

RETAIL

Lifecycle luxury' growth opportunity for retail's future

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Burberry's social retail store in Shenzhen, in partnership with Tencent, opened in 2020. Image credit: Burberry

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In the next era of retail, luxury brands will have to put circularity in the spotlight and rethink physical spaces to be more purposeful.

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According to TBWA's "[Future of Retail](#)" report, the coming years will usher in a healthier era of consumption. Luxury consumers will seek more functional goods made with eco-friendly materials and authentication technology.

"We believe a new chapter of retail is upon us," said Agathe Guerrier, chief strategy officer at [TBWAWorldwide](#), in a statement. "As we reckon with the impact of excess and thoughtless convenience, retailers have the opportunity to carve out a better way forward."

The report is based on qualitative and quantitative research, strategic ideation and collaboration among 300 "cultural spotters" across TBWA's global offices.

In-store services

As economies rebound and consumer confidence resurges, there are several growth opportunities in the retail sector.

Ecommerce will continue growing. While some brands and retailers will close physical stores in favor of online investments, others will experiment with different models of bricks-and-mortar.



Nordstrom Local stores emphasize service and convenience over showcasing merchandise. Image credit: Nordstrom

Consumer demands are also changing, and more shoppers will expect retailers to adapt to their localities. City dwellers will want stores to be even more accessible, leading some retailers to opt for smaller stores in more locations.

Stores themselves will also look differently, as retailers expand or create new in-store experiences to engage with consumers merging shopping with entertainment or Instagram-friendly views. Retail associates will take on more responsibility by having their industry and local expertise elevated by brands and shoppers alike.

Bricks-and-mortar locations will also play a new role in sustainability efforts. Rather than being the first stop during the customer journey, stores are likely to become the last steps in the customer journey by leveraging their physical footprint to offer in-store upcycling, alterations, repairs and more services that extend products' lifespan.

Retailers and brands are also accelerating their incorporation of technology, boosting consumer engagement online and in-store. Although shoppers are increasingly interested in the personalized experiences that are enabled by data, they also want seamless experiences instead of fragmented processes involving various app downloads, QR codes and gamification.



Mindscent is a fragrance finder backed by emotion sensors that lets shoppers in Guerlain boutiques pick their favorite based on positive emotional reaction and personality match. Image credit: Guerlain

In-store, retailers and brands can also leverage technology for multisensory experiences for enhanced storytelling that cannot be replicated online.

Again, technology will impact retailers' sustainability plans, with improved digital fitting services helping reduce the economic and environmental costs of online returns and making less wasteful made-to-measure manufacturing more accessible.

Luxury lifecycles

These shifts will also impact luxury consumers who are becoming more conscious of unethical consumption.

Luxury labels have long prized raw materials such as leathers, furs and silks. However, environmental and ethical concerns have led these brands to experiment with new sustainable materials, allowing them to tout their climate credibility while still offering exclusive textiles or pieces.

British fashion brand Stella McCartney has created a new set of leather-alternative garments made from lab-grown, vegan mushroom leather as part of its collaboration with Bolt Threads. It was the first fashion brand to use Mylo a

leather alternative made from mycelium, the renewable underground root system of mushrooms to create clothing ([see story](#)).

Meanwhile, Prada-owned Miu Miu and U.S. denim brand Levi's recently partnered on the luxury brand's latest upcycling effort: a collection of reworked Levi's denim with signature Miu Miu embellishments. The Miu Miu x Levi's collaboration takes influence from the 1980s and 1990s eras, featuring men's 501 jeans and trucker hats customized with embroidery, crystals and pearls ([see story](#)).

In a matter of years, luxury brands have also gone from destroying overstock as a way to ensure scarcity to exploring resale strategies. Luxury labels and retailers are establishing their own resale infrastructures, investing in high-end consignment platforms and forming resale partnerships to capture their share of the lucrative market.

French luxury conglomerate Kering sees the opportunity in secondhand luxury and now has a 5 percent stake in resale platform Vestiaire Collective.

Additionally, Kering-owned British fashion label Alexander McQueen was the launch partner for a new "brand approved" program at Vestiaire Collective. Through the collaboration, shoppers are invited to sell their preowned pieces and receive a credit to buy new pieces from specified McQueen stores ([see story](#)).

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