

IN-STORE

Retail store renovation gives opportunity for deeper customer connections

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Montblanc's New York flagship store is currently under renovation

By ERIN SHEA

Closing retail doors to begin renovations may seem like a lost opportunity for sales, but it should be a time for brands to build relationships with their customers.

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Luxury retailers can focus on other efforts during this time to create deeper customer connections. By making up for lost time, retailers are able to maintain sales and possibly strengthen bonds with their customers.

"Brands have this period where they cannot engage with customers, so they have this new forum where they can engage with them in a new way such as online, a pop-up shop or an event," said Steven Fischer, lecturer of image, style and design at [Northwestern University](#), Evanston, IL.

"This is a good opportunity to give the brand a chance to engage with customers on a deeper level," he said.

"Involve consumers in the process [of renovation] and bring them back into the space with you so that can be part of that experience."

Behind closed doors

Although a time of store renovation may seem like a loss of sales opportunities, it does not have to be.

During this time retailers can tell customers to visit other nearby locations, offer incentives, push ecommerce or only close certain departments at a time.

"When a retailer decides to update a flagship location, they will often do it in stages so that they are able to maintain full business capability in several departments while others are under construction," said Dave Rodgeron, senior management consultant of retail strategy and change at [IBM Canada](#), Toronto.

"In cases like this, retailers with an effective loyalty program will send invitations and offers to customers, encouraging them to visit nearby locations that may have a better selection of the merchandise in those departments that are closed for renovation," he said.

"The impact of this is that sales may not be lost to the competition and it helps to generate plus business in non-flagship locations that are nearby."

Recently, Montblanc, a maker of writing instruments and watches, sent an email to its New York customers to drive

them to its temporary flagship boutique, while its flagship store is under renovation.

Montblanc is giving New Yorkers an incentive to go into the temporary store with a complimentary expert handwriting analysis and a refill with the purchase of a writing instrument.



Montblanc email

Furthermore, Dorchester Collection's **Htel Plaza Athne** in Paris purchased three buildings surrounding the hotel and has been renovating the property for several years.

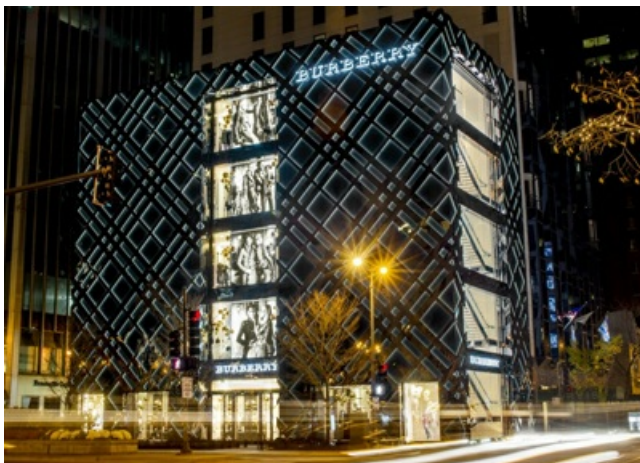
However, Francois Delahaye, COO of Dorchester Collection and general manager of the property decided to close the hotel to preserve the hotel group's high standards of guest comfort and convenience since the hotel would not be up to par during the renovations.

Building walls, building connections

Most important, retailers should have clear communication with their customers during the renovation process.

"Retailers should share with consumers what is going on with the flagship," Northwestern's Mr. Fischer said.

"When Burberry was building their flagship in Chicago, [the brand] informed consumers and were adding excitement and mystery to the opening," he said.



Burberry Chicago

In addition, brands should use their social media to help them tell a story about the renovation.

"There is a great marketing opportunity for retailers when a story like this is unfolding," IBM's Mr. Rodgeron said.

"For example, using social media to keep customers informed about the progress of the retrofit, even using digital images to illustrate how the new departments will look after the renovations are complete," he said.

However, the work is not finished when the doors are open again. Brands should thank their loyal customers for returning to the store and remaining patient.

"Once the work is complete, it's a great idea to thank the customers that have been following the progress through social media and reward them for their patience and loyalty with an incentive to make a purchase from the newly opened area," Mr. Rodgeron said.

"A second incentive is inviting them to post their own pictures from the new store visit on social media," he said.

Final take

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