

RETAIL

Will Barneys New York retail makeover work?

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Will the love endure? Image credit: Barneys New York

By [Alan Behr](#)

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Authentic Brands Group's legally approved bid Nov. 1 of bankrupt U.S. department store chain Barneys New York is about intellectual property, not inventory or real estate.

The sale of the trademark, along with appurtenant goodwill, is what is at issue. Great brands are sold and reborn, such as Abercrombie & Fitch becoming Abercrombie, with different products to a different market.

What would Barneys mean under different owners? The answer is: whatever the market accepts. It is all about building from what was left to create something more durable.

However, it is obvious that the new owner of Barneys is going to reposition the brand and align its retail business with another department store chain, Saks Fifth Avenue ([see story](#)).

Will the overall repositioning of the Barneys retail brand, as outlined by Authentic Brands Group in its bid, work?

Retail detail

Retail brands can be repositioned if it is done properly. Indeed, that happens all the time. Many retailers have long worked, for example, to reposition themselves to draw in younger customers.

Vendor brands are not necessarily pliable in any event. A brand must tell a "story" to its customers to keep their loyalty. To rebrand is to change the story, and that is not easy to do.

Chanel was a clothing brand that, for American customers, came in time to be little more than the brand of a fragrance, Chanel No. 5, only to return in a big way as a label for premier fashions. That took effort.

As for retailers, first, some history.

My family owned one of America's regional department stores, and dinner conversation from my father, who in time became chief merchant, was focused on retail store management: theory and practice. A [book was published](#) about the history of the store.

From Father, who knew best: a true department store is a "one-stop-shopping" destination. It provides a selection of most things you will need, rather than a comprehensive product line.

That is, a bike shop may have dozens of different bicycles, every commonly needed accessory and a repair facility.

A department store bicycle department will have a small selection of bicycles and accessories, typically at a lower price point than the specialty stores, but you can buy your bike on the same shopping trip for buying back-to-school clothing for the kids, winter boots for yourself and a bed for the guestroom, getting your hair done at the store's salon, picking up the latest best seller in the book department, and getting the battery changed in your watch in the jewelry department or at customer service.

In those days before designer names were well known, the brand that sold the shopping experience was that of the store. The store was the destination and your respect for its brand, as the umbrella under which all else was provided, drove the sales of all those products and services.

Harrods still operates generally that way, and Macy's still does much of the same.



The new voyage begins. Image credit: Bameys New York

Model twist

Most of what we call department stores these days are effectively large women's clothing stores with ancillary departments for menswear and childrenswear, and perhaps toys and gift items.

Consider as well that, in place of what might have been a lunch counter or small restaurant, stores now may have multiple venues for different styles of dining and other food services.

Add the shop-in-shop model, by which the store is essentially real estate for a department built out and operated by a particular vendor.

Throw in the fact that major brands now dominate consumer thinking, and putting aside private-label and even white-label goods most of the major stores are competing for customers by selling them things that are available from competitors and the vendors' own chain of retail stores.

As it has been from the start, what is now called the "edit" is the key to success: the store will not have all of a particular designer's line, and success during any given season depends on the skills of the buyers in selecting the most saleable pieces from each vendor.

Competition is, therefore, increasingly based on service personal shopping, same-day delivery rather than product.

Finally, consider the increasingly successful integration between the physical stores of a chain and its online sales channels.

SO THE ANSWER is that department stores have already repositioned their brands by substantially changing how they do business quite beyond recognition from the perspective of what a chief merchant during the last century might have seen as sound practice.

That process will continue, and repositioning will be a part of what stores will be doing for the foreseeable future.

The store brands will come to be increasingly identified by the services provided: editing, styling, delivering, repairing, accepting returns, and more.

So, yes, they can rebrand in fundamental ways into reliable services providers who maintain entertaining places to shop, dine or simply to visit, all in the service of the shopping experience. There is good reason to believe that the

best will do that in an effective manner in the years to come.



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