

IN-STORE

## Using in-store technology to enhance the luxury retail experience

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By RACHEL LAMB

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The use of advanced technology and in-store displays can move luxury retailers into an authoritative and trend-setting position, but they have to make sure that the experience is consistent with the brand image.

Luxury marketers and retailers including Harrods, Ralph Lauren, Burberry, Barneys New York and Bloomingdale's have been flaunting digital displays and the use of technology both in and out of their retail stores. However, marketers need to be careful as to the extent they use digital displays since it runs a fine line between sophisticated and gaudy.

"Most luxury brands also sell through indirect channels and, in those environments, they often lose control of the brand experience, since they are still within someone else's walls," said Paula Rosenblum, managing director at marketing researcher [RSR](#), Miami.

"The value of having your own store with interesting in-store components is to enhance your own brand image and value," she said. "I think we've only scratched the surface of technologies that can add value to the in-store experience.

"Augmented reality is up-and-coming, and I expect it to ultimately be transformative to the in-store experience."

## Storied luxury brands

High-end brands have been using in-store displays in a number of ways.

For example, retailer Barneys is now equipped with touch-screen tabletops in its recently renovated Co-Op department ([see story](#)).



*Courtesy of Barneys New York*

The tabletops in the café section offer streaming content and videos and will eventually enable shopping right on the dining tables.

This effort is part of Barneys' recent renovation of its flagship store on Madison Avenue in New York. In fact, the retailer's CEO, Mark Lee, said that simultaneous innovation is the key to burgeoning growth.

To add to the new look and feel of the store, Barneys also started using mobile check-out during the holiday season ([see story](#)).

Another retailer taking advantage of in-store technology is Harrods.

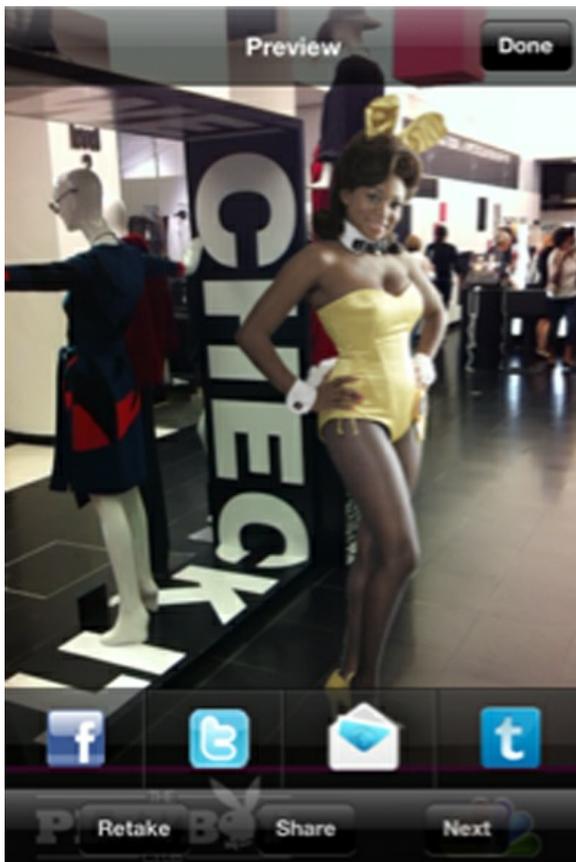
Part of a store transformation effort, Harrods now has 150 video screens including two 16-foot video tower screens on which luxury brands can buy video spots or display campaign photos.



*Dolce & Gabbana ad in Harrods*

Luxury brands such as Michael Kors, Marc Jacobs and Dolce & Gabbana have already taken advantage of the unique opportunity ([see story](#)).

Furthermore, Bloomingdale's partnered with the television network NBC this past September with the aim to draw consumers in-store through an augmented reality mobile application ([see story](#)).



*Augmented reality app for Bloomingdale's*

The app uses augmented reality to place virtual goods in real-world locations. Bloomingdale's customers were able to pose with characters from NBC's Fall lineup and share the pictures via social media.

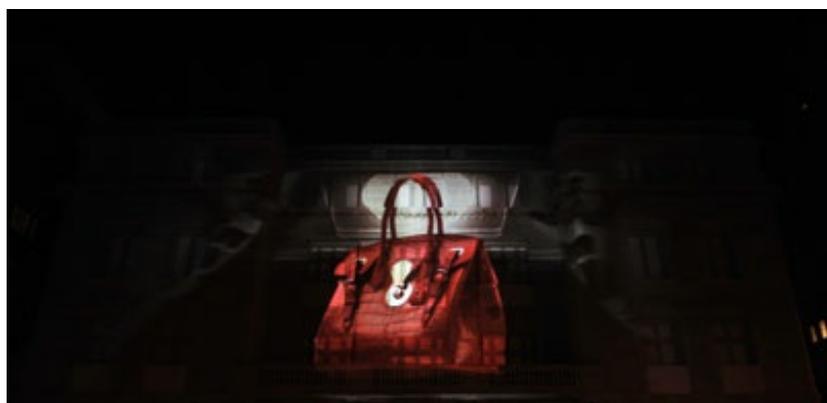
“I can’t imagine any luxury retailer not exploring bringing technology into the store, since obviously their customers are already doing so,” said Pam Danziger, president of [Unity Marketing](#), Stephens, PA. “The Internet is not some mysterious thing, but a vital part of their customers’ lives and to not recognize that is so last century.”

#### Out-of-brand experience

High-end marketers are also attempting to bring consumers in-store by creating displays outside of their stores.

For example, Ralph Lauren executed a massive, multisensory spectacle at its flagship New York and London locations in late 2010.

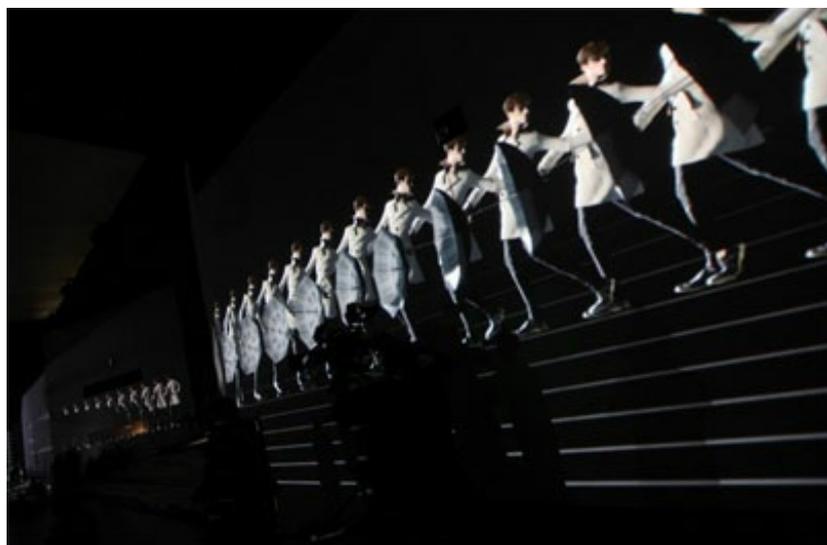
The Ralph Lauren 4D campaign used advanced video-mapping technology to create the advertisements. It combined 15 scenes and incorporated art, fashion, music and fragrance into a night-time light show that totaled seven minutes ([see story](#)).



#### *Ralph Lauren 4D spectacle*

In addition, British brand Burberry celebrated the opening of its newest and most technologically-advanced flagship store in Beijing with a multifaceted event combining animation, live models and music at Beijing Television Centre last April.

The event combined digital and real-life components on a 2,000-square-meter sound-stage and was set to music by live-performing British band Keane. It was broadcast live in Burberry retail locations and on the brand’s Web site ([see story](#)).



## *Burberry's store opening in Beijing*

"Images displayed on the exterior of store-fronts are more of a conversation piece and are used to draw attraction while technology in-store usually has a purpose or a function for the consumer or employees," said Dalia Strum, president of Dalia Inc., New York.

"It depends on the end-result that the brand is looking to achieve as to whether the exterior or interior requires more focus," she said.

Since Ralph Lauren and Burberry are well-known for their innovative and outside-the-box marketing, these extravagant spectacles were not alien to the brand persona.

However, these tactics could not work for all brands.

Rather than trying to blow consumers out of the water, marketers are probably better off doing something in-store that speaks to the brand image and that enhances, rather than turns off, the perception of luxury in their own way.

"I think too much flash is inconsistent with some luxury images," RSR's Ms. Rosenblum said. "A luxury brand should speak for itself.

"In many cases, I think displays outside the store fall into that category: too much of a good thing," she said. "In-store displays, on the other hand, are part and parcel of the in-store experience.

"I think this is, and will remain, extremely important in establishing brand image and creating an urgency to buy."

Final Take

*Rachel Lamb, associate reporter on Luxury Daily, New York*