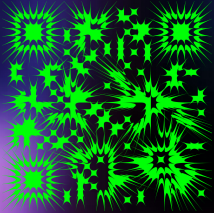


# SCREENWEAR

PAPER



## VIRTUE

THE AGENCY POWERED BY **VICE**

**VICE** Insights

ΔΣΛΗ

The Biggest  
Global Report  
on *Digital Fashion*

# Is Digital Clothing Fashion's *New Frontier* — or just the Emperor's New Drip?

Leading fashion players are betting big, but there's little knowledge about what real humans think, feel, and want from digital fashion.

The Screenwear Paper is a first-of-its-kind report created by the *Virtue Futures* team, a dedicated innovation division within Virtue Worldwide. We investigate the potential of virtual fashion, exploring interest and adoption with real consumers. We go beyond statistics and *inside culture* through interviews with 19 experts to uncover the opportunities for virtual style today and tomorrow.

Read through to find out how the future  
of fashion *is already here*.

## Authors

**Mikki Sandhu** - Global Innovation Strategy Director - VIRTUE

**Christina Posa** - Insight Director - VICE INSIGHTS

**Karinna Grant** - Co-founder & CEO - DMAT

**VIRTUE**

THE AGENCY POWERED BY GCSF

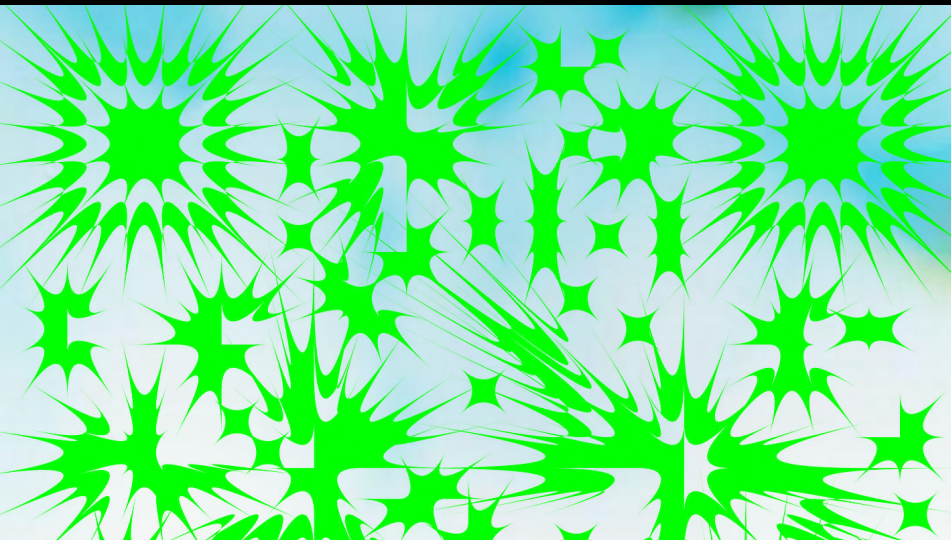
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Γ Ε Ω Δ Ω Σ < Γ Ω Ε - < Γ - Ω Ω Δ



# Objective:

To understand the current *global* state of mind around the metaverse and assess perception, behaviours, motivations, future expectations, and growth potential of Digital Fashion.



**VICE** Insights

## A view from inside culture

## Community

Insights from our **brand partners and global network of industry leaders and creators.** We work in tandem with a community of experts to synthesise what they're seeing, with what we're seeing.

THE DEMATER-AL-SEA

# Culture

Insights from those immersed in culture around the world. With **Editors, Producers, Creators, and Talent** in 26 offices, we gather distinct perspectives from around the globe.



**+ Consumer**

Insights from ongoing dialogue with **VMG's audience and youth around the world:** VICE Voices, Mad Chatter, VMG Youth Census, Reader Polls, Voicemails, UGC, etc. We ask what they think, feel, and want — and then we make it for them.

**+ Content**

Insights from how our audience engages with VMG across platforms: **content analytics, topic analysis, search terms, reader comments, topic adjacencies, campaign analytics, etc.**



# A Truly Global Study Approach:

The Qual

To do this, we consulted with  
leading experts in digital fashion  
and technology from around the  
globe in 19 in-Depth Interviews

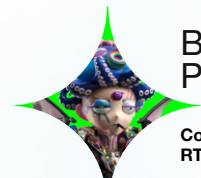
Expert inputs from Designers, Marketplaces, Developers, Brands,  
Retail Businesses, Editors, Platforms, Creators, and Investors.

*“SOONER* THAN YOU THINK,  
IT WILL BE EVERYWHERE.”

BENOIT PAGOTTO — Co-Founder



# Meet our Global Panel:



Benoit  
Pagotto

Co-Founder  
RTFKT



Sallyann  
Houghton

Business Director, Fashion  
Epic Games



Amber Jae  
Slooten

Co-Founder  
The Fabricant



Ana  
Andjelic

Brand Executive  
& Author



Fabian  
Vogelsteller

Founder  
LUKSO



Megan  
Kaspar

MD  
Red DAO



Safir  
Bellali

Sr. Director  
VF Corporation



Andrew  
Ku

Founder  
Unmateriality / Altava Group

“Digital Fashion is going  
to be *the most important piece*  
to make the metaverse more  
successful.”

ANDREW KU

— Founder: Unmateriality / Altava Group



# Meet our Global Panel:

“With zero creative constraints, Digital Fashion can be *whatever your imagination can create.*”

**SALLYANN HOUGHTON**  
— Epic Games



Carol  
Hilsum

Sr. Director of Product Innovation  
Farfetch



Nicola  
Formichetti

Creative Director  
Nicopanda / Lady Gaga



Matthew  
Drinkwater

Head of Innovation Agency  
London College of Fashion



Lucy  
Delacherois Day

Global MD  
i-D Magazine

**NICOLA FORMICHETTI**  
— Creative Director to Lady Gaga

“There’s something *empowering about dressing up digitally.* You can be whoever you want to be.”

# Meet our Global Panel:



Gloria Maria  
Cappelletti

Editor-at-Large  
i-D Italy



Catty  
Tay

CEO & Co-Founder  
Institute of Digital Fashion



James  
Mack

Digital Artist  
& NFT Creator




Leanne  
Elliott - Young

CEO & Co-Founder  
Institute of Digital Fashion



Marjorie  
Hernandez

Co-Founder  
The Dematerialised/ Lukso



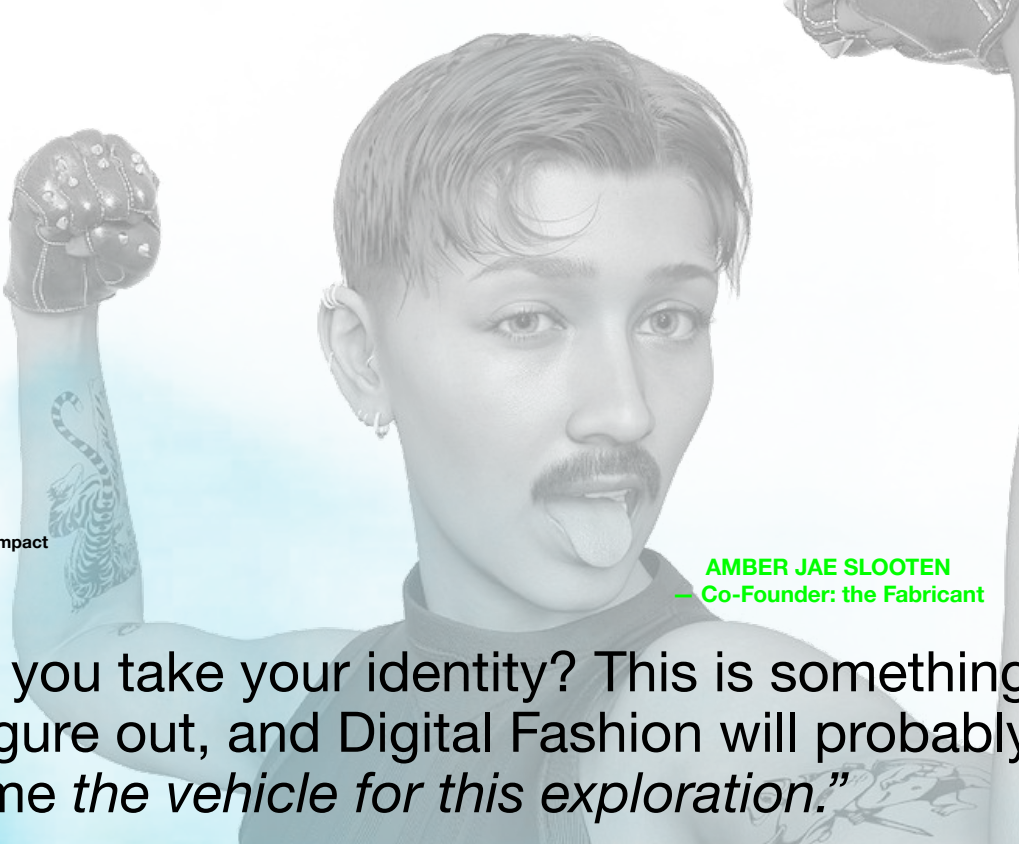
Beata  
Wilczek

Sustainability & Social Impact  
The Dematerialised



Marcus  
Ray

Global Marketing Director  
VIRTUE



AMBER JAE SLOOTEN  
— Co-Founder: the Fabricant

“How far can you take your identity? This is something we need to figure out, and Digital Fashion will probably become *the vehicle for this exploration.*”



# A Truly Global Study: The Quant

## APPROACH:

We surveyed *3,000*  
digital consumers  
worldwide.

## GENDER SPLIT:

Female *51%*  
Nonbinary *1%*  
Male *48%*

## AGE:

33% Gen Z  
52% Millennial  
15% Gen X

## X8 Markets:

US, *Mexico*  
UK, Germany  
*South Korea*  
Saudi Arabia  
*Egypt, UAE*

# Who did we survey?

① Not just the *tech fanatics*.  
We spoke to innovators, early adopters, and both the early and late majority.

Q: Which of the following best describes you?

52%

I am often the first of my friends to discover and adopt new trends.

38%

I am not always the first to discover new trends but don't hesitate to adopt them once I do.

18%

I typically adopt trends once they've become a bit more mainstream.

SURVEY SCREEN-OUT: REJECTORS OF NEW TRENDS  
(RARELY/NEVER ADOPT NEW TRENDS)







# What were they interested in?

② Not just Gamers. We spoke to consumers with a broad range of active interests and knowledge in culture (53% of our sample ARE NOT self-identified gamers)

Q: My friends would describe me as someone who is always up to date with what's going on in \_\_\_\_\_.

## SURVEY SCREEN IN:

56% New Technology  
52% Online Culture/New Media  
51% Fashion  
46% Gaming  
27% Art & Culture

57% Music  
53% Film  
46% The News  
41% Travel  
41% Health & Wellness  
39% Beauty  
30% Pop Culture

**VIRTUE**

THE AGENCY POWERED BY

**INDEX**

: A Global Report on Digital Fashion

**SCREENWEAR** PAPER

01 Into the Metaverse

02 Digital Fashion Now

*03 Digital Fashion Next:*

*↳ A Guide for Brands & Creators*





# A short history of the *Future*



—1999  
Snow Crash



—2011  
Ready Player One



—2014  
SNAPCHAT  
Releases  
lenses  
/ filters



—2018  
Carlings: world's  
first digital-only  
clothing collection



—2019  
Nike patent  
Crypto Kicks  
AR sneaker  
try on becomes  
widely available



—2020  
Gucci x  
Gaming  
(gucci collab  
with fnatic)



2020  
Animal  
Crossing  
x Valentino



2020  
Balenciaga  
Afterworld the  
Age of tomorrow.



—2021  
Adidas launches  
ADIVERSE: 1st  
collection sells out  
for 22 million USD



—2021  
Nike Acquires  
RTFKT studios

COVID HITS

2020

2021



—2003  
Second Life



—2009  
BITCOIN  
Satoshi Nakamoto  
+ BLOCKCHAIN



—2015  
Ethereum  
+ Dcentraland  
founded.



—2016  
First  
Crypto  
Kitty  
sale

—2016  
Bitmoji  
reaches  
the masses

—2016  
Pokemon Go



—2020  
Avatar  
start up  
Genie  
gets funded

—2020  
Apr  
Travis Scott  
& Fortnite



2021  
Zepeto  
raised \$150  
million.  
Luxury brands  
experiment



—2021  
Beeple sold  
an NFT for  
\$69 million



—2021  
META  
Announcement  
Facebook  
name/direction



The metaverse is  
*Already* widely and  
very positively accepted  
as a concept.

Q: When you hear the word "Metaverse,"  
how do you immediately feel?

83%  
Positive

83% of global respondents have a (net)  
positive perception of the metaverse.

Curious (50%)

Intrigued (38%)

Excited (36%)

Inspired (26%)

Concerned (19%)

Skeptical (15%)

Confused (13%)

Disinterested (7%)

Cred: RTFKT



# 2022: The year of *Metacceleration*.

# 76% ↗

Of Global Respondents  
are willing or actively planning to  
engage with a metaverse-related  
brand or platform in the next  
12 months.

Q: Would you consider using these metaverse  
experiences in the next 12 months?  
(From December 2021)



# Adoption of a variety of existing metaverse experiences is high.

Q: Which of the following do you actively use?

## 65%

### Virtual Reality

- Virtual meetups/chat rooms
- VR headsets/equipment
- Virtual events/experiences

## 59%

### Augmented Reality

- Social media filters/lenses
- AR on their phones

## 46%

### Digital Currency

- Cryptocurrency
- Crypto wallet
- Crypto marketplaces

## 39%

### Game Immersion

- Avatars/skins in video games



# Virtual goods aren't niche purchases:

# 82%

## Have already purchased a virtual good

53%

Crypto users

– and *half* of those are  
*Not Crypto* users.

\*Crypto users: Respondents who use a crypto wallet,  
crypto marketplaces, and/or cryptocurrency.

47%

Not Crypto users

# Virtual shopping occurs across a range of audiences *(Yes, the metaverse appeals to more than Gamers).*

Q: Which of the following experiences do you actively use?

## Non-Gamers

### Top Experiences For Non-Gamers:

- ① Social media filters/lenses
- ② Virtual meetups
- ③ Virtual events/experiences

(54% of Global Respondents)

85% of those who are NOT up to date in gaming engage in metaverse experiences.

(Non-Gamers Include: Media Mavens, Techies, Art Culture Fans, Fashionistas)

## Gamers

### Top Experiences For Gamers:

- ① Avatars/skins in video games
- ② Social media filters/lenses
- ③ Virtual meetups

(46% of Global Respondents)

94% of those who are up to date in gaming engage in metaverse experiences.

# Virtual purchases align with IRL interests, but everyone is buying fashion.

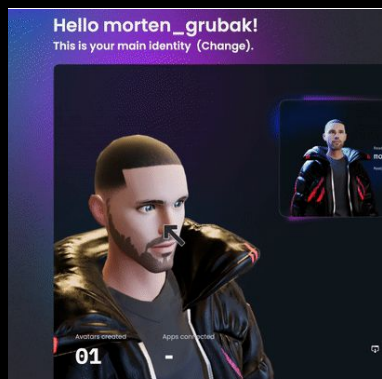
Q: Have you ever purchased a digital product/"virtual good"? SELECT ALL THAT APPLY



IRL main interest

## Gaming

- ① Avatar
- ② Currency
- ③ **Fashion**



IRL main interest

## Technology

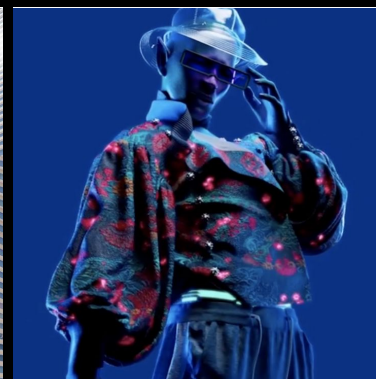
- ① Currency
- ② Avatar
- ③ **Fashion**



IRL main interest

## New Media

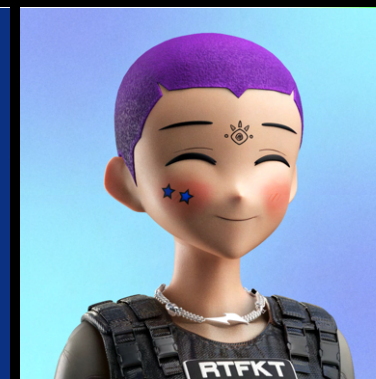
- ① Currency
- ② Avatar
- ③ **Fashion**



IRL main interest

## Fashion

- ① **Fashion**
- ② Currency
- ③ Avatar



IRL main interest

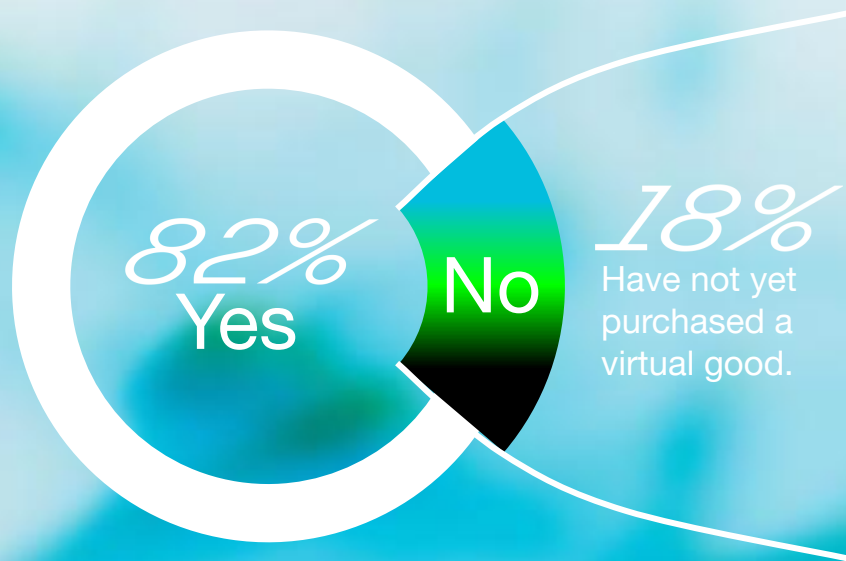
## Arts & Culture

- ① Avatar
- ② **Fashion**
- ③ Currency



# ***Less than 5%*** of people *never* see themselves buying in virtual goods.

Q: Have you ever purchased a digital product/virtual good? YES / NO



**18%**  
Have not yet  
purchased a  
virtual good.



**42%** ✓  
of them foresee themselves  
purchasing virtual goods  
in the future.

**31%** ○  
are unsure  
at this time.

**27%** ⊗  
Do not foresee  
themselves purchasing.

So **73%** of  
the non-purchasers  
are ready to be  
persuaded.

Less than **5%** of the  
global respondents will  
never enter the virtual  
goods market.

# What Role do *Virtual Goods* Play in their Lives?

# Not everyone is equally established in the virtual world — purchase of *Currency* and *Avatars* are key differentiators.

Q: Have you ever purchased a digital product/'virtual good'?

## Meta-established



People who own currency and an avatar.



## Meta-curious



People who *do not* own digital currency or an avatar.







## The Meta-established *Journey* has several layers.

**Q:** Have you ever purchased a digital product/'virtual good'?  
Select any/all that apply.



Settle & Thrive:



Distinguish & Share:

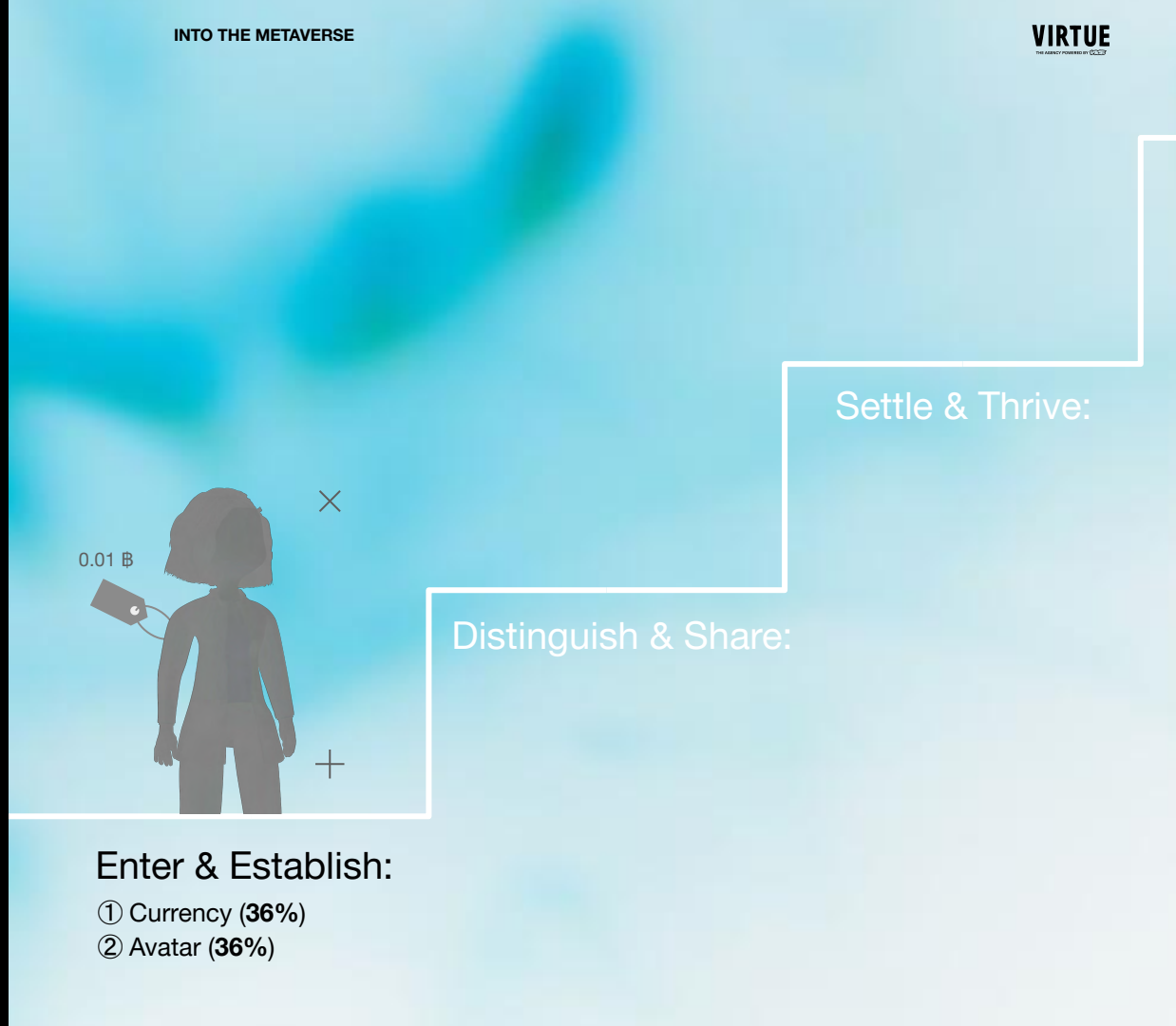


Enter & Establish:

## The Meta-established *Journey : Level 1*

Purchasing an avatar  
is the first step in truly  
establishing oneself in  
the Metaverse.

**Q:** Have you ever purchased a  
digital product/'virtual good'?  
Select any/all that apply.



Settle & Thrive:

Distinguish & Share:

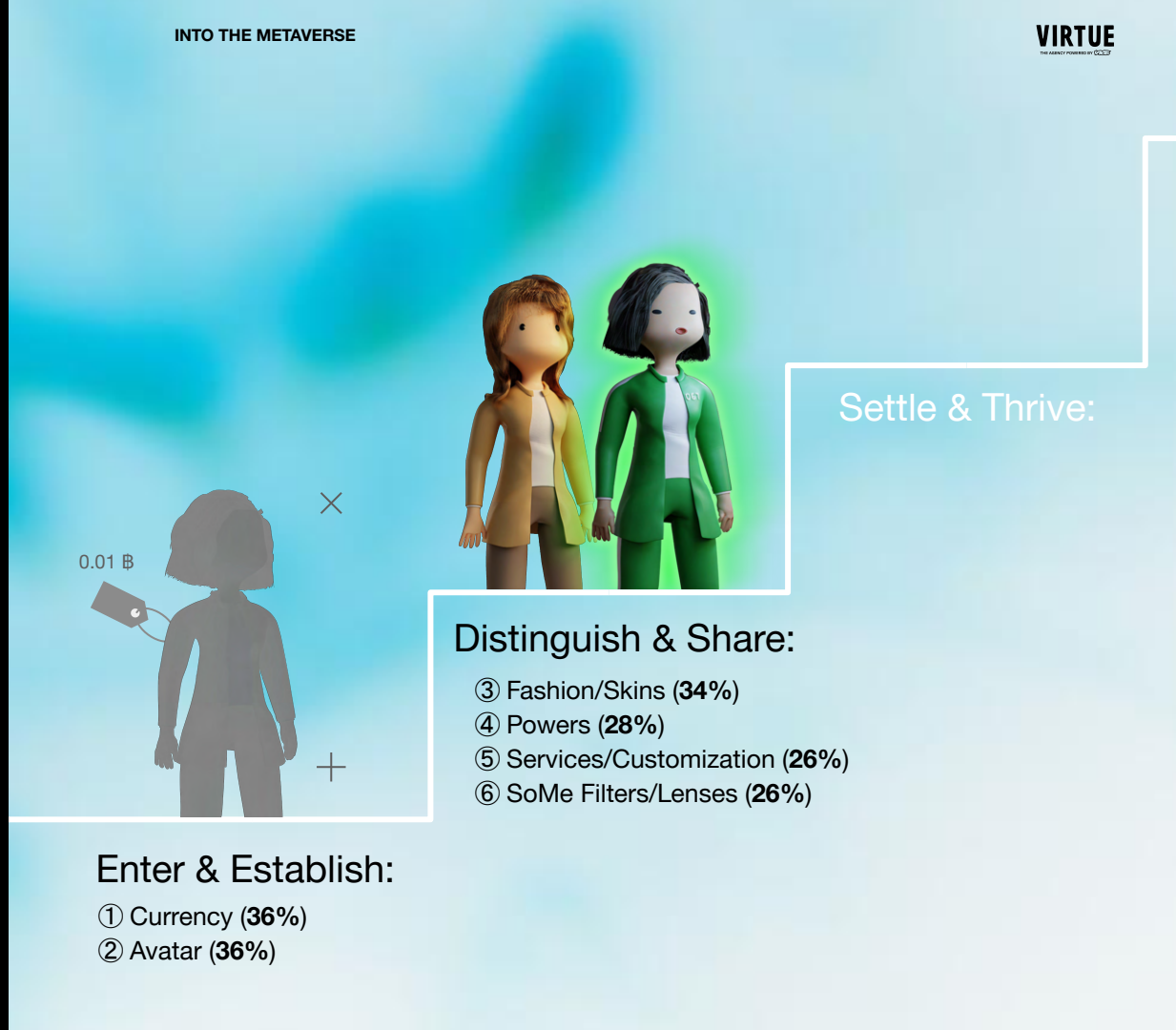
Enter & Establish:

- ① Currency (36%)
- ② Avatar (36%)

## The Meta-established *Journey : Level 2*

Once they have a digital self, they'll start to enhance and express it's identity.

**Q:** Have you ever purchased a digital product/'virtual good'?  
Select any/all that apply.

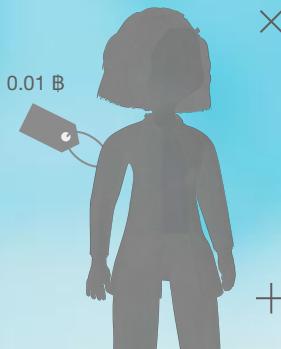




## The Meta-established *Journey : Level 3*

Eventually, they'll build  
a lifestyle around this  
digital *self*.

**Q:** Have you ever purchased a  
digital product/'virtual good'?  
Select any/all that apply.



### Enter & Establish:

- ① Currency (36%)
- ② Avatar (36%)



### Distinguish & Share:

- ③ Fashion/Skins (34%)
- ④ Powers (28%)
- ⑤ Services/Customization (26%)
- ⑥ SoMe Filters/Lenses (26%)



### Settle & Thrive:

- ⑦ Collectibles (22%)
- ⑧ Tools (21%)
- ⑨ Land (20%)
- ⑩ Artwork (16%)



Those who are  
*Meta-Established* are  
3x More likely to have purchased  
*30+ Virtual Goods* than those who aren't.

# A Meta-Curious Journey

Those who *aren't* *meta-established* buy virtual goods to enhance the online identity they already have.



## Settle & Thrive:

- ⑤ Collectibles (16%)
- ⑥ Land (13%)
- ⑦ Artwork (12%)
- ⑧ Tools (11%)

## Distinguish & Share:

- ① Fashion/Skins (22%)
- ② Social Media Filters/Lenses (18%)
- ③ Powers (16%)
- ④ Services/Customizations (16%)
- ⑤ Social Media Filters/Lenses

Social Media purchases rise from #5 for Meta-established to #2 for Meta-curious

## Enter & Establish:

- ① Currency (0%)
- ② Avatar (0%)



# But **Meta-Curious** or **-Established**, *Digital Fashion* is always the *Top Goods Purchase*.

Q: Have you ever purchased a digital product/'virtual good'?

## Meta-established



TOP PURCHASE

- ① *Digital Fashion*
- ② Powers
- ③ Customizations

①

*Digital Fashion*  
but how they **use**  
that digital fashion differs

## Meta-curious



TOP PURCHASE

- ① *Digital Fashion*
- ② SoMeFilters/Lenses
- ③ Powers



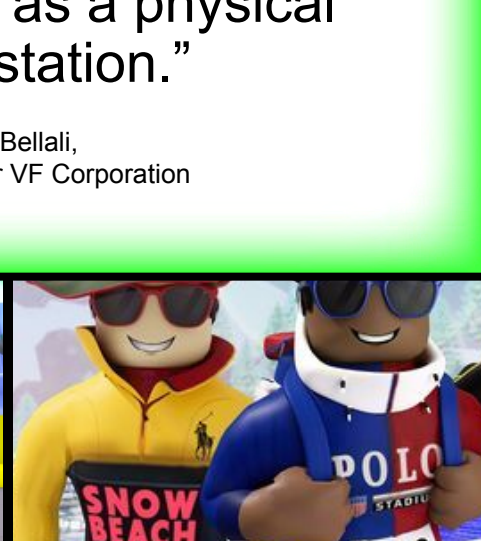
SCREENWEAR

INTO THE METAVERSE

VIRTUE  
THE AGENCY POWERED BY VCCP

“It has become pretty obvious that fashion products don’t always need to exist as a physical manifestation.”

Safir Bellali,  
Senior Director VF Corporation







**VIRTUE**

THE AGENCY POWERED BY VICE

**Prediction:**

***Over the next 3 years:***

As Meta-curiosity increases and the technology improves, avatars will become commonplace and most people will own several virtual fashion items.




SCREENWEAR

VIRTUE

# 02 Digital Fashion Now





“Digital fashion will become  
*a vital revenue stream* for  
every fashion retailer.”

Matthew Drinkwater  
LCF Digital Innovator

# Digital Fashion is ~~years into the future~~ NOW

**1** IN **3**  
global respondents  
have *already purchased*  
digital fashion.

Q: Have you ever purchased a  
digital product / virtual good?

(A: Fashion)

Gen Z **38%**

Millennials **33%**

Gen X **25%**

Mexico **43%**

Middle East **39%**

Korea **33%**

UK **31%** US **29%**

Germany **29%**





# Digital Fashion buyers are **not** all Crypto users.

\*All Digital Fashion Purchasers Globally.

Q: Have you ever purchased a digital product/"virtual good"?

(A: Fashion)

## Digital Fashion *Purchasers*



# Why do they Buy?

# Top 5 Reasons For Purchase: Digital fashion is an investment, a community...

Q: Why Do You Purchase Virtual Goods?

## #5 EARNING POTENTIAL

- ⇒ To **Invest** long-term
- ⇒ To **Make Money** short-term

Digital Fashion  
Purchasers 38%  
Global Responders 40%



## #4 BELONGING

- ⇒ To take part in a **New Trend**
- ⇒ To be part of a **Community**

Digital Fashion  
Purchasers 41%  
Global Responders 33%





# Top 5 Reasons for purchase: It's a way to enhance lifestyle and digital experiences...

Q: Why Do You Purchase Virtual Goods?

## #3 ACCESS

→ Have something  
I can't have **IRL**

→ Own a specific  
**Brand Collab**

→ Own a  
specific **Brand**

Digital Fashion  
Purchasers **45%**

Global Responders **36%**



## #2 UTILITY

→ To use in  
**a Game**

→ To use in a **Virtual  
Social Experience**

Digital Fashion  
Purchasers **67%**

Global Responders **55%**





...but most of all, digital fashion is the *fabric of identity* in the digital world.

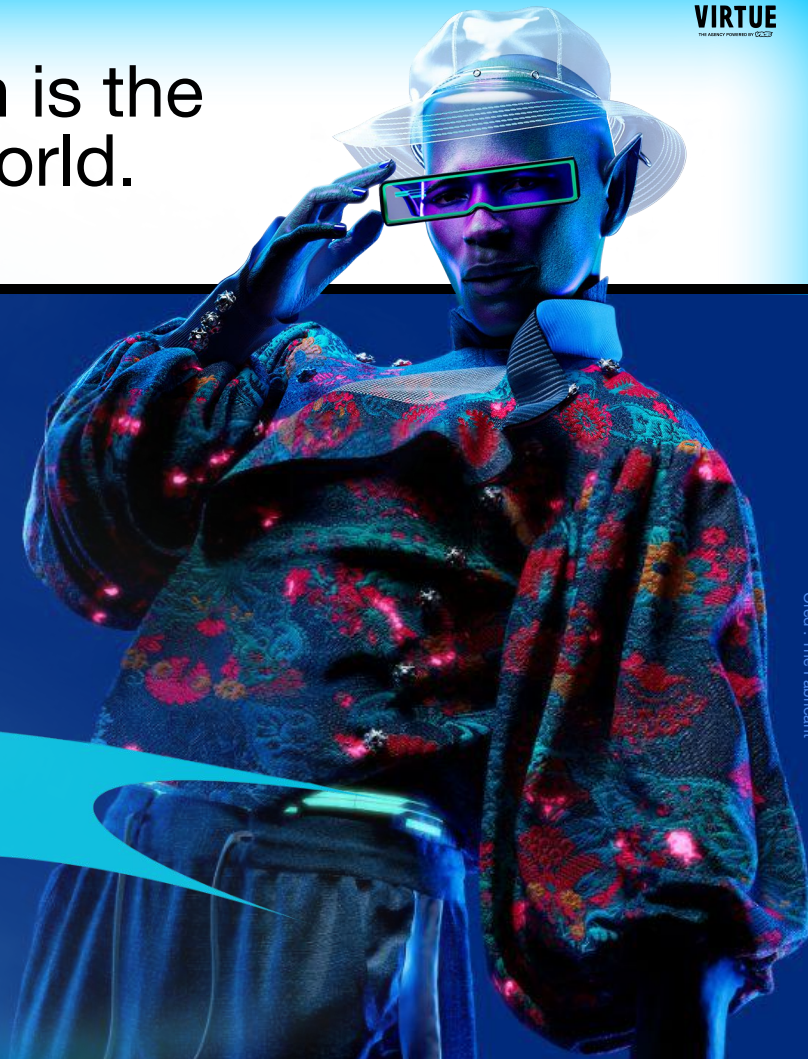
Q: Why Do You Purchase Virtual Goods?  
Meta-Established = Those Who Have Purchased Currency + Avatar

# #1 IDENTITY

- To create/enhance a **Digital Identity**
- To own something **unique**
- To **express** Themselves

Digital Fashion  
Purchasers 70%  
Global Responders 57%

...and 63% for Digital Fashion  
purchasers who are also  
Meta-established



**VIRTUE**

THE AGENCY POWERED BY VICE

## Prediction:

We'll see deep exploration and experimentation of other potential selves  
*beyond digital twinning.*

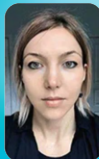
"I believe that we're all going to have a digital twin, sort of like an alter-ego."

Nicola Formichetti  
Creative Director Nicopanda / Lady Gaga



"Fashion in any form is an extension of your identity. I think you have to totally reinvent the wheel, do something specifically in the digital space."

Lucy Delacherois Day  
Managing Director, i-D



"It's not like you have to be one version of yourself. You could be multiple versions as long as it feels like it's you. I think that's important."

Amber Jae Slooten  
Co-founder, The Fabricant



"I think the consumer more and more is evolving into a multiple-identity approach. So I think digital fashion can be the interesting part of that."

Carol Hilsum  
Senior Director of product Innovation Farfetch



## VIRTUE

### Provocation:

# What new limits will we find and accept as physical boundaries dissolve?



“Can you be a body that is not yours?  
Can you be an ethnicity that is not yours?  
How far can you take your identity?”

Amber Jae Slooten  
The Fabricant



“You can create garments that could never exist in real life. The possibilities are endless, the only barriers are what we can currently do with them. Everyday we're eroding those barriers.”

Sallyann Houghton  
EPIC Games



# Digital fashion is already just as valuable as IRL fashion.

Q: In general, would you expect to pay more or less for a digital fashion item compared to its physical version (i.e., its physical twin)?

2 *IN* 3

would pay the same  
or **MORE** for digital fashion  
vs. its physical twin.

Digital Fashion Purchasers **40%**  
Meta-established **46%**

65%

would pay the  
**SAME** or **MORE**

+\$+\$

37% would  
pay **MORE**

+\$

28% would  
pay **SAME**

÷\$

35% would  
pay **LESS**

# Leveraging gaming mechanics can upgrade that IRL value for brands.

## Case Study



“Identity is going to be a massive part of the future, and stores that enable the identity exploration that games offer are going to be the ones that I think are going to be most successful.”

Amber Jae Slooten, Co-founder The Fabricant



### GUCCI GARDEN x ROBLOX — Dionysus Bag

Bought for \$6 USD/ 475 Robux,  
**THEN** traded in Roblox for \$4115 / 350,000 Robux  
**\$800 MORE** than the physical version.

# Creating virtual spaces can also enhance the experience of physical fashion.

## Case Study



**Converse Renew Labs:**  
Virtual store to showcase sustainable prototypes (Virtue)  
[www.renewlabs.com](http://www.renewlabs.com)

**Balenciaga:**  
Afterworld, videogame.  
**Age of Tomorrow Collection**  
[www.videogame.balenciaga.com](http://www.videogame.balenciaga.com)



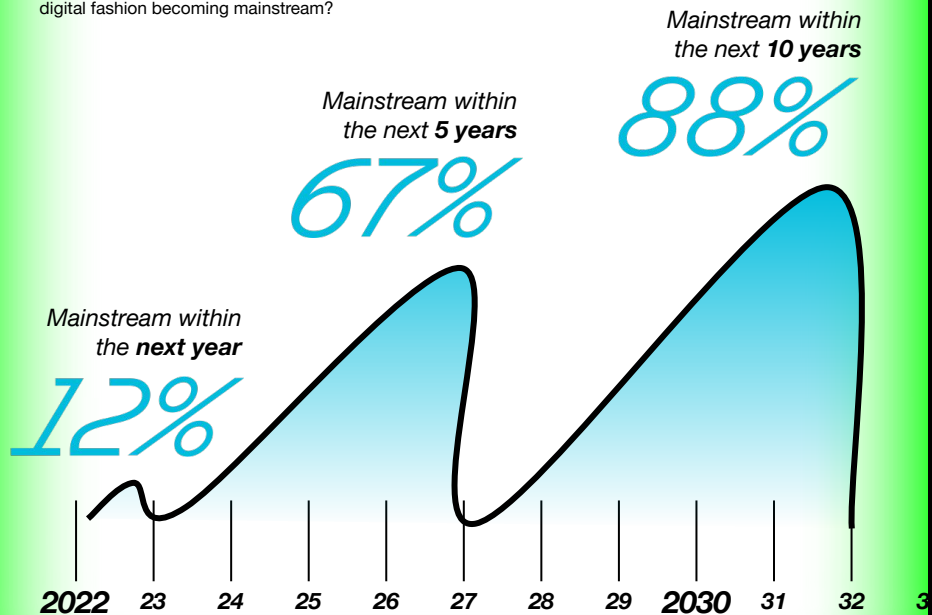
“Digital fashion experiences to me are so exciting because it means that people can have a more enhanced and joyful experience of products.”

Carol Hilsum — Farfetch Senior Director of Product Innovation



# Digital fashion is on the brink of becoming mainstream.

Q: When do you foresee digital fashion becoming mainstream?





Digital Fashion is expected to form a major part of consumers' wardrobes over the next few years.

Q: What percentage of your overall wardrobe do you think will be digital 5 years from now?

Global respondents expect

46%

of their wardrobes to be digital 5 years from now.





“I think you will see total *acceptance* in 5 years of *digital assets* being an integral part of the *fashion business*.“

Matthew Drinkwater  
LCF Digital Innovator



# VIRTUE

THE AGENCY POWERED BY 

## Prediction:

*By 2027, we'll use digital fashion to both enhance and entirely replace items in our wardrobes.*

"We have the opportunity to redefine what a wardrobe updates looks like."

**Matthew Drinkwater**  
LCF Digital Innovator



# They'll wear all categories of digital fashion, but **1 in 3** would purchase **full outfits**.

Q: Which of the following digital fashion items would you most likely consider purchasing in the future, whether for yourself or for an avatar?

## Top products

they would most likely consider  
purchasing in the future





# They'll experiment with beauty, accessories, costumes, and more.

Q: Which of the following digital fashion items would you most likely consider purchasing in the future, whether for yourself or for an avatar?

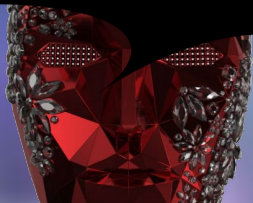
## Top products

they would most likely consider  
purchasing in the future

30%  
Hoodies



27%  
Costumes



Forget the real-world  
constraints of physics.

23%  
Body Armour



30%  
Jewellery



27%  
Dresses



24%  
Handbags



22%  
Wigs / Hair



28%  
Pants / Jeans



26%  
Makeup



23%  
Backpacks





“Digital garments can change and evolve over time *(unlike physical garments)*. There's always a life after the purchase”.

Benoit Pagotto  
Co-founder, RTFKT

KEBZORK  
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**VIRTUE**

THE AGENCY POWERED BY VICE

## Prediction:

New categories of clothing will emerge as a result of digital fashion. Why just recreate real world fashion when you have no limits?







# The state of the digital fashion market *today*



# There are many ways to wear Digital Fashion

The modes of digital fashion

Author: Karinna Grant

Categorisation of Digital Fashion Typologies

Δ Σ < A T

GARMENT

Physical

Using Virtual technology to showcase physical items. E.g. Virtual Models (PLT), virtual sampling, creating ad campaigns.



Digital



Direct-to-Avatar purchases. Digital fashion on digital selves. E.g.: Fortnite /Animal Crossing / Genies

Digital

Smart Physical garments with digital extensions (Carlings), blockchain authentication (MCQ), or Smart/ Reactive Textiles.



Digital Fashion on IRL selves or in retail stores. AR/ CGI overlay in physical environments. Created with social media filters or digital tailoring (Virtual Rags).

Physical

ENVIRONMENT

A diverse set of brands is getting involved in this emerging category.

A snapshot of key players in digital fashion, including brands, retailers, creators distribution platforms, and channels.

ΔΣ<┐



# Brands and platforms are collaborating across universes and realities.



**COMMUNITY-DRIVEN**

**Adidas: Prada Re-Source**  
Interactive creator-owned art project facilitates the education of new communities from art, fashion, and beyond.



**PHYGITAL FASHION**

**NikeLand x Roblox**  
A truly playful, collaborative, entertaining, and holistic experience for users.



**SHARED EQUITY**  
(CREATOR-OWNED)

**Auroboros x IoDF**  
“Biomimicry” was the first digital fashion brand to be scheduled at a major fashion week.






“The idea that a *digital asset* could be that *passport* to multiple brand experiences, is another way for *brands to leverage* their assets and their heritage.”

Matthew Drinkwater  
LCF Digital Innovator



# *Digital Fashion Next: A Guide for Brands & Creators*



A man with a beard, wearing a black turtleneck, a black and olive green puffer jacket with 'THE NORTH FACE' logo, and shiny, reflective silver pants with a leopard print pattern on the side, is leaning against the rear of a silver Mercedes-Benz 230E. The car is parked on a street with a wall covered in graffiti in the background. The license plate is 'B-HV 124H'.

“Do brands have a role to play?  
Of course. But because they aren’t  
footing the bill, they’ll have to work as  
hard as everyone else to be relevant.”

Morten Grubak  
Global Executive Creative Director  
VIRTUE Futures



# 3 guiding principles for brands and creators to navigate this space.



① Design for Identity



② Build a Seamless Experience



③ Code for the Collective

# ① Design for Identity

# Use the endless possibilities of digital design to bring new levels of creativity to fashion.

Q: Complete the following sentence based on how you foresee digital fashion influencing the fashion industry overall:

Digital fashion will make the fashion industry more \_\_\_\_\_” Select any/all that apply.



1 *IN* 2  
Global  
Respondents  
say...

“Digital fashion  
will make fashion  
*more creative*”



“Digital fashion also has introduced a new perspective for design needs, one that is no longer reliant on functional necessities. Instead, there is a shift towards prioritising emotional and social needs.”

Safir Bellali  
Senior Director, VF Corporation



“We all spend more time in digital environments, we all want to invest in that time and invest in ourselves and who we are in that space.”

Sallyann Houghton  
Epic Games



# Focus on design & uniqueness

**Q:** How likely are the following to influence your desire to purchase a piece of digital fashion?



65%

**OF GLOBAL RESPONDENTS**

Design is likely to influence their digital fashion purchase.

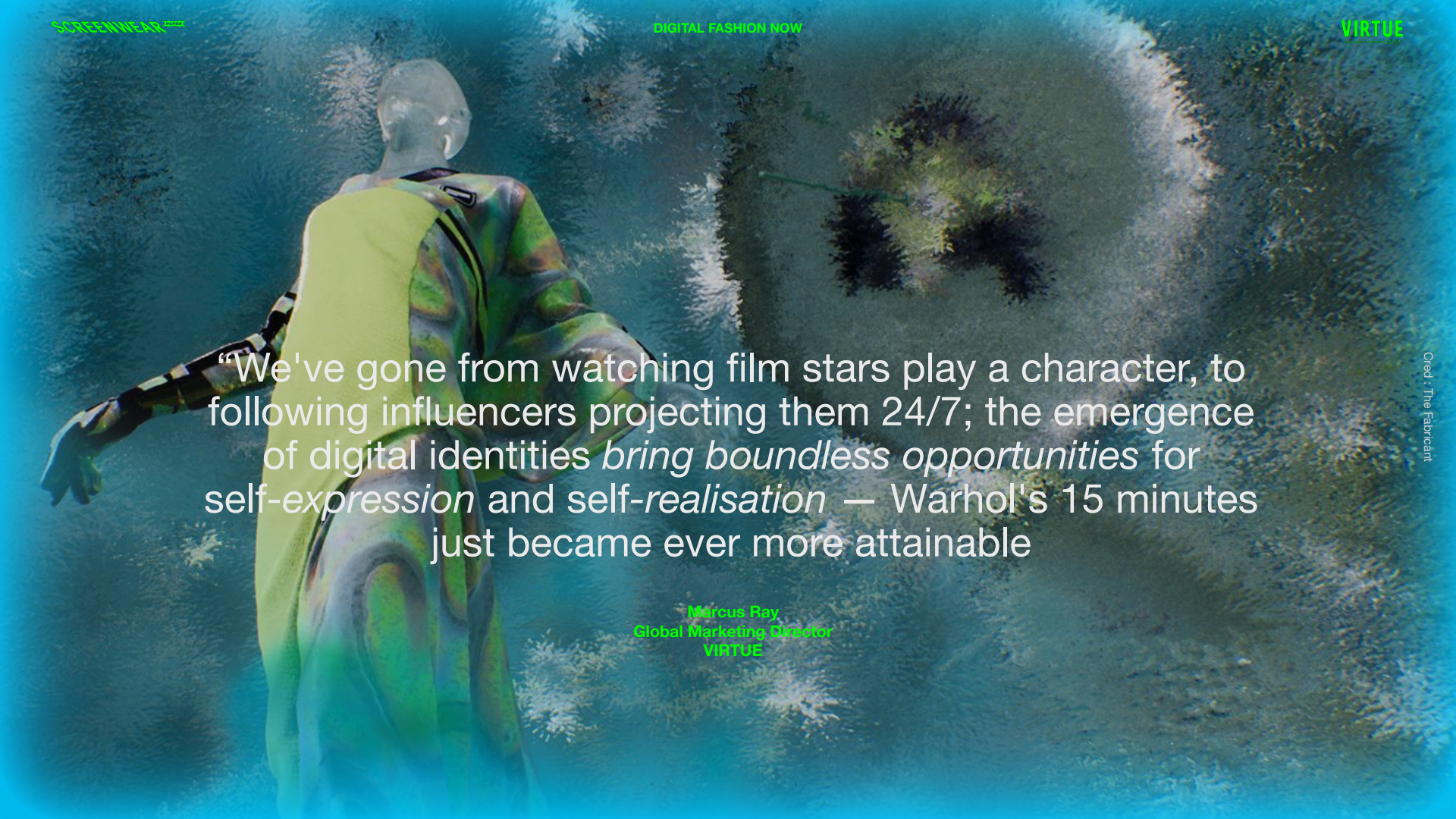


58%

**OF GLOBAL RESPONDENTS**

“Uniqueness” is likely to influence their digital fashion purchase





“We've gone from watching film stars play a character, to following influencers projecting them 24/7; the emergence of digital identities *bring boundless opportunities* for self-expression and self-realisation — Warhol's 15 minutes just became ever more attainable

Marcus Ray  
Global Marketing Director  
VIRTUE



# Allow for co-creation of personal style.

**Q:** How likely are the following to influence your desire  
to purchase a piece of digital fashion?



**64%** *The ability to personalise it*  
is likely to influence digital  
fashion purchase.

*The ability to make/customise  
content from it* is likely to  
influence digital fashion purchase

**60%**

# Lean into the success of gaming mechanics and communities.

“It’s about taking all the best characteristics of gaming, and the sophistication of gaming engines and pulling those into the fashion industry: being *community driven*, collaborative, open source and about sharing. This merge of tech (the digital assets) and creativity (fashion)”.

Sallyann Houghton  
Epic Games

“If you look at Balenciaga, Gucci, Louis Vuitton - A lot of those established luxury brands have embraced *gaming*, taking on almost a less serious approach. It's fun, it's gamified, it's speaking to a very different demographic in a very different way”.

Safir Bellali  
Senior Director  
VR Corporation



# ② Build a Seamless Experience



Consider *how often*, in how many places, and what ways it can be *experienced*.

**ff** *Utility is key* when it comes to adoption of virtual fashion and continued engagement in the metaverse. It's what creates the pin-drop moment, when the value of virtual experience becomes apparent, and what builds lasting communities.

Creating value in the metaverse goes beyond a marketing campaign, revenue-generation exercise, or UX mindset. It's about launching a part of a brand or creator's identity, which requires a crafted strategy and genuine value exchange for owners.

THE DEMATERIALISED



# Be prepared to show them why, where, and how to experience your products

Q: Why have you not purchased any virtual goods?

Reasons for NOT PURCHASING digital goods...

18%

Have not yet  
purchased a  
virtual good.

#1

*"I haven't needed one."*

#2

*"I'd rather something tangible."*

#3

*"I don't know enough about them."*

Make items easy  
to buy and to use.



INFLUENCES OF PURCHASE:

TOP INFLUENCES OF PURCHASE:

TOP INFLUENCES OF PURCHASE:

TOP INFLUENCES OF PURCHASE:

TOP INFLUENCES OF PURCHASE:



#1

influence for global respondents:

*“Ease of purchase”*

#2

influence for global respondents:

*“How frequently  
I can use it”*



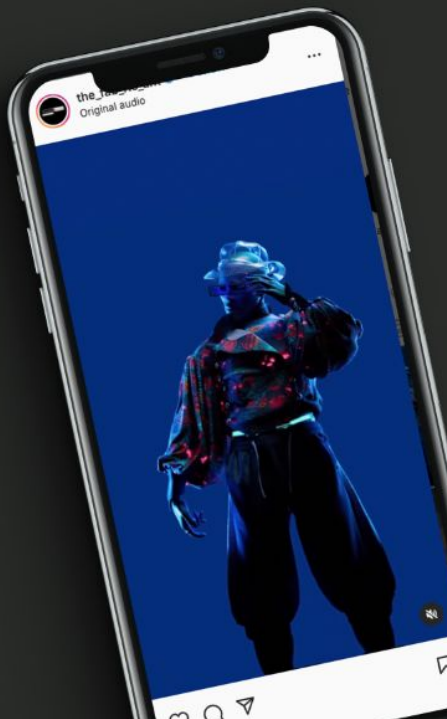
# Play in spaces people are familiar with.

Q: Where have you seen or heard about "digital fashion"?

**#1** Social media

**#2** Online content

**#3** Online ads



Q: Where can you recall digital fashion being used by people you know or people you follow?

**#1** In apps **43%**

**#2** On avatars in video games **42%**

**#3** On avatars on social media **36%**

**#4** On people in digital photos/images **33%**

**#5** In advertisements/content **32%**



Embrace new technology and assume it will improve faster than we think.



“The tech is still catching up with the creativity of creators, it lacks realistic motion, *how material falls and moves* is part of the experience. The AR fashion experience isn't there yet, but it will come”.

James Mack  
Designer + Art Director  
UAL London





“Digital design opens up the fashion arena to creatives from *outside of traditional tailoring.*”

This influx of varied skill sets will give birth to a boom of *borderless creativity.*”

Christine M Smith  
Senior Art Director + Digital Fashion Designer  
VIRTUE Futures





# ③ Code for The Collective

# Recognise the greater intention that consumers are shopping with.



“I try to remain more conscious about the sustainability of the products I buy, as well as the causes they support and who owns and works at the business. I'm more aware of the tendency for big businesses to support causes and communities with little thought or impact, and I try to support businesses that are truly invested in and led by members of marginalised communities.

Sustainability and workers' pay and rights are also factors that have become even more important to me.”

– GEN Z, Nonbinary, USA





“We're going to affect really significant change in the world if we're envisaging a metaverse where there is persistent digital content living all around us everywhere. I think everybody who is creating and contributing to that construct needs to be conscious of what we're building and how we build it, and that we do it in a way which adds value to our lives”

Matthew Drinkwater  
— IFA



*Inspire less waste*  
than current physical  
fashion models.

# 54%

**OF YOUNG PEOPLE**  
are paying more attention to a brand's  
**impact on the environment** before  
purchasing.

# 71%

**OF YOUNG PEOPLE**  
have **become more environmentally**  
**conscious** when shopping for fashion in  
recent years (75% Gen Z).



*Reduce carbon footprints  
so consumers don't  
have to.*

*Over The Next 10 Years...*

# Z in 2

**YOUNG PEOPLE**

Will boycott fashion brands that are  
not eco-friendly (2 in 3 Gen Z).

# 62%

**OF YOUNG PEOPLE**

Will give away or trade clothes with  
others to reduce material waste.



# Be prepared to move at pace, the technology and conversation is evolving daily.



“Not all NFTs and blockchain technologies are created equal. When collecting or creating NFTs anyone and everyone should consider both their environmental and social impact. Be sure to stay informed of the regulatory space in your market and the accessibility of your proposed project.”

**Benta Wilczek**  
Sustainability & Social Impact  
The Dematerialised



**“The complex conversation around sustainability and digital fashion is evolving at great pace.**

At The Dematerialised we operate on the LUKSO blockchain, which will use Proof of Stake vs Proof of Work, allowing our NFTs to be 99% less energy-intensive. Featured on the CLEANNFTS.org marketplace list we continue to advocate for more research on NFTs, and blockchain sustainability.”

**Marjorie Hernandez**  
Co-Founder  
The Dematerialised



People expect digital fashion to solve the problems *IRL fashion* still struggles with.

59%

OF GLOBAL RESPONDENTS SAY:

“Sustainability is likely to influence their desire to purchase a piece of digital fashion”

Q: In the next 10 years, do you believe the following to be true?  
People will buy less physical fashion items as a result of digital fashion.

52%

Agree

48%

Disagree



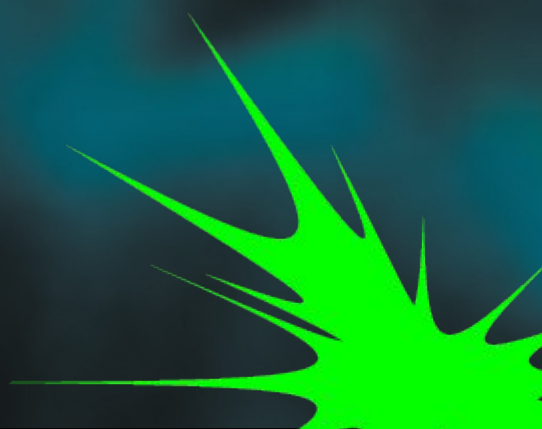
“I think the ultimate luxury move into the next 10 years will be all about positive impact or even more so the amount that a brand has given back.”

Lucy Delacherois Day  
Global Managing Director  
i-D



“Now, the power of digital is data. You can ask a question and can find the answer out there. You can trial something with live response and thereafter decide whether it goes into production or not.”

Leanne Elliott-Young  
Co-Founder  
Institute of Digital Fashion



# Utilising digital fashion *technology* to transform *physical* fashion business.

ROBERTSWOOD

“Virtual sampling allows us to try as many creative ideas as we need to iterate and develop them fully, without worrying about material waste.

In our small studio, we follow the ethos of Slow Fashion — creating less, but better.”

Items crafted in digital to be experienced in physical. Tailored to order



# *Be responsible and transparent* when it comes to production.

Over The Next  
10 Years...



40%

**OF YOUNG PEOPLE**  
will pay more attention to **how**  
a **product was made** before  
purchasing.

Value in environmentally responsible brand behaviour

“Gen Z is different. My sister and her friends check websites like Good on You before they buy something. They’re not going into the high street and buying something new each week.”

Robyn Lynch  
Menswear Fashion Designer

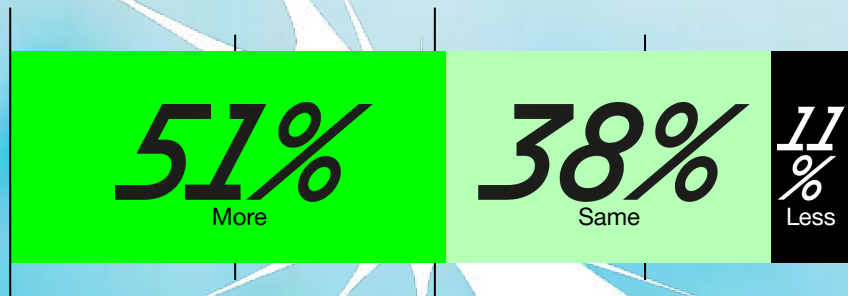
61%

**OF YOUNG PEOPLE**  
will do research on clothing  
brands’ **business practices**.

# Return the power to *individual creators*.

Q: Do you believe the metaverse will provide a more or less equitable arena for the following communities, compared to the world as we know it today?

INDEPENDENT ARTISTS/CREATORS:



“For creators, this is major. Before, to be a designer you needed an amazing network, a job at a brand, or fashion education. Now, as long as you have a computer, the right software and an internet connection, you can create things that might even compete with the biggest brands out there.”

Safir Bellali  
Senior Director  
VF Corporation

# Be *fair* in your approach to digital labour.

# 77%

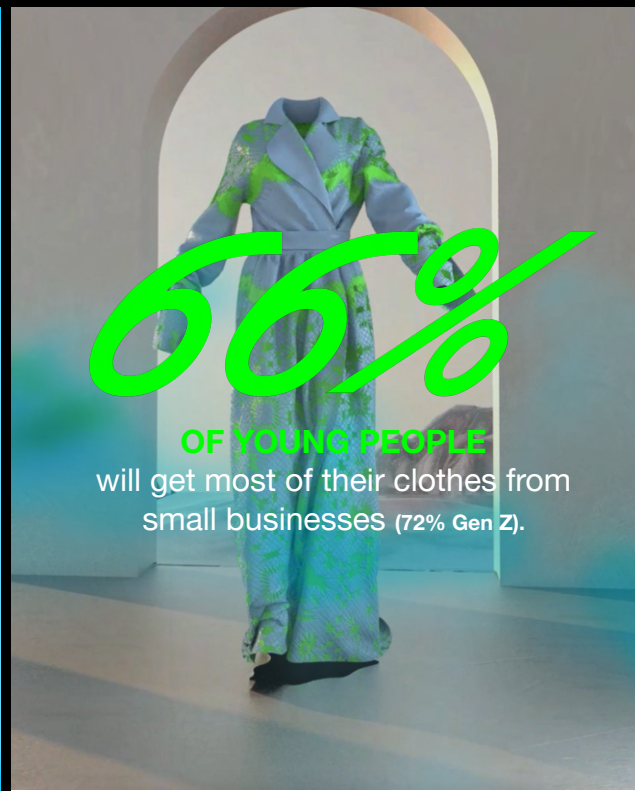
**OF YOUNG PEOPLE**  
will boycott fashion brands  
that exploit workers.

“We’re starting to see more and more roles appear. 3D Designers, Virtual Stylists, Virtual Tailors. Just think what roles are next; perhaps Metaverse Builders?”

Leanne Elliot - Young  
Founder  
Institute of Digital Fashion

# 66%

**OF YOUNG PEOPLE**  
will get most of their clothes from  
small businesses (72% Gen Z).





Include those  
who're often  
*excluded.*

*Only 10%*

**OF YOUNG PEOPLE SAY:**

“People like me can look amazing  
in every style of fashion.”

*64%*

**OF YOUNG PEOPLE SAY**

traditional definitions of identity  
(gender, ethnicity, age, etc.) impact  
**THEIR OPPORTUNITIES.**

*12%*

**OF YOUNG PEOPLE**

associate the word “**inclusive**”  
with “**fashion**”.

# Choose the side of the community.

SOURCE: VICE Media Group, Sustainability in Style Study, 2021; VICE Media Group's Activism As A Lifestyle Study, 2021

Over The Next  
10 Years...

1 <sup>IN</sup> 3  
YOUNG  
PEOPLE

Will **boycott** brands that don't  
have enough of a size range.

"I have a friend Jillian,  
who is in a wheelchair.  
I would have thought  
she'd want her avatar to  
fly and walk, but when  
I spoke to her she said  
no, I want to be on the  
wheelchair, because  
that's me."

Nicola Formichetti  
Creative Director  
Nicopanda / Lady Gaga

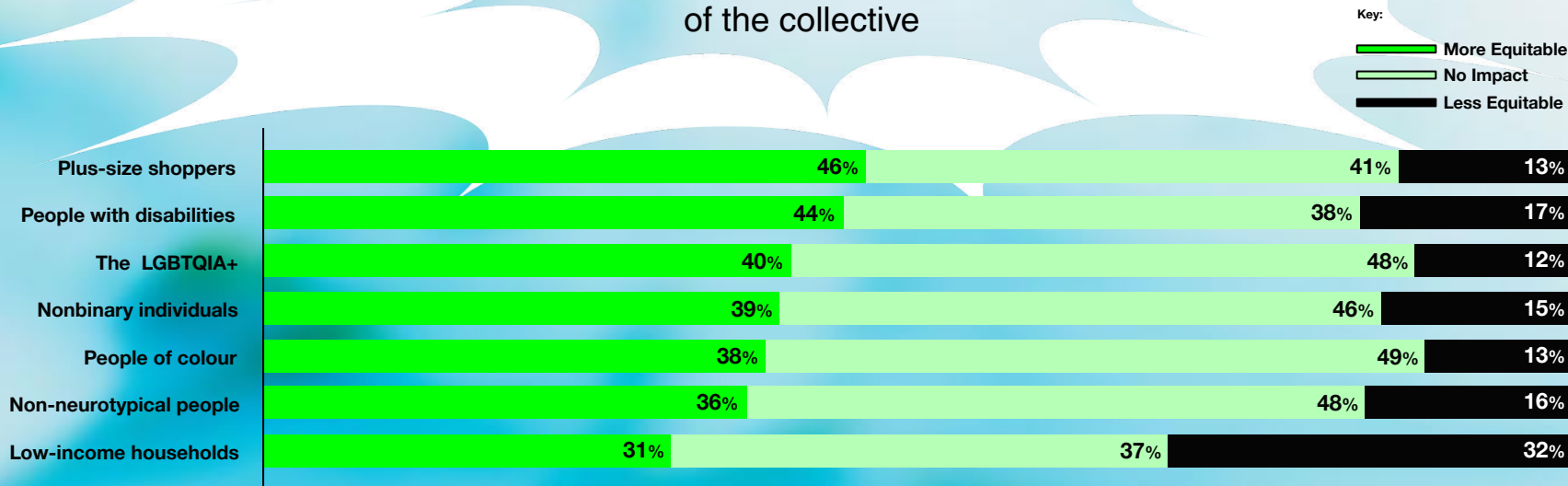
1 <sup>IN</sup> 3  
YOUNG  
PEOPLE

Will advocate for **size**  
and **gender inclusion**.  
(1 in 2 Gen Z)

# Seize the opportunity to create a more equitable world.

Q: Do you believe the metaverse will provide a more or less equitable arena for the following communities, compared to the world as we know it today?

Digital fashion *poses the potential to create a more equitable experience for the many.* Brands and creators should be on the side of the collective







“Digital fashion will be **pivotal** to the development of the metaverse. How we approach it over the next 5 years is **crucial**. As brands and creators we have both the **opportunity and duty to be responsible** in our practices. We all need to contribute towards cultural progress by creating more equitable and accessible experiences.”

Mikki Sandhu  
Global Innovation Strategy Director  
VIRTUE Futures

# Meet the *authors* of the report

**VIRTUE**  
THE AGENCY POWERED BY VICE

**Mikki Sandhu**

Global Innovation Strategy Director

VIRTUE FUTURES

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DMAT

**VICE** Insights

# Meet the *Creators*



**VIRTUE** ΔΣΑΤ  
THE AGENCY POWERED BY ΔΣΑΤ



*From Left to Right*

- Ben Walker** – Lead Graphic Designer – ufo.studio  
**Christine Smith** - Sr. Creative, Digital Fashion Designer - VIRTUE FUTURES  
**Tao Thomsen** - Creative Director - VIRTUE FUTURES  
**Adriana Goldenberg** – Metaverse Partnerships - DMAT  
**Alexandra Ilg** - Projects and Product - DMAT  
**Morten Grubak** – Global ECD, Innovation - VIRTUE FUTURES



**Authors:**

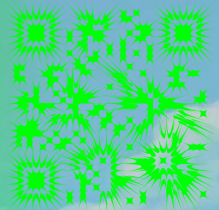
Mikki Sandhu - Global Innovation Strategy Director , VIRTUE

Christina Posa - Insight Director, VICE INSIGHTS

Karinna Grant - Co-founder & CEO, DMAT

SCREENWEAR POWERED BY  
*Thank You*

We'd love to hear from you. Please get in touch via email — or drop by our office in Decentraland if you want to chat in the metaverse. [VirtueFutures@vice.com](mailto:VirtueFutures@vice.com)



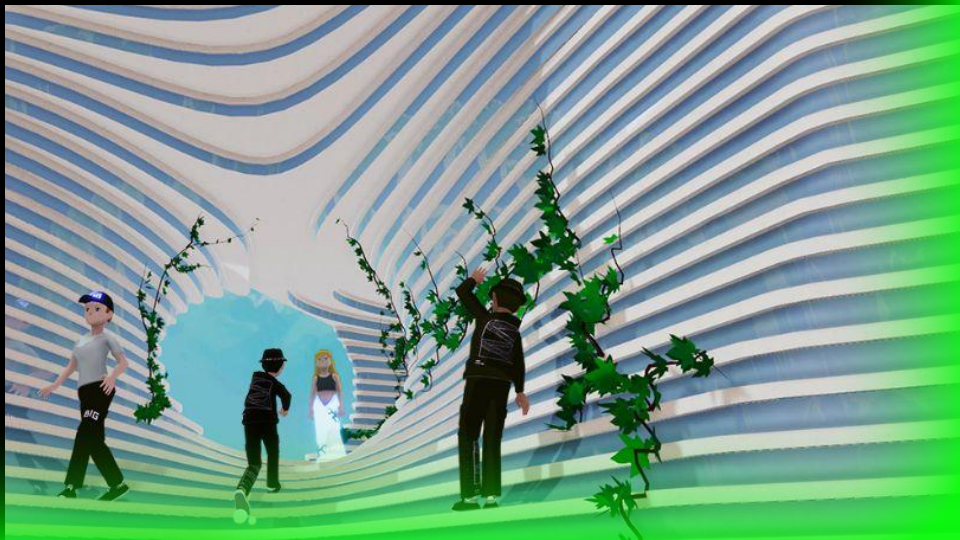
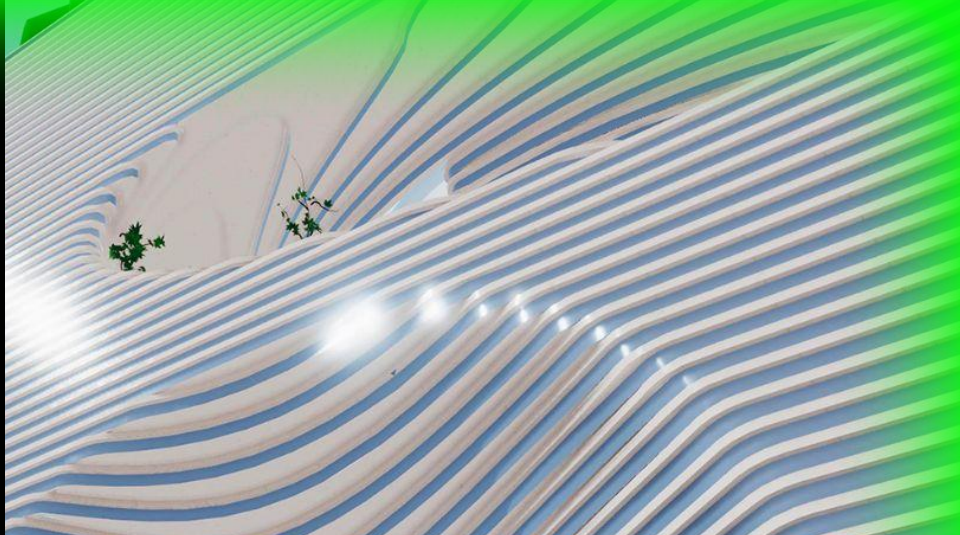
**VIRTUE**

THE AGENCY POWERED BY

**VICE** Insights

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Decentraland.org φ/λ: 51,74 — SoHo





# APPENDIX

**READY  
PLAYER  
ME**

3D AVATAR PLATFORMS  
2D AVATAR PLATFORMS  
AIs & VIRTUAL HUMANS

INNOVATION  
DAOS  
DIGITAL SUSTAINABILITY  
VCs  
EDUCATION

BLOCKCHAIN  
SMART CONTRACT  
PROTOCOL

GAME ENGINE TECH  
3D SCANNING  
CREATIVE TECH

2D ASSET  
3D ASSET

PFPs  
AVATAR  
PHYGITAL

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STRATEGY AGENCIES  
VIRTUE  
MARKET RESEARCH

EXPLORATION

IRL STORES  
IN-GAME SKIN RETAIL  
DIGITAL FASHION ECOMMERCE  
NFT MARKETPLACES  
SOCIAL COMMERCE  
RENTAL

$\Delta \Sigma \Delta H$

**RTFKT**

VIRTUAL SHOWROOMS  
MADE TO ORDER SaaS  
DIGITAL MEASUREMENT  
/VIRTUAL FITTING

HARDWARE SHOWCASING  
AR TRY-ON and LENSES  
(SOCIAL MEDIA)  
BESPOKE DIGITAL  
TAILORING

**DIGITAL FASHION  
ECOSYSTEM**

DEMAND

SUPPLY

GOVERNANCE  
AND GROWTH

VIRTUAL  
IDENTITY

DECENTRALISED  
METAVERSE  
(OPEN WORLDS)

PTEs  
POAPs  
BLOCKCHAIN-BASED METAVERSE

**Decentraland**

DIGITAL WARDROBES  
NON BLOCKCHAIN-BASED METAVERSE  
FASHION GAMING PLATFORMS  
NFT GALLERIES  
MMPORGs  
TRADITIONAL GAMING PLATFORMS  
FASHION APPS

CENTRALISED  
METAVERSE  
(CLOSED WORLDS)

MARKETING  
(HYPE GENERATORS)

IRL  
SHOWCASING

DIGITAL FASHION VIRTUAL  
COMMUNITIES  
INFLUENCERS  
SOCIAL MEDIA  
HOLOGRAMS  
URL/IRL/PHYGITAL EVENTS  
MEDIA and JOURNALISM  
BRANDS AND AGENCIES

**FORTNITE**

**VICE**

REFERENCE SLIDE ECOSYSTEM