

RETAIL

Retail sector's Top 10 headlines of 2018

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Farfetch continues to change luxury ecommerce. Image credit: Farfetch

By STAFF REPORTS

Retail continues adapting to consumers' increasingly digital behavior through innovations and investments in elevating in-store and online shopping experiences.

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Whether embracing ecommerce for the first time or doubling down on efforts to connect the online and offline channels, retailers looked to modernize their approach without losing their sense of service. Meanwhile, new store formats and uses of technology showed that luxury retail is unafraid to experiment and evolve.

Here are Luxury Daily's top 2018 headlines from the retail sector:



While consumers have changed the way they shop, bricks-and-mortar retail is still vital. Image credit: Neiman Marcus

Offline sales are not dead, but transformed

In the face of industry change, it is not the end for bricks-and-mortar because, despite the number of stores declining, in-store sales are on the rise.

According to Fung Global Retail & Technology's "What Retail Apocalypse?" report, consumers' interest in experiential shopping is making a direct impact on retail real estate. Bricks-and-mortar storefronts focused on just selling apparel have been the basis of the drop in physical store numbers, but malls and shopping destinations that

act as leisure hubs have seen solid occupancy ([see story](#)).



Affluents are planning to work less to free up time. Image credit: Moda Operandi

Affluents aim for more time, less clutter: YouGov

Affluent consumers are seeking to simplify their lives, with more than half of respondents in a YouGov study saying they are looking to buy less and declutter.

The biggest motivator for this shift is saving time, as these individuals look to spend more of their time exploring their passions or having “me time.” Consumption patterns have been increasingly moving away from accumulation and more towards mindful purchasing, as consumers seek to fill their lives with experiences rather than material goods ([see story](#)).



Moncler Genius will release eight collections this year. Image credit: Moncler

Luxury co-opts drops to build hype through exclusivity

As the luxury business looks to drive sales in an increasingly competitive retail environment, it is turning to a streetwear-style tactic to create consistent newness.

A growing number of luxury labels and retailers have been adopting the drop retail format, opting for a series of limited-edition releases per year rather than the traditional seasonal store arrivals. Drops have proven a successful strategy for streetwear, but is this a winning strategy for luxury ([see story](#))?



About half of retailers are missing out on in-store personalization opportunities. Image credit: Printemps

Personalization key to retaining valuable clientele: Boston Retail Partners

Personalizing consumers' retail experiences can lead to loyalty and increased spending, according to a new report from Boston Retail Partners.

Today consumers expect more individualized communications and interactions with retailers, with 59 percent saying that personalization impacts their purchasing decisions. Identifying and appealing to shoppers with relevant offers or communications can help to establish a relationship between consumer and brand ([see story](#)).



Shoes are one of the most purchased fashion categories online. Image credit: Roger Vivier

Millennials more apt to seek excitement, experience in physical stores

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 story](#)).



Alibaba has opened up an artificial intelligence-enabled concept store. Image credit: Alibaba

Physical-meets-digital stores key to experiential retail

Retailers are looking to bridge the gap between physical and digital, as even tech-savvy consumers continue to prefer shopping at bricks-and-mortar stores.

According to Fashionbi's "Phygital Stores: How New Age Stores Are Changing The Way We Shop" report, shoppers are looking for more customized experiences in-store. A growing number of retailers are incorporating technology to improve customer service and harness more information about their customers ([see story](#)).



More online shoppers are turning to smartphones rather than desktops or tablets. Image credit: Boucheron

Mobile shopping and in-app sales on the rise: Criteo

Mobile shopping transactions are surging as consumers continue to reach for their smartphones instead of desktops when browsing online.

Retailers who actively promote their mobile applications especially continue to see positive growth as more users embrace in-app shopping, according to a new report from Criteo. Bricks-and-mortar retailers, however, still lag behind their online-only competitors and need to better integrate online and offline efforts ([see story](#)).



Bergdorf Goodman has released their first video on Instagram TV. Image credit: Bergdorf Goodman

Instagram challenges fashion retailers with standalone platform

Social media application Instagram is reportedly developing a dedicated shopping platform that would have a significant impact on ecommerce should it come into fruition.

The Facebook-owned platform is already an immense draw to businesses and advertisers. Since many online businesses already rely on Instagram for exposure, a standalone shopping hub would pose a challenge to ecommerce solutions such as Shopify ([see story](#)).



Highly sought-after Air Jordans Airstyled by students at Little Black Pearl, a nonprofit cultural arts center for Chicago's youth sold at Stadium Goods. Image credit: Stadium Goods

Farfetch exhibits growth of streetwear with \$250M investment

Online retailer Farfetch is forecasting the rise of high-end sportswear and sneakers with a new takeover of Stadium Goods as the sector overtakes traditional luxury footwear.

With its new acquisition of marketplace Stadium Goods, Farfetch is proving its confidence in the premium sports footwear sector, but its decision was not based on a whim. The online retailer, which specializes in luxury goods, saw the rise in streetwear and premium sneakers from millennial and Gen Z groups and knew there was an overlap in the market ([see story](#)).



Investments in ecommerce are paying off. Image credit: Neiman Marcus

Department store ecommerce sales up more than 10pc this holiday season

Retailers saw the best holiday sales season since 2012, with online sales jumping nearly 20 percent from last year.

According to early data from Mastercard SpendingPulse, sales in the U.S. from Nov. 1 through Christmas Eve surpassed \$850 billion. Although department stores saw a decline in spending at their bricks-and-mortar locations, sales through their ecommerce platforms increased more than 10 percent in the buildup to Christmas ([see story](#)).

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