

COLUMNS

5 new luxury retail formats to look out for this year

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Last year was one of innovation for the fashion and retail industry. We saw iBeacons and other mobile technologies become part of the mainstream vernacular, and augmented reality and virtual reality cement their place in the marketing strategies of industry heavyweights such as Sephora. These are incremental to the retail offering, but demonstrate the transformation that fashion and luxury retail are about to embark on.

This year will see the realization of new retail formats that harness emerging trends at their best, and luxury brands will need to decide how they will work with these new formats.

1. Publisher retail

This will be the year that magazines and publishers properly launch their magazine-branded retail concepts.

Capitalizing on the trust that they have with their readers, and their role as informers, educators and trendsetters, magazines will launch both online and physical retail formats.

The concept was pioneered by Monocle a few years ago, with Wallpaper launching its store last year.

Get ready for Marie Claire's beauty store, launching this year in London. The online store, in collaboration with Ocado, will deliver an extensive selection of premium beauty brands in fragrance, skin care and color, as well as health and wellbeing and sports and fashion. The physical retail store near King's Cross is looking to become London's answer to Sephora.

2. Peer-to-peer fashion lending

As the sharing economy continues its exponential growth, consumers will increasingly opt for access over ownership in 2016. Enter: Airbnb for fashion.

The rise of peer-to-peer lending platforms for fashion is already seen in the forms of Rentez-Vous in London and StyleLend in New York. You can earn some extra cash by literally renting out your own designer gear for a week at a time, or on the other side renting something from a fellow Londoner or New Yorker. It comes complete with insurance and dry cleaning.

3. Designer subscriptions, Netflix style

Rent-the-Runway has been the pioneer in high-fashion rental. The new development is in the subscription model.

House of Bubbles, housed in a trendy laundromat in Sao Paolo, Brazil, offers a monthly subscription service for between \$25 and \$75, for which subscribers can take home one, three or six items for up to 10 days. Brands on offer range from international marks from Zadig & Voltaire to Dior as well as new Brazilian designer brands.

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4. Experiential brandships

Coffeeshops, clubhouses, workshops and event spaces are only a few examples of how some retail stores have been reimagined.

The need to provide an environment that is not only entertaining but truly speaks to the values of the brand has given birth to experiential "brandships" filled with retail attractions.

The opportunity to create a brand experience is taken to a new level with J.W. Anderson's Shoreditch flagship in London, which boasts a series of installations, exhibitions and events.

Rather than just selling clothing and accessories, Anderson is creating a community and social space around his store and somehow it feels perfectly natural.

5. Luxury image recognition retail

Take a photo of any fashion item and it will be recognized by Cortexica, which is the back-end image recognition software behind applications such as Net Set, Zolando and Macy's.

Whether it is someone on the street or an image in an ad, Cortexica will enable retailers to identify and source the exact item or something similar within their collections.

THIS YEAR'S new retail formats clearly capitalize on the broader trends of the sharing economy, advanced algorithms, brand experience and thinking like a platform. We hear these phrases constantly, but in retail, they truly capture the mood of the moment.

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