

IN-STORE

## Temporary retail “shows” allow for smooth entry into emerging market

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*Pop-up shops have become popular. One example: Kenzo digital pop-up exterior*

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By JEN KING

MEXICO CITY, Mexico – Upon entering an emerging market, luxury brands should first test the waters through small-scale retail partnerships to ensure future viability, according to a panel May 13 at the FT Business of Luxury Summit.

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The “Mexico: Luxury Here & Now” panel examined how brands looking to enter the Mexican market can achieve success with creative entry points that combine anthropology and shopping. As an emerging market in Latin America, Mexico has enormous potential due to its desire for innovation.

“Mexico is a country of immense creativity,” said Francisco N. Gonzalez Diaz, CEO of [ProMexico](#), Mexico City.

“Our country is Latin American’s market leader in [the luxury] sector,” he said. “Mexican products are deeply rooted in culture and act as a cultural ambassador when exported.

“Craftsmanship and the talent [of artisans] is at the core of luxury.”

Retailing outside the box

As many of the summit speakers mentioned, Mexico is currently struggling with a public

relations problem that has caused marketers and consumers to be wary of entering the market.

Cult of Monochrome, an event-based retail development company, is dedicated to mending that image by connecting luxury brands to contemporary Mexican culture.

Beyond the PR issue, Cult of Monochrome's founder and creative director Alonso Dominguez explained that many Mexicans distrust their cultural aesthetics and products after generations of placing imported goods above items domestically manufactured.

Cult of Monochrome is aiming to change that notion through a series of projects. The projects, called Maison Teruel, will show global luxury brands and local artisan brands that what is made in Mexico is of equal value to products made elsewhere.

Maison Teruel will also allow brands without a Mexican presence to create a platform to develop a relationship with consumers. By doing so, the brand will have the opportunity to interact with the Mexican market organically.

In 2013, Mexico registered more than \$35 billion in foreign investments, a large portion of which was dedicated to the luxury sector. It has only been recently that Mexico has been recognized as a power figure in the luxury arena, Mr. Dominguez noted.



*Lanvin pop-up shop in Harrods*

Cult of Monochrome's Maison Teruel projects revolves around a physical retail space that teams a global luxury brand with a local brand.

Brands such as Prada-owned Miu Miu, Comme des Garçon and McQueen by Alexander McQueen have been receptive to the idea. But Mr. Dominguez was unable to confirm which brands have partnered with Cult of Monochrome for Maison Teruel as the details are still being determined.

Likely launching in the fall 2014, Maison Teruel events will consist of eight-week shops that, from a market perspective, will create an access opportunity previously unavailable in Mexico. The events will be held in a Cult of Monochrome space rather than

a retailer or brand-rented location.

The shows, as Mr. Dominguez prefers to call the pop-up shops, are of little risk to the brand. Partnering brands only provide the merchandise and will likely feel more secure by limited their initial investment.



*Jimmy Choo pop-up at Printemps*

This also opens up the opportunity for the brand to invest marketing dollars into the shop rather funding the entire enterprise

If an event is successful and the consumer base turns out to be sustainable, brands can continue the relationship with Cult of Monochrome. After the first show, the brands can use Cult of Monochrome's Maison Teruel platform for additional events and trunk shows.

Currently, Cult of Monochrome is working with fashion and interior design brands.

Different strokes

Determining how and where consumers wish to shop is unique to each market.

In response to consumer habits shifting away from homogeneous mall culture, global luxury real estate consultancy Retail Portfolio Solutions is working with high-end brands to establish a retail presence that returns to basics with a modern twist.

During the Luxury Summit 2014 in Naples, FL, on April 7, the founder of Retail Portfolio Solutions presented three case studies to attendees that highlighted consumers' desire of the unexpected and how to meet their wants through authentic retail experiences. Above all, a retail experience needs to be dynamic, energetic, sexy and, most importantly, ever-evolving to appeal to the sentiments of the luxury consumer ([see story](#)).

Above all, brands should focus on creating a relationship with consumers.

"Mexico is still a market where brands are fearful to go," Mr. Dominguez said. "I think that [Cult of Monochrome is] creating that net to land in."

As for growth potential for Cult of Monochrome's upcoming projects, Mr. Dominguez is optimistic.

“This project works in this market, at this time,” he said. “One of the promises we made to investors is that this model is sustainable and can travel into other cities.”

Final Take

*Jen King, editorial assistant on Luxury Daily, New York*

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