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Crowd management and store redesign: How luxury retail can get it right

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Bloomingdale's offers personal shopping appointments. Image credit: Bloomingdale's

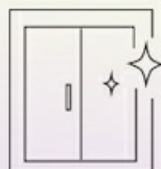
By DIANNA DILWORTH

As stores begin to reopen, it is time for luxury brands to do what they do best: develop plans to make customers feel like VIPs.

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Today's VIP wants space, hygiene and a feeling that they will not get sick for going out into the world. As high-end retailers look to lure consumers back into stores, crowd management and store redesign will be a key element to help return the pleasure of going shopping.

"In the immediate term and in light of COVID-19, luxury companies need to offer health and safety reassurance for consumers to come back to physical spaces," said Sarah Willersdorf, partner and managing director of Boston Consulting Group, Boston.



Customer expectations

As stores reopen, these businesses have implemented new protocols and are communicating them to consumers to help make them feel safe.

Nordstrom, Saks Fifth Avenue, Bloomingdale's and Louis Vuitton are among the many luxury retailers that have created rules for social distancing, cleaning, hand sanitizing and mask wearing. They offer private appointments and curbside pickup to help keep people from having to go inside.

"As we reopen our stores, we're focused on safety and ease of shopping," read the Saks Fifth Avenue Web site. "That includes: mandatory associate face coverings & daily health checks, thorough cleanings multiple times a day, hand sanitizer available throughout the store, extra precautions to ensure all returned merchandise is handled appropriately, reduced occupancy with density monitored throughout the day, and additional safety measures for dressing rooms, beauty areas & registers."

"Luxury brands should focus on is proactive communication with their customers and guests," said Toopan Bagchi, senior advisor at The Navio Group, Minneapolis. "Regardless of the specific safety measures deployed, the open communication sends the clear message that safety is a priority and sets appropriate expectations (e.g., a mask will be required). Clear expectations should minimize the risk of surprising or disappointing demanding luxury customers.

"In terms of crowd management, expect clear signage regarding traffic flows, such as designating doors for entry vs. exit," he said. "Depending on the environment, ropes, barriers, or floor markings could be used to create space where lines or crowding may occur. Perhaps most helpful will be having designated team members encouraging physical distancing."

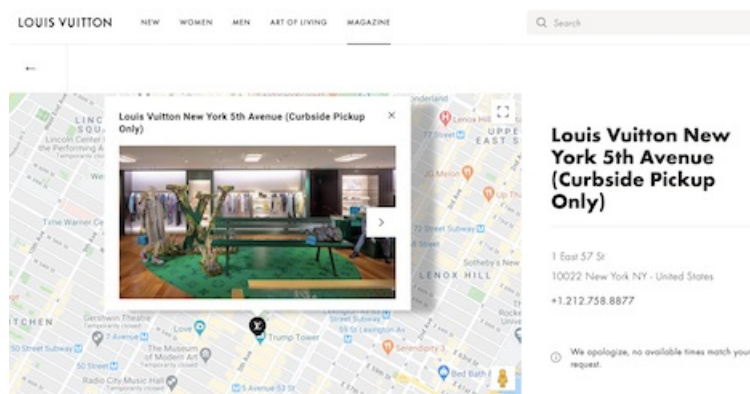
A survey from the Boston Consulting Group that took place at the end of April found that 29 percent of U.S. consumers said they will need one to three months post-COVID-19 to be comfortable returning to stores. Nineteen percent said four to months.

In fact, only 26 percent of U.S. consumers said they will feel comfortable returning to stores within less than a month.

"Luxury companies will need to implement a number of health and safety measures like hand sanitizer dispensers, social distancing and limiting the number of consumers within stores and restaurants to lure them back," Ms. Willersdorf said.

"They should also be thinking about creative methods to ensure customers feel safe in shared bathrooms and fitting rooms and are able to safely return procedures for example, ozone sanitization for returns," she said.

"We expect that there will be capacity restrictions to enable more social distancing within retail and hospitality spaces. There will likely be a greater emphasis on appointments and bookings, in general."



Louis Vuitton's Web site shows which stores are open and which offer curbside pickup. Image credit Louis Vuitton

Luxury expertise

Luxury firms are used to going the extra mile and ensure consumers feel the luxury experience. This expertise will come in handy as customers do return.

"Even pre-COVID-19, many luxury retailers were doing more to personalize in-store experiences for example, offering more private shopping appointments or allowing top customers to come with friends in small groups," Ms. Willersdorf said.

"This form of clienteling can be made to feel luxurious as well as safe," she said. "For luxury retail, we also expect a greater investment in digital and omnichannel features for customers who prefer to complete some of their journey online."

Additionally, luxury brands should look to retailers that stayed open during the crisis such as grocery stores and restaurants to learn how they removed extra seating and fixtures or spaced tables apart and emulate these models.

"Luxury is all about service and brands can really shine by utilizing their concierge-like team members to demonstrate their concern and deliver the outstanding service luxury customers and guests expect," Mr. Bagchi said.

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