The Great Fashion Reset | Is Fashion Failing Emerging Designers?

The industry is producing fewer emerging designer success stories, putting its pipeline of creative innovation at risk.

By Joan Kennedy

For designer Nensi Dojaka, success came quickly — until it didn't.

Just two years after breaking into London's fashion scene in 2019 with her sensual, lingerie-inspired dresses, the Albanian designer won the prestigious LVMH Prize and BFC Foundation Award for emerging talent. Her London runway shows were attended by top editors; her fan base included a quorum of it-girls including Bella Hadid, Dua Lipa and Emily Ratajkowski; and influential retailers like Mytheresa, Matchesfashion and Browns stocked her line.

But by 2023, the buzz had faded, while costs had risen. A combination of oversold inventory and overspending on shows in a flagging industry put strain on the business. Now, Dojaka, who is missing from the London Fashion Week schedule this season, has been recalibrating, building a less costly production pipeline and slimming down stockists, which by 2023 had ballooned to 90, "so that it's not all built on clouds, but instead it's on bricks."

Still, the rollercoaster ride changed her relationship to fashion. "It doesn't feel like this beautiful dream anymore," said Dojaka. "I'm thinking of different ways to reignite it."

Dojaka's story is a familiar one to many emerging designers who have suffered from structural challenges for years. Now, as the luxury market suffers from a sharp downturn in demand, the circumstances for emerging designers are particularly tough.

Outliers like Jacquemus in Paris and Khaite in New York have managed to build sizable businesses. But fashion is producing fewer and fewer emerging designer success stories, with implications for the health of the wider sector: the industry needs a steady supply of design innovation to thrive and start-ups are often where fresh creative ideas ferment.

Structural Challenges

Emerging labels have faced rising operating costs and falling appetite for risk among would-be investors. Those labels that manage to make a hit product have less time to capitalize on it before it's imitated by fast fashion players. And amid soaring prices, shoppers have flocked to blue-chip brands, steering away from emerging labels that could go out of style in a season.

But above all, emerging labels have been hit by the decline of multi-brand retailers.

Wholesale, a key sales channel, has all but collapsed as major luxury brands have focused on their own stores and e-commerce sites; US department stores have continued their years-long decline; and key e-tailers have succumbed to customer acquisition costs. Following the shuttering of Matchesfashion last year, Luisaviaroma and Ssense have filed for bankruptcy, while Saks has faced challenges paying vendors on time, putting pressure on small brands.

“Retailers were incubators for emerging talent in the past,” said fashion consultant Julie Gilhart, who led the buying team at Barneys New York for 18 years in the 1990s and 2000s. “There used to be more of a commitment, if you were buying a brand you stick with it. Stores would be investors in brands, they would be part of the business, communications and marketing on every level … Now there’s a pressure to show immediate positive performance from the get-go.”

Cash flow has “always” been a problem for emerging brands, said Vikram Menon, a London-based accountant who works with emerging designers, but things have become even harder now that buys and payment terms can vary drastically from season to season.

Non-payments have become endemic, said New York based designer Grace Ling. “We can’t do financial planning because we don’t know when we’re going to be paid — or if,” she said.

On paper, social media made it easier than ever for emerging fashion labels to earn attention. Consider the case of Paris-based Coperni: the brand, which launched in 2013, has reached new levels of visibility in recent seasons with viral stunts like its spray-on dress and robo-dogs.

But spikes of social media-fuelled interest can also be tricky to manage. “Social media created a lot of problems. Because of it, the stores came and we oversold,” said Dojaka. “I wasn’t ready as a brand but people also weren’t ready. They were consuming [my ideas] on social media but they weren’t necessarily ready to buy it or wear it.”

At the same time, major fashion groups have stopped betting on emerging labels after brands like Christopher Kane and Nicholas Kirkwood failed to scale. LVMH’s continued investment in Jonathan Anderson’s label is a rare exception, as is its backing of Phoebe Philo, which are both more about maintaining strong relationships with top talent than anything else. When Duran Lantink was hired to design Jean-Paul Gaultier, he made the decision to shutter his namesake label.

From the LVMH Prize and Andam, there are several key young designer support schemes that can help emerging labels to find their footing and grow awareness. But the prize money doesn’t last forever and the exposure can be short-lived, spread too thin across too many designers.

“This industry works so fast. Every time I go to see a graduate collection I ask myself ‘Where are these people going to go?’ There are too many. It’s really about too much of everything,” said Sara Sozzani Maino, creative director of Fondazione Sozzani. “It’s a moment where we need to find a new balance.”

Keeping the Dream Alive

Many emerging designers turn to brand collaborations and consulting to help keep their business afloat. Graces Wales Bonner regularly collaborates with Adidas, while Telfar works with Ugg. Last year, a tie-up with Calvin Klein helped fund a return to the runway for Dojaka. It also boosted her reach and helped her turn ideas into saleable product. Coperni’s partnership with Disney in 2024, likewise, provided income and awareness.

Young designer labels typically struggle with direct-to-consumer sales, as they don’t generate sufficient sales per square foot to pay store rents in fashionable locations or drive sufficient traffic to their websites. But that doesn’t mean they aren’t giving it a go. They’re also doing more trunk shows, working to strengthen their relationships with stable specialty stores, and taking a more measured approach to when and how they spend, including on costly shows.

Many have tempered expectations and opted for steady growth, focusing on a tighter offering aimed at a more tightly defined target customer and working with fewer wholesale partners — or, as Maino puts it "not falling into the trap" of rapid expansion.

Christa Bösch and Cosima Gadient's Berlin-based Ottolinger reevaluated its assortment and approach to wholesale last year in the midst of the e-commerce reckoning. The brand launched in 2016, when "wholesale was so hungry for new brands," and relied substantially on sales from e-tailer Ssense, whose customer base wanted basics like white tank tops and mesh dresses.

But when times got tough and sales started to slow, Ottolinger had to slim down and refocus its collections on what really set it apart, on items such as its sneaker heel. "Things still work, you just have to have a very specific product," said Gadient. "You have to focus and limit your offering."

That sort of discipline is key, said designer Alain Paul. His namesake brand, which he founded with his partner Luis Philippe in 2023, is building its product mix slowly, with an emphasis on quality materials, and in line with the budgets of its partners, mostly specialty stores including 10 Corso Como, Broken Arm, and H. Lorenzo, as well as Bergdorf Goodman and Printemps.

Even in a difficult market, Paul sees opportunity for young labels.

"Each time there's a crisis or a change of aesthetic, designers always bring new ideas," he said. "In times like this, the most important thing to do is stay creative."