

RETAIL

How retailers are responding to tense election aftermath

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Bergdorf Goodman on Fifth Avenue boarded up on Election Day. Image courtesy of Mickey Alam Kahn

By SARAH RAMIREZ

While the United States waits for all of the votes to be counted in the presidential election, luxury brands and retailers continue to brace themselves for continued civil unrest as resulting from a closely contested race.

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With no projected winner in the presidential election, demonstrations took place in cities across the U.S. on the night of Nov. 4, including New York and Chicago. As the uncertainty drags on and retailers from coast to coast remain boarded up, consumer demand for luxury goods may take a hit.

"It depends what the meaning of prolonged is," said Marie Driscoll, managing director for luxury and fashion at [Coresight Research](#), New York. "Luxury purchases more closely reflect the stock market and, while the market has been volatile very recently, [Wednesday]'s market performance was strong.

"Luxury is well-positioned to benefit this holiday from fewer experiential spending options and consumers turning to purchasing products both for gifting and self-gifting," she said. "As well as middle-income shoppers trading up and rewarding themselves after a difficult COVID year."

Taking precautions

Luxury storefronts across the U.S., including in cities such as New York and Beverly Hills, boarded up in anticipation of civil unrest while a record number of votes are counted in the coming days. In the lead up to Election Day, the National Retail Foundation hosted a webinar to help retailers learn how to prevent and de-escalate conflict ([see story](#)).

Adding to the tense atmosphere, President Donald Trump has repeatedly questioned the validity of the election results and, on Nov. 4, he falsely claimed victory in swing states as ballots are still being counted.

The day after polls closed, many luxury stores in Manhattan remained boarded up, recalling sights from earlier this year.



U.S. department store chain Bloomingdale's flagship store in midtown Manhattan being boarded up on May 31. Image courtesy of Mickey Alam Khan

In late May and early June, luxury brands and retailers including Chanel, Bloomingdale's and Nordstrom were damaged as Black Lives Matter demonstrations took place across the country following the death of George Floyd at the hands of Minneapolis police. Break-ins took place in several cities, including New York, Los Angeles and Seattle ([see story](#)).

"Given the uncertainty surrounding the election and the potential for large-scale protests, many retailers on the Avenue decided to follow the NYPD's recommendations to keep lights on, make sure security systems and cameras were functional and remove merchandise from displays," said Jerome Barth, president of the [Fifth Avenue Association](#), New York. "Others further decided to hire private security or temporarily board up their windows, which we expect will remain in place until the news on election results become more definitive."

Despite boarded up windows across Midtown, some luxury stores were still welcoming shoppers.

The Herms flagship on Madison Avenue was open by appointment only, while Bergdorf Goodman was accepting shopping appointments in the morning before opening to the public in the afternoon.

Chanel, whose New York flagship is located within a block of Trump Tower, was among the stores that remain closed on Nov. 4 and 5.

Although demonstrations have taken place in New York, Philadelphia, Los Angeles and elsewhere after Election Day leading to some arrests and confrontations between police and protesters no widespread property damage has been reported.

Future of luxury stores

The election-related shopping restrictions come as many luxury brands have yet to fully reopen bricks-and-mortar stores after COVID-19 lockdowns, opting to encourage shopping appointments instead. In the meantime, ecommerce sales have surged.

"Luxury shoppers are happily shopping online and they are enjoying clientele selling strategies that are deepening their relationships with luxury brands and luxury department and specialty stores," Ms. Driscoll said. "Closed stores impact potential new clients from in-store discovery."

During a fireside chat at the Future of Luxury eConference, Mr. Barth reiterated how bricks-and-mortar retail is essential to the perception of luxury brands. Luxury flagships present a unique opportunity for brands to build and maintain connections with consumers.

Mr. Barth also suggested that brands consider stores another form of media or marketing that should offer emotional resonance. Prior to the pandemic, luxury brands had begun embracing more experiential strategies for their bricks-and-mortar locations ([see story](#)).

"Luxury brands need to enhance their online brand storytelling and engagement and employ social media to attract new customers during prolonged store closures," Ms. Driscoll said. "In the future, shoppers will continue to shop in-store, just not in boring stores."