

LUXURY MEMO SPECIAL REPORTS

Future of the department store: Luxury Memo special report

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What is in store for department stores? Image credit: Neiman Marcus

By SARAH JONES

Luxury department stores are facing pressure from changing consumer behavior and preferences, forcing them to evolve to remain competitive.

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In recent years, department stores have struggled to retain consistent growth in a challenging retail environment fraught with increased competition and lowered consumer demand. Given the challenges that these multi-brand retailers have faced as of late, does the luxury department store have a future?

"I should say, 'Of course,' but if we look at the history of department stores, so, so many of the greatest are just memories, like Marshall Fields and Wanamaker's," said Pam Danziger, president of [Unity Marketing](#), Stevens, PA.

"When Macy's/Federated bought up all those regional department stores, I thought it a mistake to try to rebrand them from local to a national entity under Macy's," she said. "For a while, it worked, but today, Macy's is in a bad place that I think could have been avoided if each individual, regional, local department store with roots in their own community had been able to gain the benefits of big company ownership, but would have been able to continue to operate as individual retailers grounded in their local communities.

"The same thinking goes for the luxe department store. Each individual store needs to be fully integrated into its local community, not part of some national corporation with a national identity to maintain. The Michigan Avenue Nordstrom store should be very different from the one at Dallas Galleria."

Top 5 challenges facing luxury department stores today:

Added competition

Along with needing to compete with other traditional multi-brand retailers, department stores are now fighting for business with ecommerce players and luxury brands themselves.

Newer entrants such as Net-A-Porter, Matchesfashion.com, Moda Operandi and Farfetch operate primarily online, selling luxury merchandise without the costs associated with running bricks-and-mortar stores. With ecommerce

being the fastest accelerating piece of luxury retail, they are also operating where the growth is.

Also, between the expansion of labels' store networks and many marketers adopting direct selling online, consumers are able to bypass wholesale retailers to buy straight from the brand.

Traffic pattern

Department stores are often the anchor tenants in malls, which have seen their foot traffic decrease in recent years.

Data intelligence firm Thasos estimated that Simon saw its footfall shrink about 5 percent year-over-year in May, while Taubman's foot traffic fell 6 percent in the same month. Thasos also noted that malls with anchor tenants that were more high-end underperformed by 3 percent, meaning they are losing foot traffic at double the rate of shopping centers with less upscale anchors.

Declining shopping in malls due to the increased preference for online shopping and other changes in consumer behavior have led many malls to shut their doors. Credit Suisse has predicted that one in four U.S. malls will be closed by 2022.

Discounting dilemma

Multi-brand retail's promotion-driven environment has eaten into sellers' margins, as an increasing percentage of sales come from marked-down merchandise.

Following the 2009 recession, even affluent consumers were up for bargains. The majority of affluent consumers employ a number of shopping and saving tactics to manage their money, with 52 percent of ultra-affluents regularly comparison-shopping, according to a Unity Marketing study ([see story](#)).

Additionally, the fashion calendar's misalignment with the seasons means that garments do not appear on sales floors when consumers actually need them based on weather. This coupled with overstocked inventory has led to a cycle of discounting at the end of each season.

Following the holiday shopping season, for instance, clearance can reach 80 percent as retailers try to get rid of unsold SKUs ([see story](#)).

Now, luxury department stores are heading in the opposite direction, trying to drive more full-price conversions with shifting inventory tactics.

Webrooming

Whereas shoppers used to typically head to a store to discover merchandise, the browsing process now often starts in the online environment. Luxury buyers are increasingly researching online before they make a purchase, arriving at a department store knowing what they want ([see story](#)).

This can be both a challenge and an opportunity for retailers. While it may mean less dwell time or less chance to upsell, consumers' online research can mean a raised likelihood of conversion offline and chances to drive in-store traffic via omnichannel services.

Demand downturn

In general, consumers are more conscious in their consumption.

Consumers are adjusting their perspective on ownership, leading to the rise of alternatives to traditional purchasing in the fashion and beauty categories.

The convergence of consumers' thriftiness and desire for sustainability is creating new models for consumption, such as rentals and secondhand marketplaces. In a webinar from Euromonitor, two of the research firm's analysts pointed out that brands in these categories need to regroup and deliver experiences and products that consumers are willing to pay for to remain competitive ([see story](#)).

There is also a growing preference for experience over accumulation, as luxury buyers trade in a new pair of shoes for concert tickets or a dinner out.



Retail now has to compete with experience for wallet share. Image credit: Bloomingdale's

"[The predominant challenges facing department stores now are] creating a truly harmonized experience across channels, creating more differentiation on the basis of experience and product, skillfully navigating the shift to digital-first retail, getting better at leveraging customer insight, right-sizing their space and attracting and retaining younger customers," said Steven Dennis, president of [SageBerry Consulting](#), Dallas, TX.

Stalling sales

In recent years, a number of luxury department stores have struggled to achieve growth amidst a challenging retail environment.

Beyond luxury banners, the broader multi-brand retail landscape has also been hurting. Department store chains such as Macy's, JCPenney and Sears announced significant cuts to their store counts, closing locations that were underperforming.

For public companies with shareholders, there is a constant pressure to perform and exceed the previous quarter's numbers. Some stakeholders have also become vocal, publicly pushing retail companies to take actions.

Saks Fifth Avenue's parent company Hudson's Bay Company faced an activist investor that was urging it to sell real estate assets to boost its stock performance. Among its many banners, HBC owns a number of pricey properties, including the Saks flagship on New York's Fifth Avenue.



Exterior of Saks Fifth Avenue flagship. Image credit: Saks Fifth Avenue

Land & Buildings, which owns a 5 percent stake in the company, issued a number of statements about its opinions on HBC's strategy, including its plans to sell its Lord & Taylor flagship to communal workspace network WeWork.

Finally, Land & Buildings and HBC reached an agreement and the deal went through, but it remains to be seen whether the shareholder continues its campaign ([see story](#)).

Perhaps because of these pressures, members of the Nordstrom family sought to take the company private by purchasing all common stock in Nordstrom Inc. However, this exploration was put on hold in October, with the [New York Post](#) reporting that the recent turbulence in the retail industry prevented the family from getting the funding it needed for a deal ([see story](#)).

Not all retailers have struggled, however.

Selfridges' fiscal year, ending Jan. 28, 2017, boasted record results, with a 16 percent increase in sales over the previous year. The retailer attributed its success to its \$400 million (300 million) capital investment in updating its London store and digital capabilities ([see story](#)).

Fortnum & Mason likewise reported a 12 percent growth in sales in 2016 ([see story](#)).

Meanwhile, other retailers that are privately owned, such as Hong Kong's Lane Crawford and Paris' Galeries Lafayette, are not obligated to report financial results, leaving their performance from quarter to quarter less apparent.

"At Harrods, we have experienced strong year-on-year growth for the last 11 years and are currently embarking on a 200 million investment project to continue to be the ultimate luxury destination for the global luxury customer," said Michael Ward, managing director of [Harrods](#) and chairman of [Walpole](#), London. "The future is bright and the challenge of continuously looking for new opportunities to surprise and delight our customers is enthralling."

Turning it around

With declining sales figures, department stores are taking measures to promote growth.

Nordstrom has eliminated hundreds of jobs, mostly in its corporate offices and regional support offices, to better position itself for growth. Along with saving the company money, it looked to the more streamlined team to allow for greater flexibility ([see story](#)).

Among the series of cuts were about 100 customer care representatives, who answer questions by phone, email or online chat. In a statement published by the [Seattle Times](#), Nordstrom said that improvements to its shopping experience had left it overstaffed, with less customers reaching out with queries.

One area that the retailer has not looked to cut back is sales floor staff.

HBC is similarly focusing on efficiency and cost-saving measures as it aims for growth in a difficult retail climate. Part of this "transformation plan" includes the elimination of approximately 2,000 positions in North America, which HBC says will make it more "nimble." Part of the streamlining includes centralized departments for areas such as corporate communications, digital and technology ([see story](#)).

Retailers have also added positions in an effort to boost an aspect of their business.

Neiman Marcus Group created a new senior vice president of product innovation role, hiring former Liberty London and Bergdorf Goodman executive Ed Burstell for the position ([see story](#)).

Meanwhile, Nordstrom appointed Geevy Thomas, a long-time leader in the company, as its first chief innovation officer who will focus on strategizing the store of the future ([see story](#)).

Another common thread to retailers' efforts to turn their results around is cutting back on price cuts. By adjusting their inventory management strategies, department store brands such as Neiman Marcus and Nordstrom have noted their ability to increase full-price sales.



Neiman Marcus has increased its full-price sales. Image credit: Neiman Marcus

These tactics appear to be working.

In the quarter ended Oct. 28, Neiman Marcus saw its comparable sales rise for the first time since the 2015 fiscal year. It also posted growth in total revenues, which increased 3.8 percent ([see story](#)).

While HBC as a whole still has yet to see its retail sales bounce back, as of the third quarter of 2017 ended Oct. 28, Saks had seen positive constant currency-comparable sales for two quarters in a row.

Nordstrom's comparable sales were down slightly in the third quarter, but its net sales grew 2 percent, a further sign of department stores' upward trend ([see story](#)).

"It seems that retail generally is improving with the bulk of third-quarter reports, reflecting the consumer's willingness to spend, take on debt and some interesting product and fashion in the stores," said Marie Driscoll, principal of Driscoll Advisors, New York. "Neiman Marcus just reported a strong first-fiscal quarter with a 4.2 percent comparable-store sales gain and traction on its Digital First strategy.

"We've had a number of years of deteriorating sales and profitability for the department store sector generally," she said. "It takes time to alter and implement strategy, and I think we are beginning to see the fruits of labor begun two years ago."

Reinventing retail

When consumers do want to shop, a department store is often not their first choice anymore.

Across all age groups, the department store is losing favor, but this is particularly true for the generations of up-and-coming luxury shoppers.

According to research from Dealspotr, Generation Z and millennials are uninterested in shopping at luxury department stores, a trend that will become increasingly problematic for high-end retailers as the demographic ages ([see story](#)).

Consumers who are looking to shop have more options today than in previous years, between ecommerce players and brands' direct-operated stores.

Due to the increased competition for wallet share, department stores need to adapt to differentiate themselves.

One way to do this is through experience, as retailers borrow from hospitality, wellness, gastronomy and entertainment to create environments that offer more than just commerce.

For instance, Saks Fifth Avenue, Lane Crawford and Galeries Lafayette are among the retailers that have set up in-store fitness studios, hosting exercise classes.

Barneys New York's Chelsea flagship store contains a barbershop, while Neiman Marcus inked a partnership with blowout hair salon DreamDry, incorporating the service into a number of its stores.

Focusing on gastronomy, Harrods is renovating its Food Halls. It recently opened a new Roastery and Bake Hall that features a Coffee Bar area and the opportunity to see Harrods' experts at work, encouraging dwell time ([see story](#)).

Discover the Taste Revolution at Harrods

"Department stores around the world, whether luxury or high street, need to invest in their bricks and mortar to remain a destination and be able to complement their online offering, rather than compete," Harrods' Mr. Ward said. "Experiences are key for the customer and should be ever-evolving to continue giving the customer a reason to visit.

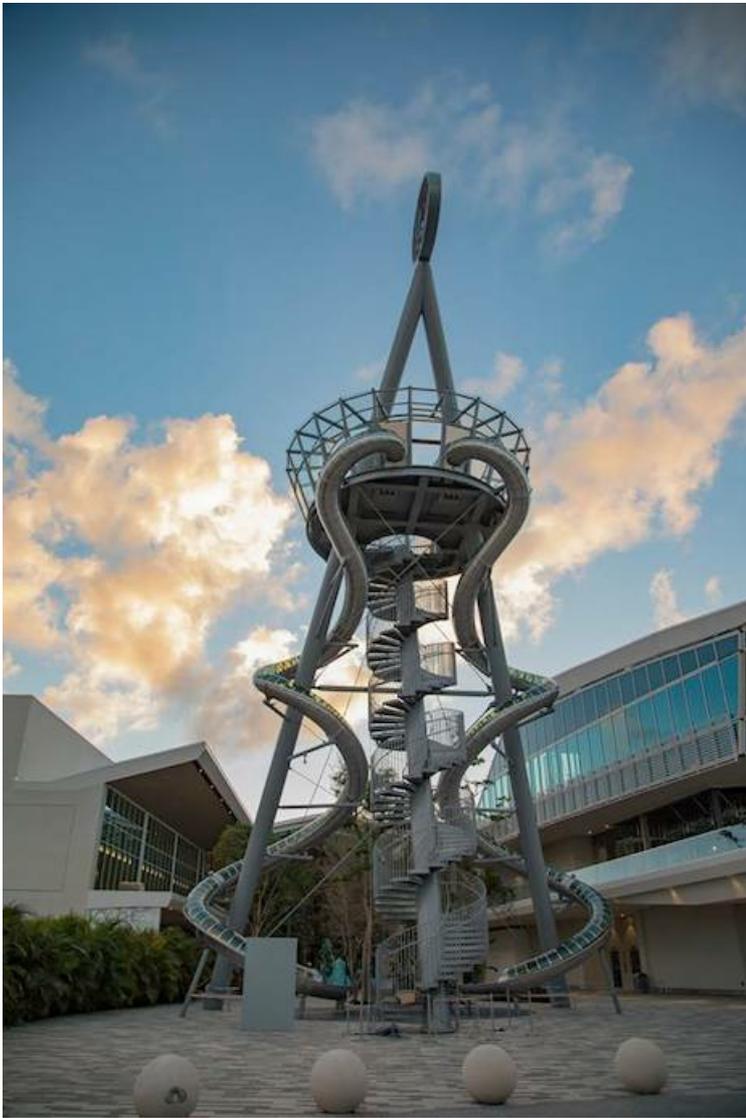
"This winter we have hosted a Dolce&Gabbana fashion show with 100 relevant, millennial models, opened Harrods Roastery & Bake Hall, creating theatre with freshly baked bread on the shop floor and roasting coffee on demand for our customers and a Chanel beauty pop-up helping you create the latest looks for the party season."

Fortnum & Mason similarly updated its in-store restaurant The Fountain in 2015, with the eatery outperforming financial goals in 2016.

Selfridges embraces retail theater, sometimes taking it to a literal place. For various store-wide campaigns, the retailer has turned part of its selling space into a music venue, a theater and a conceptual home with workshops on various crafts.

Outside of department stores themselves, mall operators are pumping investments into hospitality spaces, which may prove effective at getting more shoppers in the doors of these retailers.

Aventura Mall, which counts Nordstrom and Bloomingdale's as its tenants, recently underwent a renovation that added a three-level wing that included a new food hall and art installations, such as a 93-foot-tall slide ([see story](#)).



Aventura Mall's slide tower. Image credit: Aventura Mall

Department store chains remain the chosen anchors for new developments, as well. Neiman Marcus was the first store to open in the newly constructed Shops at Clearfork in Fort Worth, TX ([see story](#)).

Nordstrom similarly relocated to Westfield Century City in Los Angeles, moving into the shopping center as it closed a major \$1 billion renovation ([see story](#)).

Another way in which retailers are rethinking the store is by doing more with less.

In 2014, Bloomingdale's renovated its Palo Alto, CA store, reducing the 220,000-square-foot space to 125,000 square feet. This more streamlined footprint leveraged technology to deliver services, such as smart fitting rooms, consumer-facing tablets and mobile checkout ([see story](#)).

Nordstrom is also experimenting with a pared-down retail environment with a concept store that is only 3,000 square feet. With no dedicated inventory of products, Nordstrom Local instead focuses on services such as manicures, tailoring and personal styling ([see story](#)).



The new concept store is a hub for Nordstrom's personal styling and tailoring services. Image credit: Nordstrom

As consumers embrace the sharing economy and secondhand luxury, retailers are also inking partnerships with some of the key players in the space, turning them from competitor to collaborator.

Neiman Marcus gave Rent the Runway space in its San Francisco store, allowing its shoppers to mix buying and borrowing ([see story](#)).

Nordstrom similarly linked with tuxedo rental company The Black Tux, giving the ecommerce service a bricks-and-mortar presence ([see story](#)).

In the pre-owned luxury category, Neiman Marcus expanded its watch selection through a partnership with luxury timepiece consignor Crown & Caliber. At select stores and online, consumers are able to shop a hand-picked assortment of pre-owned pieces from brands such as Rolex, IWC, Patek Philippe and others ([see story](#)).

Barneys also hosted a pop-up by Paris-based vintage and secondhand luxury ecommerce Resee.com. The temporary shop-in-shop at its Madison Avenue flagship in New York included garments, jewelry and accessories dating back as far as the 1970s ([see story](#)).

Merchandising makeover

One way in which department stores can stand out amid an increasingly crowded space is through merchandising. A number of retailers have doubled down on exclusives as a means to drive business and loyalty.

Nordstrom and Neiman Marcus have both noted on earnings calls that they are working to include more items that are only sold through their channels.

Exclusives are also a popular means of driving traffic to brand pop-up stores, with many labels creating designs specifically for a retailer appearance.



Gucci Loves Printemps included a number of exclusives. Image credit: Printemps

Private label brands produced by retailers themselves are also fueling the apparel sector's growth. Per [Bloomberg](#), the total sales of in-house attire surpass those of any single brand.

Retailers are also taking their position as the curators of what is new to a greater extent.

For instance, Barneys New York's menswear team tapped Instagram as a platform for designer discovery.

Guided by the social network's visual medium, the buying team has uncovered a number of "buzz-worthy" labels outside of the traditional showroom environment. Taking the social media approach a step further, Barneys' buying team used Instagram's messaging feature to make first introductions and negotiate wholesale purchases ([see story](#)).

Space at Nordstrom, first introduced in fall 2015 by vice president of creative projects Olivia Kim, is an in-store boutique that emphasizes collections from emerging and advanced designers such as Simone Rocha, Vetements, Comme des Garçons Collection, Koch, Undercover, Ellery, Colovos, Phelan, Molly Goddard and others. Nordstrom recently expanded this concept to more of its stores ([see story](#)).



Glowhaus in Bloomingdale's at South Coast Plaza. Image credit: Bloomingdale's

In an effort to get younger consumers shopping their beauty selections in-store, Neiman Marcus and Bloomingdale's have taken a page out of the playbooks of retailers such as Sephora and Ulta. Both Neiman Marcus' Trending Beauty and Bloomingdale's Glowhaus feature displays where consumers can explore and test out products themselves, creating a more hands-on shopping experience than the traditional counter consultation ([see story](#)).

These new departments also feature up-and-coming labels to appeal to younger shoppers on the hunt for what is next.

In addition to exclusives and trend spotting, retailers can also reach consumers by reflecting their values in their merchandise. As sustainability and social responsibility are top of mind for many shoppers, carrying goods that allow them to give back or reduce their environmental impact will appeal.

With fur a no-go for many consumers, in June Yoox Net-A-Porter Group made a commitment to be fur-free, ceasing the sale of fur on all of its multi-brand sites ([see story](#)).



Holt Renfrew's H Project supports artisans. Image credit: Holt Renfrew

In 2015, Canada's Holt Renfrew celebrated African culture and artisans by featuring the continent at its annual H Project in-store shop.

The H Project allows Holt Renfrew to work with nonprofit organizations and support socially and environmentally responsible fashion. The boutique that year was called "Uncrate Africa," and it focused on brands that work with African artisans or donate proceeds to African charities, emphasizing Holt Renfrew's commitment to charity on a global scale ([see story](#)).

Retailers are also rethinking how they display merchandise. Saks' recently opened downtown store in New York lays out products in "lifestyle edits," reflecting the way women shop today ([see story](#)).

Selfridges' Body Studio, opened in 2016, is the largest department in the retailer's London store at 37,000 square feet. This space combines categories worn directly on the skin, including sleepwear, loungewear, swimwear, sportswear and more, in a body-positive environment ([see story](#)).

Selfridges Hot Air Presents: Incredible Machines

Nordstrom also aimed for inclusivity by expanding its options in sizes beyond the standard 2 through 12, asking brands to make more apparel for women who wear a size 0 or 24. As part of this effort, the retailer has also chosen to display merchandise on mannequins that reflect the range of women's sizes ([see story](#)).

Rethinking the idea of multi-brand retail, Saks is experimenting with department-specific stores in Greenwich, CT, with separate storefronts for jewelry, women's shoes and contemporary women's apparel ([see story](#)).

"I think one way department stores can think about their future is to go back to their roots as departments, or shops within a bigger shop," Unity Marketing's Ms. Danziger said. "The closer to the customer a retailer can push decision making, the better in today's experience economy.

"Today, the customer is king and the department store his or her castle," she said. "The only way to do that is to really understand the customer on an individual level, not as a record in a Big Data database, but a living, breathing customer with individual needs, desires and aspirations.

"The shopkeepers in those shops within a bigger shop called a department store understand those customers. The big corporate never can."

Personalized appeal

Aside from product assortment and experience, department stores need to build their brand through consumer engagement. Social media, in particular, has opened doors for retailers to express themselves and establish a community among clients.

Many retailers also use tactics such as editorial catalogs and advertisements to extend their brand voice.

Loyalty is also key at driving business ([see story](#)). For example, Nordstrom has recently grown its loyalty program membership by 39 percent year-over-year to 9.9 million consumers. In the most recent quarter, these Nordstrom Rewards enrollees accounted for about half of all sales ([see story](#)).



Nordstrom Rewards members are responsible for about half of the retailer's sales. Image credit: Nordstrom

Retailers often overestimate what is necessary to create a positive customer experience and drive loyalty, aiming for a deeper emotional connection than consumers expect, according to a report from InMoment.

Brands believe that consumers feel stronger emotions when having a positive shopping experience, and they also underestimate the severity of consumers' feelings when they are dissatisfied. When it comes to loyalty, consumers

are most apt to return to brands that deliver "satisfaction," with that emotion outranking all others ([see story](#)).

One way to deliver on this is through personalization. Customer relationship management and data will enable retailers to know their shopper regardless of channel.

Luxury retailers who are continuing to put stock in the bricks-and-mortar space need to implement some form of customer identification technology that recognizes individuals right away instead of waiting until checkout.

Now that online shopping has become so prevalent, consumers are no longer propelled by necessity to visit bricks-and-mortar locations. Retailers in the physical space need to make sure that they are offering an experience that entices consumers to come in to the store, according to Boston Retail Partners ([see story](#)).

Neiman Marcus' Digital First approach, for instance, is designed to boost in-store and online traffic. This leans on three pillars: digital services, the ecommerce platform and product selection.

The retailer is developing software to help engage customers, including enabling sales associates to leverage data to deliver personalized service. For instance, a custom software will let associates text clients with outfit suggestions tailored to them based on past purchases ([see story](#)).

Customers who use Neiman Marcus' online stylist service have an average order value that is 2.5 times the average ecommerce purchase, and more than half become repeat clients ([see story](#)).

While retailers have typically been limited to their own data for targeting and personalization, Criteo has established a high-performing and open commerce marketing ecosystem to help brands and retailers compete with dominant online players such as Amazon or Alibaba. The Criteo Commerce Marketing Ecosystem (CME) currently boasts tens of thousands of retailers, brands and publishers as partners, allowing a single retailer access to broader data sets for potential customers ([see story](#)).



Data helps retailers serve up relevant marketing. Image credit: Bloomingdale's

"Today, people want to feel like they're part of a brand's overall message, rather than being treated as a buying statistic," said Robert Glazer, founder and managing partner at [Acceleration Partners](#), Boston. "It's important for brands to keep reinventing their approach towards the tailored customer experience by taking into account the specific needs and personalities of consumers.

"Additionally, brands are increasingly using technology to cull data on consumers, such as AI, chatbots and voice assistants, in their mission to better understand consumers," he said.

"For multi-brand retailers, the burden of digital marketing strategies lies in establishing the value they bring to target demos relative to being a central location for a number of different brands under their roof. Whereas individual brands need to strike with a message that resonates with audience desires for inclusivity and deeper messaging, multi-brand retailers need to appeal to more utilitarian needs in terms of direct marketing initiatives."

Digital investment

Ecommerce is becoming an increasing portion of department stores' sales. For instance, at Neiman Marcus Group ecommerce now accounts for about a third of all sales.



Neiman Marcus is looking to omnichannel to boost sales. Image credit: Neiman Marcus

Reflecting the broader luxury business, ecommerce is also growing at a faster rate than total sales.

As online revenues rise, luxury department stores are bolstering their omnichannel services to cater to customers' more digital habits.

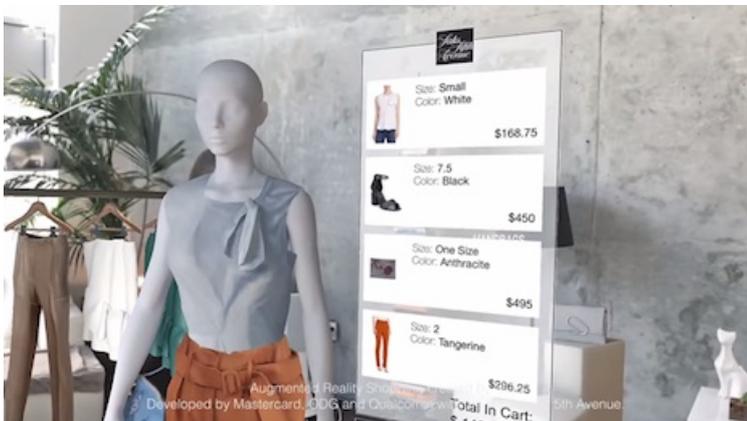
Click-and-collect, inventory availability searches and ship to store options are all ways to connect the ecommerce environment with physical locations, getting online shoppers into stores.

In-store, digital can be used both as a tool for engagement and commerce.

Harrods worked with Oculus on a virtual reality experience allowing shoppers to tour the seven wonders of the world ([see story](#)).

Saks, meanwhile, helped to usher in a futuristic payment solution using augmented reality.

Mastercard has worked with Osterhout Design Group and Qualcomm Technologies to develop an AR payment program debuting with Saks. The solution will allow for shoppers to gain greater insight on products and recommendation but will also authorize payments through eyeball scanning ([see story](#)).



Mastercard and Saks bring AR to shopping. Image credit: Saks Fifth Avenue

Barneys' recently opened Chelsea flagship also combined luxury retail with state-of-the-art technology through the use of iBeacons and the Relevance Cloud personalization platform. Together, these technologies enhance the in-store experience by delivering personalized editorial content such as copy, video and look books to consumers visiting the flagship ([see story](#)).

A mix of high-touch and high-tech is now a winning combination for luxury retail.

Despite the rise in digital and mobile marketing in recent years, consumers still rely heavily on in-store sales associates to assist them in making purchases, according to a report by the Luxury Institute.

The majority of consumers surveyed reported making most of their purchasing decisions in-store without researching online beforehand. Luxury brands looking to improve consumer relations should focus more attention on improving the in-store retail experience and providing consumers with ready assistance ([see story](#)).

"Luxury department stores have to use their people skills, know their shoppers and anticipate their desires," Driscoll Advisors' Ms. Driscoll said. "Today, with data analytics and omnichannel, shoppers expect the retailer to know them

personally and offer up personal truly personal suggestions.

"Luxury department stores must differentiate on service levels as well as best-of-breed experiences at every consumer touch point while providing a curated assortment with a point of view that makes the department store visit either online or bricks-and-mortar, if not more, desirable than a trip to the luxury brand.

"Put your customer at the center of your strategy. That is really what omnichannel is about. Get rid of any asset that is extraneous to your brand positioning. Prune your store fleet of locations that don't represent the best of your brand.

"Create an environment where people want to come, explore, learn, shop and share."

Best-practice tips for luxury department stores:

- Michael Ward, managing director, Harrods, and chairman, Walpole:
 - "Understanding your customer is crucial for any retailer. The customer is at the heart of everything we do at Harrods and we constantly look for new ways to deliver an exceptional experience. I am just back from New York where many retailers are already on sale and I was repeatedly told the customer wants deals and discount. That is not how we understand the luxury customer. Our customer wants the most exclusive and beautiful product, in a luxurious environment with impeccable service.
 - Secondly, always look to improve and never become complacent. The customer is changing so quickly, so to remain at the forefront you need to move at their speed, if not one step ahead.
- Pam Danziger, president, Unity Marketing:
 - "Luxury department store managers need to think very differently about their customers and how they deliver to them, not just selling them more product but deliver more engaging experiences. They need to get smaller, if not in size, in thinking. They need to get closer to the customer, understand him and her on a personal level. Pushing decision making down to the lowest level possible and empowering staff on the shop floor to make decisions and implement changes right for their customers is one important change."
- Marie Driscoll, principal, Driscoll Advisors:
 - "Go back to retail's ABCs: know your customer and delight him or her with products, services and surprises. Even the best experiences get boring, so you must change it up and create a buzz and a reason to visit your store and shop your Web site. Bring in limited editions and exclusives that make your store a must-go-to. Discover new brands and showcase them, be the cognoscenti. Make sure you hire the right people, they are integral to your brand experience."
- Steven Dennis, president, SageBerry Consulting:
 - "Develop deep customer insight to inform progressively more relevant and remarkable experiences to improve retention and grow share of wallet. Create a digital-first harmonized experience. Look to 'micro-concepts' showrooms, category concepts to extend reach and attract new customer segments.
 - "Do detailed customer journey mapping by customer segments and purchase occasions to root out points of friction and find ways to amplify the customer experience. Be willing to experiment more."
- Robert Glazer, founder/managing partner, Acceleration Partners:
 - "As digital channels continue to grow and mature, shoppers now expect an integrated shopping experience across all their touch points with any brand. Consumers' desire for video, personalization, mobile and real-time engagement are nothing new, but in the future, luxury marketers need to begin embracing and leveraging new and emerging tech, which the sector has been a bit slower than more to adapt.
 - "Retailers are already leveraging chatbots to tailor customers' experiences, but going forward, this software is only likely to improve as it learns, and brands too are adapting their approaches in nailing and leveraging this as a channel to maximize customer satisfaction. While shoppable media is still at its early stage, consumers continue to spend significant time with only a handful of social platforms. Marketers and brands are looking for innovative ways to influence consumers' purchasing decisions and maximize business impact."

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