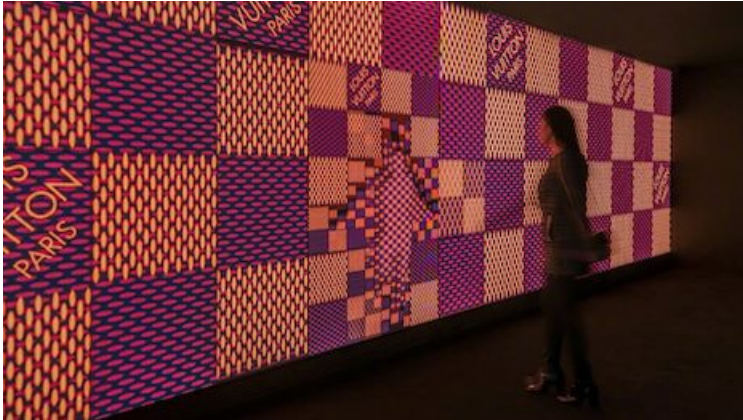


RETAIL

3 reasons to expand your retail footprint in China right now

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In China, high-end boutiques, concept stores and pop-up shops are blooming like crazy. Image credit: Louis Vuitton's Weibo

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The Western world is trending towards a retail apocalypse, but the opposite is happening in China.

High-end boutiques are being inaugurated at airports during a global pandemic, new concept stores are opening in malls, and duty-free stores and pop-up shops are blooming across the southern Chinese island of **Hainan**.

The pandemic has brought a shift in consumer habits, transforming the way buyers interact with brands.

In the West, **a record number of health-conscious shoppers** are staying away from physical stores and prioritizing online shopping. But in China, the situation is somehow different.

After reshaping the retail industry with the "New Retail" revolution and seamless omnichannel experiences, China now seems ready to redesign the business model again. And this time, leisure entertainment and "showrooming" are at the forefront.

But why exactly should luxury brands expand their physical retail space in China?

Timing

"Post-pandemic, younger consumers, in particular, are showing signs of nostalgia for face-to-face interactions," says **China Daily**. That feeling of "nostalgia" presents retailers with a rare opportunity, but they must act now to seize the moment.

In a highly acclaimed **TED Talk**, Bill Gross famously said that timing is the top reason startups fail or succeed today. But every big company should act like a startup, consistently trying to prioritize their customers, stakeholders, employers and communities. This approach implies a deep understanding of the needs, influences and expectations of each group.

Unsurprisingly, human connection and social interaction are the most pressing needs consumers have after months of isolation. And smart retailers have increased foot traffic in their bricks-and-mortar stores by banking on that feeling.

Through unique experiences that focus on pleasing service interactions, some luxury brands are giving their audience not only another platform where they can discover new products, but also the most authentic form of engagement still available.

Most shoppers prefer a [personalized shopping experience](#) that involves communicating directly with a sales associate rather than interacting with machine-learning chatbots and other automated options.

The rise of "showrooming" and "webrooming"

Even before the pandemic, physical retail was winning consumer hearts with its ability to offer tactile experiences. And in the luxury world, feeling and touching are even more important because shoppers make a serious investment with each purchase.

If you buy a Guanaco jacket or an ultra-soft cashmere sweater produced from the underfleece of Hircus baby goats, you want to feel it on your skin. No digital interaction can reproduce that soft touch. Therefore, luxury brands need a physical footprint so they can offer customer-product interactions.

And, logically, if the consumer pays a five-digit sum for a jacket, he is entitled to a personalized and guided shopping experience.

"Having the ability to touch and feel the product is so important that it becomes difficult for customers to buy online," said [Quentin Caruana](#), founder/president of high-end goods reseller Marque Luxury.

"Retailtainment" is transforming physical retail

Chinese ecommerce players have come up with an unbeatable combination of convenience, discounted prices and personalized digital content. That is why traditional retailers had to take the reins back and respond with an even more compelling offer.

As such, luxury retailers such as Burberry and Louis Vuitton have upgraded their showrooms by transforming them into artsy lounges where consumers come to be inspired, shop and find recreational activities.

Burberry opened its first [social retail store in Shenzhen](#) as a way to prioritize leisure entertainment. Instead of the usual store, the location is more of an upscale boutique "designed for customers to interact with its products in person and on social media," according to [Retail Dive](#).

Powered by Tencent Technology, Burberry allows customers to transfer their social media interactions to a bricks-and-mortar store, said a [Burberry press release](#).

"Through a dedicated WeChat Mini Program, customers can unlock exclusive content and personalized experiences and share them with their communities," Burberry said in a statement.

As such, brand aficionados can do far more than just shop, thanks to the personalized interactions that can be unlocked on both WeChat and offline. Customers can enjoy Instagrammable experiences, such as unique learning tours, shopping session appointments, or even booking a reservation to the brand's coveted Thomas's Cafe.

Louis Vuitton is another such champion of immersive shopping experiences in China. And the Wuhan launch of its global exhibition, [SEE LV](#), is the latest example of this strategy.

In the past, Louis Vuitton entered artistic collaborations with local celebrities such as Liu Haoran and Dilireba, crafted landmark shows with a strong China focus, and partnered with renowned Chinese artists or featured their work in LV-sponsored exhibits.

This pivot towards all-things China has catapulted the brand to new heights in the Asia-Pacific market, turning it into a benchmark for success and profitability in the country.

Other luxury and premium brands such as [Prada](#) and L'Occitane China are playing catch-up by trying to navigate an omnichannel presence while offering shoppers fully-integrated experiences.

In fact, Queenie Lin, managing director of L'Occitane China, summed the issue up nicely when he said: "A typical retail brand simply cannot afford to ignore face-to-face communication opportunities with consumers."

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