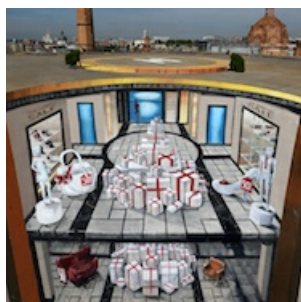


IN-STORE

New technologies, consumers cause demand for updated in-store experience

October 22, 2015



Joe Hill's 3D installation on the roof of Harrods

By FORREST CARDAMENIS

NEW YORK According to speakers from The Future Laboratory at the U.S. Retail and Luxury Futures Forum 2015 on Oct. 21, millennials' coming-of-age and entrance into the luxury market have caused new trends in retail to emerge to meet consumer demands.

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The rise of digital and mobile commerce necessitates a new approach to in-store experience, and consumers' tendency to interact with brands across many different devices likewise demands a "total retail," or omnichannel, experience. New technology offers a number of opportunities for brands to take advantage of this shift.

"We're starting to see what new trends are redefining how we connect with today's retail consumers online and in-store," said Tom Savigar, chief strategy officer at The Future Laboratory. "To be able to fail fast and fail often, we believe, is an extremely important part of business."

Think phygital

Consumers no longer think of different devices and points of interaction as unique experiences, and the term "total retail" is more appropriate, as per the session. This total retail experience often means mixing analog and digital methods at once.

For example, retail labs, such as Neiman Marcus' "phygital," or physical and digital, Innovation Lab installation allows consumers not only to view inventory both in-store and online but also see themselves in the clothing from every angle, compare looks side-by-side and even save and share the images.

Other retailers, such as Sephora, have also opened labs for testing and feedback sessions, allowing consumers to experiment with product and interact with a brand in creative ways ([see story](#)).



Neiman Marcus Memory Mirror comparison

"For a while, that was something we wouldn't do," said Chris Sanderson, co-founder of The Future Laboratory. "A brand is a brand is a brand and it's not up to the consumer to determine that. But today we're all open to this idea of how consumers play with our brand."

Neiman Marcus' lab overlaps closely with another major trend identified in the session: smart fitting rooms.

U.S. fashion label Rebecca Minkoff has attached radio frequency identification, or RFID, tags to its products so they can be recognized when a consumer takes them into a fitting room. A touch-screen then allows them to communicate with a service person to bring them the same item in a different size or various coordinating products. Department store chain Bloomingdale's is currently testing similar experiences in select locations.

Young consumers also value transparency and ethics in marketing and production. Brands that manufacture locally and ethically and are open about how their products are sourced, created and distributed stand to gain credibility with millennial consumers.

The retail space itself is also being physically rearranged. For some brands, particularly digital brands looking to lay down physical roots, retail spaces are modeled after apartments and other living spaces to create a more comfortable retail space.

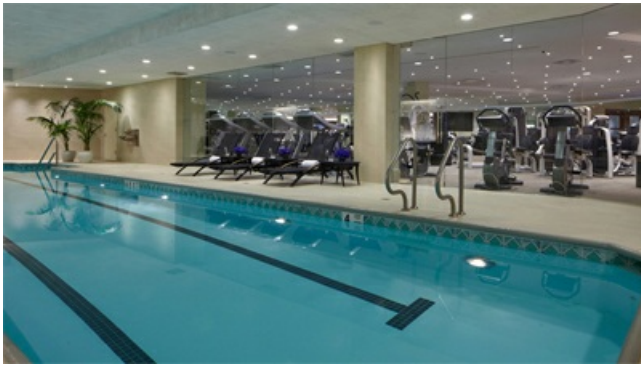
"[Brands] can blur the lines between hospitality and retail to create an environment where almost everything is shoppable and where [they are] not necessarily demarcating 'this is my cafe space, this is my work space, this is my retail space,'" Mr. Sanderson said. "Instead, [those spaces] all come together.

"[In doing so] [they are] actually demonstrating the sensibilities of the brand across different platforms that the consumer will want to engage with. That's that 'total retail' concept," he said.

Others, such as Ralph Lauren, have sought to make some bricks-and-mortar stores more exclusive. Realizing that many of its products could now be ordered online, the brand transformed its flagship Milan into an invitation-only, VIP space for one-on-one interactions between a consumer and a salesperson and giving them exclusive access to some collections.

Perhaps the biggest difference between online and in-store commerce is the role of serendipity. Those who shop online generally know what they want going in, while physical purchases tend to be more impulsive.

"The impulse buy is one of the holy grails of retail," Mr. Sanderson said. "Can you spot the impulse buyer, the consumer who absolutely can't walk out of your store without having bought something?"



Trump Hotel Central Park, New York, health club

To reach that impulse buyer, stores are being redesigned to allow consumers to wander without a clear sales-driven direction. Bricks-and-mortar stores are alive and well thanks in large part to the positive experience that shopping provides for so many consumers, but sales have moved online. Serendipity is a way to keep bricks-and-mortar profitable.

In another world

Yet another way to reach new consumers is through virtual reality technology.

In one notable instance cited by the speakers, French fashion house Christian Dior is exploring the parallels between technology and couture with the introduction of in-store virtual reality headsets.

The LVMH-owned house worked with DigitasLBi Labs France using a 3D printer to develop its Dior Eyes experience. By placing Dior Eyes in a number of its boutiques, Dior will maintain its relevance as the retail landscape acclimates to the changes in consumer behavior and mobile readiness ([see story](#)).

Young consumers are also especially health-conscious, so wellness hubs or initiatives offer a great way to reach them. This method is especially common in the hospitality industry.

For example, in March The Peninsula Hotels combined Western and Eastern health philosophies to re-launch its wellness programs across all properties.

Redirecting attention to the program will open a wellness center, focus on sleep patterns of stressed guests, create a spa experience focused on natural products, offer massage opportunities and provide healthy dining options. The surge of healthy lifestyle options across Peninsula properties will reflect upon the brand's dedication to guests and their lifestyle choices ([see story](#)).

"Successful retail isn't just about the spin you put on at the end of the process in order to appeal to what you think is your target demographic," Mr. Sanderson said. "The changes that we need to go through are far more profound than that.

"We often have to rethink our business model, tear it apart and put it back together again," he said. "For some of us in traditional businesses that is a painful part of the process and why maybe younger brands are going to have a head start."

Final Take

Forrest Cardamenis, editorial assistant on Luxury Daily, New York