

Bricks-and-mortar will see reinvention in 2019

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Saks' new beauty concept is one of the many ways retailers and brands leveraging are new trends. Image credit: Saks

By MICKEY ALAM KHAN

The digital revolution has forced retailers to rethink the physical store space, with many luxury flagship stores reinventing the bricks-and-mortar layout. New research shows that this year will see more of this shift.

According to a report from Coresight Research, cities are expected to see a flourish of new flagship renovations this upcoming year. Retailer supply chains will also become more flexible, with less of a rigid linear process, and an influx of start-ups will continue pushing product development.

"Physical stores will see a reinvention in 2019, and brick-and-mortar retailers will fight back by improving their supply chains, deploying the predictive capabilities of artificial intelligence and seeking out more partnerships with startups," said John Mercer, senior analyst at [Coresight Research](#).

Retail in 2019

In Corresight's 10 Retail Trends for 2019 report, research shows that a "fast retail" will arise, with shorter leases, an increase of shared spaces and a variety of pop-up strategies.

The researcher believes the coming year will be a time for reinvention, with many embedding artificial intelligence into the core of retail and its functions.

If done correctly, a global retail sector will arise, stronger and better equipped to solve customers' needs.

Jeweler Tiffany & Co.'s flagship store in New York is getting a major renovation this year.

The Manhattan store has been at the same location on Fifth Avenue since 1940, but now it will be receiving a significant visual makeover. The renovation is expected to help Tiffany draw in more customers to the brand's legendary location and has a budget of \$250 million ([see story](#)).



Tiffany's New York store features a cafe on the fourth floor. Image credit: Tiffany

Tiffany is not the only retailer focuses on flagship renovation in the year ahead, with Nike recently opening a new flagship in New York this past November. Through the space, the brand will continue to provide immersive modern experiences.

Department store chain Saks Fifth Avenue's flagship was possibly the most notable in recent renovations,

undergoing a major shift to make way for more accessories on its ground floor, but its new execution of the beauty department could be indicative of an emerging trend.

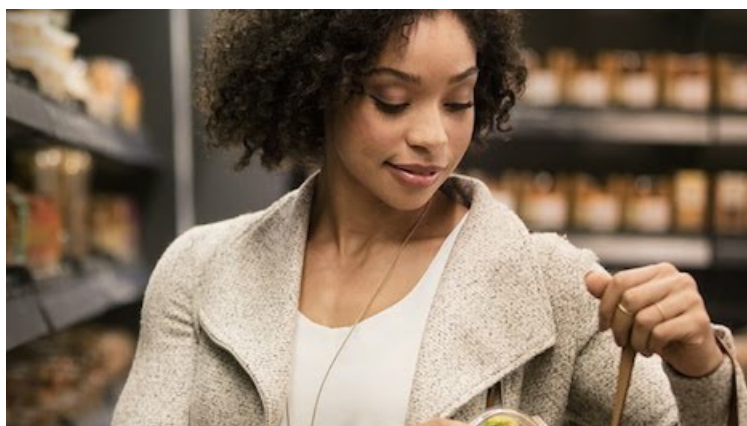
Saks' uptown New York store has undergone significant refurbishment beyond a simple facade uplift, with a makeover in fundamental methods of business. The retailer's newly opened beauty department, named Beauty 2.0, has been moved to the second floor and offers a new strategy toward cosmetics buying to compete with retailers such as Sephora and Ulta ([see story](#)).

Branded experiences

These renovations are helping retailers and brands remain relevant in a time when consumers can buy anything they want online and have it shipped to their doors in little time.

Bricks-and-mortar locations in 2019 will serve as brand buildings rather than a point of sale, with immersive experiences, heightened customer service and integrated technology throughout.

While the renovation of the flagship and the growth of fast retail will be the top two major trends in 2019, Coresight also predicts Western regions will begin to see more sophisticated data-driven technology, borrowed from Eastern neighbors.



Amazon's new no-checkout grocery store shows us what an entirely mobile future might look like. Image credit: Amazon

Alibaba dominates retail in the Eastern region, creating an integrated model with online retail, offline retail and logistics across a single value chain powered by data and technology.

Amazon, a principal retailer in the West, is already adopting similar tactics, with a variety of temporary physical locations integrated with its online strategies.

This deep integration with technology in stores will help reduce friction in the bricks-and-mortar experience, providing consumers with easier ways to find information, products and checkout.

Consumers are likely to come to expect "smart retail" interactions.

"Brick-and-mortar investment is back, whether that is investment in spectacular flagship stores or digital-first brands launching a raft of data-driven physical stores," Coresight's Mr. Mercer said.

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