

RETAIL

## Retailers leverage FOMO, customization for experiential push: Fashionbi

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*Balmain is one of the luxury brands partnering with Facebook on virtual reality. Image credit: Balmain*

By SARAH RAMIREZ

With almost a third of consumers preferring to see and interact with products in-person rather than shop online, brands have opportunities to reinvent retail experiences.

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As shoppers begin to spend more on experiences than physical goods, the most successful retailers offer experiences and products consumers cannot find elsewhere, according to Fashionbi's [Experiential Retail report](#). Experiences, whether workshop classes or restaurants, need to further connect consumers with brands.

"Customers are becoming more demanding and knowledgeable," said Yana Bushmeleva, chief operating officer at [Fashionbi](#), Milan. "There are those clients who are already fed up' with just products and are looking for novelty via services, while the new generation of luxury goods consumers is less focused on material values and more on experiences that can accompany the goods."

### Strategy experimentation

Experiential strategies are becoming more applicable across sectors. Fashionbi cites a Euromonitor analysis that the experiential industry is projected to be worth \$8 trillion by 2030.

Millennials are driving the shift towards unique experiences, despite their high comfort levels with online shopping.

Three out of four millennials choose experiences over luxury goods and 72 percent would like to increase their spend on experiences, according to Euromonitor.



*Gucci created a digital experience for its DIY program. Image courtesy of Gucci*

Customization is one way retailers can enhance the customer experience, particularly if shoppers need to visit bricks-and-mortar locations to obtain exclusive, personalized items.

Products and shopping journeys can both be customized. Shoppers will also spend more on customized or personalized goods.

For instance, Italian fashion label Gucci digitized its customization program, expanding what was previously only a bricks-and-mortar experience to a wider audience during a limited-time Gucci DIY offer.

Exclusively through Gucci.com, the DIY tools blended product photography and 3D computer modeling to create a more lifelike representation of what final combinations would look like. In-store, consumers could use a provided iPad or iPhone to interact with physical merchandise ([see story](#)).

Retailers should also harness consumers' "fear of missing out," also known as FOMO.

Experiences serve as social currency, and the competition to attend special events or obtain limited-edition items can motivate shoppers.

When French fashion house Balmain opened its first Italian flagship in Milan, consumers were encouraged to further immerse themselves in its universe through a virtual reality experience. In a temporary lounge, shoppers could wear a specially designed Oculus headset to take a virtual tour of Paris guided by the label's creative director ([see story](#)).



*The Designer Street Room features the U.K.'s only free wooden skate bowl. Image courtesy of Selfridges*

Consumers are increasingly looking at shopping as entertainment, and they want more interactive experiences that help them create memories.

British department store chain Selfridges recently opened a new space devoted to high-end streetwear.

The standout feature is a fully enclosed skate bowl, the only free, permanent skate bowl in the United Kingdom. It was also designed to be easily adaptable for special events and programming, such as guest appearances from top skaters ([see story](#)).

## Dining out

Entire in-store experiences also revolve around dining destinations. More retailers are adding bars, coffee stands and restaurants to their sales floors.

Not only are affluents becoming more interested in splurging on special meals, but special cafs and restaurants also keep shoppers in one location. To be successful, these must tie into stores' themes and locations as a way to bring places to people instead of the reverse.

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](#)).

Italian fashion house Gucci has also blended retail and hospitality at Gucci Garden in Florence's Piazza della Signoria.

Gucci has tapped three-Michelin-star chef Massimo Bottura to curate the on-site restaurant. The brand aesthetic comes across in the restaurant interior, which includes lush tufted seating, as well as the pink patterned plates and monochrome napkins ([see story](#)).

"Through additional services, a brand can even increase its authenticity," Fashionbi's Ms. Bushmeleva said. "The experience can be delivered directly in-store or via digital channels before and after the purchases."

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