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Some thoughts on....
The Future of the Department Store &
Other Retail Innovations
March 2019
Alongside the gloomy news from the high street, and the frequent announcements about store groups closing stores, some are predicting that the department store is fast becoming a thing of the past.

There is no doubt that economic turmoil and uncertainty is taking its toil on the retail landscape, and that some department stores and retail groups are struggling for survival. But there are also examples where retail brands are meeting these challenges head on and using increasingly innovative approaches to capture the hearts, minds, and money of an increasingly fickle consumer.
To understand future retail opportunities, it’s clearly important to understand future shoppers. Although the Baby Boomer generation continues to command significant spending power, it is the Millennial and the generations that will follow them that will have the biggest effect on reshaping retailing and shopping.

For this group as others, physical retail has become as much as anything a leisure activity and so needs to be viewed as such by retailers. Here’s just a few things we think any retail brand needs to understand about Millennials....
Millennials value and are prioritizing experiences over possessions. When it comes to retail this impacts at all levels. Environments must be engaging. Presentation must be original. Service must be excellent. Recent research has shown that nearly 2/3rds of Millennials leave a physical store because of poor service.

With so much choice at their fingertips it’s hardly a surprise that Millennials are fickle (some might say disloyal) shoppers. It’s important to understand that this is a generation with a taste for the new. Brands which fail to continually reinvent themselves will fast become tired and boring in their eyes. And with such short attention spans, relevance is key.

Millennials are socially and personally self conscious shoppers. Not only are they increasingly interested in the integrity of the purchases they are making, they are also looking to make purchases that express something important about themselves and their individual value systems.

In short, in addition to supplying their needs, Millennials are expecting retailers to provide **experiences, excitement, and entertainment** in abundance! This is particularly true where the advantage of convenience that department stores used to enjoy has been totally eclipsed by on-line.
A few **examples we admire**
from department stores and other retail....
(offering experiences, excitement, and entertainment)
Becoming a destination by creating awesome spaces - Primark Madrid
Becoming destinations by creating awesome spaces - Prada Tokyo
Becoming destinations by creating awesome spaces - Selfridges Birmingham
Becoming destinations by creating awesome spaces - showcasing landmark features

Le Bon Marché - Paris

Harrods London

Galeries Lafayette - Paris

Shinsegae - Seoul
Becoming destinations by creating awesome spaces - theatre in display

Corso Como -- Milan

Kadewe Berlin

Havaína Selfridges London

Shinsegae - Seoul
Becoming destinations by creating awesome spaces - impressing at key moments of truth

Fat Face

North Face

Oasis (iPads fitted)

Dover Street Market

G Star
SAKS New York chose to move its beauty and perfumes counters from the ground floor to a lighter and more airy space on its second floor.
USA Optician Warby Parker takes a lifestyle approach to its store design in order to make what might be a utilitarian experience into something memorable and pleasurable.
Using space differently - encouraging greater dwell time

Sweat Gyms in Debenhams Sutton

Shared workspaces in Tenoha Milan

Flipside Art and Fashion Installation - Selfridges London

Themed café Takeshimaya Tokyo
US clothing brand Bonobos uses its retail presence to display and allow customers to try on clothes to ensure they fit. Chosen items are then sent direct to the customers from the warehouse, meaning stores need not carry inventory.
Technology options including VR and AA are increasingly being used to optimise the shopping experience.

Sephora’s Beauty Lab offers customers a number of tech options that allow them to personalize their shopping experience by trying on makeup virtually using AR, matching their skin tone to a foundation with AI, and sampling a fragrance via a touchscreen and scented air.

There is also additional content available such as Pocket Contour, a product that, using a mobile device, provides a tutorial on contouring.
Millennials are hyper connected and like to seek and gain peer approval as well as sharing their experiences. Retailers which are, in themselves, Instagrammable, those which enable social media sharing, and those use social media actively will continue to succeed.
Increasingly retailers are striving to make themselves relevant to their shoppers by showing that they have solutions to the issues and challenges they face – for example personal fitness.

Indeed perhaps the most important thing for any retailer, in particular a department store retailer, is to be clear about their purpose, their proposition, and show how they are working to meet the needs and demands of target consumers in an a fast-paced world.
A new retail concept, Showfields, has signed a lease to take the entire 11 Bond St. NYC with 14,707 square-feet, including a basement and a 1,700 square-foot roof terrace with 1,500 square feet of covered support space.

Showfields is a direct-to-consumer retail outlet created by Tal Zvi Nathanel, the founder of the Bluestone Group and MyCheck, a mobile payment system. Now in “stealth mode,” Showfields will “play host to the world’s most innovative brands,” its Web site says.
Some original thinking from boutique London fashion....
50M - Belgravia

Art collective Something & Son launched a new store that’s shaking up the luxury retail industry. 50m aims to give back to London’s emerging design talent with a more supportive business model by helping designers get around London’s sky-high shop rents with a 50 metre rail (hence the name) rental fee.

The store has space to showcase 30 luxury fashion designers – including the likes of Kepler and Faustine Steinmetz – and also houses a community working space with sewing machines and pattern cutting tables. The designers also have access to industry-leading mentors who’ll inspire and provide insights into how to grow their business.

Bonds - Hackney

Bonds was born out of the huge demand for Niko Dafkos and Paul Firmin’s scent-based candle brand, Earl of East London. This concept store proves that – in the right space – a candle connoisseur can become a multidisciplinary lifestyle brand. The shop, cafe, adjoining studio and event space houses everything from candle making workshops to life-drawing classes - a place for the local community to shop and bond (get it?) over a creative workshop, event or an Allpress coffee. With a focus on local artisans, you’ll find a carefully curated selection of independent homeware brands, including Kana London by emerging ceramicist Ana Kernin.
Blue Mountain School - Shoreditch

Showroom? Gallery? Restaurant? Blue Mountain School defies classification. The founders have reimagined its original six-level brick townhouse into a destination for fashion, dining, music, design and art. Each of the spaces are designed to evoke a different type of experience as you’re guided through the six floors. Down in the basement is the Hostem Archive, a library of nearly 600 pieces of clothing (mostly for sale) as well as perfumer Lyn Harris’ Perfumer H atelier. The first two floors are dedicated gallery spaces, where pieces from the likes of Tyler Hays and Amy Revier are on permanent rotation. Work your way upstairs to the rooftop listening room or experience the multi-course tasting menu at Mãos, the latest venture from Nuno Mendes of Chiltern Firehouse.

Dover Street Market - Haymarket

Enfant terrible of the fashion world, this multi-brand retailer originally located on Dover Street, in Mayfair, London in now to be found in Haymarket as well is an in many other alpha-cities across the globe.

Dover Street Market offers a different approach to retail, pushing the boundaries of what retail should be, aiming to construct a new kind of shop that celebrates creativity, decries conformity and ignores established principles of retail – a place where streetwear collides with luxury, where young designers line up with world famous icons, and artists work on installations, and showcased designers are free to shape their own spaces – always aiming to create ‘a beautiful chaos’.
Beauty and Wellness retail inspiration in London & beyond
20 years after opening its first boutique on London’s iconic Regent Street, L’OCCITANE returns to launch its first UK flagship store. Now open, the highly anticipated 6,450 sq ft space, at 74 Regent Street, is L’OCCITANE's largest store in the world. Customers are invited to go on a multi-sensory journey through the store to experience the beautiful textures, fragrances and sounds of Provence, including sampling macarons echoing L’Occitane fragrances.
Tom Ford's one and only beauty store is in the heart of Covent Garden. The expert team in store deliver individualised services and experiences daily, including:

- **Private Blend** - Learn how to create and style your personal fragrance collection with an accredited Fragrance Specialist. Special occasion, bridal and group consultations available upon request.
- **Signature Fragrance** - Explore iconic signature fragrances with an accredited Fragrance Specialist.
- **Make Over** - 45 minutes - Immerse yourself in an alluring array of shades and discover the glamour of Tom Ford colour.
- **Face Architecture** - Learn Tom Ford's philosophy of face architecture, flawless skin, followed by the symmetric definition.
- **Makeup Master Class** - Learn Tom Ford's philosophy of face architecture, makeup and colour in private VIP experiences for groups and Master Class consultations.
- **The Tom Ford Look** - Enjoy the complete Tom Ford makeup look for any special occasion.
- **Bridal** - 90 minutes - Explore your bridal makeup look with a practice session and another session to review and finalize the look.

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This is the UK bricks-and-mortar debut for Niod, a highly scientific skincare brand which focuses on long-term skin health. Hailed as 'skincare for the hyper-educated', its name stands for 'non-invasive options in dermal science'.

The emphasis on professional skincare has been translated into industrial fixtures at the new store, including concrete walls, and custom-built minimal units showcasing the full range.
BEAST is the new face of male beauty, offering a curated selection of the finest men’s products from across the globe, bringing together over 75 premium brands spanning Body, Hair, Shave, Face and Fragrance.

The brand presents a unique mix of innovative newcomers and long established cult classics.

‘The idea for BEAST was born because we could never find everything we needed all in one place, coupled with the fact that the advice you are often given is rarely impartial. BEAST champions the individual and is a convenient one-stop destination for all men, of all ages, with all skin types and for all budgets. We have an open door & everyone welcome attitude.’ – claims Steve Banks, co-founder.
With two flagship stores, one in Covent Garden and one at Westfield, described as wonderlands of ‘Tilbury treats, trinkets and treasures’, women are able discover the secrets to getting Red Carpet Ready with expert makeup artist tips and tricks.

Customers can choose from Leading Artists – the makeup geniuses who work alongside Charlotte backstage and on the red carpet – or the In-House Artists who work their magic on a daily basis in their flagship stores.
Le Labo is a global retailer which offers customers the chance to shop freshly blended perfumes, handmade and with individually personalized labels. All products are 100% Vegan & Cruelty-Free

Below are a few elements of their ‘manifesto’ - the full version can be seen on their site - which sums up their brand attitude...

- We believe that there are too many bottles of perfume and not enough soulful fragrances
- We believe fine perfumery must create a shock - the shock of the new, combined with the shock of the intimately familiar
- We believe that fine perfumery must be irreverent
- We believe it is more humane to test cosmetics on New Yorkers than on animals
- We believe celebrities should pay full price
- We believe the future of luxury (hence of perfumery) lies in craftsmanship
- We believe in the soulful power of thoughtful hands: hand-picked roses, hand-poured candles, hand-formulated perfumes and handshake agreements
- We believe in the passionate souls who work close to us
- We believe New York made us this way, with a dose of Wabi-Sabi and a few lines from Thoreau
- We believe we/you should put away our modern tools and take the time to smell the roses along the way
Opened in 2008, Content is a boutique organic skincare store, naturopathic clinic, beauty salon and website at the forefront of the move towards natural and organic skincare and complementary therapies. Specialising in emerging results-driven niche brands, Content is regarded as London’s leading organic and natural apothecary.

In the rapidly evolving natural & organic beauty sector Content provides a hand-picked selection of the most advanced, cult natural beauty brands from around the world. Brand selection involves meeting a criteria, which ensures undesirable synthetic chemicals, are edited whilst focusing on results driven high-end beauty brands. Proving that the desire to go natural is no longer a compromise on results or luxury.
Aesop’s objective has always been to formulate skin, hair and body care products of the finest quality; They claim to investigate widely to source plant-based and laboratory-made ingredients, and use only those with a proven record of safety and efficacy. In each of their unique stores, informed consultants are pleased to introduce the Aesop range and to guide customer selections.
Last summer and for the second year running, Unilever staged a pop up in New York for its St Ives brand, offering limited-time, experiential personalised a shopping opportunity to engage beauty consumers.
Planet Organic now has seven branches in London. It is self styled as ‘a one-stop shop full of all the right choices.’ Planet Organic is a health food haven with organic fruit & vegetables, organic bread from artisan London bakeries, only organic meat and sustainable fish from British waters. It’s groceries ranges are full of gluten-free, dairy-free, raw food and healthy options, while its Health & Bodycare department stocks the best natural beauty brands and a wide range of high quality health supplements.
We’d love to talk to you....
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