

RETAIL

Unique experiences draw shoppers to stores: JGA chairman

September 27, 2018



Tiffany & Co. opened a cafe at its flagship location. Image credit: Tiffany & Co.

By SARAH RAMIREZ

NEW YORK Luxury retailers need to reinvigorate their physical spaces as today's tech-savvy shoppers expect stores to serve as true destinations.

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During a keynote at the Luxury Marketing Forum on Sept. 26, the chairman of JGA reiterated that consumers are looking for authentic connections to places and brands. The best-selling places encourage interaction between customers while also leaving room for shoppers to reinvent the space.

"The idea is creating a space or an experience that is rooted in a very unique approach to shopping," said Ken Nisch, chairman at JGA. "They become destination platforms rather than just stores."

Luxury Marketing Forum was organized by Luxury Daily, with venue sponsor UBS

Shopping storylines

Retail environments are evolving to become more experiential and engaging.

More retailers are adding bars, coffee stands and even pop-up exhibits to their sales floors. To be successful, these tie into stores' themes and locations as a way to bring places to people instead of the reverse.



Logomania pop-up exhibit at El Palacio stores. Image credit: El Palacio de Hierro

Content inside stores also needs to promote storytelling, and younger shoppers especially expect locations to be Instagram-ready. Discovery trails can also lead customers through the store and help build narratives.

High-end retailer El Palacio de Hierro, a JGA client, recently opened a new location in Mexico City's bohemian neighborhood Coyoacán. Reflecting the area's history, the store features displays inspired by famous Mexican artists as well as restaurants and a wellness space.

To better merge physical and digital efforts, brands can also deliver content through microsites explaining store concepts. By creating stronger themes around their stores, retailers can encourage customer-generated social media posts as well as more sales.



Online consignment platform The RealReal opened in LA. Image credit: The RealReal

Digital companies are also entering physical environments, which Mr. Nisch calls "co-shopping." These co-shopping spaces attract consumers who have open minds and may not know as much about the retailers.

The hybrid co-shopping model is often promoted by technology companies that backpedal into retail, such as jeweler James Allen.

Customer interaction is also crucial to co-shopping since shoppers relate to one another because of their consumption habits. This also is representative of the concept that the best brand advocate is not a paid employee, but an engaged consumer.

Standout experiences

Luxury retailers have been catching on to consumers' desires for more experience-oriented spaces.

For instance, U.S. jeweler Tiffany & Co. is continuing to rework its retail strategy with the opening of an eatery located within its famed Fifth Avenue flagship.

Located on the newly renovated fourth floor of its New York store, Tiffany's Blue Box Cafe is the first retail dining concept envisioned by the jeweler. Tiffany Blue is incorporated throughout the cafe's interior, including seating, tableware and decor ([see story](#)).

New York-based department store Bergdorf Goodman is similarly unveiling a permanent concept shop idea, which

focuses on building mystique and beauty.

The new Noir shop will be a permanent fixture within the Bergdorf Goodman New York store, built on the idea that black is a staple in everyone's wardrobe. But the shop looks at more than just the color, focusing on the ideas of beauty, mystery and strength.

Located on the second floor, the shop features vintage pieces, accessories, home dcor, food, art, lingerie and beauty products that fit the Noir style. In support of the in-store shop, a few items will be available on Bergdorf's Web site ([see story](#)).

British department store Harrods also transformed its retail presence into a museum-like atmosphere, highlighting special products for an experiential shopping endeavor.

As luxury shoppers look for more of an experience rather than simply buying products, retailers have been turning campaigns into full events. Over the summer, Harrods took this approach with its "Rarity" campaign spanning in-store and digital, which features a temporary display of curated products described as rare finds ([see story](#)).

"The store of the future is less about distribution and transactions and more about creating these excuses and reasons for people to want to engage," Mr. Nisch said. "The brand is the story."

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