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RETAIL

What tactics can companies use to ensure social distancing in stores, workrooms and open plans?

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Consumers keeping their distance. Image credit: McKinsey

By DIANNA DILWORTH

As non-essential stores in Europe and some U.S. states begin to open, luxury marketers are trying to plan for their new normal and reimagine how their businesses will resume operations.



Retailers can take a note from grocery stores and pharmacies and adapt some of the same practices. For instance, limiting the number of customers per square meter and introducing distancing measures in fitting rooms and adding plexiglass to cash wraps.

"Making consumers feel safe in store and creating an environment that not only enables, but also promotes, safe browsing is key," said Achim Berg, senior partner of the apparel, fashion and luxury Group at McKinsey, Frankfurt Germany.

"Connecting on a personal level with consumers in-store can also be done at a one meter distance," he said. "I see small boutiques offering plexiglass face shields for customers rather than masks, which allows sales assistants to see customers' faces and thus connect with them on a more emotional level.

"Awareness of these interpersonal dynamics is important. We have to keep this alive in times of social distancing in order to enable experiential retail."

New etiquette

There are two basics needed in the reopening: the hygienic measures such as cleaning, hand sanitizer and masks, and the emotional connection that make consumers feel safe in a space. Both reassure consumers.

"Companies can stand out by doing something nice for them, something extra by taking care of the particularities of luxury consumers," Mr. Berg said.

"Our store visits show that at the moment, most stores only do the bare minimum and this doesn't exactly translate into a nice experience," he said.

"The flipside is that those players that invest in this realm and create solutions that fit their brand can absolutely stand out from the others."

Complying with governmental regulations and making consumers feel safe in stores will be important for retailers. Online integration into offline retail could help this scale much more quickly.

"We will see more omnichannel pick-up-and-return stations, but also the other way around: more ways for consumers to engage with the store from home," Mr. Berg said.

"For example, we see brands putting on sales events via WhatsApp and Instagram Live these types of efforts," he said. "This has been popular in China and we will now see it accelerating in Europe."

Affluent consumers of luxury products will expect to get the same level of personal service in a safe, digital environment. This is driving an increase in brands experimenting with having personal shoppers reach out to VIP customers through digital channels.

"It is this balance between being personal and caring, yet safe for your customer, that will help to win going forward," Mr. Berg said.

"The solution cannot be a process that is fully isolated, in which you go to the store and you don't interact with people," he said. "Retail needs to remain experiential and personalized, and digital offers new means to do so."



Achim Berg is senior partner of the apparel, fashion and luxury group at McKinsey

Marketing new practices

Consumers want to feel safe when they reenter the world and brands that communicate how they are making their stores, showrooms and workplaces more hygienic and secure can benefit from marketing their new practices.

"Communicating what you are doing is the most important thing," Mr. Berg said.

"Of course, everyone is offering hand sanitizer, but companies need to focus the safety experience on their brand and ensure that they engage consumers on an emotional level," he said.

For example, some small stores have been able to position themselves as a safe haven where customers can escape the crowds of large stores. Local neighborhood businesses have benefited from these scenarios as consumers also want to help support the mom-and-pop businesses in their areas.

The larger brands should take a note from these small shops and try to connect to consumers on a personal level.

"This could mean that the boutique director personally signs the hygiene standards in store, that you communicate transparently on your landing page about hygiene measures you are taking or that every online shipment includes a personal note outlining the safety protocols," Mr. Berg said.

"Especially in this new digital environment, it is important that you are transparent and that there is a face behind the digital tools for the consumer," he said.



Luxury brands try to reimagine the workplace post COVID-19. Image credit: McKinsey

Workrooms and offices

Employees who can work remotely will likely continue to work from home. Others will probably have a new routine in the workplace.

When people return to workrooms and open-plan offices, they may work in staggered shifts at varied schedules to avoid crowding in the workplace.

"We see, for example, companies splitting their teams into sub-groups that don't have to have contact as shifts change," Mr. Berg said.

"We also see digital solutions coming into play much more," he said. "In product creation and merchandising, for instance, it was difficult before to imagine a world of remote working.

"Now, solutions for digital fittings and digital selling are quickly becoming standard."

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