The Future of Luxury Retail

Redefining shopping in the digital age

with Howard Saunders

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Shopping is about more than just buying 'things'.

Do we live in a world where people already own too much? From shoes to clothes, to household utensils, most of us have more than enough to go around. So, do we really need to update the old wardrobe items, especially with luxury fashion?

In a world where shopping needs to be about more than just need, how can retail stay relevant?

As part of our Future of Luxury Retail series, we spoke to Howard Saunders; designer, writer, speaker, and retail futurist. Having spent 25 years of his working life designing retail spaces for big agencies – such as Fitch, where he was Creative Director – Howard knows a thing or two about the power of design and technology in retail.

Technology is reshaping the world of luxury. From immersive spaces, to engaging shop fronts, to the idea that we already own 'too much', Howard is helping us to answer the question of how retail can stay relevant.
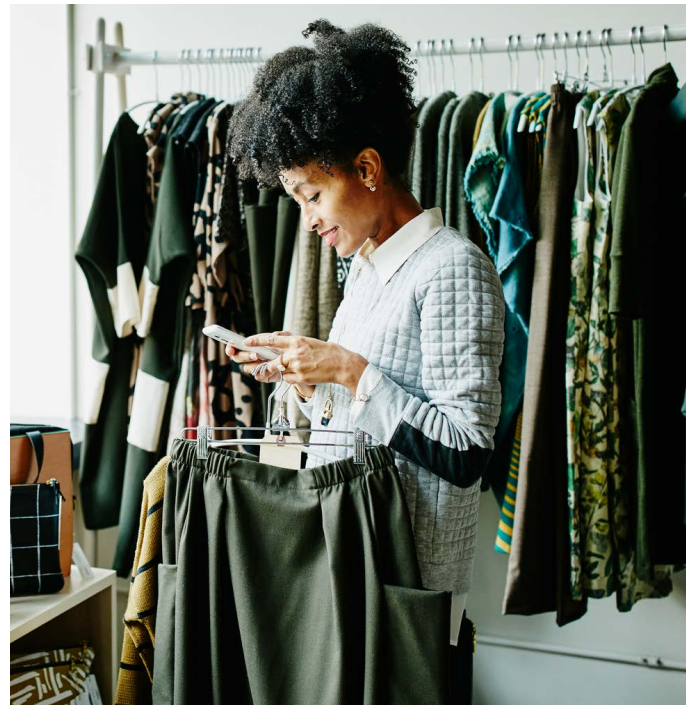
" Stop thinking shop.

In this line of work, it's important for us to see processes and behaviour on a grander scale. One of the first ideas that came up in our conversation with Howard is that we need to "stop thinking shop. Especially when it comes to the big luxury brands," he says. "You've got to start thinking more laterally about spaces that perhaps do slightly other things; think event venues, theatres, museums."

Online is poised to overtake instore sales in the next few decades. Insights from Luxe Digital say that 1/3 of all luxury sales will take place online by 2030.[1] If purchase alone isn't enough to drive footfall anymore, then how exactly do we get consumers into stores?

Howard believes it's imperative that we start exploring the unique power in these kinds of spaces for one reason – the immersive nature of it all. When you go to a festival or sports event, or even a museum, you're a part of that experience. You're invested in what you're seeing, and you're emotionally connected to what's going on. When successful, you leave these places feeling inspired.

1. Beauloye, F. E. (2023, January 11). The Future of Luxury: 7 Trends to Stay Ahead in 2023. Luxe Digital. https://luxe.digital/business/digital-luxury-trends/luxury-future-trends/
2. In Bloom: The Selfridges Story. (2019, April 11). Int | Selfridges. https://www.selfridges.com/GB/en/features/int/in-bloom-the-selfridgesstory/
3. The windows of the future. (2022, November 1). The New Order | Selfridges. https://www.selfridges.com/GB/en/features/articles/the-new-order/the-windows-of-the-future/
4. Meow Wolf. (n.d.). Meow Wolf: Immersive Art Experiences. https://meowwolf.com/

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The most memorable brands do an excellent job of telling us stories. The late Harry Gordon Selfridge, founder of London Department store Selfridges, said: "A store should be a social centre, not merely a place for shopping[2]." Indeed, every year their extravagant and engaging displays do an amazing job of helping to tell that very story. See one of their most recent displays.[3]

Howard says if brands can tell us stories, 'using technology to seduce us and show how clever and creative they are, rather than just selling us stuff,' then we're looking at a big shift in the landscape.

Take US Art Production company, Meow Wolf.[4] Santa Fe artists created this unique immersive environment to bring their work to life in work in an unimaginable and exciting way. Meow Wolf has done an excellent job of using technology as a tool to celebrate their progress and show off their artistry in a way that allows the everyday person to be a part of the story.

The practical case for technology in luxury.

It's important to note that technology should fulfil the most practical needs of retailers and make consumers' lives easier.

Retailer Zara, for example, introduced Store Mode as a pilot in several of their Spanish stores in 2020. The feature helps customers to locate in store items, and if the app detects that an item already in an online shopping basket is available in the store, it allows them to see its location too. It also offers the ability to book fitting rooms, helping to reduce wait times and increase convenience.

Another example is the Browns Flagship Boutique on Brook Street by Farfetch. A perfect case in point of a brand who has embodied the idea that retail should bring together the offline and online harmoniously – helping to build a consistent customer journey.

Retailers have to meet customers in the middle when it comes to retail. It's about allowing them to use the platforms and functions that serve them as consumers, while also inviting them in for an experience that's both pleasant and easy.

Some of the instore features include:

- Connected mirrors which display the customer's name once activated.

- Sales associates that can (with permission) access the profile data of customers to prepare for their visits.

- Smart tags that allow for product storytelling and give customers access to relevant information about products.

Consumers and stores: understanding the bond.

By studying the stores of brands Apple and Samsung, Howard makes some interesting observations. In these large flagships, the aim is much more than just sales.

Let's use the Apple store as an example. A vast majority of the footfall tends to be from people who already own Apple products. While some consumers go in to get items replaced or fixed, or even to see what's new, most are going in for something else, Howard says. "The existence of shops is about more than just turning over product. It is something else. They're entering these stores for something more."

As such, we're likely to see a rise in the multi-sensory approach to store design. The atmosphere that consumers will enter needs to be top of mind, and designers can work more intentionally to create appealing experiences within the store setting.

In a paper discussing the impact of multi-sensory environments on purchase intent, researchers Helmefalk and Hultén brought to light some interesting data on the topic. Their research showed that positive emotions can generate a clear tendency to devote more time to the shopping process and/or spend more money. Positive emotions can be the result of situational factors, such as an appealing store atmosphere.[5]

If you look at the Samsung Kings Cross Store, Howard says we see this theory in practice. From the café and hot desks, smart home installation to the gaming hub; it's more than a store. "It's a chill out space. It's a space where you're supposed to feel relaxed amongst technology."

Going back to the Apple example, the physical set up of the Apple store, he adds, helps to create an environment people want to return to. Howard explains that "stores are not stores in that sense. They're motherships and you come back to the mothership to pay homage to the brand that you love." From the white décor, to the plants, the openness, the symmetry, and the products on podiums. It's all intentional.

"It's kind of a sanctuary," says Howard.

5. Helmefalk, Miralem & Hulten, Bertil. (2017). Multi-sensory congruent cues in designing retail store atmosphere: Effects on shoppers' emotions and purchase behavior. Journal of Retailing and Consumer Services. 38. 1-11. 10.1016/j.jretconser.2017.04.007.

What's the future?

If we're to sum it up, as we shape the future of retail, what do we hope to see? The answer: more.

But we don't mean more stock, more physical product, or more sales and promotions. This is more on a higher level. It's more understanding, more meaning, more value, more experience, more emotion. It's more magic.

'Technology is a tool', both in the hands of the consumer and the hands of the retailer. Consumer demands are higher than ever. They're empowered and super-conscious about how they're spending not only their money but their time and attention. Brands now have the power to make their proposition and identity worth the time of their consumers. And by incorporating some of the points we've raised in this article, they can do just that.

- If retailers can 'stop thinking shop', they can rethink their spaces to provide not only products but memorable experiences for customers.

- Various forms of technology, from smart devices to tailored data usage can not only help reimagine shopping, but also deliver a level of convenience and comfort that consumers will value both in-store and behind their screens.

- We're not simply looking for items anymore. We're not only buying from a place of need. We're seeking meaning. And through technology, there are endless ways that brands can deliver this.

- Through a multi-sensory approach to store design, retailers have the power to create environments that consumers are excited to return to.

If brands can use technology to find that sweet spot, where their offering is impossible to resist, they can make themselves attractive to potential customers who become fans, advocates and even followers. And then they'll be unstoppable. The future of retail is exciting. And the possibilities are endless.

Learn more about how Verizon can help you explore and adopt the technology that's reinventing retail at verizon.com/gb/retail