speaks: Seven Imperatives for the Industry*, 2021). According to Drapers, brands should consider the following factors when measuring storefront success (Behrmann, 2022):

- Store Location
- Role of the Stores within the Overarching Business
- Whether Customers are Seeking Connection with the Brand Beyond Purchasing Product
- Impact on Ecommerce Sales in Areas where a New Storefront Opens
- The Store's Value as a Marketing Asset
- The Store's Ability to Fulfill Online Orders
- Associated Costs with the Store

American manufacturer and retailer of outdoors wear and footwear, Timberland, is another example of modernizing the future of flagship stores by going beyond simply displaying their products. One might feel less as though they are shopping at their London flagship, and rather that they have stumbled into a museum exhibit, with potted trees growing indoors and a living green wall which states "Nature Needs Heroes" (Newman, 2022). The sign is a nod to a campaign in which the brand pledges to plant 50 million trees by 2025. Simply put, the store serves as a new medium to highlight the environmental priorities of the brand and to reposition it as a purpose-led brand first and foremost. Timberland's approach to flagship stores exemplifies the modernization of stores in which the focus is less on displaying products, but rather on displaying the brand's core values. The approach is likely to pay off in driving consumption as

consumers who believe a company has a strong purpose, are four times more likely to purchase from it. Furthermore, they are four and a half times more likely to "champion the company" and recommend it to friends and family, according to a Zeno Group study from 2020.

Social media is also modernizing commerce with the hashtag #TikTokMadeMeBuyIt, causing a shopping frenzy as audiences attempt to purchase products that have gone viral on the app. TikTok is redefining the customer decision-making journey, with 74 percent of app users claiming it assists them with their buying decisions and 67 percent saying it helps them learn more about a product or brand (Larsen, 2022). TikTok creators have become storytellers for brands, with 78 percent boosting discovery and 73 percent influencing audiences to experiment with new items. Virality stemming from social media and new digital platforms are driving a fierce sense of urgency, which is likely to drive higher incidences of impulse purchases. The phenomena of virality has also inspired some entrepreneurs to open new physical retail shops that exclusively sell viral items. Retailers have the opportunity to capitalize on pockets of virality by spotlighting these products both in-store and online. For example, #TikTokMadeMeBuyIt has driven Amazon sales significantly, with the #amazonfinds hashtag garnering 14.7 billion views on its own.

c. *SHARED OWNERSHIP*

Coming out of the pandemic, 79 percent of Gen Z consider themselves lonely (Fashionsnoops, 2022). Decentralized Autonomous Organizations (DAOS) are being created to form companies and organizations that are governed by communities and not executive boards. This renewed sense of community and belonging is exemplified by 73 percent of survey respondents citing their neighbors as their most important community (Toliver, 2021). Consumer's loyalty to products is declining.Today, if brands want to develop consumer loyalty, they must create a community that inspires collaboration and belonging. Akin to the future evolution of crowdsourcing, shared ownership empowers consumers to invest directly in their favorite brands and to be part of their future success, whether that is through a stock investment, NFT, co-creation, or other medium.

A tangible example of shared ownership is the offering of Pacaso, a leading global and technology-based real estate company that champions community to enable people to buy and co-own a second home. Based in San Francisco, Pacaso is a 300-employee company that allows individuals or families to purchase one eighth to half of a vacation home.They sell and manage properties in the United States, Europe, and Mexico. Pacaso takes care of all of the accounting and tax, property management, and scheduling which allows a family or individual to simply enjoy a shared second home. One eighth shares range in price from roughly half a million dollars to over two and a half million dollars.With Pacaso, owning one eighth of a property gives you the right to stay in the house for six weeks per year for a max stay of 14 nights. Sharing the ownership of a home with eight other people creates a sense of community in itself and vacationing in the same place frequently allows you to become a part of that community. One Napa Valley owner, Jason, said, "With a second home, you get to be a part of the community,

and when you're just on vacation, you don't have that same experience" (PR Newswire, 2022). In a world where online connections are accelerating, Pacaso users have found that they have formed their strongest connections in the place and community where they go to disconnect.

For brand's that are looking to connect with a large number of their consumers in one place, a web-based platform can be the perfect solution. In 2012, LEGO created a forum for their passionate community to imagine, create, and evaluate new ideas for LEGO kits. LEGO is a Danish-based toy company. Founded in 1932, LEGO's mission is to "Inspire and develop the builders of tomorrow"(The LEGO® Brand 2022). To capture the best ideas possible, LEGO created a website-based platform where community members are able to create and upload kit ideas to the site and the community members cast approval votes to ideas. If an idea receives 10,000 positive votes, it is reviewed by LEGO's production and legal teams to assess feasibility. If a kit is approved by the LEGO team, the community member who submitted the idea is granted final-design approval and will receive one percent of their kit's profits. Over the last 10 years, 36 community-created kits have been added to the LEGO collection. All 36 kits were best sellers and 90 percent sold out on their first release. LEGO created the forum where community members could come together and the opportunity for community members to share in the ownership of a LEGO product. This amplified the creativity and innovation of their community. The LEGO Ideas platform has become a hub for innovation and serves as the company's primary resource for marketing activities.

A prime example of online creativity and innovation is digital art. This new form of art has become increasingly popular in the last year and some people view digital art and NFTs (Non-Fungible Tokens) interchangeably. However, NFTs are much more valuable than their popular and novel use as digital art. NFTs have the capability to provide standardization for the way digital assets or "goods" of the virtual worlds are accessed, transferred, traded, and maintained. NFTs are recorded on the blockchain with a unique and recognizable digital signature that provides brands the ability to foster connections and create community with their loyal fans and customers. In 2021, many popular brands utilized NFTs to create marketing buzz. For example, Coca-Cola created snow globe NFTs for the holiday season and Taco Bell created 25 taco GIF NFTs, but far fewer brands unlocked the true potential and utility of NFTs: creating community.

DAOs, or Decentralized Autonomous Organizations, are companies and organizations that are governed by a community, not a singular entity or executive board. These organizations allow for collective voting and decision making. DAOs are built on blockchain technology using smart contracts and most members buy their way in by purchasing a governance token (NFT) that gives them the ability to vote on decisions that are made and how a pool of money is spent (DigiDay, 2022). These types of community-based organizations build a strong sense of connection because they allow for a group with common goals and interests to collectively contribute to a cause. According to Digiday, "DAOs are becoming the new institutions. There are DAOs with more than $10 billion in their treasury [and] media companies have not recognized this".

Although DAOs seem futuristic, there are many examples of DAOs today that are utilizing a decentralized structure to challenge the status quo of century old practices. CityDAO's 5,000 members successfully mobilized to purchase a 40-acre plot of land in Wyoming (*CityDAO*, 2022). The purchase of real-world real estate signifies that DAOs are not only present online and that they can impact the lives of everyone, not just the technically inclined. After their initial real estate purchase, City DAO members are prioritizing widening access to property by lowering real estate costs through partial ownership and developing new systems for public finance. For most of the past, blockchain technology has been largely confined to the digital sphere. Today's cities are technology enhanced, but not technology defined. CityDAO is exploring the feasibility of making assets and governance digitally legible to unleash accessibility, interoperability, and opportunity for all community members. With their purchase of a parcel of land in Wyoming, CityDAO has proven that it is possible to map and govern a network of physical assets on the blockchain. Just a few years ago, most would have called that feat impossible. Each time CityDAO successfully challenges the status quo, our society comes one step closer to decentralization.

Another brand that is leveraging DAOs and NFTs to unlock co-creation and community collaboration is SourceCred. SourceCred is a DAO, with the primary purpose of measuring and rewarding value creation within a given project or initiative of another DAO or a company. SourceCred works with an organization to assess the importance of projects or initiatives and the hierarchy of sub-task contribution importance. Then, in partnership with the organization, SourceCred creates an algorithm to assign value to a task in the form of Cred (credits) which can be traded for currency or held for ownership. If community members disagree with the initial output of the algorithm, they can state the disagreement and the community can vote to update the algorithm or task values. Community members have the ability to contribute to their organization or community and are rewarded with currency and or ownership. SourceCred hopes to help wealth flow to those who are creating value in communities and organizations around the world. DAOs and companies alike could utilize SourceCred's structure and technology to drastically increase community innovation and engagement through value and ownership sharing.

d. RECOMMENDATIONS - INTER-COLLECTIVE

By unlocking key consumer behavior and values around the post-pandemic context, the FIT students' research has decoded the key focus areas for brands to tackle consumers' increasingly demanding expectations in the Neo Consumer Landscape. With consumers shifting away from individualism and growing consumer skepticism, brands must think differently to consider community-building and their broader impact by fostering connectivity. Key focus areas should include carenections, retail revival, and shared ownership. To summarize our learnings, the solution for thinking beyond the individual is to cater to the inter-collective, or communities that share a deep connection by coming together as a collective to reach not only their personal fullest potential, but also that of society.

The future digital wallet in the Neo Consumer Landscape will have many winners and losers. The branded products which fail to provide long-term relevancy run the risk of losing consumers and damaging the long-term equity of the brand. Similar to the use of apple wallet on your phone, blockchain and Web3 will fuel the acceleration of consumers' digital wallet, which will include NFTs that represent loyalty and reward programs, memberships, and digital ownership. As brands launch more and more digital products such as NFTs, Crypto-currency, and tokens, the long term relevancy and functionality is paramount to how brands will be perceived. Consumers' digital wallet will serve as either a token of brand loyalty or an expensive reminder of not providing value.

i. *Recommendation: Design a Long Term Architecture*

In order for brands to tackle social and greater impact, they must build carenections built on the foundation of empathy and self-awareness, caring for the greater good. Therefore, our first recommendation is for brands to establish a long-term architecture that is authentic to the brand's core values and equity to maintain relevance over time. At the same time, brands must balance short term gains with an agile approach that has enough flexibility to capitalize on key consumer driven moments, which will also help maintain socio-cultural relevance. Although many brands are eager to jump on quick tactical activations to remain relevant during temporary sociocultural trends, this alone will no longer suffice in establishing longevity for brands.

Brands will need to incorporate a long-term approach into their overarching brand strategy, backed by dedicated investment, to grow their communities sustainably. Rather than trying to go after an existing target audience or group to drive engagement, brands will achieve stronger loyalty by fostering communities to grow organically through the use of consistent brand positioning that establishes deeper roots. As digital products such as NFTs and cryptocurrency become increasingly popular, the long term relevancy and functionality is paramount to how brands will be perceived and to avoid becoming a digital "stain" in the consumers' digital wallet.

ii. *Recommendation: Find Reasons That Are Not About You*

The second recommendation for brands is to find reasons to bring your community together beyond your brand or product. Ultimately, your consumer base should have more in common than simply the products they buy. Consumers are much more likely to come together if those other commonalities are fostered into meaning and purpose - philanthropy, social and mental health causes. Of course these elements must be integrated in an authentic way such as providing resources and tools that help consumers with their non-product needs. Brands which incorporate the causes and principles they stand for into the communities they build have an opportunity to create rich brand loyalty by providing a sense of belonging and purpose beyond physical product.

Brands can establish a sense of belonging by going where consumers are naturally

gathering and then integrate technology that is already bringing them together to drive loyalty and a sense of exclusivity. Therefore, a one-size fits all will not work as consumers have different expectations and behavior depending on the forum or channel. This will be important to unlock looking ahead to the Metaverse, where similar communities are likely to congregate and build as the next evolution of online forums. Brands that incorporate causes and values that are greater than themselves will thrive in the Neo Consumer Landscape. Do not hesitate to take a firm stance on social issues. Your community will reward you with loyalty for your courage.

iii: Reward with Ownership

The third recommendation for the Inter-Collective is to create shared ownership opportunities to enable consumers to invest in the stake of brands. This evolution of crowdsourcing builds on consumers' longing to feel part of something and creating shared ownership also offers a meaningful way to bring the community together. This can come to life through various activities such as shared ownership of stock, an NFT, virtual product, or even real estate. These are also innovative ways to engage consumers in a new way than ever before, while thinking beyond physical product. Most importantly, brands can enable emotional investments through these new creative forms of ownership. In turn, brands can allow their community to have a real stake in their brand's assets, both digitally and physically through co-creation to reward loyalists with ownership.

2. BEYOND TRUST

With the rapid evolution of information availability and savvy consumers, the relationship of trust between brands and consumers is more pertinent than ever. Accelerated by the post-pandemic landscape driving feelings of anxiety and distrust in society, consumers are looking for reassurance in the brands they choose to support. Our proprietary CFMM Consumer survey found that 65 percent of consumers have either never trusted brands, or have less trust as a result of incidents in recent years. As consumers become increasingly skeptical of brands' authenticity, business practices, and environmental impacts, transparency has become an expectation rather than a courtesy. It is imperative that brands rebuild faith from their customers through strategic initiatives that proactively share information and drive transparency.
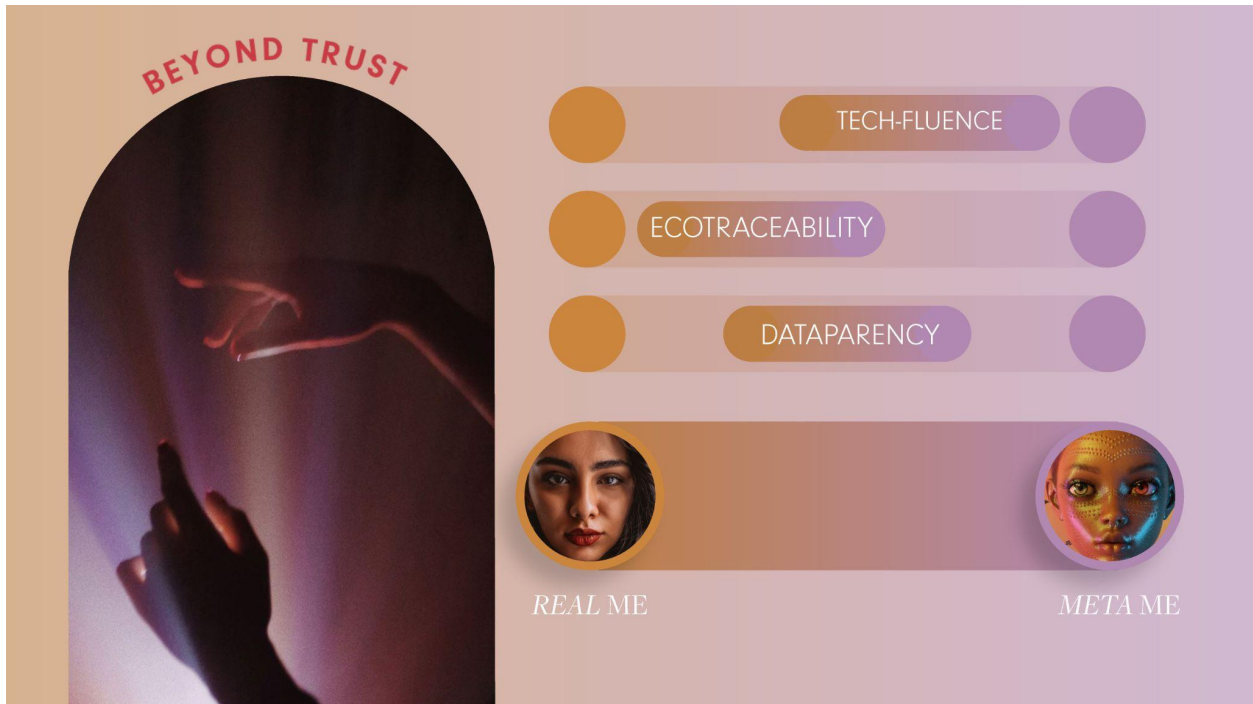
Beyond Trust: Areas to Focus (Fashion Institute of Technology CFMM, 2022)

    a. *ECO-TRACEABILITY*

As consumers come to realize the urgency to act on environmental and social issues, they are holding manufacturers responsible. Eco-traceability is centered around the way that sustainability, circularity and regeneration will shape a new criteria for industries to integrate and maintain. Transparency around sustainable and ethical practices have become an expectation from consumers and is playing a role in their purchase decisions. In the US, 48 percent of consumers believe their behavior can make a positive impact on the environment, and they are using their purchasing power to influence that impact (Mintel 2022). Brands are expected to be specific and act decisively on the inputs and impacts related to the future of environmental and social responsibility. This creates an important opportunity for brands to take action and make their sustainability initiatives clear to the consumer with consideration of all facets of the business, from sourcing, packaging, supply chain and beyond.

Sustainable ADvantage is an initiative created by packaging and labeling company Avery Dennison as a means of achieving the company's goal of establishing stronger recycling programs and ultimately working toward becoming net-zero on greenhouse gasses in the next 50 years. The program consists of a portfolio of products and solutions that enables companies across global industries to use fewer natural resources, cut carbon emissions, reduce waste, and build towards a low-carbon, circular economy. This includes helping companies reduce material usage, improve bottle recyclability, increase recycled content in end products, and source responsibly (Avery Dennison, 2022).

YSL Beauty is a luxury beauty brand from the fashion house Yves Saint Laurent, owned by the L'Oréal Group. The brand launched an initiative known as "Re:wild Our Earth," with the mission of restoring 100,000 hectares of nature by the year 2030 in an effort to preserve ecosystems that are being degraded, and to protect species that are close to extinction due to their threats to their environment (YSL Beauty, 2022). In order to accomplish this, YSL Beauty is partnering with NGO, Re:wild, which is an organization that works to restore biodiversity and advance ecological restoration globally, across over 80 countries. Re:wild is globally recognized in their accomplishments across areas including scientific research, protected area creation management, and endangered species protection, among other initiatives (Re:wild, 2020). In partnering with an established NGO with proven results, YSL Beauty is able to drive the authenticity of their environmental mission and the specific goals they set, while also encouraging their consumers to further educate themselves on these issues.

Tracking technology has become ubiquitous today, with consumers tracking package details, car services, and food and grocery deliveries, among other things. These same digital tools allow new levels of communication with consumers from a sustainability standpoint as well, creating avenues to share information in greater detail and in real time. Carrefour is a French multinational retail corporation who has adopted the IBM Food Trust, which is a blockchain-enabled global ecosystem (WGSN, 2022). This technology gives consumers visibility to information about the origins and handling of their food, including date of harvest, where it was cultivated, when it was packaged, and safety tests undergone. In addition, it provides important product information such as expiration dates and storage recommendations. By creating a resource where consumers can access information about sourcing as well as practical details, Carrefour is able to drive transparency around the product journey, while simultaneously providing the consumer with information to help them get the most out of their purchase.

Natura & Co. is the parent company that owns the beauty brands Natura, Avon, The Body Shop, and Aesop. They have been a leader in the industry in proactively driving transparency by bringing their sustainability practices to the forefront for the public to easily access. In their public investor reports, they have a dedicated section for their "Sustainability Vision 2030," detailing their environmental commitments and actions for the decade, along with their future ambitions (Natura & Co, 2021). Their ambitions include initiatives such as reducing the company's emissions and protecting the Amazon against deforestation. With their targets clearly outlined, they also report on their progress and specific actions taken against each of their sustainability goals. By incorporating this information into these reports, they are building trust with consumers and investors alike, and taking responsibility for their long-term sustainability goals and communicating the progress made.

Consumer concerns around sustainability are not limited to physical products. As the metaverse and digital spaces grow, concerns have been raised about the negative impacts of cryptocurrency mining to the environment as it exhausts massive amounts of energy. To put it in context, the process of Bitcoin mining requires approximately 91 terawatt-hours of electricity annually, which equates to more than what is used by the entire country of Finland with a

population of 5.5 million people. This number has increased almost tenfold in the last five years (New York Times, 2021). Some countries, such as China, have already begun to limit bitcoin mining (Bitcoinist, 2022). Ethereum is the second-largest cryptocurrency by volume, and is in the process of planning a major software update in order to transition to less energy-intensive technology. Because blockchains do not have a centralized gatekeeper to validate transitions, there are two main methods that are used: "proof of work" and "proof of stake." They are both mechanisms through which blockchains are created. Proof of work requires participants to compete against one another to show which block has the most computational work, thus validating "proof of work." The winners are able to add the latest batch of transactions to the blockchain and earn bitcoin. This method requires a great amount of computing power and electricity, and is also a slower and less scalable process (Business Insider, 2021). Ethereum is looking to transition to proof of stake instead, a consensus mechanism that is much more energy-efficient. Through this method, validators vote (also known as "stake") tokens a smart contract, which is code that runs on the blockchain. When cryptocurrency is sent to the smart wallet's contract address, the currency is held (MIT Technology Review, 2022). This requires far less energy, and also reduces the amount of e-waste that is created. In addition to what is predicted to be a reduction in Etherum's energy consumption by upwards of 98 percent, this update will also positively impact processing speeds and greater security stability (NextAdvisor/Time, 2022).

   b. *DATAPARENCY*

As technology related to data collection becomes increasingly nuanced, consumer distrust of brands is amplified in relation to privacy and data usage. The importance of consumer data is immeasurable and brands must be prepared for a cookie-less future where consumers' expectations are higher than ever before. In our CFMM proprietary research study results, nearly 66 percent of respondents stated they had fear or distrust of companies and brands having their data. Brands must rebuild trust by being forthcoming with how consumers' data is being used, driving the concept of dataparency.

It is critical that companies rethink their online and offline strategies and data capture opportunities. Building rich first-party databases is non-negotiable. There should be a "fluency with data management and measurement that provides a more holistic understanding of consumers, wherever they are shopping" (Think With Google, 2020). Furthermore, consumers are becoming more and more cognizant of their data privacy with 81 percent of consumers saying having a choice of how companies use their data is important (Adobe, 2022).

When consumers choose to share their data, their expectations for a personalized experience are high. Gen Z is the most willing to provide their data for a valuable experience. According to eMarketer, "more than a third (35 percent) of Gen Z internet users said they were most willing to exchange their email address for money off an order, compared with 18 percent of millennials and just 9 percent of boomers in the study" (eMarketer, 2021). Furthermore, "77 percent of Gen Z and Millennial consumers say relevant, personalized content increases their trust. 29 percent say it increases their trust "a lot" (Adobe, 2022). Canada-based company, Surf

Analytics supports marketers in best practices to reach their target audience through software offerings. The company has built on the opportunity in the market to reward consumers for their data. They are focusing on building what are known as "zero-party databases," where consumers freely provide information to companies. Consumers are incentivized to share their browsing data (which would typically be tracked by cookies) in exchange for "points". These "points" accumulate over time and can be redeemed for rewards such as gift cards, giveaway entries, exclusive discount codes or could even be used towards a donation to a charity (Surf Analytics Interview, 2022).

With Facebook's transformation into Meta, the data the company has collected over the years can be used to power its own metaverse. While new users will be attracted, there will also be many users of the original Facebook platform that will have access to the coming metaverse directly. Along with their identities, their associated marketing data will also be imported into Meta's digital universe. This data can be used by advertisers and companies to market their products in the virtual world as well (Analytics Vidhya, 2022).

c. *TECH-FLUENCE*

Another element consumers are increasingly distrustful of is the authenticity of influencer marketing. Tech-fluence addresses the ever-evolving influencer landscape, establishing new ways to use technology to create experiences that build credibility and resonate with consumers in more meaningful and personalized ways.

Generationally, Gen Z and millennials are less trusting of celebrity endorsements than of the influencers they follow. A report conducted by Morning Consult found that while 52 percent of Gen Z survey respondents and 50 percent of millennial respondents trust influencers they follow, only 44 percent of Gen Z respondents and 35 percent of millennials said they trust their favorite celebrities. Other studies indicate the trust discrepancy is even higher, with 92 percent of consumers trusting a micro-influencer more than a celebrity endorsement or traditional ad. It was also stated that 88 percent believe it is important that the influencers they follow are "authentic and genuinely care about their interests" (Morning Consult, 2022). As a forward-thinking strategy, the introduction of digital or Artificial Intelligence (AI) influencers allow brands to create a persona that embodies everything the brand stands for in a controlled and curated way. This is also cost effective in the long term, and allows for a broader appeal to a wider, more inclusive range of consumers.

Some brands have turned to virtual influencers to introduce recommendations and promote product launches in a way that can more effectively speak to a broader audience. With sophisticated creative technology creating these digital personalities, it can even be difficult to ascertain a visual difference between real and virtual influencers. In addition, with digital products such as NFTs growing in popularity, consumers are already more exposed to these elements that will likely make them more open to the experience. In a study of 1,000 American participants conducted by social media agency The Influencer Marketing Factory, 58 percent

reported they currently follow at least one virtual influencer, with YouTube, Instagram and TikTok being the top platforms they are followed on, respectively (Social Media Today, 2022).

The future of virtual influencers aims to more directly and authentically speak to consumers, providing a more personalized experience that is better suited for a positive experience. Fable Simulation is a company that creates AI interactive characters who can "live, learn and make decisions with us" (Fable Simulation, 2022). With this technology, the aim is to enrich the consumer-influencer experience by cultivating AI characters who are able to absorb and respond to users' feedback in real time. As this capability becomes more sophisticated, consumers will be able to build two-way communication and relationships with these virtual influencers, building trust and delivering more relevant and personalized content than today's traditional influencers. In looking toward the future, the creator of Fable stated that his vision was that "virtual beings would someday supplant digital home assistants and computer operating systems from companies like Amazon and Google" (New York Times, 2019). This could create a highly specialized and intuitive usage opportunity for brands to integrate into their consumers' daily routines.

Alethea AI, a Singapore based technology company, developed the first iNFT and sold it, at a Sotheby's auction, in 2021. iNFT is an abbreviation for intelligent Non Fungible Token. An iNFT can be trained over time through artificial intelligence and has the capability to learn from implicit and explicit feedback. With each interaction, iNFTs learn to articulate better and to connect more deeply with the person that they are speaking to. iNFTs are also capable of learning specific tasks or functions. In the future, influencers may likely be replaced by brand specific, retailer specific, or agnostic iNFT beauty advisors that can partner with diagnostic technology to make the perfect customized recommendation for each individual.

In the shorter term, other brands have tapped into "drop culture" with NFTs to build momentum for launches, using the inherent uniqueness of NFT as well as limited timing to drive excitement. NARS, Givenchy and e.l.f. each commissioned NFTs to support their activations, using them in a multitude of ways, from traditional collector's items to physical product incentives (Mintel, 2022).

d. RECOMMENDATIONS - FACTUAL FAITH

As the neo consumer continues to evolve with the complex landscape of data and technology merging with the shopping experience, trust becomes a major component of the way consumers and brands interact. In order to transcend consumer skepticism and achieve a higher level of trust, brands must work to instill factual faith with their audience. With the undeniable impact of consumerism on both the physical and digital worlds, brands have a greater responsibility than ever before to make sustainable choices that will have a lasting positive impact on the beauty industry. With the possibility of more data (in both volume and richness), brands today have an incredible opportunity to cater to the individual needs of a wide range of consumers. It is imperative that this information is used responsibly to maintain consumers' trust, while maximizing the positive experience and delighting the neo consumer.

i. Recommendation: Provide Transparency From A to Z

Transparency has become an expectation for consumers when making decisions about brands they choose to trust. This is relevant in many forms, from data usage to supply chain and sourcing transparency. When it comes to data, it is imperative for brands to be explicit with their consumers about why they are collecting data, and exactly how they plan to use it. As consumers continue to become increasingly educated about ad-tech capabilities, long-term credibility and reputation will erode for companies who get caught misusing data or failing to be communicative about usage. Consumers are also becoming increasingly savvy when it comes to sustainability and fair business practices, and will change their shopping behavior to support companies that share their values. Nearly 90 percent of millennials believe that businesses should be judged by more than financial indicators (Forbes, 2022).

Highlighting measurable actions and future ambitions in the form of a public report or scorecard will illustrate a holistic strategy from A to Z, across sustainability, data usage, and the like. Brands who take a proactive stance on communicating this information transparently to their consumers will gain trust and credibility in this space, and will ultimately drive loyalty. Demystifying your business practices across all touchpoints and providing full visibility to future goals and active initiatives across all facets of the business will allow for deeper trust and understanding from your consumers and stakeholders alike.

ii. Evolve Influencing to Be 1:1

As influencer culture evolves, it is crucial for long-term relevancy that the content consumers are being served is meaningful to them. The one-to-many influencer model is beginning to lose steam as consumers become more skeptical of influencers' authenticity. For the next era of influencer marketing, consumers will be looking for content that is catered to their personal needs and interests. As Artificial Intelligence and Virtual Assistants become more powerful and accurate, brands can leverage their recommendations to better advise their consumers. Olaplex introduced their first AI-powered virtual employee this year: a non-binary amalgamation of its 240 employees, with the intention being to resonate with a wide audience (Business of Fashion, 2022). The California-based hair care brand is looking for the AI employee to build emotional connections with consumers to better cater to them in a way that would be difficult to accomplish with traditional human advisors. This type of 1:1 attention is particularly relevant with a brand like Olaplex, whose products are more technical and have uses that are not necessarily intuitive to the consumer. This would provide the opportunity for the AI employee to customize its messaging to the consumers' level of product knowledge and customize both the personal and educational communication to best fit their needs. Looking forward, similar models would also demonetize certain elements of the influencer experience, strengthening trust and credibility with consumers. Further developing these elements in ways that are relevant to your

brand will create new opportunities to scale 1:1 influencing and personalized consultation in a meaningful way.

iii. Recommendation: Remember to "Show Me You Know Me"

Brands who can take explicit and implicit data and use it to create personalized experiences are most likely to generate excitement and loyalty. Brands must find ways to reward consumers with valuable experiences in exchange for serving up their data, to ultimately earn their trust. Spotify, one of the largest music streaming service providers, is looking to expand their personalization features to incorporate artificial intelligence to give users a greater experience. Drawing from the rich data they have from their users, the AI feature will allow for better predictive capabilities for the app to suggest new songs catered to the user's taste, as well as seamlessly adding relevant songs based on data signaling a certain mood or emotion (PSFK, 2022). This is an excellent example of a brand that uses signals given by users to meaningfully engage and offer smart recommendations and solutions, continuing efforts that are future-proof compared with competitors. By capitalizing on the capabilities of machine learning, Spotify is able to give their users an experience that delivers highly personalized user experiences and curated product and content recommendations. Importantly, this gives the brand the opportunity to adapt to each individual's evolving taste, creating a long-lasting relationship that remains relevant over the years. Spotify uses "collaborative filtering," a machine learning technique that cultivates personalized new recommendations (MIT Management, 2022). In doing so, Spotify is able to not only make relevant suggestions, but to become a part of the users' listening journey in a way that inextricably integrates the brand into how users discover new music. This rich information allows the brand to curate hyper-relevant homepage content, design playlists, and ultimately make users feel that each touchpoint has been edited specifically for them.

It is extremely valuable for consumers to feel that your brand's capabilities are constantly evolving with the landscape and staying relevant for their needs, and ideally even outpacing their own understanding of their needs and wants. By showing consumers relevant products or personalized elements before they even realize they want them, you are driving their confidence in your expertise and ultimately building long-term loyalty with the consumer.

3. BEYOND PRODUCT

Product offering alone is no longer enough to attract and retain consumers. The Neo Consumer reality has become intricate and interconnected, composed by physical and digital worlds where consumers interact using their parallel identities. Brands need to transcend the traditional focus on physical products and evolve their offering to answer consumer demands in this ever changing landscape, catering to the needs of both physical and digital identities. Beauty brands must develop holistic experiences that are tailored to each consumer they are trying to speak to - in the virtual, physical and phygital worlds. In the following sections, we will look beyond product offerings along the spectrum of "Real Me" and "Meta Me", to share best practice

examples and recommendations of how brands can appeal to both mindsets. When thinking beyond product, brands should focus on three areas: Youniverse, Techno-Touchpoints, and Meta-scape, all of which can play a fluid role across this spectrum, as illustrated below.

According to McKinsey, consumer brand loyalty is at an all time low with 76 percent of consumers stating they changed stores, brands, or channels in 2020 (*Retail Speaks: Seven Imperatives for the Industry*, 2022). With consumers constantly changing the content and location of their shopping basket, brands are tasked to provide a more tailored experience that can attract consumer's interest and increase loyalty by differentiating their offer. A well curated brand personalization strategy can have a direct effect on sales. Accenture found that 75 percent of consumers are more likely to make a purchase when recommendations are personalized to them, propelling the push for brands to personalize and differentiate offerings (CB Insights, 2021). Personalized offerings and messaging can also increase consumers' trust, with 77 percent of Gen Z and millennial consumers saying relevant, personalized content increases their trust (Adobe, 2022).

The pandemic accelerated digital business models, with consumers adopting new virtual try on technologies across augmented reality (AR) and virtual reality (VR). In 2020, 32 percent of consumers used AR for shopping. The augmented reality and virtual reality market for the retail industry alone is expected to reach $2,094 billion by 2027, witnessing market growth at a rate of 68.5 percent in the forecast period of 2020 to 2027 (Vardomatski, 2021).

The metaverse is an open digital ecosystem that allows for limitless creative and social opportunities for brands and communities to evolve and explore digital lifestyles, new revenue streams and enhanced experiences within the new creative economy. This ecosystem is not defined by a single company, industry sector, or use case, highlighting the importance of access to tools for all sectors and users to be able to easily onboard in this exponentially growing space (Hernandez, 2022). The metaverse presents an opportunity for brands to evolve into a less material future and create experiences and products that entice consumers in this new reality.

Beyond Product: Areas to Focus (Fashion Institute of Technology CFMM, 2022)

a. *YOUNIVERSE*

Beauty brands can recruit the Neo Consumer by building a consumer centric Youniverse strategy that utilizes their data to deliver best in class offers for their needs. Personalization is a key area of interest for the Neo Consumer. In our proprietary CFMM Consumer Survey, 35 percent of respondents stated that they were interested or very interested in "products that are custom-made for my specific needs." We see a demand for personalized products and experiences across different ages, with participants aged between 45-60 showing a higher interest in both curated experiences and content, offers, and messaging from brands that are more tailored to them. The interest for personalization slightly drops on consumers aged 60+ but it still attracts more than a quarter of that population.

Topic	ALL AGES	18-29	30-44	45-60	60 PLUS
Products that are custom-made for my specific needs	35.1%	38.5%	40.0%	33.3%	28.5%
Curated experiences where the best products are laid out for me	28.8%	31.4%	26.2%	31.5%	26.0%

|					
Content, offers, and messaging from brands that speaks directly to me	25.0%	29.0%	25.6%	32.9%	11.9%
Diagnostic tools and finder/quizzes to help provide personalized product & routine recommendations	24.4%	29.0%	27.3%	25.4%	16.2%
Wearable Devices that use data from my activity to help me make decisions	21.6%	22.0%	25.0%	21.0%	18.5%
Models and images of people who look like me	18.7%	29.0%	20.2%	19.7%	6.2%

Consumer Survey (Fashion Institute of Technology CFMM, 2022)

Technology helps brands offer the next level of personalization consumers expect. Brands are finding innovative ways to provide bespoke diagnosis tools, while integrating consumers in the co-creation of those recommendations. While some of these solutions are reserved to the Ecommerce business model, a strategic goal for brands should be to provide a consistent online/offline experience to their consumers. During the US bicoastal in-depth store analysis and the European field study, the cohort identified the opportunity for brands to develop the necessary infrastructure and maintenance process to ensure the new tools are active and integrated in their staff training programs. When technology is correctly used, either by the consumer or assisted by a staff member, the shopping experience will become more enjoyable, in turn driving conversion. Tools that are not properly maintained can have the opposite effect in consumers, as observed by the cohort during their field visits.

 A perfect illustration of innovative personalization is the partnership of L'Oréal, the world's largest beauty corporation, with neuro-technology company Emotiv to monitor the brain's electrical signals with scents and give consumers personalized fragrances. The fragrance consultation experience connects consumers' neural responses to fragrance preferences while they experience proprietary scent families, accurately sensing and monitoring behavior, preferences, stress, and attention in real-world contexts. This first-of-its-kind experience helps consumers determine their perfect scent suited to their emotions (L'Oréal, 2022).

Clinique, the skincare brand created in 1968 with the goal of providing safe and effective formulas in simple routines, expanded the functionality of its Clinical Reality virtual skin diagnostic tool to include a hydration analysis feature. This tool offers personalized product recommendations and messaging targeted to consumers' specific skin concerns. Consumers scan a QR code to start their skin analysis, which results in customized skincare recommendations. Clinique can plot over 80 data points on each face against models built on 50+ years of skincare expertise and 1+ million face scans. The tool originally launched in May 2019, with the ability to assess pores, uneven texture, uneven skin tone, fatigue, irritation, redness, acne, wrinkles and loss of volume. Since it was introduced, the brand has seen increased conversions of 2.5x, and a

30 percent larger basket size in their Ecommerce site. In addition, users have spent an average of ten additional minutes browsing the site (Glossy, 2022).
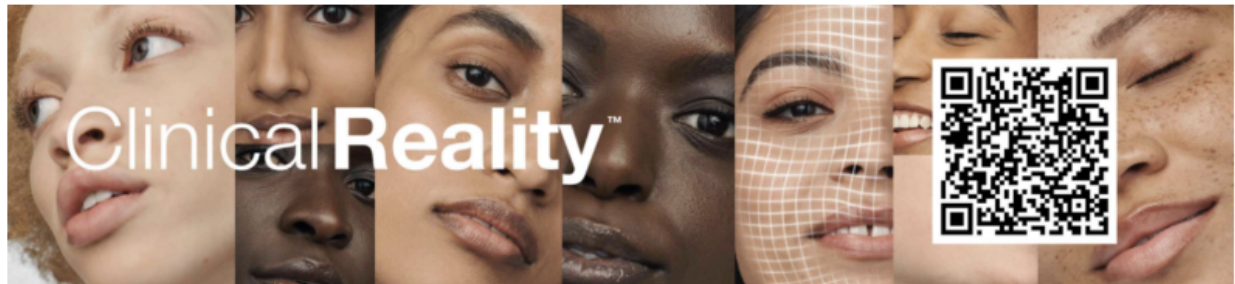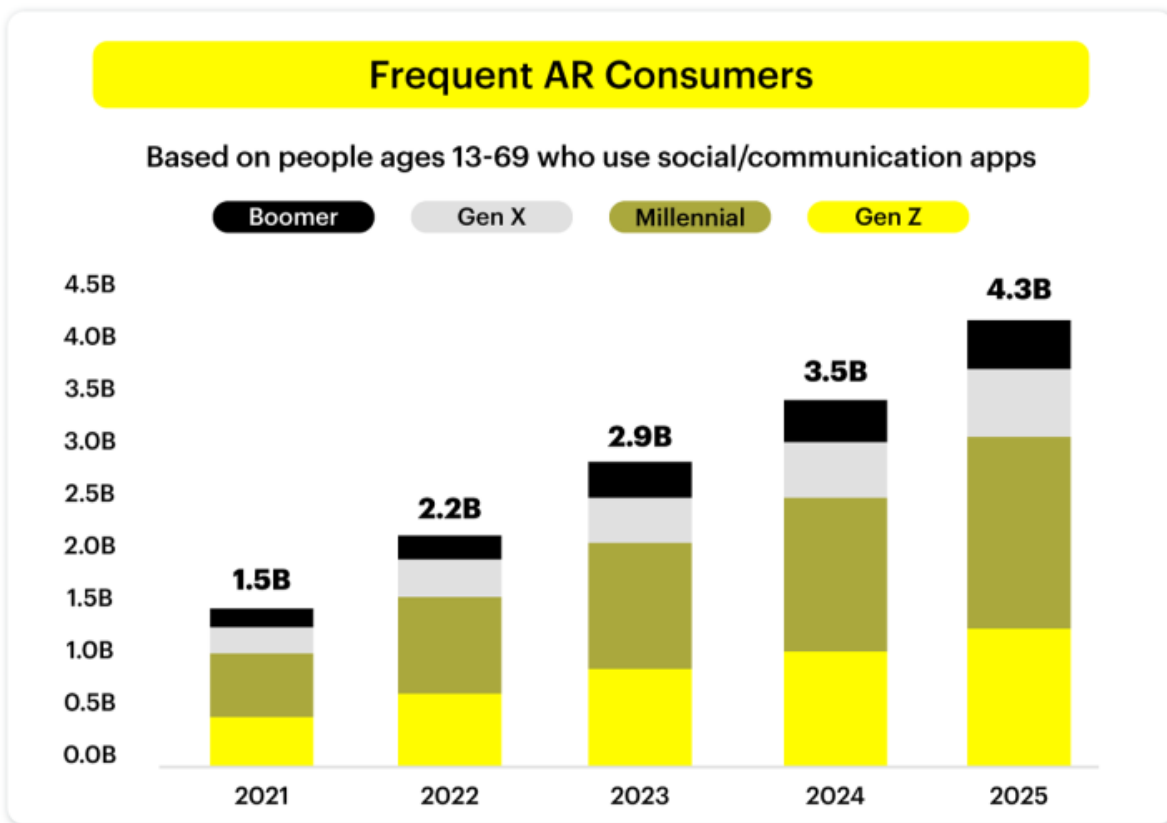

Clinique Reality Virtual Skin Diagnostic Tool (Glossy, 2022)

Beyond Fashion tech company Bods is transforming the fashion online shopping experience by developing avatars and offering digital styling and virtual try-on experiences. Bods' founder Christine Marzano believes the future of fashion should be developed around clothing fit, not size. Bods aim is for the consumer to be able to experiment with their style and provide an experience, drawing on the engaging appeal of gamification, but in an elegant and elevated way. The technology was first launched with the New York based women's ready-to-wear fashion brand Khaite in 2021, where the technology was directly embedded in the ecommerce site - a first for the industry. Users upload pictures of their body or add measurements which can be fine-tuned via a gradient map to select the right skin tone or resize features to improve the accuracy of body shape representation to give a sense of how clothing fits. Bods' founder describes the technology as "not 'metaverse-dependent,...but is definitely 'metaverse-exportable." (WWD, 2022).

b. *TECHNO-TOUCHPOINTS*

The digital landscape is rapidly evolving and innovative techno-touchpoints and technological solutions offer new ways for brands to engage and excite consumers. The post-COVID neo consumer has quickly adopted technology into new facets of life. Thoughtful applications of virtual tools such as augmented reality allow brands to immerse users in their world, wherever they may be. Augmented reality and virtual reality (AR & VR) serve as the premiere tools to create phygital experiences that go beyond physical products. Consumers are integrating these tools in their daily lives and increasing the frequency of use. According to WGSN, 74 percent of consumers expect augmented reality to become more important to their lives in the next five years (WGSN, 2022). By 2025, there will be 4.3B frequent augmented reality (AR) consumers, with Gen Z and Millennials accounting for 70 percent (Snapchat business, 2021). Allan Cook, managing director Deloitte Consulting, states that the evolution of augmented reality (AR) will "revolutionize our lives and become as significant of a technology

shift as the web or mobile was to society, changing how we view and interact with the world around us."

Frequent AR Consumers

Based on people ages 13-69 who use social/communication apps

Boomer | Gen X | Millennial | Gen Z

Source: 2021 AR Consumers based on people who use AR weekly or daily from 2021 Global Deloitte Digital Study commissioned by Snap Inc. 2022 to 2025 forecasted in line with 2000-2003 growth rate of smart phone users since AR is in the Toy-phase of adoption; if we look at where this transition took place with mobile phones, one can argue that this was when games like 'snake' started being available (e.g., 1997: Nokia 6110 device released, 1999: emojis were invented, 2000: Nokia 3310 launched, and the first commercially available camera phone launched in Japan).

YouTube, the free video sharing website, launched "Beauty Try-On" as an ad format utilizing Artificial Intelligence technology, to allow viewers to try on beauty products virtually through a split screen, while they watch tutorials and reviews. For YouTube videos integrating the technology, the tutorial or review video plays at the top of the screen, while streaming from your front-facing camera, similar to a mirror effect. For example, viewers can access a broad range of colors such as lipstick shades, while virtually trying the product on their own face, while the video plays. YouTube has seen about 30 percent of viewers engaging with this technology by choosing to activate the experience when it was available via the YouTube app. Additionally, they saw fairly strong engagement by those that did activate the try-on, spending at least 80 seconds trying on different lipstick shades virtually (Perez, 2019).

The South by Southwest Conference and Festival (SXSW) celebrates the convergence of the tech, film and music industries, and serves as a platform to present the newest trends and innovations. Perfect Corp, the artificial intelligence (AI) and augmented reality (AR) beauty and fashion tech solutions provider, debuted its groundbreaking new NFT solution during the 2022

SXSW edition. Perfect Corp is commercializing VTO and AR into shoppable NFTs, which can become a revenue stream for Fashion and Beauty brands, bringing digital products to the marketplace in a tangible way. As we begin to interact with the digital worlds of the Metaverse, these wearable NFTs will give consumers a new avenue for self-expression, and enhance their digital personas in a way that is unique to them.

As observed by the cohort during retail observations, French fashion label Jacquemus recently launched a new pop-up experience called "Le Bleu" at Selfridges' iconic Corner Shop space in London. "I wanted to create crazy and unrealistic installations, all related to water and bathroom imagery," said Creative Director Simon Porte Jacquemus. His vision was influenced for the conceptual pop-up by surrealist films of Jacques Tati, as Jacquemus set out to create an immersive and sensory space (*"Le Bleu" Jacquemus + Selfridges*, 2022). Selfridges' website invites shoppers to "Dive into the world of 'Le Bleu' Jacquemus + Selfridges London" and "Expect sensory fun, exclusive products and nostalgic moments". Part of the collaboration includes a ticketed experience concept "Le Vestiaire" in which customers are transported to a surrealist 3D interpretation of a swimming pool with locker rooms in which the rooms each host different sensory elements, serving as a visual ASMR installation. The pop-up is not only fun to shop, but an ideal landscape to translate to digital platforms. Innovative and surprising in store experiences invite shoppers back to stores, while also serving as an ideal background for social media content. Brands have the opportunity to utilize AR and VR technology to elevate in store experiences through multi-sensorial, museum-inspired, and immersive exhibits and installations.

c. META-SCAPE

The last pillar that brands can activate beyond product is the Meta-scape, a universe that provides new frontiers for immersion and expression and caters the Meta me consumer mindset. Post pandemic consumers continue to rely on brands to enable them to escape their everyday worries, stresses and boredom (MINTEL, 2021). In this regard, the metaverse has opened up the realm of opportunity for both consumers and brands to reimagine possibilities. Brands have the opportunity to create digital products that could not exist in real-life and answer the consumer desire for truly unique and immersive experiences that differ from the traditional brick & mortar environment. According to a Citi report, the total addressable market (TAM) for the metaverse economy could be between $8 trillion and $13 trillion by 2030, with up to five billion users, but getting to that market level will require sizable infrastructure investment (Citi GPS, 2022). This offers a complete new revenue stream opportunity for beauty brands, as this universe lends itself to experimentation with new identities and self expression needs from consumers. The way to experience the metaverse will also shift by 2030, with 80 percent or more of the 5 billion metaverse users accessing from their PC or phone, and a maximum of 10 percent users accessing through their virtual reality headset (Citi GPS, 2022). In this ever evolving emerging universe, brands have started to engage consumers with experiences anchored in storytelling and brand heritage.

The luxury skincare brand SK-II launched SK-II City, a permanent destination on its Ecommerce site inspired by its Japanese origins. Site visitors can tour the virtual city of Tokyo, where they can navigate the streets and visit the digital theater to watch brand content or venture to #ChangeDestiny Street to learn about and support local female entrepreneurs, amongst other activities. This feature will evolve over time and offer opportunities to learn, connect and eventually shop (WGSN & Napoli, 2021).

SK-II City (WGSN & Napoli, 2021)

Nike, a leading American sportswear company whose mission is to bring inspiration and innovation to every athlete in the world, has leveraged the Roblox metaverse to create NIKELAND. Nike used this opportunity to build an experience "where sport has no rules" and provide full creative freedom to their community. NIKELAND is a place where fans can connect, create, share experiences and compete. With the NIKELAND tool kit, creators can easily design their own minigames from interactive sports materials to "Dream it. Make it. Play it." (Nike creates NIKELAND on Roblox, 2021). Nike offers in-game purchases of items such as Air Max shoes that can improve performance in game, signaling the benefit of Nike products in all worlds. In the first four months after launch, seven million users experienced the interactive and entertaining NIKELAND to connect with Nike in an innovative and authentic way.

The French elite luxury brand Louis Vuitton celebrated their bicentennial birthday in 2021 with an NFT game called Louis: The Game. The object of the game was to collect 200 candles and, in the process, a passel of postcards about Vuitton's life, family, and the fashion house he created. Consumers played as the brand's mascot, Vivienne, whose own ancestry comes from the brand's monogram print. The phone app follows our protagonist, Vivienne,

through six different worlds, where she needs to collect 200 candles to commemorate the birthday of Louis Vuitton. The game has stirred a lot of response and community engagement all over the world with more than 2 million downloads to date, increasing engagement with the brand's legion of followers and customers.

d. *RECOMMENDATIONS - I-MMERSION*

As identified in the cohort's research, consumers expect brands to develop holistic experiences that are tailored to their needs and preferences across the virtual, physical and phygital worlds. In this day and age, product offering alone is not sufficient to capture new consumers or build loyalty across existing ones. According to Forbes, today's consumers increasingly prioritize experiences over material goods - particularly among millennials, where 75 percent say they value experiences over things (Forbes). There is an opportunity for brands to offer a total I-mmersion to consumers by providing services and tools that help them develop a unique identity across their physical and digital realities. Our research predicts a future where the beauty industry expands beyond product offering into an interconnected and immersive branding reality, offering experiences tailored to their target consumer. Brands should focus on the below strategic elements to successfully navigate the shift from product to I-mmersion.

i. Recommendation: Provide the Right Tools

Consumers demand tailored engagement that is relevant to them via offerings that are rooted in their individual preferences, emotions, and even genetics. According to recent research, 31 percent of beauty consumers are willing to pay 20 percent or more if their products are personalized (Adobe, 2022). At a time when gaining consumer trust represents a big challenge for brands, 77 percent of Gen Z and millennial consumers say relevant, personalized content increases their trust (Adobe, 2022). Brands that invest in taking personalization efforts to the next level will be able to increase sales while gaining consumers' trust. Our first recommendation to successfully integrate the shift beyond product is for brands to provide the necessary tools for self-expression, capitalizing on technological advancements. Brands should focus on increasing the consumer decision power and freedom of expression in the beauty space. According to a Mintel report, consumer sentiment around beauty standards is negative, with almost three-quarters of adults agreeing the beauty industry plays on women's insecurities (73 percent) and society's idea of beauty is too rigidly defined (72 percent). This points to opportunities for beauty brands to evolve away from these negative perceptions by inspiring and empowering consumers (Mintel, 2021).

The shift will empower consumers to create their version of beauty that is individual and authentic to them, rather than follow imposed brand standards. Brands should facilitate, not impose, beauty self expression in this youniverse shift..

ii. Recommendation: Bring the Magic Back

With technology adoption rapidly accelerated by the Covid-19 pandemic, augmented reality and virtual reality (AR & VR) serve as the premiere tools to create phygital experiences that go beyond physical products. According to a WGSN trend report, 74 percent of consumers expect AR to become more important to their lives in the next five years (WGSN, 2021). While integrating new technologies is instrumental to a brand's success, it is key to do so through the lens of inclusivity across a multitude of variables. Brands should move away from developing techno-touchpoints that showcase fixed beauty standards and ensure technology reflects consumers' diversity to provide the most realistic product experience. Integrating diversity across race, gender, age and facial features will bring the magic back to the technological solutions that enable beauty discovery. The discovery and delight aspect of any service (via physical or digital platforms) will integrate consumers' preferences into a model that allows them to engage with the brand while portraying their truest identity. These techno-touchpoints will create a moment of awe for the consumer through the integration of personalization, edutainment, and technology regardless of selling platform.

iii. Recommendation: Expand the Possibilities

The metaverse presents an unprecedented opportunity for beauty brands to expand their borders and reach a global consumer base while developing an assortment of digital goods that complements their physical product offering. By 2024 the metaverse will present an $800bn global market opportunity, up from $500bn in 2020 (WGSN, 2022). This financial opportunity will be tapped by brands that successfully integrate into the ecosystems where the consumer of the future will play. Finding connection points that fit seamlessly into the consumer lifestyle will be essential to build future loyalty. As of now, brands have the complex task of creating ways to engage and interact in a complete new universe and adapting their brand codes to this space to achieve a differentiated positioning. Developing a robust playbook and long term strategy for the metaverse will be crucial for brands' near-term relevancy and future longevity. In this regard, long term strategy will beat speed. To strategize sustainably, businesses need to look into how their value proposition today can translate into a future that is less material than the present and will continue to progressively become less and less materialized (Hernandez, 2022). This is a new social media revolution and brands that stay behind will lose a competitive advantage key to recruit younger generations and connect with existing consumers in their preferred touchpoints.

In addition to the business opportunity, the metaverse will enable brands to build a bespoke universe for unbounded consumer interaction and community building. It will also serve as a platform for creative expression and identity evolution. The opportunities to reinvent oneself will be unprecedented and brands will need to re-examine the limits of beauty ideals in a world

without physical constraints. This new universe will be a tool for escapism and reinvention, a meta-scape.

CONCLUSION & NEO MARKETING MODEL

Through the extensive research conducted over six months, the FIT students identified consumer shifting patterns following the Dark Ages of the Covid-19 pandemic, which led to a widespread sense of languishing. Similar to the 14th century Renaissance period, society experienced unparalleled change, leaving consumers with a new awakening, seeking their purpose and re-evaluating life priorities. Growing fear of regressing "back to normal" is necessitating a desire for rebirth and a great reset of cultural ideals.

Disruptive technology and digital acceleration has already propelled modern society into the next era of change. Unrivaled technological advancements and consumer tech-ceptance has revealed entirely new ways for consumers to communicate and engage with each other, allowing for ideas to spread more rapidly. Consumers struggle to find balance between living in the moment, while exploring new realms of reality such as the metaverse. Brands cannot ignore these new horizons as Virtue Worldwide cites the metaverse and Web3 as "the new frontier of culture"(*The Future of Metaverse and Web3.0*, 2022), expected to represent as much as 6% of global GDP by 2030 (Citi Global Insights). The acceleration of these new platforms and technologies lead to new tensions as consumers re-acclimate to IRL interactions, which in some cases is met with a "future shock" following the velocity and magnitude of these shifts (WGSN Future Consumer 2024).

Consumers and brands alike find themselves in a very complex reality in which brands must find new, innovative ways to provide value and connect with consumers with lines blurring between physical and digital worlds. The intersection of emotional tensions and technological advancements spark a new age of disruption, fueled by a sense of rediscovery and exploration unlike ever before. Society is experiencing a pivotal moment, where the future will bear no resemblance to the past, with a reckoning for realignment and rebirth and the arrival of the Beauty Renaissance.

Emerging from the Beauty Renaissance, the Neo Consumer Landscape is born, which occupies fluid realities with consumers seamlessly spanning across online and offline worlds. Phygital personas are reshaping "meta-me" beauty with their all-real mindset and avatar inspired meta-aesthetic, while the "real me" side of the spectrum encompasses core values of connection. Brands must play a critical role in expanding the horizons of human potential to address "Neo Humanism" as the new frontier of culture.

Although this complex reality might seem overwhelming at first, brand's can take immediate meaningful action by focusing on three key pillars: going beyond individual, trust, and product. Extensive research, both primary and secondary, led the FIT cohort to identify nine drivers, which will redefine the future of beauty. These nine drivers can be bucketed within the three fundamental shifts: Beyond Individual (Carenections, Retail Revival, and Shared

Ownership), Beyond Trust (Eco-traceability, Dataparency, and Tech-fluence), and Beyond Product (Youniverse, Techno-Touchpoints, and Meta-scape).

First, brands must go beyond the individual to form and foster an Inter-Collective, or a community that shares a deep, meaningful connection by joining together to form a collective. Through the beyond individual lens, the cohort's research revealed the rising importance of social impact, commerce, and community. By inspiring their consumers to come together and incentivizing them to take a stake in each other and in their brand, they will strengthen their community, who will in turn support the growth of their brand.

Next, brands must go beyond trust to earn Factual-Faith, or the usage of data with integrity to gain and maintain consumers' trust, while optimizing their experience. In thinking beyond trust, it is paramount that brands consider their long term footprint, integrity of data usage, and overall influence. Brands that grant full transparency into their product, processes, how they utilize consumer data, and progress tracking, will unlock stronger and more meaningful relationships with consumers.

Lastly, brands must go beyond product, to design innovative I-mmersion opportunities for their consumers. By providing the tools that allow consumers to creatively express themselves in an unprescribed way across platforms and worlds, brands will bring the magic back by giving consumers hyper-sensorial, immersive, and personalized experiences. Similarly, brands must consider the next era of personalization through the usage of digital tools and services and the impact of the metaverse. Tools and services can be used not only to enhance consumers' IRL (in real life) experiences, but also in creating a unique digital identity.

With consumers in the Neo Consumer Landscape exploring both their real me and meta me mindsets and the world only becoming more complex, new tensions emerge in which traditional marketing tactics and strategies are becoming dated and obsolete. By identifying the aforementioned key drivers and strategic recommendations, the FIT students have cracked the code for brands to revolutionize the way they market in the Neo Consumer Landscape. The cohort then established a groundbreaking marketing paradigm through three Neo Consumer Cornerstones (Factual-Faith, Inter-Collective, and I-mmersion) to serve as a guide for marketers to future-proof their brands and connect with consumers which they have coined the "Neo Marketing Model".

Within the Neo Marketing Model, overlaps between the cornerstones yield the future evolution of engagement, loyalty, and inclusivity. Each of these intersections forms a critical relationship between brands and consumers to unveil a new integrated marketing paradigm which anticipates consumers' rapidly evolving needs and core values. The intersection of Factual-Faith and Inter-Collective forms Neo Loyalty. In fact, our survey respondents who claimed to have been more engaged in online communities as a means to find and meet new people, were twice as likely to agree that they trust companies to use their data responsibly (27 percent vs 17 percent). In this space, creating memorable experiences that allow consumers to faithfully share their personal data will solidify long term Neo Loyalty. The next iteration of inclusivity is found at the intersection of I-mmersion and Inter-Collective. The survey also revealed that consumers trusting companies with their data are twice as likely to have an interest

in the metaverse (28 percent vs 15 percent). Here, building unique experiences around your community and truly understanding the core values of each of its members is authentic Neo Inclusivity. At the intersection of Factual-Faith and I-mmersion, there is Neo Engagement. Our research indicated that those interested in the metaverse were 48 percent more likely to seek connection online (47 percent vs 32 percent), while 80 percent of respondents also felt more likely to make effort in connecting with people in real-life since the pandemic (36 percent vs 21 percent).Engaging consumers by fostering strong communities that have true faith and trust in your brand builds Neo Engagement.

The Future Laboratory advises "It is short term thinking today that poses the greatest risk to our success tomorrow". If brands focus on just one key takeaway from the students' research, resulting in the Neo Marketing Model, it is that the future is much closer than you think. The blurring lines between physical and digital worlds have formed a Neo Consumer Landscape, a complex reality, which has already eradicated any pre-existing marketing frameworks beyond obsolescence. The Beauty Renaissance is already here. The consumer rebirth has already happened. The only question that remains is, how will your brand now reach its fullest potential?
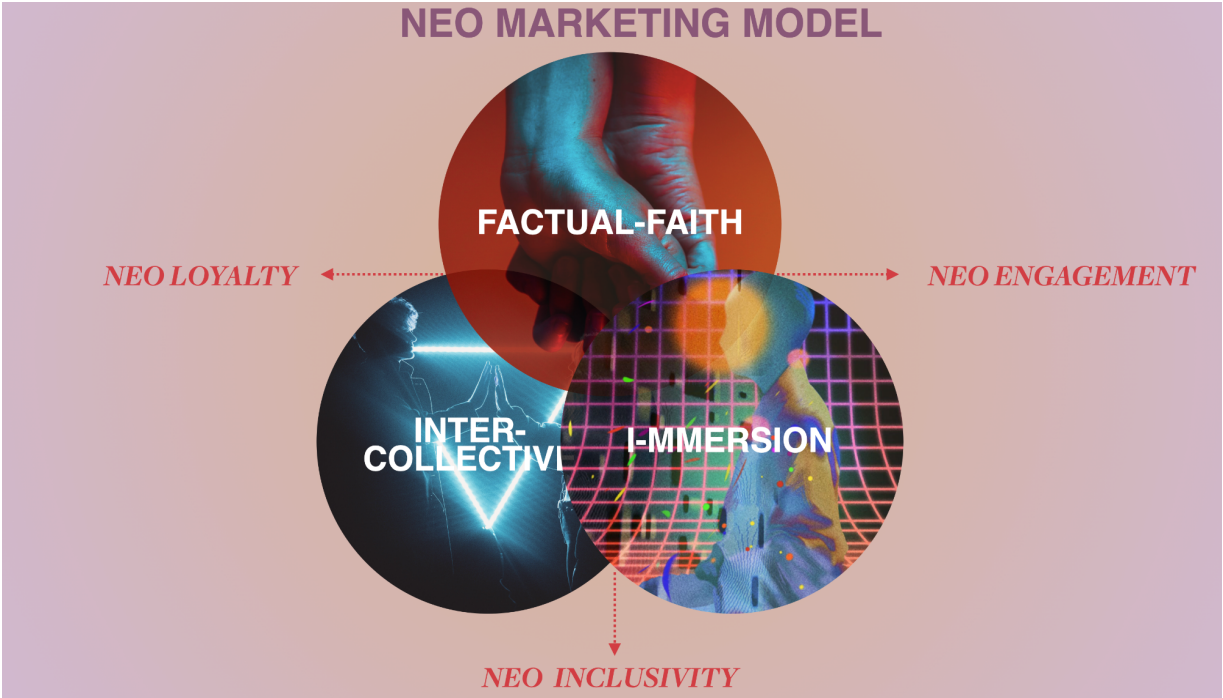
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