

The case study of a Luxury Street-wear Fashion Brand Off-White

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Abstract. Fashion has always been a controversial topic. In recent years, there has been an increasing number of fashion brands, but it seems that Off-White stands out as the leader in the whole luxury fashion industry. So this research paper not only qualitatively summarizes the reasons the famous luxury streetwear fashion brand, Off-White rapidly gained such popularity these years, but also reveals what makes Off-White blow out. This case study utilizes a SWOT structure throughout the article, which can be basically categorized into five different sections: the strengths, weaknesses, opportunities, threats, and potential survival plans or expansion for the future. It is noticeable that one of Off-White's biggest strengths is that it has built a long-term collaborative power with varied competitors and several celebrity endorsements. As a result, it only takes Off-White approximately five years to become the most prestigious luxury streetwear fashion brand all over the globe. While it is true that Off-White has faced much more difficulties, especially after the sudden death of its designer Virgil Abloh; living in such an era of digital media, in order to survive or broaden its reputation in the future, all they need to do is to seize this opportunity and utilize lawsuits to defend its legalized equities and keep collaborative partnerships with those rivals and superstars.

Keywords: Fashion; Streetwear Luxury; Market Strategies.

1. Introduction

1.1 The Establishment and Evolution of the Luxury Streetwear Brand Off-White

After the successful launch of Pyrex Vision, Virgil Abloh started scouting chances to construct a brand that would synergistically and eclectically bind streetwear and fashion elements with luxury. Abloh's ambition ultimately became into a reality in 2013 when he first established the street-wear fashion brand named Off-White. Although Abloh is American, he is based Off-White in Milan, the Italian capital of fashion and one of the liveliest European cities of the past decade when setting new fashion trends. The naming of the brand is anything but random and it could actually represents Abloh's ethos as a hidden meaning: "the gray area between black and white [is] the color of Off-White" [1].

The Off-White soon became a break-out brand despite being a "green hand" in a market concentrated by well-established corporations. In 2014, right after the atelier's launch, Abloh presented his collections under the spotlights of the Paris Fashion Week. By 2015, an increasing number of celebrities such as Beyoncé and Nicki Minaj had become patrons of the brand's women's collection, which severely broadened Off-White's fame all over the globe. Later, Abloh was a candidate for the prestigious LVMH Prize, which also significantly boosted his brand.

Off-White continued to grow steadily until 2017, when a partnership with sportswear brand Nike catapulted the brand into further mainstream popularity—moving it beyond the realm of boutique fashion. The first partnership between Nike and Off-White announced in 2017, "The Ten", not only embraced the youth culture but also included re-designing and re-releasing an exclusive limited collection of 10 of Nike's best-selling sneakers models.

1.2 A Glance at The Market

According to industry experts, in 2019, the global luxury market reported a 4% increase over the previous year, peaking at EUR 281 billion. In the luxury market, the luxury fashion segment, which

includes apparel, garments, footwear, and accessories, taking up approximately EUR 100 billion. are a major target for luxury fashion items.

This brand-new fashion genre, luxury streetwear, is about spotting and digging into the deeper potential of the sub-cultures, and then highlighting non-mainstream cultural movements. Hypebeast, one of the leading online fashion magazines, noted that between 2015 and 2018, brands such as Gucci and Louis Vuitton, which have somewhat traced their aesthetic from their traditional concepts rooted in classic archetypes of luxury toward street-wear's, saw a large increase in online searches for their new lines compared to their more traditional products. Simultaneously, the time of online interactions with items from these brands doubled, revealing how high-end street-wear showed a positive correlation with consumer attention [2]. While some high-end fashion labels have decided to achieve this goal by building up long-term collaborations with existing sportswear brands or increasing the scope of target customers (including new younger consumers), others have opted to appoint significant figures of the streetwear industry as creative directors.

However, it is noted that despite being less sensitive than traditional luxury, consumers keen on streetwear luxury items are still pretty fragile to authenticity and brand legacy. The philosophy behind a brand is fundamental to constructing a bond between the brand and its target, which always stands out as the market leader in the streetwear luxury industry. In this way, some basic rules dominating the luxury market can be utilized in the streetwear luxury niche, regardless of the rules implicated in all these sorts of garments: scarcity and selective distribution [3].

2. Off-White's SWOT Analysis

2.1 Strengths

2.1.1 Existing Collaborations & Celebrity Endorsements

One of Off-White's greatest strengths is its popularity as a collaborative brand. While other brands have to ingratiate themselves to consumers over a long period, Off-White can piggyback off the popularity of other brands. This is especially true given the brand's appeal to a younger demographic compared to other luxury names. Combining with common (brands) like Nike, Adidas, and Champion has created a market for (more affordable) luxury [4]. Having established brands promote a boutique luxury brand like Off-White is essentially free or even profitable advertisement. (This could even offset the recent death of the brand's founder, Virgil Abloh.) An example of the popularity and profitability of Off-White's collaborations is its Nike sneaker collaboration, which "sold out in minutes on all platforms, including the Nike official online store [4]." When it first announced its OG 'The Ten' pack in 2017, it blew out throughout the sneaker verse. Not only were some of the most iconic Nike sneakers in the brand's 55-year history about to get a chance to be reinvented and re-release, but they also came up with an ultra-modern twist that incorporated en-vogue themes of both the industrial and the ironic.

2.1.2 Leader in Streetwear Luxury

Off-White has already constructed successful long-term partnerships with many other existing sportswear brands as competitors, and global superstars. The celebrities generally promote and broaden the potential target consumers by re-posting and re-tweeting on their own social media accounts. Consequently, Off-White quickly became the most prestigious luxury streetwear fashion brand we know today.

Today, Off-White keep consolidating the brand's global fame, furthering by collaborating with diverse luxury fashion brands and the endorsement of world-class celebrities. It is true that the number of Off-white's collaborations and partnerships with brands in leading positions grew significantly in recent years, especially between 2018 and 2019, especially the inception of Off-White and Nike—"The Ten" collection and constructing a partnership with the most prestigious pop idol—Beyonce has made the ethos and influences of Off-white blow out the luxury fashion industry all around the world [5]. Surprisingly, Off-White has also stepped into many other industries, such as furniture—

Off-White × IKEA, multi-functional sports drink—Off-White × Wild & The Moon, as well as a pop-up cafe—Off-White × Le Bon Marche Rive Gauche.

2.2 Weaknesses

2.2.1 Off-White's Trademark Lawsuit

Off-White's legal team claims that they sold infringing products to consumers, resulting in an inevitable monetary loss and severe injury. Off-white said that its lawyers immediately sent "cease-and-desist" letters once the infringement was verified, but the defendants had still failed to comply. In fact, Off-White lawyers said that Zumiez had yet to respond to the allegation [6]. However, the luxury brand may have difficulty defending these trademarks in court, most notably because they are not technically trademarked. Instead, Off-White argues that these marks should be protected as a matter of "common law" copyright infringement because Off-white has made substantial efforts to support and protect the global image of Off-white.

It is also surprising that Off-White LLC was sued with its trademark by a advertising and creative agency Off-White Corporation, which claims that it has already used the name "Off-White" before designer Virgil Abloh's upstart label. The hashtag of Off-White has been re-posted on other social media platforms many thousands of times — but it directly correlate to the defendant's business, OffWhite Corporation said in the suit [6].

2.2.2 The Designer Virgil Abloh Sudden Death

Virgil Abloh, the versatile Black designer who has powerfully altered public's perceptions on the traditional luxury fashion industry, was confirmed to have died on Sunday after a battle with a rare type of cancer for the past two years, which is absolutely a shock to both Off-White and his fans all over the globe[7].

2.2.3 Off-white Uncertainty in Future Design

"I think there's a big gap left by Virgil," designer Kim Jones, Abloh's friend, and predecessor at Louis Vuitton says with some understatement. "It's a pretty hard space to fill." "I don't know if it was possible for him to have a chip on his shoulder [8]."

2.3 Opportunities

2.3.1 Digital Media Era

Farfetch has invested heavily to usher a slow-to-change luxury fashion industry into the online era. Still, according to founder and CEO José Neves, the company has even bigger plans up its sleeve [9].

If the Lisbon-based luxury marketplace's \$6-billion IPO is any indication, 10 years of building a digital platform to connect boutiques, luxury power players, and emerging brands to their always-on customers has proven to be a stunning success [9]. From the start, Farfetch was founded on a mission to help luxury brands keep up with how people shop not just today but also 10 years into the future. The emphasis might focus on helping offline brands go digital but really revolves around optimizing the balance of clicks and bricks. Because, Neves said at the Fast Company Innovation Festival in New York City this week, unlike music, "you can't digitize fashion [9]."

Neves touted a few of Farfetch's highlights: It's never left shoppers at the mercy of subpar, outsourced customer service, nor has it lost a single seller—brand or boutique—over the past two or three years. Those accomplishments reflect the thought Farfetch puts into perfecting the customer experience soup to nuts, which includes exposing its 3,000 designers to a global consumer base hungry for cutting-edge fashion [9]. Neves dismissed the notion of any tension between the brands and boutiques that "coexist" with the Farfetch platform. He explained that customers are unconcerned about whether the product they want is coming to them from the brand directly or from a boutique. All that matters is which can fulfill that demand most quickly.

With initiatives underway that strive to modernize the experience of shopping in a physical store, Farfetch has its sights set on redesigning the fashion supply chain and how garments are made. It's

tackling fashion's overproduction problem with a Made-to-Order program that perfectly matches demand with supply and adds value to the customer proposition [9].

The company's also looking at ways to combat counterfeits—the thorn in luxury's side—and to embrace circularity and sustainability [9]. Solutions to these not-unsubstantial challenges very well could come from Dream Assembly, the tech accelerator it announced at the beginning of the year that yielded 140 applications and 10 finalists focused on areas like blockchain-based authentication and extending the life of second-hand luxury goods. Neves added that these startups need more expertise and exposure to the Farfetch stable of brands than money.

Off-White's meteoric success underscores Farfetch's role in facilitating an ecosystem in which brands, both large and small, stand to benefit, said Neves, who started designing software for the fashion industry at age 19 and later worked as a footwear designer [9]. Helmed by designer-of-the-moment Virgil Abloh, the brand started in Chicago but got legs after it was picked up by one of the platform's Italian boutiques. Fast forward several years, and Off-White now is one of Farfetch's top 10 brands, Neves said. He added that LVMH tapped Abloh as its new creative director, proving that even the industry's biggest players have something to gain from the influx of upstart brands and fresh generational talent.

Farfetch, Neves said, strives to be a “positive force” for the major brands and independent boutiques and labels.

2.4 Threats (competition)

2.4.1 Competitors: Comme de Garçon, Y3 etc.

As membership in a category becomes increasingly unclear, the borders between product market categories become dramatically vague, which generates competitive mechanics and rivalries between brands that would not have been involved in a competitive relationship until a few years ago. To summarize, for Off-White, there are basically three different types of rivals. First, some can be identified as streetwear luxury rivals without any ambiguity, such as the Vetements and Supreme. Second, the set of incumbent brands has gradually connected a traditional positioning among the the luxury fashion industry with developing street-wear cultures, such as Gucci and Balenciaga [10]. Last but not least, there are definitely significant players in the casual fashion industry which accounts for the majority. Despite not appearing on the Lyst Index (as they are still too stabilized in a business model based on the traditional format), such as the Bathing ape, Chrome hearts, have had a diverse collaboration with existing street-wear brands to appeal young consumers.

2.4.2 Supreme

Established in New York City in 1994, Supreme is undeniably the brand that (more than any other and mostly unconsciously) contributed to the emergence and growth of luxury streetwear. Founder James Jebbia reportedly designed his first shop to be skateboarder-friendly, hoping to invite the culture into the shop [10]. Despite stating that Supreme would not encourage “drops” with limited-edition items, Jebbia appears to have mastered the art of maintaining limited supplies and creating hype and enthusiasm for products with a relatively affordable off-trade retail price. Supreme seeks to be desired. It wants to be arrogant and does this by purposefully downplaying its commercial efforts. Its most important collaborations include those with Nike, Playboy, and Rolex.

2.4.3 Gucci

Founded in Florence in 1921, the luxury fashion brand manufactures and gives out leather goods, shoes, and fine jewelry. Operating through the upscale department and flagship stores worldwide, the company has increased its fame in recent years. Despite maintaining a firm footprint in the traditional fashion market, Gucci is perhaps the incumbent brand that has tried to make the most out of the emergence of the luxury streetwear segment. In a Business Insider article, the contributor vividly and sharply affirmed that the influence of streetwear culture on Gucci's recent creative development had prevented the brand from becoming boring in a new era of brand coolness. The results immediately

triggered imitative behavior by other brands, creating a phenomenon that led to the “Neologism Guccification” [10].

2.4.4 Chrome Hearts

Founded in Los Angeles in 1988 by Richard Stark and his wife, Laurie Lynn, and initially, they created handmade biker gear, which has led the brand to work closely with artists of the Rolling Stones, Sex Pistols, and Guns n’ Roses. Since then, Chrome Hearts has blown up in the “if you know you know” crowd. In an interview with Architectural Digest in 2019, Virgil Abloh stated that Chrome Hearts was one of his three favorite brands, and Bella Hadid recently worked on a few items with the brand.

3. Potential Plan for Survival or Expansion

Whatever one’s opinion of Off-White’s success and, more generally, the great success that the emerging product market category of luxury streetwear has achieved in recent years, there is no doubt that Virgil Abloh is an elite who, utilizing his abilities, creativity, and well-established personal network, was able to bring about a revolution at the heart of the “dusty” luxury fashion industry [11]. Abloh’s power to develop a visual design language for the social media era boosted the amazing growth of the brand and are among the significant resources that Off-White has supplied to become one of the best-selling fashion brand in the world.

But what does the future be like for luxury fashion and, more specifically, the streetwear category? This is the question that Allwood of the online magazine Dazed asked Abloh in late 2019, and his answer was absolutely certain. “I would definitely say it’s gonna die, you know? Like, its time will be up. In my mind, how many more T-shirts can we own, how many more hoodies, and how many sneakers? [11]” Abloh honestly revealed, “I think that, like, we’re gonna hit this, like, really awesome state of revealing your knowledge and personal style with vintage—there are so many clothes that are in vintage shops, and it’s just about wearing them. I think that fashion is not only a matter of buying something fresh; it’ll be, like, hey, I’m gonna go into my archive. Whatever the future of the lively fashion would be is hard to figure out” [12].

However, after Abloh’s passing away, it is legit that Off-White is facing abundant challenges and difficulties, but actually, what Off-White needs to do to broaden the brand’s prestige and keep its leading position in casual luxury fashion is to: first it should keep collaborating with those rivals and superstars. On top of that, especially in this digital media era, learning from past mistakes utilize lawsuits to defend its legalized equities is an inevitable piece of advice.

4. Conclusion

4.1 Key findings

This research paper qualitatively analyzes the best-selling luxury streetwear brand Off-White in 5 different parts: strengths, weaknesses, opportunities, threats, and potential survival plan for the future. In conclusion, Off-White has a promising field and it is going to receive more popularity once it digs down its collaborative power and remembers to learn from its past mistakes on lawsuit--- uses relevant laws to fight for its legalized rights and equities.

4.2 Research significance

This article has somewhat business value in streetwear luxury fashion because there is a limited number of articles in this field. At the same time, this paper detailedly compares and contrasts have conducted in order to find out the best and personalized method for Off-White’s survival or expansion in the future.

4.3 Limitations and Future studies

The limitation of this paper is the lack of primary data. For future studies, it could focus more on collecting data through interviews or surveys.

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