



What Will Sustainable Luxury Brands Look Like in 2030?

A new report says sustainable luxury, especially for Gen Z, means more resale, rental, visual supply chains and inclusive “think-fluencers.”

By [Kaley Roshitsh](#) on March 10, 2021



Les Arts Décoratifs explores shifting definitions of luxury in a past exhibit. A look by Demna Gvasalia for Balenciaga.
Dominique Maître/WWD

For sustainable **luxury** players, newness, exclusiveness and elusiveness are all dated misnomers, according to a new report.

The report, titled “LuxCo 2030: A Vision of Sustainable Luxury” was published Wednesday by Bain & Company and Positive **Luxury**, the company behind the butterfly mark certification denoting luxury brands making a positive impact. The report’s aim is to showcase what a successful sustainable luxury brand (fantasized as “LuxCo” in the case study) will look like in 2030.

“One of the most difficult things for brands in **sustainability** is bridging the short-term goals with the long-term ambition,” said Matteo Capellini, associate partner at Bain & Co. “In this Bain brief, we’ve drawn on our research to fast-forward to 2030 and paint a picture of LuxCo, a thriving and sustainable luxury brand, as a call to action for brands and executives.”

Five strategic elements were at play for this mock “sustainability champion,” (which report authors reiterated is a plausible journey for brands to emulate), including brand purpose, growth decoupled from volume, a fully transparent and traceable supply chain, real inclusivity and a bottom-line driven by sustainability.

For all the talk about growth, the report affirmed that less is indeed more. Future-proofing luxury will require a mind-set shift that decouples growth from volume increases — a notion shareholders have acknowledged.

And why not make more money off the same quality item again and again? Ditching volume-based growth is buoyed by circular business models like **resale** and rental, which serve as a transition strategy. Reselling luxury goods could lift a brand’s profit margin by 40 percent in 2030, according to the forecast. With **resale** alone, revenue per product could increase by as much as 65 percent.

Meanwhile, rental represents similar gains. One luxury item typically rides out 20 rentals, earning a profit margin of 41 percent — all while acquiring new customers who might otherwise be unable to afford luxury prices.

Other themes identified in the report include assembling more diverse boardrooms and re-centering inclusivity as a pillar of sustainable luxury by working with “think-fluencers.” A step up from influencers simply telling social media users to buy a product, the think-fluencer is a conduit between brand and customer and a voice for telling brands what messages ring as tone-deaf or empty.

Noting how the “sustainability decade” is already well underway, the report narrowed in on the maturation of **Generation Z**, a cohort born between the mid-1990s to the early 2010s. As adults, Gen Z looks to reward brands that have a positive impact on the environment and society — and they **disconnect from those that do not**. Meanwhile, the pandemic was only an accelerant of these purchasing shifts.

Visual supply chain maps (detailing every component of a garment or accessory for shoppers perusing a brand website) are also a vision of the future, capturing trends toward localized, digitized and verticalized supply chains.

Commerce that gives back and detailed product end-of-life information will also become the norm among sustainable luxury mainstays, according to the report.

Metrics of success are no longer siloed or viewed in isolation, so financial performance becomes just another integrated indicator along with sustainability metrics (**often referred to as ESG**). Recently, extreme financial gains have been held up against environmental and social performance for closer examination. Take fast-fashion player Boohoo Group, the subject of repeat examination by the U.K. Environmental Audit Committee, **as an example of a changing tide**.

“Holistic” was a resounding keyword used throughout the report to describe the path forward for sustainability.

As Claudia D’Arpizio, a senior partner at Bain & Co., said, “The sustainability journey in luxury starts from redefining the brand purpose and creative vision.”

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