

RETAIL

The days of long leases are over: MoveNow exec

May 21, 2018



Frankfurt's airport shopping is one of the many growing luxury segments in the city; Image credit: Frankfurt Airport.

By STAFF REPORTS

VENICE, ITALY During a discussion at the Financial Times Business of Luxury Summit on May 21, MoveNow managing director explained that Frankfurt, Germany and experiential short-term stores are the future of luxury shopping.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

With luxury retail becoming more flexible and fluid, even Hong Kong has become more negotiable with its rental prices. Many luxury retailers are also hoping to strengthen their presence in Frankfurt, where rental spaces are cheaper and the luxury market is likely to grow soon.

Evolution of luxury retail

As luxury retailers hope to corner the growing Chinese luxury consumer audience, Hong Kong's growing flexibility in price negotiation is benefitting to high-end retailers, the executive explained.

Los Angeles is an important market in the United States for retailers hoping to capture the Chinese segment. The city is the largest market for Chinese shoppers in the U.S.

Mr. Gajzer also reinforced the notion of Paris as a luxury hub, stating that true luxury players cannot afford to not have a presence in the City of Lights.



Galeries Lafayette Royal Quartz Paris is the new moniker. Image credit: Galeries Lafayette.

However, New York is another important space for luxury, as rental prices drop and offers an interesting luxury market.

While Frankfurt is the most underestimated luxury market, London also remains a good value for luxury retailers. Thanks to Brexit, exchange rates are down and more visitors are flocking to the region.

Experiential shopping is also capturing the attention of luxury retailers, and it is for good reason.

Consumers are interested in interacting and testing out products.

So short-term lease space, a little longer than a traditional pop-up, that offers a unique connection with the brand can be beneficial.

For instance, one luxury knife brand opened a cooking shop in which customers can come, learn to cook and use its products.

Despite the rise of ecommerce, the bricks-and-mortar retail experience remains a key factor in consumers' purchase decisions.

According to a report from Astound Commerce, 59 percent of consumers consider a brand's in-store experience before shopping with that retailer, while 78 percent agree that a positive interaction with a sales associate can convince them to buy. Finding ways to fuse the physical and the digital will be key for retailers going forward, as millennials are more likely than the average consumer to take advantage of cross-channel services ([see more](#)).

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.