

# BEYOND RETAIL

30 : 04 : 2015    The Convergence Economy : Retail : Store Of Tomorrow

**Beyond Retail was put to paper (or screen) in 2010, but is more of a constant, continuing study of the future of retail, how consumers are changing and how innovative retailers need to adapt to meet their needs and inspire them.**

## Overview



Work in Progress by Gentle Monster

We have been observing the radical twists and turns of the retail industry since LS:N Global began. Starting in 2010, four retail-focused macro trends have charted the innovation, progression and transformation of this sector:

Our **Beyond Retail** macro trend reports on the rise of multi-channel and experiential retail as consumers become bored of stale shopping environments.

This is followed by **The Dawn of the Mega-systems** macro trend, which explores the influence that mega-brands such as Apple, Amazon, Facebook, Weibo and Google are having not only on our shopping habits, but on our lives.

**The Tomorrow Store** macrotrend continues the research into the future of retail. It investigates the challenges faced by retailers to lure consumers back in-store in the wake of the e-commerce revolution. The report examines those in the industry who are getting it right by being social, we-orientated, theatrical, informed and inline.

Our most recent piece of research into the future of retail is **The Convergence Economy**, which explores the increasingly blurred lines between retail spaces, hospitality, products and entertainment.

*Click through the sections on this page to see how our retail macrotrends have been manifest since 2010.*

2010



Space 15 Twenty, Los Angeles

January: **Urban Outfitters creates cultural hub**

Retailer Urban Outfitters creates Space 15 Twenty in a former lighting warehouse. The space features mini-shops selling a curated selection of other brands' products to give the store the feeling of a neighbourhood.

**Key Development:** Brands are collaborating with their contemporaries, behaving not just as stockists, but as community hubs.



Merci

March: **Liberty swaps shops with a trio of international names**

Liberty of London collaborates with globally renowned retailers Merci, 10 Corso Como and Target. The brand's iconic floral prints feature on clothing, accessories and in products and spaces.

The synergy between the brands is of mutual benefit to all parties, and demonstrates the changing, more collaborative face of fashion retail.

**Key Development:** Well thought-out brand synergies reach a global audience on a localised level.



Burberry Retail Theatre

September: **Burberry focuses on retail theatre**

Burberry invites customers to watch its spring/summer 2011 show in stores that have been customised with enhanced acoustics, touchscreens and video walls.

Visitors are able to experience the music, clothing and energy of the show, with the option to buy clothes immediately from a custom-built app.

**Key Development:** Merging the online with the live, Burberry brings the digital world to life in a physical space giving physical expression to its range of digital innovations.

## 2011



Papabubble store by f.a.t design studio, Tokyo

### April: **Sweet shop demonstrates Worker Theatre**

The Papabubble sweet shop opens in Tokyo. The space is designed to enable customers to watch the caramel artisans at work, giving them a sensorial experience. LS:N Global calls this idea **Worker Theatre**.

**Key Development:** Retailers are turning elements of their factory processes into interactive or educational displays, creating a new sense of theatre for shoppers.



Harrods App

### May: **Harrods designs app guide**

Harrods creates an app for the iPhone that guides visitors around the store as well as giving them information on products and the store's history.

'The Harrods iPhone app is an exciting new way for us to further engage with our customers,' said then store image director Mark Briggs. 'With its useful tools and services, the Harrods app is set to become a vital part of the shopping experience at the store.'

**Key Development:** Customers are using their mobile phones in-store to check prices and information before making purchases.



Tesco Homeplus subway virtual store

July: **Tesco virtual supermarkets come to South Korean stations**

Tesco, rebranded in South Korea as Homeplus, installs virtual supermarkets in underground stations, enabling shoppers to order items using QR codes while travelling to work.

Items were then added to their online basket and delivered to their home the same day.

**Key Development:** With this technology, blank spaces can be transformed into digital portals filled with brand engagement.

## 2012



Man on the Boon, Seoul, Designed by Wonderwall and Winkreative

### July: Wonderwall and Winkreative design a store around a character

Tokyo-based design firm Wonderwall, in collaboration with Tyler Brûlé of branding consultancy Winkreative, design Man on the Boon in Seoul. The menswear store concept is based on a fictional character, signalling the rise of **Personality Brands** in future-facing retail design.

**Key Development:** Embracing fictional characters helps brands to better connect with consumers, according to a Wall Street Journal report. Consumers on Facebook, for example, are more likely to bond with a character or persona than a company page.



3.1 Phillip Lim

### August: ASOS and Barneys move in V-commerce

Both ASOS and Barneys New York create shoppable videos in which viewers can click on the models in order to buy what they are seeing.

**Key Development:** This merging of content and commerce lets people buy at the moment of inspiration, and enables them to decide to opt in.



Yayoi Kusama Louis Vuitton pop-up, Selfridges, London

August: **Louis Vuitton gets collaborative in pop-up experiment**

In a partnership with Japanese artist Yayoi Kusama, Louis Vuitton created an all-encompassing, immersive campaign including seven unique locations and pop-up stores across the globe – all this alongside awe-inspiring shop windows, an iPhone app, a coffee table book and a gamified viral video.

**Key Development:** The success of Louis Vuitton's campaign has been to make each pop-up shop newsworthy, generating excitement. Consumers flocked to see the store designs as much as the products.



McQ Store

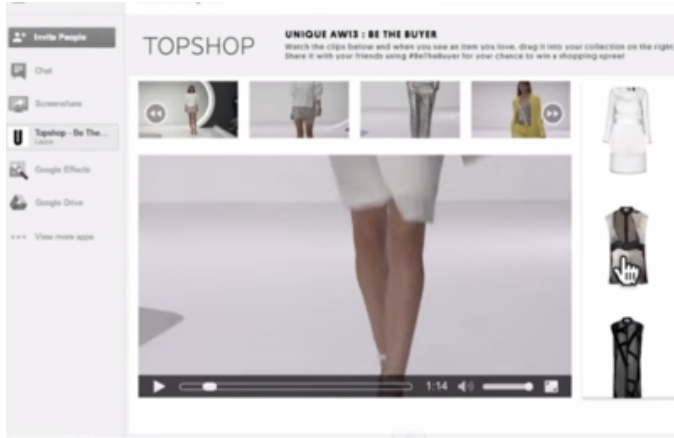
September: **McQ opens technology-augmented store**

McQ, the diffusion brand from Alexander McQueen, opens its first store in London's Dover Street, which features interactive technology such as a Stikus table and a social media-connected mirror to enable digital Millennials to connect in-store.

**Key Development:** Retail is being transformed via digital interactive experiences.



## 2013



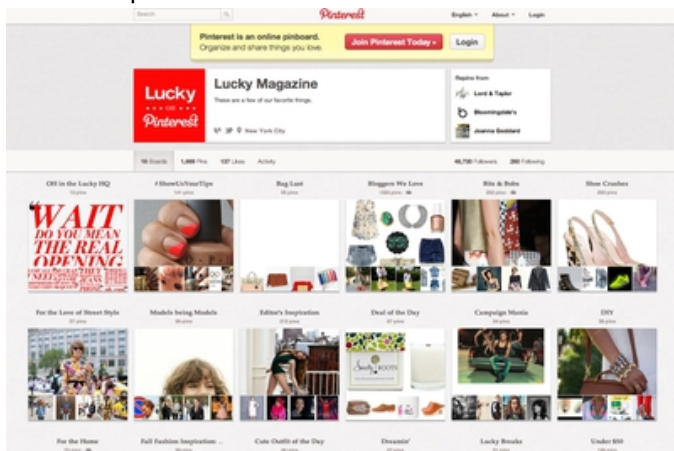
Topshop The Future of the Fashion Show with Google

### February: Topshop partners with Google

Topshop works with Google for a multi-platform live catwalk show during London Fashion Week that focuses on consumer interaction.

Platforms such as Google+ Hangouts are used to share the show across social media, creating a democratised fashion entertainment experience for its global online fans.

**Key Development:** Retailers are joining forces with the mega-systems to explore data-mining to inform future consumer preferences.



MyLucky

### August: Lucky Magazine moves in to e-commerce

Lucky magazine launches a user-curated, Pinterest-style platform on its website as well as a MyLuckyMag shopping app.

The app features a LuckyMag-branded virtual mall that means the consumer never leaves the site and collects items in her own personal shopping basket.

**Key Development:** Content and commerce are increasingly one and the same.



Intersect by Lexus, Tokyo

September: **Lexus opens its first luxury store**

Luxury car brand Lexus makes its first foray into luxury retail with Intersect by Lexus. The space includes specially crafted products inspired by the car brand, as well as a bistro, a café and an exhibition space where a Lexus car and other artwork are on display.

**Key Development:** Brands are turning showrooms into social spaces that move away from core products to offer curated experiences.



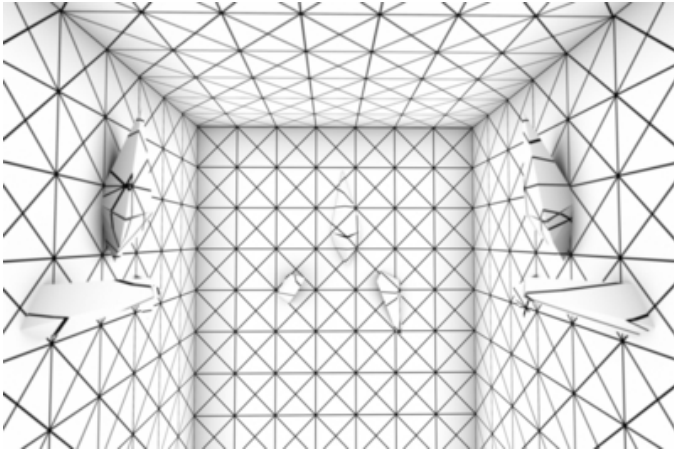
Sneakerboy, Melbourne by March Studio

October: **Luxury sneaker temple blends online and offline retail**

Melbourne shop Sneakerboy opens, taking a page out of the online retail book. The store doesn't hold inventory on-site so after paying, customers are sent their purchases within three days. There is no cash register – shoppers make their purchase via a Sneakerboy app either on their phones or on an in-store iPad.

**Key Development:** Without stock to shift, Sneakerboy can switch its products with the flexibility of an online store. 'We've been able to present online-type collections in physical spaces,' says founder Chris Kyvetos.

## 2014



Monolith by Gareth Pugh at Selfridges, London

### January: Virtual reality retail hits London

Fashion designer Gareth Pugh presents his work through virtual reality headset Oculus Rift at department store Selfridges. The Monolith installation was played in a small, sound-proofed chamber inside the store.

**Key Development:** The experience demonstrates how retailers can connect with consumers artfully and emotionally, even in very small spaces.



ICA x Dover Street Market

### February: The ICA takes up residence in Dover Street Market

Dover Street Market invites the ICA back into its old home for an eight-week, six-floor takeover.

**Key Development:** The collaboration is a great example of symbiotic space-sharing that turns shopping into a learning experience.



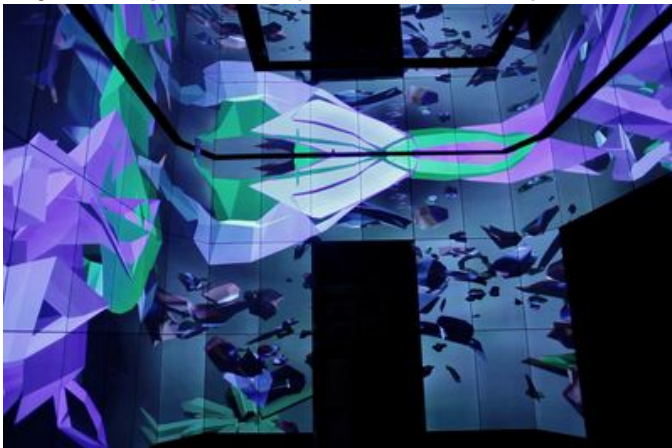
IBM x New York's Institute of Culinary Education at SxSWi

March: **IBM sells cognitive cuisine**

At South by Southwest Interactive, IBM teams up with New York's Institute of Culinary Education to present food designed by machines.

A computer deciphers existing recipes to understand which flavours and techniques are tastiest. It then combines ingredients into millions of novel combinations and dishes.

**Key Development:** The possibilities for computational creativity being used in retail are endless.



Diesel #POSTroma by Andreas Nicholas Fischer and Postmatter magazine, Rome

October: **Diesel brings architecture to life**

Diesel opens its Rome flagship store with an immersive digital installation. The POSTroma piece visualises data about the city through morphing projections and is sensitive to social media.

**Key Development:** The project points to a move towards stimulating and interactive retail environments.

## 2015



Magic Hour by Peak Performance, Sweden

### March: Peak Performance challenges customers to go outdoors and hunt down deals

Bridging the physical-digital divide, customers could access an online pop-up by reaching a predetermined location activated by their mobile's GPS. Once in the correct location, the virtual store could be activated via a mobile device and free products from the brand was reward for their endeavours.

**Key Development:** Brands are creating Phygital experiences that challenge people to be active participants in the brand as opposed to passive consumers.



Everlane, Los Angeles

### May: Ethical retailer takes conscious consumerism on the road

A new take on radical transparency from Everlane places conscious consumption centre stage, with panel discussions, dinners, factory tours and safaris that take consumers behind the scenes of neighbourhood businesses.

**Key Development:** Retailers are connecting with consumers through convivial events that seek to demystify the supply chain in a true show of transparency.



Semaine

September: [The tastemakers take over in this online luxury concept store](#)

Semaine, an online magazine meets concept store where a different tastemaker curates a selection of instantly shoppable products each week.

**Key Development:** E-commerce platforms and online publishers often struggle to unite commerce and content. Semaine's tastemaker approach seeks to combine the two seamlessly.

## 2016



Margot vs Lily

February: **Nike launches its own original web series**

As part of an effort to reach Millennial women, Nike launched an original eight-part web series that follows the lives of Margot and Lily – two sisters on a quest for fitness and friendship. A short workout video lead by Lily complements each video and can be shopped via the brand’s weekly newsletter.

**Key Development:** As the boundaries between content and commerce continue to blur, retailers are creating shoppable native content to engage and entertain consumers.



Samsung 837 digital showroom, New York

March: **Samsung’s latest venue provides visitors with a cultural rather than retail experience**

837 is not a store, according to Samsung, but a digital playground. Located in New York’s Meatpacking district, the building, designed by creative studio Wonderwall, features a virtual reality tunnel, recording studio, three-storey video screen and dedicated digital art gallery. A next-generation kitchen and living room will be used to demonstrate the future of the smart home.

**Key Development:** Retail stores are being re-imagined as fully immersive cultural centres and brand embassies.



The Carry On by Kit and Ace, Global

**April: Kit and Ace opens pop-up stores in luxury hotels in seven major cities**

Kit and Ace is inviting guests at luxury hotels in cities including London, New York and Melbourne to shop for its collection from the comfort of their hotel foyer. In London, the Tom Dixon-designed Mondrian hotel hosted the Carry-on pop-up for one week in April, while in Chicago, guests at Soho House were invited to add some Technical Cashmere to their luggage.

**Key Development:** Hotels are increasingly used by mid-market brands to offer intimate collection previews and try-ons to globe-trotting travellers.



The North Face Mountain Festival, Switzerland

**May: The North Face announces its first Mountain Festival**

The idea for a Mountain Festival grew from the success of the brand's 2015 event The NightRay Outdoor Festival. The retailer says it is not using the event as a way to sell merchandise, but for marketing purposes and to generate buzz on social media, helping it to track its reach and engagement online.

**Key Development:** Retailers are creating festivals that enable consumers to experience their products without being pressured to buy them, and using the events to gather data and generate content.





Siam Discovery by Nendo, Bangkok. Photography by Takumi Ota

June: **Nendo completes its most ambitious retail space to date in the Thai capital**

Siam Discovery is a new flagship store from the Siam Piwat retail group that focuses on brand experience. The space is divided into several distinct areas, including a digital laboratory, creative laboratory and play laboratory. This identity is further reflected in design details such as beakers and molecular structures. The concept store will house leading brands alongside more experimental offerings from artists.

**Key Development:** In the digital age, physical retail is no longer just about selling products, but about offering consumers opportunities to discover and express themselves in a brand environment.



Sonos Flagship Store, New York

July: **The new Sonos flagship store challenges retail conventions by encouraging customers to put their feet up**

Customers are invited to experience the Sonos suite of products in a more personal setting and encouraged to take their time. With its team of interior designers Sonos created seven rooms, including a kitchen, living room and study, giving customers a sense of how its speakers will look and sound in their own homes.

**Key Development:** Retailers are creating home-like environments in-store to offer consumers more realistic contexts in which to trial their products.



Everlane Fit Studio, San Francisco

August: **Everlane's new retail concept takes a no-frills approach**

The new Everlane Fit Studio is heavily influenced by the technological efficiencies afforded by Silicon Valley. Rather than aggressive shop assistants, shoppers are greeted by a discreet concierge who takes their bags and payment details. Clothing sizes are displayed on birch plywood racks so that customers can shop independently. The store's up-front check-in system reduces the final check-out time to 30 seconds, according to Everlane.

**Key Development:** Retailers are combining the seamlessness of online shopping with the sense of discovery that only physical stores can provide.



West Elm Hotel, US

September: **West Elm launches a range of boutique hotels to enable consumers to experience its products before they buy**

The company has collaborated with DDK to open a range of boutique hotels. Five locations have been announced for 2018. The collaboration taps into the sharing economy, with each hotel reflecting the craft, cuisine and culture of its respective neighbourhood. Guests can purchase items from the West Elm collection at check-out, pushing the boundaries of the try-before-you-buy model.

**Key Development:** Homeware brands are increasingly opening hospitality businesses as a means of offering consumers more immersive ways to try their products.



Hermès at Nordstrom, Seattle

October: **Hermès is increasing its reach with a new retail space in Nordstrom's flagship department store**

The pop-up shop is designed to appeal to a younger demographic. Unlike Hermès' usual stores, where the products are housed in glass showcases, the emphasis in the pop-up shop is on touch. The focus at Nordstrom Welcome Hermès is on all things tactile, encouraging consumers to feel the luxurious nature of the materials before they buy.

**Key Development:** Luxury brands are altering their traditionally reserved retail ethos in order to appeal to a growing group of affluent young Millennials.