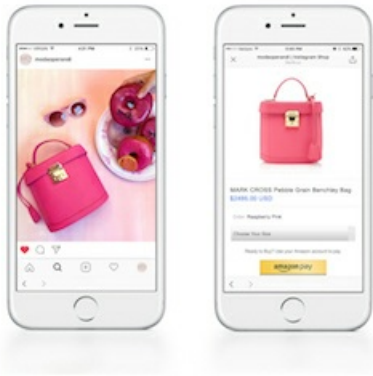


RETAIL

## Digital continues to threaten bricks-and-mortar, but omnichannel will help

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*Moda Operandi consumers can now use Amazon Pay on its Like2Buy feed, in support of digital growth. Image courtesy of Moda Operandi*

By BRIELLE JAEKEL

Amazon and online shopping experiences continue to threaten bricks-and-mortar, with the number of store closings in the first half of this year outnumbering all of those that closed last year.

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Many retailers are relying on discounts instead of sporadically offering them throughout the year for holidays and events to help attract shoppers in today's tumultuous retail environment. However, ecommerce is continuing to move forward with sales in the first quarter increasing by 15 percent year-over-year.

### Retail industry

Retailers are relying heavily on discounts to compete against others. For instance, 67 percent of email campaigns reference promotions in the subject line.

Brands who have a long-standing history and have dominated the retail industry are now feeling threatened by others who can better navigate the digital sector.

However, L2 noticed a correlation between the number of keyword search queries and expansion within storefront footprint. This could mean that a strong digital presence can support bricks-and-mortar success and overall positive sales.



*Image credit: Euclid Analytics*

With the importance and strong looking future for click and collect, or in-store pickup, many retailers are investing in loyalty programs for these to help support growth.

In-store pickup has almost doubled year-over-year, making it important for retailers to invest in the strategy.

Fast fashion brands are at the forefront of the industry through adaptive guided selling tools and purchase analytics.

Hoping to help growth and to stay afloat, acquisitions and mergers are rampant in the retail industry. For instance, Michael Kors recently purchased Jimmy Choo to help its status in the luxury sector, while Coach acquired Kate Spade hoping to increase market share.

Coach rounded out its portfolio with the purchase of rival accessible label Kate Spade.

Formerly a solo fashion label, Coach became a multi-brand organization after it acquired Stuart Weitzman in 2015, and the company has further aspirations of growing its umbrella of brands, having recently been rumored as a possible buyer of Jimmy Choo and Burberry. Coach purchased Kate Spade in a \$2.4 billion transaction, putting some other speculation to rest ([see more](#)).

With its acquisition of Jimmy Choo, Michael Kors may be on track to become the first big United States-based luxury group to rival the European conglomerates that dominate the industry.



*Jimmy Choo's Gotha sunglasses are made by Safilo. Image credit: Jimmy Choo*

Michael Kors acquired Jimmy Choo July 25 for around \$1.35 billion, to become wholly owned by the U.S. fashion label. The acquisition comes just a few months after another large acquisition between two U.S. luxury companies: Kate Spade and Coach, suggesting this trend may be on the rise ([see more](#)).

### Importance of omnichannel

Omnichannel is incredibly important for brands and retailers in today's market. Retailers should look at examples such as Sephora to help facilitate their strategies.

Sephora is a leader in almost all digital aspects such as ecommerce, digital marketing, social media and mobile.