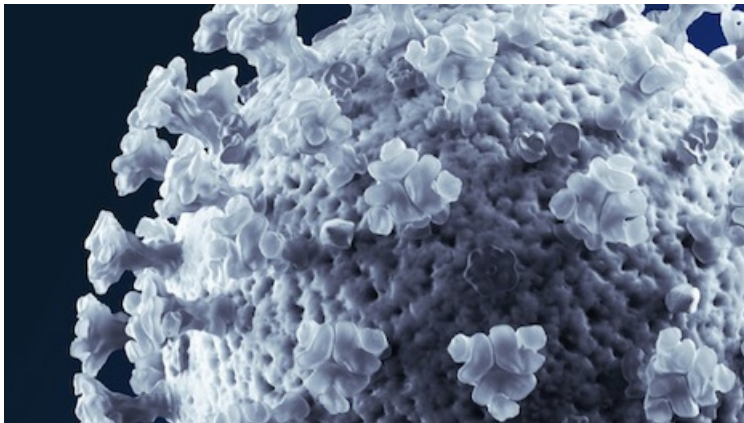


RETAIL

The art of reopening: How luxury brands and retailers should get it right

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McKinsey imagines a post-COVID-19 global economy. Image credit: McKinsey

By DIANNA DILWORTH

As stores begin to reopen, many brands are trying to figure out the best way to lure customers back into shops and make employees feel safe to go to work after the pandemic has left many fearing for their health.

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The reopening will likely move slowly, but brands can help boost interactions by creating a plan that makes consumers want to return.

"The approach should be three-fold," said Claudia D'Arpizio, partner at Bain & Company, Milan. "Get the product to store, defining an exciting offer and addressing any supply chain and inventory issues. Get the store open and up to safety standards, while maintaining an engaging customer experience.

"Get customers to stores, invest in marketing to re-engage them, both on physical and digital channels, balancing reassurance with excitement," she said.



Claudia D'Arpizio is a Bain & Company partner. Image credit: Bain & Company

Safety is key

Many consumers are excited to emerge from their homes again, but they are doing so with extra caution.

Brands that want consumers to return to stores should consider how they can make consumers feel that shopping is not a risk to their health.

"Safety standards will be extremely relevant for customers in the context of physical shopping," Ms. D'Arpizio said.

"Direct customer outreach for store reopening should be carefully executed with a balanced push on product-driven engagement and reassurance," she said.

Complying with governmental regulations and making consumers feel safe in stores will be important for retailers.

"In stores, we obviously see companies complying with governmental regulations around limiting the number of customers per square meter and introducing distancing measures in fitting rooms and at cash desks," said Achim Berg, senior partner of the apparel, fashion and luxury Group at [McKinsey](#), Frankfurt Germany.

"This is important and helpful," he said. "With workrooms and open-plan areas, we need to think about it very tactically a case of COVID-19 could bring down a company's entire operations if not managed well."

There are two important factors to consider to help people keep safe: the tangible hygiene measures needed such as providing people with good-quality protective gear and hand sanitizer and going the extra mile to make people feel emotionally that they are in a safe space.

"The next-normal shopping streets exude a dynamic that can be discouraging, even to those consumers who so far were not afraid of catching the virus," Mr. Berg said.

Before facing the public, employees should feel safe themselves. Brands should create training programs to help employees understand best practices for the post-COVID environment.

"Employees should be primarily reassured in terms of safety of their place of work and well-trained in advance for the revised selling ceremony and the reviewed retail procedures," Ms. D'Arpizio said.



Achim Berg, global leadership of the Apparel, Fashion & Luxury Group at McKinsey. Image credit: McKinsey

Communications are key

Marketing with the right tone will be central to getting people to leave home and come back.

"Brands should get back in touch with customers in an intimate way, not with a strong commercial push but rather with a let's meet again' approach," Ms. D'Arpizio said.

Companies should leverage their existing database to inform and excite consumers about what stores have to offer.

"Very few stores have queues outside of them right now and those that do are the ones who communicated well with their consumers throughout the lockdown and created real pull and excitement to come back," McKinsey's Mr. Berg said.

The messages should let people know what the new environment looks like and what measures are in place to make them feel secure. But they should also include a reason to come appealing products.

"Communication to customers of the reopening should be well balanced between reassuring that all the steps of the shopping experience have been re-thought to assure the highest level of safety, as well as engaging them with product content and newness, thereby giving them a reason to come back to the store," Mr. Berg said.

When they begin to feel safe, consumers will return to physical stores with a renewed passion for real-life experiences.

"This is particularly the case for Gen Z customers who want to be engaged with in-store experiences," Ms. D'Arpizio said. "But some digital shopping habits built during the outbreak will stick, especially if brands raised their game in online assortment, user experience and digital marketing."

But do not forget about the online store. Ecommerce is here to stay, so brands should keep up with the digital engagement marketing they did during lockdowns and keep pushing communications online.

Online integration with in-person retail will likely scale much more quickly than it has in the past.

"The crisis will accelerate the shift to online shopping, but still within what we call a phy-gital' mindset where the physical store experience and online interactions with customers converge," Ms. D'Arpizio said.

The key to reopening is to be flexible to customer needs, online or offline.

"The luxury consumer will expect to get the same level of personal service in a safe, digital environment," Mr. Berg said.

"This is why companies that have been experimenting with inside relationship managers, shop assistants engaging live through digital tools with their VIP customers, have been very successful," he said.