11

MANAGING FASHION RETAIL SPACE AND PLACE

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INTRODUCTION

As we discussed in the previous chapter, retailing has undergone a disrupted evolution since online shopping moved from support act to a starring role in fashion retailing. In mature fashion markets famous fashion retail names such as Collette, Lord & Taylor and Top Shop no longer have shops on our boulevards and malls, either disappearing altogether or transforming into an online only presence. A network of physical stores (referred to as 'chain stores') was once a sure sign of retail dominance, but stores may not be the main generators of revenue for fashion retailers and may be seen as a costly resource. On the other hand, experiences within physical or virtual space can complement digital touchpoints such as an online store. Drawing a distinction between online retailing and physical retailing is too simplistic and, in the light of the preceding chapter, clearly inappropriate for a contemporary discussion of fashion retail. We acknowledge some of today's fashion retail giants such as Farfetch are based on a business model that does not include regular use of their own physical stores, while other healthy fashion businesses use permanent or temporary physical space to make a brand statement that sets them apart in crowded international fashion markets. Recent events temporarily accelerated the growth of online shopping in fashion markets, moving the portion of global retail sales through this route from around one fifth in 2019 to nearly one third in 2021 (Euromonitor, 2022). In 2022 however, the proportion had dropped back to just over 21% (Statista, 2023) demonstrating the resurgence of physical store shopping. Geographical differences are apparent in online shopping behaviours with Asia and the US being very strong e-commerce markets. This growth has coincided with a profound change in the way fashion companies view retail spaces and places. This chapter considers how fashion organizations strategically manage retail space in all its fascinating diversity.

The chapter begins with an evolutionary overview of retailing taken from a perspective of retail spaces and places, focusing onto flagship and 'pop-up' stores, which are particularly prevalent in the fashion industry and where the concept of brandscape, introduced in Chapter 5, is relevant. Phygital retailing is introduced, whereby brands deliver customer experiences via a blend of physical and digital space, and the future of retailing via virtual space is discussed. The chapter then further develops the idea of servicescape, introduced in Chapter 10 to consider how retail space can captivate and enhance consumer experiences, encouraging interaction and sensory engagement with fashion brands. The chapter concludes by considering the contribution retail spaces and places make to a brand's strategic positioning.

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- Use appropriate retail business terminology when discussing fashion retail space.
- Appreciate the tension between the historic relevance of physical space to fashion retailing and the impact of digital space on fashion retail evolution.
- Appreciate the diversity of space and place within retail strategies and the role retail space can play in encouraging fashion consumer–brand engagement.
- Understand how retail space contributes to the strategic positioning of a brand, reinforcing identity, and appeal to target consumers.
- Consider how retail space is evolving within the fashion world and the diverse role it will play in future retail strategies.

THE EVOLUTION OF FASHION RETAIL SPACE AND PLACE

The earliest outlets for clothing were market stalls and bespoke dressmakers, and in some locations around the world, these are still typical ways of acquiring clothes. However, through time and increasing mechanization, specialist traders, and then larger specialist stores, evolved. The development of **department stores** in the 19th century was a global phenomenon that gave access to ready-made clothing for mass markets, and in the 20th century many **specialist clothing retailers** expanded to create powerful networks of stores, initially in regional markets, but towards the end of the century many were growing through ever expanding international locations. Around the turn of the century, selling clothes online started to be seen as a huge opportunity, and in spite of the many challenges, online retailing in the clothing sector has steadily grown in popularity with consumers as an alternative way to acquire clothing, and continues to have a profound influence on the evolution of both virtual and physical retail space (see Chapter 10). Varied opinions, ranging from 'no-one will be able to sell fashion on the internet' to 'online retailing will shutter fashion stores for ever' are both misplaced, but the interwoven relationship between online and physical retail space continues to develop and provide opportunities for fashion brands. 'Together with the increasing demands of connected and empowered consumers, digitization is fundamentally altering the form and function of the physical store' (Alexander and Blazquez Cano, 2019). **Virtual space** has been on the fashion retail agenda for some time, and three-dimensional digital space technology advances are opening up immersive metaverses, either to complement existing operations or to extend the boundaries of fashion production and consumption to new types of space.

The concepts of **brandscape** and **servicescape** are also important to understand in relation to the evolution of retail spaces. As we saw in Chapter 5, Brandscape refers to brand–consumer relationships within the entirety of the relevant product/market landscape, and includes emotional and cultural meanings attached to brands and the creation of their identity.

Retail space continues to be used extensively and effectively to contribute to consumer brandscape experiences. As we saw in the previous chapter, servicescape refers to the environment in which retail service takes place, which in omni-channel retailing may extend over a number of touchpoints and has a strong bearing on the level of quality a customer experiences.

Retail format development

'Retailing is a global activity, but one not necessarily requiring a global solution' (Alexander and Kent, 2017); making the right strategic choices in relation to retail spaces and places is central to the success of global fashion brands. Not all markets have the same characteristics in terms of consumer shopping behaviour, and physical and digital infrastructure, so it is important to develop an understanding of a range of terms that have developed to describe different types of retail format used in this diverse field. Gauri et al. (2021) refer to a retail format as a 'combination of different levels of retail services such as information, accessibility, assortment, ambience and delivery speed', whereby the different combinations offer consumers the opportunities to make trade-offs between services and price, in a particular shopping situation.

Retail format A type of retail outlet, defined by operational and service differences; includes physical, digital and virtual types of retail space.

PLACE

As one of four central tenets of the marketing mix (see Chapter 4 Fashion Marketing) the idea of 'place' for customers is a vitally important area of decision-making for **retail marketing strategy**. Being located where target customers can, and want, to shop is where marketing and geography blend for a fashion brand and finding the right location has a strong bearing on the success of any retail outlet. That said, the role of the store is changing and the performance metrics that once applied, such as sales per square metre, are less meaningful in the omni-channel context. Fashion retail outlets are moving from more bounded, visual places, focused on products and display, to more fluid, consumer-engaging, experiential and sensory spaces (Alexander and Kent, 2017; The Future Laboratory, 2022), and the strategic objectives associated with retail space and place are now more likely to concern brand awareness generation, brand identity and value reinforcement, enhancing the consumer experience, and maintaining a favourable image (see Chapter 5 Fashion Brand Management).

Although fashion retailers tend to be opportunistic in their decisions about where to locate stores (Reynolds and Wood, 2010), strategic planning regarding physical space is becoming increasingly complex. As always, the size, location and characteristics of all stores needs to be firmly linked to retail strategy, but increasingly the role a store plays, and the customer behaviour of those who use it needs to be optimized within the overall **retail portfolio** of physical and digital touchpoints. Many retailers who have built success on an extensive store network will be rethinking the contribution those stores make, with the costs of running those outlets central in that evaluation and rationalizations may be necessary to optimize retail performance. Challenges such as planning regulations, environmental targets and the need to incorporate omni-channel supporting technology and service areas will all impact on store planning decisions. Footfall quality in terms of target segments will become more relevant than general footfall counts.

Many large retail organizations have specialist property departments dealing with locational decision-making, lease contracting, property refurbishment and so on, and while this text does not have the scope to cover the specific competences associated with retail location decision-making, which can be found in other retail management specialist texts (for example Berman et al., 2018), it is important to acknowledge that decisions regarding store location and content have strong and long-term implications for fashion businesses and are always strategic.

Box 11.1 – The growth of online retailing in fashion

The growth of online retailing has been the most disruptive factor in the industry in the last two decades. The impact can be seen in the charts below. Graph 1 shows the growth of different types of retail outlets, contrasting historic growth, shown in the bars, with more recent growth shown in the dots. This demonstrates that specialist, store-based retailers have had a healthy historic growth, but their popularity is now waning, whereas e-commerce-based retail continues the positive trajectory of its healthy historic growth. All other types of retail outlet are also in negative growth or static, except for sports goods stores, which are in a small growth situation, based on the interest in keeping fit, the growth of athleisure clothing and the continuing interest in the sneaker fashion category.

The move to online shopping was accelerated by COVID-19 pandemic lockdowns, seen clearly on the 2020–2021 downturns for store-based distribution on the graph, while online distribution continued to grow.

Within the general trend of global online growth, some markets have a stronger tendency towards online shopping, shown in percentage online growth by region in the graph below:

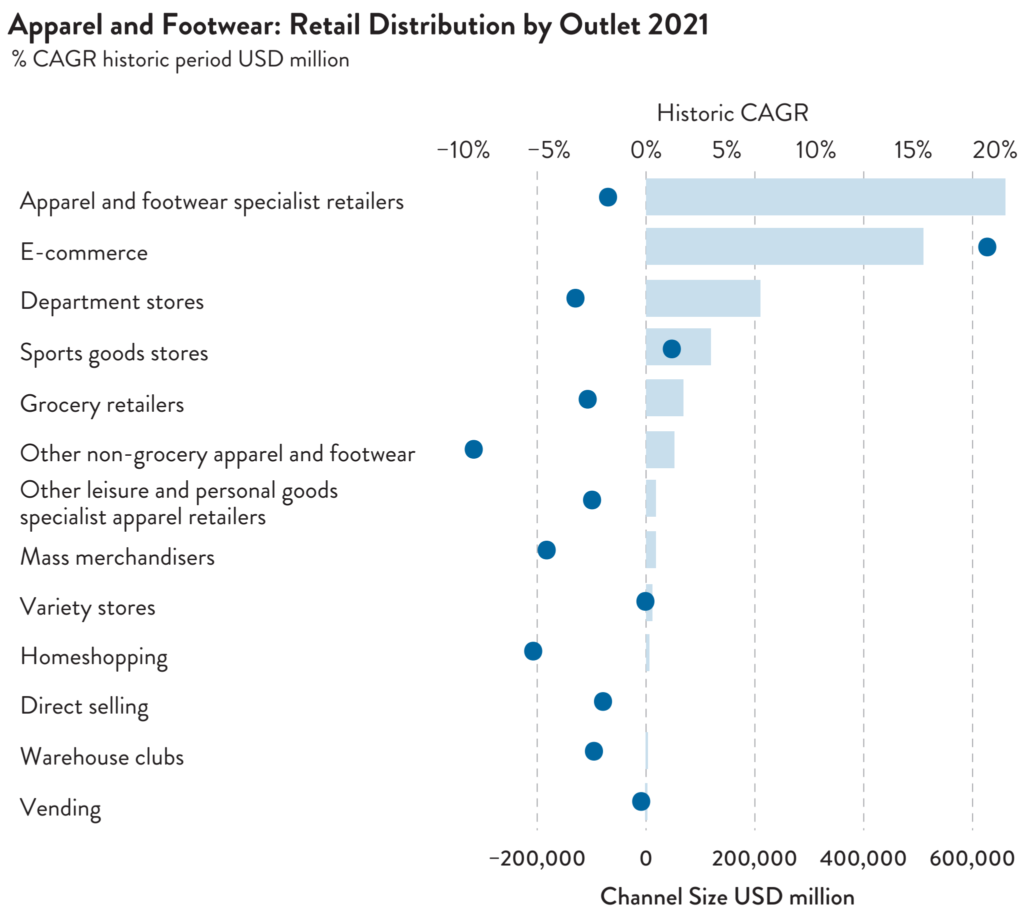

Figure 11.1 *Contrasting the growth of different retail outlet types*

Source: Euromonitor International Passport (2022)

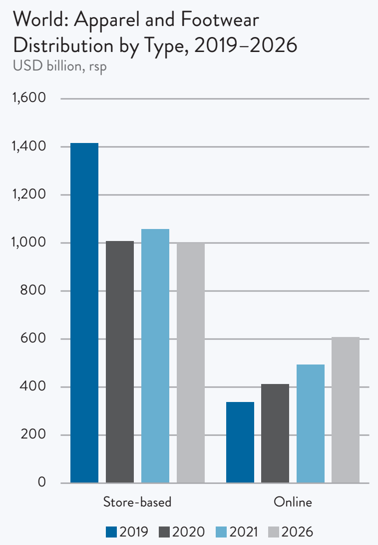

Figure 11.2 *Demonstrating changes in store-based and online retailing*

Source: Euromonitor International Passport (2022)

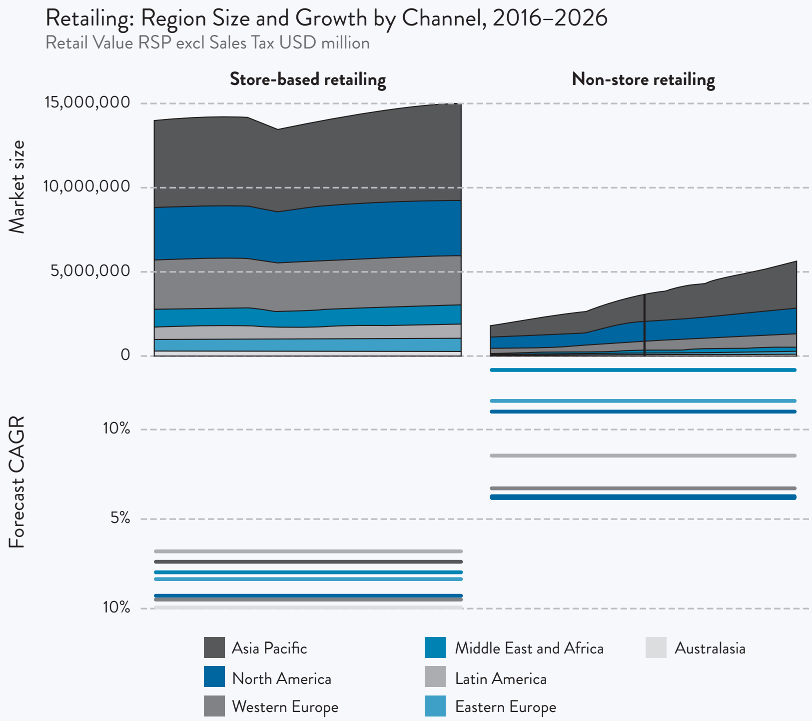

Figure 11.3 *Global retailing by region*

Source: Euromonitor International Passport (2022)

FASHION RETAIL STRUCTURES AND FORMATS

The fashion industry is very diverse in terms of the business organization structures that support retailing activities. In this section we explore these, some of which have a long heritage, while others are more contemporary developments. Acquiring an understanding of terms relating to different types of retail format and approaches to retail business activity is fundamental to develop the skills to analyse and formulate a retail strategy.

Speciality retailers – mono-brand and multi-brand

Speciality (or specialist) retailers are, in most markets, the most commonly used retail format, and are so named because of their relatively narrow category offer; in the case of fashion this would typically be clothing categories, footwear and accessories. Globally, around one quarter of clothing and footwear sales are made in speciality stores, however sports specialists excepted, their appeal is beginning to wane (Euromonitor, 2022). Some department stores are viewed as speciality fashion stores (Harvey Nichols, for example), but department stores traditionally have a wider product category offer. The specialist retailer may be mono-brand, and through replication of a successful formula may have grown to be a powerful speciality chain (such as Zara), but the term can also refer to multi-brand stores (such as Dong Liang, a Bejing-based luxury store), where a collection of brands is curated under one roof to create a targeted offering. It is unlikely nowadays that any major specialist retailer would operate without a website, with many describing their supporting direct-to-consumer (DTC) online outlet as their 'number one store'. In addition, the physical manifestation of digital-first DTC brands would normally fall into the speciality store descriptor.

Joint venture An agreement between more than one business organizations to form a partnership to run a business. The financial and operational terms can vary.

Mono-brand speciality retailers

A mono-brand retailer is one that sells products that are branded by the retailer themselves, termed **own- or house-brand/label goods** (see Chapter 8 Fashion Merchandise Management). The product range is managed centrally and usually the store design follows a blueprint so that outlets appear similar. Central management results in a standardized approach in managing the customer experience, and online versions of the retailer aim to reflect the store experience. By buying directly from producing suppliers, often in high quantities, large mono-brand specialist retailers (also termed multiple retailers) are able to maintain competitive pricing and higher profit margins. These funds can then be channelled into retail branding activities.

This retail format has been dominant in the rapid growth of international fashion retailers in the last 40 years. The expansion of retailers like Zara, Uniqlo and H&M has been as a result of retail mixes that found popularity in both established and emerging fashion markets. That is not to say that this formula has been universally successful. Many of these retailers have found maintaining international success challenging, with Benetton and Gap (as examples) struggling to maintain their growth trajectories. Although the implementation of high levels of standardization are seen to be the success of mono-brand fashion chains, their reluctance to change and adapt to new market contexts and forces has often been a contributor to their downfall. Understanding different retail markets in terms of both consumer preferences and the legal and regulatory framework often requires detailed knowledge and understanding. In particular, the way people like to dress and shop is often deeply ingrained in the cultural identity and psyche of a region. It can therefore be useful to team up with another business organization already operating in that region in order to access expertise and experience that can prevent mistakes and circumvent obstacles.

Joint ventures vary enormously in terms of the financial contribution each partner makes, and the control of operations between them, but in general they have proved to be a successful formula for international retail market entry and expansion. Many retail joint ventures take the form of a **franchise** arrangement whereby control of the brand identity in both product and retailing environment is retained by the franchisor while the day-to-day operations concerning human resources, logistics, customer service and other aspects of retailing are managed by a 'local partner' or franchisee. Managing joint ventures is one of the most challenging aspects of an international retail strategy and some fashion brands have found that poorly drawn up contracts between international partners has resulted in a detrimental effect on their brand image and development.

Franchising A type of joint venture whereby control of a brand identity is retained by the brand owner (franchisor) while the day-to-day operations concerning human resources, logistics, customer service and other aspects of retailing are managed by a 'local partner' or franchisee.

Multi-brand speciality retailers

The appeal of multi-brand retailers lies in their ability to curate a collection of brands and selected ranges. Often relying heavily on wholesale activities (see Chapter 10), it is hard to create true differentiation in the actual product offer, and multi-brand retailers can end up competing against the outlets of the brands they buy. Finding a niche in terms of location and product range curation however, can lead to innovative fashion retail offers. In Asia the multi-brand speciality store is sometimes referred to as a buyer-shop or select shop, and online multi-brand specialists have become successful across market levels. Examples of this type of retailer are Lane Crawford, Matches Fashion, Dover Street Market and Zalando. Most small independent fashion retailers are multi-brand speciality retailers, bringing brand diversity and potentially unique retail offers to consumers, often targeting local clientele and responding to their particular fashion needs and preferences (Miller, 2023). Some legacy fashion retailers, such as Next and Marks & Spencer, who built their businesses on being fiercely mono-brand have extended their ranges to include other popular brands, particularly within their online stores, thereby moving into multi-brand territory.

Department stores

These are, in many global markets, the legacy institutions of fashion retail, such as Selfridges in London, Bloomingdales in New York and Printemps in Paris. They are large and often multi-storey with many departments, usually with a very significant fashion offer appealing to the tourist shopper and local consumers alike. Although some of the product within department stores may be still acquired by the company's own buying teams, a lot of department store space is rented to fashion brands as concessions. Running a **concession** is a form of joint venture, which is a relatively low risk method of retailing for both parties, whereby the host store provides not only local expertise but also an established customer market and reputation. When the **match-up** between brands is good this can create synergy and two-way brand enhancement, but poor match-up or operational difficulties can result in a dilution of brand value for either or both parties. A variation on the theme of the department store is the so-called **variety store**, which blends aspects of the mono-brand specialist store (mainly selling own-brand merchandise) and a department store (a broader range of product categories). UK-based Marks & Spencer is the epitome of a variety retailer.

Department stores offer a wide range of products and services, and generate high consumer footfall, however they suffered badly as a result of pandemic lockdowns as many were caught out with uninspiring websites and poor e-commerce operations. Once a dominant format for fashion retail in the US and Europe, the costs of running large stores in high rent locations has undermined the viability of department stores, especially as many resort to heavy discounting in an attempt to survive. The wide product assortment and broad market segmentation formula of many department store brands is losing out to more specialized and targeted retail offers, especially in the luxury fashion market (Mallevays, 2020). Conversely, innovative department store retailers who offer edited and immersive experiences, including entertainment events and hospitality, and incorporate retail technology and brand collaborations, are extending their appeal to younger shoppers, who are ready for

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the sensual aspects of real-life shopping (WGSN, n.d.). The success of online marketplaces, such as Farfetch and MyTheresa, is a result of blending aspects of department store retailing; a large range of branded fashion under one 'roof', and a high standard of service, with the convenience of online shopping anytime and anywhere, demonstrating that Gist's (1968) **dialectic theory of retail change** can still be applied. This theory, which was devised around 30 years before the advent of online retailing, suggests that retail formats evolve by taking successful features of previous retail types and blending them with features of a new type of retailing to come up with something that enhances competitive value.

Other types of retail outlet in the fashion market

In addition to the formats used for retail distribution already described, fashion clothing is also sold via catalogues (with many such as Boden gradually converting their shoppers to their websites); off-price and discount retailers where the primary focus is a low-price offer (such as TK/TJ Maxx); market stalls, online general market places (such as Amazon) and lifestyle speciality retailers (such as Goop); supermarkets and warehouse clubs (such as Walmart, Costco); and even vending machines. Once ubiquitous as digital catalogues, online retailing spaces have evolved to embrace opportunities offered by omni-channel retailing, as explained in detail in the previous chapter. In China, for example, online shopping platforms (such as WeChat (Tencent), TMall (Alibaba), and Red) dominate the market, providing convenient, social and effective ways of connecting brands to consumers.

THE EVOLVING ROLE OF THE STORE

In spite of the onslaught of online retail growth, the effects of external business disruption, including geopolitical instability and lockdowns, virtual commerce, and increasing cost structures associated with traditional retailing formats, there is solid evidence that the physical retail store remains strategically important in the purchase journey, and it is evolving to remain relevant. The experiential value available in physical retail space is different and unique: the 'ability of the store to morph and evolve is considered a prerequisite in store design with an emphasis on flexibility, integration and entertainment' (Alexander and Blazquez Cano, 2019). Their **experiential store futures model** (see Figure 11.4) summarizes how physical space can be used to optimize customer experiences. Central to this model is the term slow retail, which reflects the type of shopping motivations and behaviours relevant to fashion shopping experiences.

Within the fashion market, two particular variations of retail space have been used extensively by fashion brands to achieve strategic objectives, and their contribution has been widely documented in fashion retail academic literature; these are the flagship store and the pop-up store, and their importance to the development of fashion retail warrants special attention.

Flagship store A store that represents a brand as a three-dimensional retail ideal, with strong brand identity and communication of brand values in a sensory selling environment.

THE FLAGSHIP STORE

The concept of the **flagship store** has been an important one in terms of fashion retailing (Moore et al., 2010; Blazquez et al., 2019, Manlow and Nobbs, 2013), especially in the global context. Flagship stores not only play a key role as distribution outlets for retail brands, but they also make a significant contribution to brand development, communication, and engagement with the consumer.

Characteristics and functions of a flagship store

Although the term 'flagship' derives from the leading ship in a fleet, the use of the concept in retailing is less prescriptive. Traditionally a flagship

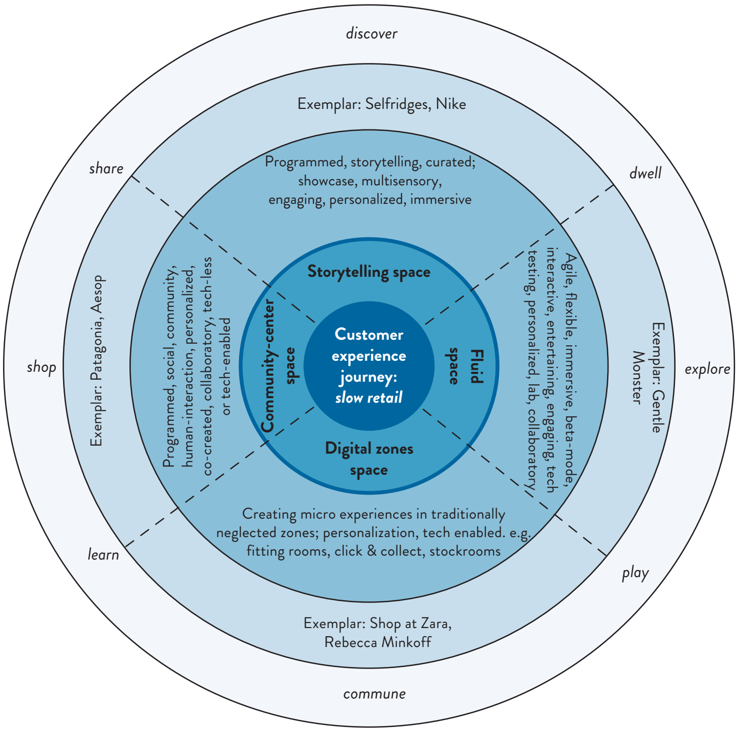

Figure 11.4 *The experiential store futures model adapted for fashion*

store is one that is representative of 'the best and newest' and therefore an ideal in terms of the way a brand portrays itself within the brandscape. The location of a flagship is important, ensuring that the brand is in contact with high footfall of target consumers. A flagship store can also be an **anchor** for a particular retail area or centre development; the footfall it attracts benefiting the centre more generally. With fashion being a **high involvement** purchase where many alternatives are considered in the shopping process, rubbing shoulders with competing brands is more of an attraction in a location than a disadvantage, with a critical mass of flagship stores providing a major attraction that generates high footfall and encourages tourism. The maintenance of a flagship store may need to be viewed as an investment that the rest of the retail strategy pays for; its success may not be judged only on sales, but the contribution it makes to brand communication and brand equity measures.

In the context of international expansion, flagship retail can be viewed as a support to the development of other aspects of retail marketing strategy such as the development of online retail networks, further store openings, pop-up stores (see section below) and travel and leisure retailing. In 2013, the CEO of Burberry used the term 'flagship markets' to refer to international markets where flagship stores were central to the retail strategy in that country or area (Ahrendts, 2013). Alexander and Blazquez Cano (2019) suggest that flagship retailing is itself evolving, with less emphasis on the size of the store and more on the use of space to tell a brand story. Stores of smaller scale and collaborative emphasis, which build customer relationships and brand communities, are being used to deliver a wider range of strategic objectives. Some may use the term **concept stores** to describe these more flexible and nuanced retail outlets. For example, instead of opening a large flagship store in central London, designer Anya Hindmarch developed 'The Village' in 2021 comprised of 5 small outlets, which allows for flexibility in retail concepts (www.anyahindmarch.com 2023). The operational drawbacks of flagship stores are similar to those of department stores; the costs associated with large areas of expensive retail space, and the need to maintain a high-quality servicescape are extremely high and difficult to maintain in slow-growth markets.

The flagship store as brand communication – the 'brandship'

Physical retail space where the boundaries between brand communication and commercial retailing blur has been central to the flagship concept. Flagship stores present a brand, its product offers and its service outputs in a way that idealizes; the design of the store reflects a brand's identity, its heritage and its values; and the store space may be used flexibly for publicity and brand-engagement events. Nike's flagship stores, for example, not only encourage the trial of products in spacious store layouts but are the base for running clubs and other social activities. One of the first luxury fashion retail outlets to gain publicity for built-in social space was the Prada Epicenter in New York, conceived by Rem Koolhaas and opened in 2001, which doubled up as a music venue. As retail rents and rates increase, flexible space that can generate revenue outside main trading hours can enhance space productivity.

Manlow and Nobbs (2013) highlight the way that luxury flagships in particular can be designed to create an emotional response in consumers, providing pleasure and self-affirmation in the experience of visiting them. The attention paid to the location, architecture, design and artistic collaborations contributes to the luxury positioning of brands, while customers determine their own emotional relationship with the brand by experiencing the sensory and luxurious branded retail space. They often use prestigious properties and significant or historic buildings as a way to acquire heritage and status. In particular, luxury brand flagships occupy large-scale buildings with plenty of empty space to imply exclusivity and luxury (Moore et al., 2010). However, the evolution of the flagship as a component of an omni-channel retail approach suggests 'flagships represent the melding together of consumption and social and cultural currency with experimentation and innovation to provide more complex experiences' (Alexander and Kent, 2017). The idea of the 'digital flagship' refers to the use of digital technologies in physical flagship contexts as well as the creation of flagship space in immersive digital environments, such as metaverses (see below).

POP-UP STORES (TEMPORARY RETAIL)

Although the concept of the 'pop-up shop' originated as a response to churn associated with retail space occupancy, temporary retailing has proved to be an effective contributor to retail strategy. Emergent short-term opportunities for fashion brands to trade in high quality locations has prompted novel and surprising retail experiences, where brand awareness and engagement can be raised in an exciting way (Klein et al., 2016, Taube and Warnaby, 2017), without the need for long-term resource deployment. Temporary retail space allows retailers to trial and test (Warnaby et al., 2015), providing a way to gather consumer insight, or to experiment with new retail technology or space concepts without long term risk.

Picot-Coupey (2014) examined the role of pop-up stores as a means of international market entry, while Alexander et al. (2018) suggest pop-ups can be incorporated into a longer-term international strategy by being more experimental, with much lower investment and risk than a larger flagship store. Short-term shopping spaces are increasingly being used in creative ways to target new or smaller market segments or to focus on local fashion markets. They can be used to test new retail concepts and new locations and to launch product lines, thereby providing excitement to new customers. The playful fluffy pink Balenciaga London pop-up for example, opened temporarily in Spring 2022 to celebrate the brand's Le Cagole handbag range.

Blending temporary retail with **brand activation** (see Chapter 5) and depending on each fashion brand's identity and values, pop-ups may incorporate art, cultural exhibitions, product demonstrations, design collaborations, in-store workshops, short courses, music events, socializing, sports, and food and drinks. Pop-ups are also not exclusively a physical concept; digital pop-ups may include competitions and games in a fusion of temporary physical space and digital brand engagement to create an immersive, social and entertaining retail context. Rosenbaum et al. (2021: 93) found pop-up stores were primarily used 'to create connections with current and potential customers, to increase brand awareness, to introduce a new product or brand to the marketplace, and to stage a new product or brand'. The temporary retail activities of designer brand Jacquemus (see Mini Case Study 11.1) exemplify these objectives.

THIRD PLACE

The concept of **third place** has been discussed in the context of fashion retailing by a number of researchers and industry commentators (Alexander, 2019; Alexander and Nobbs, 2020; Chen, 2020; Bishop and Scott, 2021) in particular where the fashion and lifestyle sectors overlap, and where the showcasing and the encouragement to engage with a brand is an important part of a strategy.

MINI CASE STUDY 11.1 – Jacquemus pops up

In May 2022 the south-east windows of the famous London department store Selfridges, well-known for housing spectacular temporary retail experiences, appeared to be leading into a swimming pool. On closer inspection the watery blue vision transpired to be an immersive temporary retail space devoted to Paris-based designer brand Jacquemus. With an edited product range, heavily emphasizing handbags, the entire designed retail space, and the products within it, was on a monotone colour spectrum from brilliant white to swimming pool blue. Tiled and glass surfaces added to the theme of water immersion.

In July 2022 products from a collaboration between Jacquemus and Nike were released in China. Launched on Nike's official website and brand app, and in some Nike offline stores, the 15-piece Nike x Jacquemus collection proved to be a popular team-up. Ahead of the official launch, the collection was released in pop-up shops in the Beijing luxury shopping space SKP-S and at multi-brand store Soulgoods in Chengdu. Jacquemus does not have any official presence on domestic social media platforms in China and has no retail outlets of its own, yet brand awareness has been cultivated by the brand's signature exaggeratedly tiny 'Le Chiquito' handbag, which has become popular with local fashion KOLs (key opinion leaders) and celebrities. The partnership with Nike therefore builds on this recognition to pave the way for future potential retail developments in the Chinese market.

Then in September 2022 the brand opened a two-level luxury retail outlet on Avenue Montaigne, a prestigious fashion shopping street in Paris. Described by a brand spokesperson as an ephemeral boutique, the Paris store housed all product categories while focusing on top of the range ready-to-wear. At the time of opening, press reports stated that the store would be open for 5 months, but the retail outlet has evolved into a permanent presence. The move to retailing through their own stores would be 'a strategy shift for Jacquemus, which has built a substantial business selling mostly through wholesalers and its online store' (Williams, 2022, no page).

A focus on directly controlled retail channels is central to the strategies of premium fashion brands as they seek to control customer experiences, reduce discounting and boost operating margins, but the investment required to open stores in prime locations remains a significant obstacle for many brands. With careful and strategic temporary retail initiatives however, Jacquemus is following the path of other retailers who 'are augmenting and elevating their physical outlets using materials, design, sensory stimuli and human interaction in ways that only physical spaces can achieve' (Miller, 2022).

Source: Based on
https://www.businessoffashion.com/articles/retail/how-to-open-a-store-in-2022/
https://www.businessoffashion.com/articles/luxury/is-jacquemus-ready-for-retail/
https://jingdaily.com/nike-jacquemus-hype-china/

BFBC CASE ABSTRACT - Sensory brand experiences the Aesop Way

This case focuses on premium Australian skincare brand Aesop. Founded in 1987, it has grown to over 200 stores today. This growth was achieved steadily and discretely by opposing the general market conventions of benchmarking competitors on product and price and disregarding prominent store locations and loud promotions. Instead, Aesop have been fastidious about building trust and loyalty with their niche community of followers. Aesop strive to be different by delivering a multisensory strategy through their bespoke physical spaces to create a unique customer experience. Whilst every store is individually different, brand consistency is achieved through product, packaging and their 'hosting' service. The case examines how Aesop, which has built a strong physical experience that emphasizes customer hosting, can convey their service proposition in an online environment, without losing their core DNA, and requires students to critically consider this move for the brand. Moreover, it explores the way that a brand, which relies on physical stores in sought-out community locations, can remain competitive in the omni-channel beauty and personal care market.

by Bethan Alexander and Mirsini Trigoni

Third places Social environments that are neither home, nor work-space, but are focused on encouraging social interaction and community building.

Third places, according to Oldenburg (1989, 2002), are social environments that are neither home (first place), nor work-space (second place), but through varied use, encourage social interaction and community building, often including retailing activity. Third place may be incorporated into one particular retail brand space, or it may be incorporated into a retail location, such as mall or a shopping area. As more and more people enjoy spending time in immersive virtual worlds, we can extend the concept of third place to include virtual space such as the metaverse. Already a number of fashion brands have experimented with commercial activations linked to time spent socially and in virtual world communities. The Gucci Garden, created in collaboration with online gaming platform Roblox is an example of virtual third space. It was a temporary fantastical immersive world, available for two weeks in May 2021. It offered virtual personas the opportunity to wander through themed rooms that paid homage to previous Gucci marketing campaigns. It included a virtual lobby where visiting avatars could try on and purchase a range of digital Gucci items, and as avatars moved further into virtual rooms, they absorbed visual elements of those spaces (McDowell, 2021).

Alexander (2019) developed the Third Place Dimensions model as a strategic framework for retailers when creating and delivering third place within their retail strategy (see Figure 11.5).

With the model as a framework, the following additional aspects are considered to be important in retail third-place servicescape developments (Alexander, 2019: 268):

- Congruence of third place to brand and target market;
- Applicability of third place forms, features and functions to improve customer experience;
- Improving customer patronage through community (social) engagement;
- Redesigning servicescape (specifically third space) to deliver meaningful customer experiences;
- Potential in collaborative third places.

Third place has been successfully used by international retailers Lululemon and Nike in the

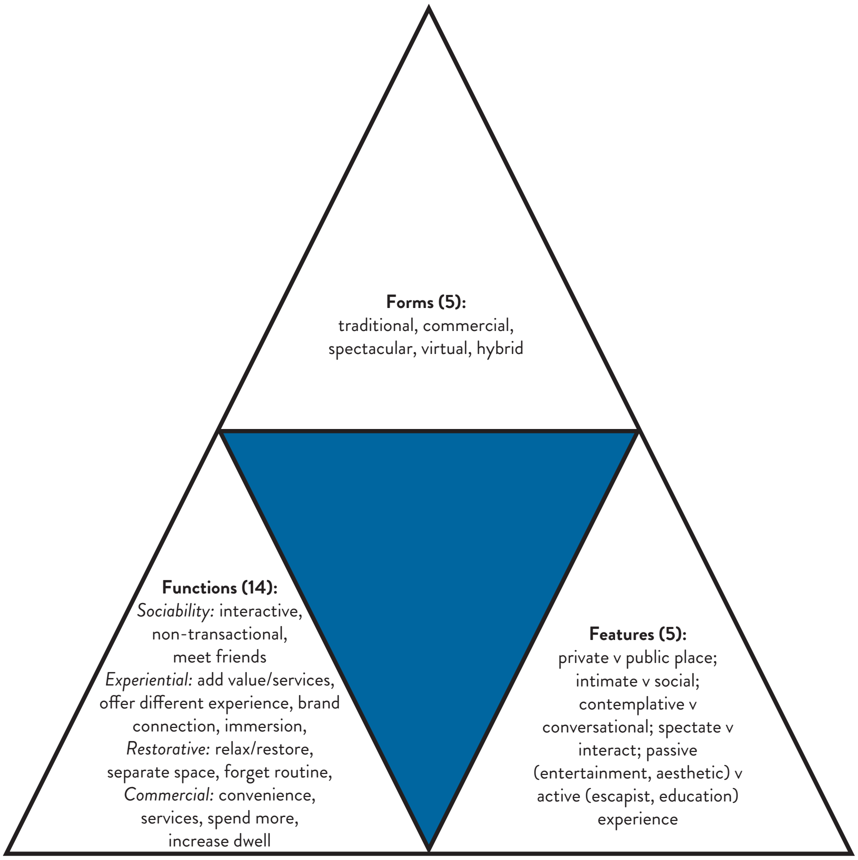

Figure 11.5 *Third Place Dimensions Model*

Source: Alexander (2019)

fashion sports sector, providing sports activity space alongside retail space, while Uniqlo, incorporated an outdoor park, playground and climbing wall into the front of their megastore at the Mitsui Outlet Park, Yokohama Bayside, Japan, thus encouraging families to combine leisure and community activities alongside shopping at Uniqlo and sister brand G. A shorter-term objective applied when Gentle Monster and Fendi used experiential third space to build awareness about their collaboration (see Mini Case Study 11.2).

Fashion retail and hospitality

The crossover between the fashion industry and the hospitality industry is not new; fashion designers being involved in the interior decoration of hotels (Missoni for instance) and food and beverage services in fashion stores (such as Arket) are well-known examples. Fashion-oriented department store Selfridges in London has 14 different places where customers can eat and drink. The growth of the '**fashion café**' is a noteworthy trend and is an important opportunity for bringing luxury brands to an entry price level brand experience. These can range from a casual hang-out area serving coffee, to elegant eateries well known in their own right for the dining experience. Even value market retailers like Primark now offer hospitality within their larger stores. The third-place concept and hospitality go hand in hand (see Gentle Fendi Mini Case Study 11.2). Providing the opportunity to recharge on a shopping trip can encourage a customer to spend more time in a store, and improve their comfort and mood, thus making a purchase more likely.

MINI CASE STUDY 11.2 – Gentle Fendi

In 2019 Italian luxury fashion house Fendi collaborated with Korean eyewear brand Gentle Monster to create a collection of eyewear under the blended name Gentle Fendi. To build awareness of this collaboration a 3-month pop-up dessert cafe was opened in Korean capital city Seoul.

With art installations inspired by the aesthetics of both brands, as well as a tropical garden, a cafe offering conceptual desserts and a gelato bar surrounding the 'chic oversized sunglasses that merge futurism with classical grandeur', this was a highly in-tune third place pop-up, appealing to the Korean customer's love for the experiential retailer Gentle Monster, a hot luxury fashion brand and cool desserts in the form of exquisite artworks themselves.

Source: Nylon (2019)

PHYGITAL RETAIL

As we saw in Chapter 10, omni-channel retail, in its pursuit of the seamless customer journey, blends the digital dimension with any physical retail space a retailer has, transcending in-store place and digital space. In the omni-channel context therefore, retail technology used within a retailer's physical outlets links digitally to information systems that gather data on customer journeys and other shopping behaviour. This allows a retailer to smooth out any inconsistencies in the brand–consumer relationship across touchpoints. Iannilli and Spagnoli (2021) suggest that this integration can augment retail space so that customers experience enhanced 'phygital' retail, where digital content and connections are duplicated and enriched by real-life store experiences. They cite various examples such as Glossier, Nordstrom Local in the US, Hipanda in Japan, and Burberry's Social Retail Store (partnered with Tencent) in China as examples of retailers that have blurred the lines between physical and digital retail-orientated brand spaces in a fluid and consistent way that provides an overall heightening of the customer experience, without feeling gimmicky. Gauri et al. (2021) suggest that retail format development in the future will concentrate on reducing friction in the customer journey and enhancing customer experience in integrated (physical and digital) customer centric retail spaces.

Phygital retail The integration of digital and physical retail space, where digital content and connections are duplicated, enriched and enhanced by real-life store experiences.

METAVERSE RETAILING

As a 3D version of the internet, the concept of the metaverse (a term first used in Neal Stephenson's 1992 novel *Snow Crash*) is intriguing from a fashion retail perspective. The Virtual World 'Second Life', for example, has provided a platform where human controlled avatars have been able to browse and purchase fashion for two decades (Taylor and Varley, 2008). Unlike the worldwide web, however, which has, for better or worse, open access, metaverse technology is mainly being developed and controlled by commercial entities, in particular gaming platforms (such as Roblox) and big tech companies like Meta. Forsdick (2021) suggests that the metaverse is in current reality a 'multiverse', where a number of organizations offer immersive 3D virtual experiences in their own metaverses, where people can play games, socialize and importantly for the retail industry, shop. Zepeto is a fashion-focused metaverse, where a number of major fashion brands, including Gucci have been active in creating brand experiences.

The important vision for fashion retailing is the opportunity for metaverse technology to provide a seamless movement between virtual worlds and retail spaces, whether online or offline. There is significant interest in this development for a number of reasons. Firstly, online gaming is now a ubiquitous pastime, particularly for young, digital native consumers.

Therefore, the opportunity to dress virtual persona in 'digital wearables' provides a **virtual fashion** opportunity. Secondly, immersive social shopping experiences can be brought to online populations, in a convenient and safe physical location, such as home. Thirdly, there is a view that 3D virtual fashion could be an antidote to over-consumption and provide opportunities for less wasteful product development and design trials. Fashion brands are often pioneers in technology applications, partly because of the mentality to be fascinated by new creative expression and partly because of the opportunity to be seen to be innovative and benefit from hype as a means to differentiate. Working out a way for metaverses to provide value to both the consumer and retailing brands is an exciting challenge (see Chapter 16 Fashion Futures).

TECHNOLOGY-ENABLED RETAIL SERVICES

The cost of more established retail technologies, such as those based on Augmented Reality (AR), Virtual Reality (VR), RFID (radio frequency identification)-based stock management and digital purchasing systems, has decreased over time, leading to an increased use of technology within retail spaces which blurs the lines between virtual and physical experiences. A number of fashion retailers have embraced technology to improve customer convenience and to augment customer service and, by supporting in-store personnel, to help to humanize customer experiences in a positive way. Digital technology also provides the infrastructure on which omni-channel retail is built. For example, the now ubiquitous use of both static and mobile screens in physical retail outlets has enabled customers and/or store personnel to link to central product management systems to check availability and alternatives in colours and style that are not in stock in the store. These can then be sent to the shopper's home or ordered for store delivery. Screens can also provide further information about the product range, such as the raw materials used and how to care for products. Jocevski (2020) highlights the growing use of AI (artificial intelligence) to analyse data generated across touchpoints to develop insights about customer behaviour and purchase decision-making across channels. Furthermore, 'clienting apps' can manage the digital retail connections between customers and fashion brands to help sales associates tell relevant brand stories and offer well-informed, customized service based on data analysis (Bain, 2022).

According to many commentators, (for example Alexander and Blazquez Cano, 2019; Gauri et al., 2021; BoF/McKinsey 2020) physical stores are more important than ever in the omni-channel connected retail world. Retailers can entertain, excite and even educate customers in fashion stores and the embedding of technology in a retail design can assist practitioners to achieve these aims. BoF/McKinsey (2020) refers to **'bionic' retail services**, and suggests stores should provide stimulating and rewarding shopping experiences catering to individual customer needs across channels. Retail employees are therefore integral to delivering an omni-channel offering by guiding customers in stores in conjunction with interacting with them in online channels.

Raising the levels of quality in both online and offline retail servicescapes has resulted in what can be described as super-charged retail service, where a plethora of additional services are added as differentiating value creators. Examples of this would include kerb-side pick-up, home previews, special appointments, extended personal shopping hours, alteration and mending services. Although more frequently associated with luxury fashion, this can be a strategy that works for mainstream retailers such as department stores, and some services such as buy/reserve-on-line-pick-up-in-store (B/ROPIS) are becoming ubiquitous. **Payment options** is another area where retailers need to be flexible for optimum customer-centricity (see Box 11.2). By employing instore technology, customer data and the human touch, store experiences can be tailored and heightened for individual customers (Gauri et al., 2021).

Box 11.2 – Giving the consumer payment choices

The act of paying for products has in itself become an area of increasing complexity, in terms of choice for customers and technologies applied. Different consumer segments have payment method preferences, and nearly half of all customers who are unable to use their preferred method of payment will abandon a purchase, so getting payment services right is clearly a strategic issue. While cash and cheques are becoming less frequently used and in some fashion retailers, not accepted, the growth of online and in particular mobile shopping has resulted in consumers using a greater range of digital payment options. Debit and credit cards continue to be popular and safe methods for customers, with systems such as Apple Pay, Google Pay and Paypal linked to digital wallets providing fast, secure and convenient alternatives for consumers. These systems have the added benefit for retailers of enabling customer data to be gathered such as shopping frequency and spending levels.

Gift cards and store credit cards are payment services that are aimed at generating customer loyalty, while buy-now-pay-later (BNPL) payment options, such as those offered by Klarna are more contemporary versions of the credit card. Currency flexibility, including the acceptance of cryptocurrency is another decision area, particularly for global transactions.

Knowing how your customer likes to pay and linking relevant payment options systems to omni-channel point-of-sale infrastructure is imperative if truly seamless experiences are to be achieved.

Source: Based on Keenan (2022)

Automated retail

Retail technology is also moving towards the idea of frictionless purchasing, where a customer can 'just walk out' of a store, taking their purchases, which have been logged and paid for automatically, using online payment systems. Although this technology would seem more applicable to non-fashion categories, companies that engage in fashion retailing such as Amazon are experimenting with it. Reports of AI powered retail technology, using facial recognition, to trigger relevant screen information instore are also emerging. The two key benefits of automated retail are contentious; the saving of labour (and therefore the associated reduction of significant retail cost), and the harvesting of consumer data. Retailers may argue that retail personnel can be redeployed to keep the systems running smoothly and help customers, and that customer data is respected, but with consumers being more concerned about business ethics, the adoption of such technologies are not without their challenges (Poile, 2022).

RETAIL DESIGN

This section considers the contribution of the design of retail space to building a brand identity and delivering brand experiences. It is not possible, nor desirable to separate the technology applications used in retail space, from the environmental design of it, however the use of architecture and design to create exciting and **immersive retail space**, in both real and digital spaces, continue to be a strategic imperative for retailers. Retail design is resource hungry, whether designing new outlets, refurbishing existing ones, or using retail space flexibly and so the objectives of any developments should have clear strategic purpose and evaluation.

There is a long, yet sparse, history of academic interest in the interdisciplinary field of the designed retail environment, with the majority of research focusing on physical retail; this is unsurprising due to its dominance until recently (Petermans et al., 2013, Gauri et al., 2021). For fashion brands in particular, store designs are an integral part of their holistic development, reflecting brand identities,

Table 11.1 *Store atmospheric variables*

Source: Adapted from Turley and Milliman (2020) by Alexander and Kent (2017)

1. External variables	2. General interior variables	3. Layout and design variables	4. POP and decoration variables	5. Human variables
a. Exterior signage	a. Flooring & carpeting	a. Space design & allocation	a. Point of purchase displays	a. Employee characteristics
b. Entrances	b. Colour scheme	b. Placement of merchandise	b. Signs & cards	b. Employee uniforms
c. Exterior display windows	c. Lighting	c. Grouping of merchandise	c. Wall decorations	c. Crowding
d. Height of building	d. Music	d. Work station placement	d. Degrees & certificates	d. Customer characteristics
e. Size of building	e. P.A. usage	e. Placement of equipment	e. Pictures	e. Privacy
f. Colour of building	f. Scents	f. Placement of cash registers	f. Artwork	
g. Surrounding stores	g. Width of aisles	g. Waiting areas	g. Product displays	
h. Lawns & gardens	h. Wall composition	h. Waiting rooms	h. Usage instructions	
i. Address & location	i. Paint & wallpaper	i. Department locations	i. Price displays	
j. Architectural style	j. Ceiling composition	j. Traffic flow	j. Technology	
k. Surrounding area	k. Merchandise	k. Racks & cases		
l. Parking availability	l. Temperature	l. Waiting queues		
m. Congestion & traffic	m. Cleanliness	m. Furniture		
n. Exterior walls		n. Dead areas		

personalities and values. They also reflect fashion trends alongside the clothes within them and more recently the changing role of the store within omni-channel retail is having a profound effect on the design of retail space. Physical retail space can normally be summarized as comprising the architectural surrounding, including entrance and windows, the internal layout, which may be multi-level, service areas such as changing rooms, payment and collection points, areas specific to display, the display fixtures and fittings themselves (including mannequins). The term **visual merchandising** refers to the management of product in conjunction with retail space

(Bailey and Baker, 2021). In fashion retail spaces the commercial management of space will be increasingly influenced by factors conceptualized by Roggeveen et al. (2020) in their **DAST (design, ambient, social and trialability) framework**, which is applicable to online, offline and phygital retail environments.

Retail atmospherics

In addition to the tangible aspects of the retail environment articulated so far, sensory elements and atmospheric cues can be added to create a richer and deeper emotional experience. Lighting, music, colour, texture and aromas have all been used effectively, either individually or more often collectively, in fashion retail spaces, and in some cases have been a forceful aspect of a **retail identity** (for example Abercrombie and Fitch). Petermans et al. (2013) conceptualized an Experience Web to summarize a diverse range of aspects that impact customer experience in retail environments, acknowledging that some are time and context specific and outside the control of the retailer, who can only try to create and manage them. Since Kotler's seminal (1973) article where the nature of atmospherics was articulated, the **hedonic appeal** of fashion retail environments has been emphasized (Munster and Haug, 2017): 'Fashion stores require attention-grabbing interiors capable of standing out from their competitors, while at the same time requiring an interior flexible enough to accommodate frequently changing product lines.'

In virtual retail experiences touch is currently a lost sense. However, Rayburn et al. (2022) suggest that traditional atmospheric consideration can be applied for online environments, while Gauri et al. (2021) emphasize the benefits of consistency of design across online and offline outlets. Bustamante and Rubio (2017) conclude that 'retailers should design in-store stimuli to create cognitive, affective, social, and physical experiences that provide customers with superior value propositions'. The extent of atmospheric variables found in retail spaces is shown in Table 11.1.

Box 11.3 – Gated retail

Luxury fashion brands face the difficult balancing trick of extending their brand appeal to younger, digitally connected customers, whist maintaining traditional exclusivity and rarity that more established luxury clientele value. Making their brands more accessible and relatable can result in luxury retailers alienating their VICs (very important clients). Often this type of customer is extremely valuable to a brand in terms of their profitable revenue. For example, 3% of the clients of MyTheresa (a German luxury e-commerce site) account for nearly one third of its sales revenue (Vogue Business, quoted in Fasano (2022)). Providing 'protected' retail space for these customers is one way of ensuring they receive the best brand experience and benefits. Chanel, Brunello Cuccinelli and Dior are all brands that are developing exclusive retail spaces for their top-spending customers, either in the form of private space within a store, or invitation only stores. Although more relevant to store based retailers, online retailers can also provide protected experiences to their customers in the form of exclusive cultural events and 'white-glove' delivery services.

Dior recently opened an extensive 'luxury retail mecca' (Fasano, 2022) in Doha, Qatar, which is only accessible by appointment. Spread over three rooms, with a fine jewellery area, a made to measure salon and an opulent designed environment, this retail space is tailored specifically for a market with one of the highest per capita fashion spends in the world. No one is mentioning the democratization of fashion here!

Source: Based on Fasano (2022)

People in stores

As a category of atmospheric variables, people (both employees and customers) are acknowledged to have a considerable social, emotional and utilitarian impact on the customer experience in stores. Retail stores have a social dimension that is determined by the customer while interacting with other people in the service encounter (Bäckström and Johansson, 2017) which then influences customer perceptions of the retail space and in turn the fashion brand. Thus, incorporating technology concurrently with training will allow retailers to optimize the use of that technology, whilst strengthening the more basic values of physical stores, such as the personal interaction between sales staff and customers (Bäckström and Johansson, 2017). It is important that retailers develop the ability of salespeople to 'read' customers, based on their readiness to purchase, and the retailer's knowledge of the customer's previous touchpoint engagement (Bain, 2022).

Experiential retail design

The need for retail spaces and environments that are attention grabbing and differentiated is an increasing requirement and opportunity for fashion retailers. Consumers are now familiar, many habitual, in their use of online retailing to satisfy their utilitarian needs for products delivered conveniently and promptly with flexibility for returns. Meanwhile younger consumers are, as indicated in the section on metaverse retailing, increasingly comfortable in virtual worlds. So physical stores have the opportunity to heighten experiences as indicated in previous sections on the changing role of the store. This has implications for the design of retail space, to help inspire consumers to visit and heighten positive sensory engagement (in particular tactile and olfactory experiences that are lost in online shopping) by reimagining floorspace as a place for discovery and entertainment. Buller and Scott (2022) refer to the term '**hyperphysical stores**' when discussing next general stores that take a more soulful, sensorial approach to designing physical retailing environments, citing the Four Es of Retail framework for experiences devised by The Future Laboratory: enriching, emotional, ethereal and exclusive.

An association with artworks and the art world has been used by many fashion brands in both product and retail design, especially by luxury brands such as Louis Vuitton and Prada. Recently the museumification of retail and art as entertainment ('artainment') has been more widely adopted as a way to lure consumers into retail space (WGSN, 2022) and to enhance the cultural relevance of fashion brands. Physical stores are still a key source of influence on online sales, with innovative and immersive store content not only inspiring instore purchasing but also social media content generation and activity, which in turn prompts online sales. Additionally, with the interest in digital art and NFTs, phygital blending of virtual art in physical store environments and real-life installations in virtual retail space are starting to emerge.

Pop-up stores in particular are a well-suited format for curated and collaborative retail initiatives. When online shopping brings such vast choices, a selective and creatively curated range of products that can be physically interrogated can be a refreshing disconnect from digitized life. It can also allow retailers to curate smaller, locally relevant offers using interesting and dynamic visual merchandising to elevate products and facilitate more engaging environments (WGSN, 2022) (see Figure 11.6).

Figure 11.6 *Comme des Garçons, 'Black Market' pop-up*

Source: © Black Market Comme des Garçons, 2022

The retail environment as a positioning device

The preceding discussions regarding the designed environment demonstrate how effective retail space can be in sending messages that reflect the brand identity and values to fashion consumers. Both hedonic and utilitarian aspects of the shopping process should be considered in all retail formats, and the brand experience managed holistically (Blazquez, 2014; Chevtchouk et al., 2021). As we discussed in Chapter 4, strategic **positioning** is concerned with blending tangible aspects of a brand with emotional aspects to place a brand in a customer's mind in a place that is away from that of competitors but near to what a consumer might consider to be an ideal. The retail environment can play a large part in a positioning strategy, being visually stimulating and appealing to our emotive senses. By choosing and blending design and atmospheric elements that have significance for a target consumer, retail design can be effective in creating a relevant appeal (Bailey and Baker, 2021; Ballantine et al., 2015; Nobbs et al., 2015). Figure 11.7 demonstrates the use of various aspects of retail design that help to position three different brands as a value fashion store, a mainstream fashion speciality store and a luxury store.

The value retailer: emphasis on volume display and pricing.

Source: © iStock/Space_Cat

The mass market retailer: emphasis on outfit building, inspirational images, high density visual merchandising in colour themes, lively and fun atmosphere.

Source: © Valerie Wilson Trower

The luxury store: emphasis on single product items, with space around them; high quality materials and lighting used in the design.

Source: © Natascha Radclyffe-Thomas

Figure 11.7 *Positioning reinforced by the retail environment*

Responsible retail design

Positioning a brand on the basis of environmental and/or social responsibility is an increasingly viable, if challenging, option for companies. The retail environment is a place where ethical values can be communicated and reinforced (Arrigo, 2018). The preservation of original architectural features, and the use of reclaimed, reused and recycled materials, often result in highly creative and aesthetically interesting retail design. In addition, stores can be designed to be sustainable in terms of energy consumption and waste reduction. US-based retailer Anthropologie has been known for using recycled items and materials creatively in its window and in-store displays, which effectively communicates its values for environmental concern and original design. Outdoor clothing retailers Timberland and Patagonia (see Chapter 12 Patagonia BCFB Case) use reclaimed materials in their store designs and incorporate recycling and repairing facilities into their larger store layouts, whilst in the luxury fashion retail sector newer Stella McCartney stores not only use recycled materials but also conform to LEED energy efficiency standards (see Chapter 4 Stella McCartney BCFC Case). As the pressure on commercial organizations to incorporate ESG in all their activities, retail design will become an increasingly visible and interactive place to achieve strategic circularity.

In tune with the rise of 'caring culture' which relates to ourselves, others in our communities and our planet (Future Collective, n.d.) retail design innovations include ways to use less material, to ensure materials are sustainably produced and are circular in nature; for example, visual merchandising elements can be disassembled and repurposed, recycled or returned to the earth while sustainability orientated services such as repairing and recycling can be incorporated in store layout design. Connecting local people and crafts with retail design creativity can help to achieve diversity, accessibility and inclusivity, while making global fashion brands more relevant to local markets.

ONLINE RESOURCES

Additional resources can be found on the companion website: https://bloomsbury.pub/fashion-management-2e.

SUMMARY AND CONCLUDING THOUGHTS

Fashion retailing is a dynamic industry and has been radically impacted by technological and social changes that have influenced the way people shop and provided openings for new business models for retailing. The broad range of retail spaces and places are resources that must be considered as tangible assets that work hard for fashion businesses. For producers, they are where their products meet consumers and provide the servicescape and brandscape combinations that surround purchase experiences. Physical spaces continue to be where fashion consumers like to shop; but the way they shop and their expectations of retail space is changing, and retailers are responding to these. Digital technology innovations will continue to raise expectations in all retail environments and processes. Creating positive in-store experiences involves handling multiple emotional and rational dimensions and recognizing the subjective nature of consumer experiences (Bäckström and Johnasson, 2017).

Taking a strategic view of the role of retail spaces will help fashion brands evaluate the contribution that their stores, systems and processes are making to consumers' experiences. According to Euromonitor International's *Voice of the Industry Retailing Survey* (2022b) fashion retailers will need to continue making strategic investment into new servicescape orientated technologies, but an increasing emphasis will be placed on responsibility and sustainability in the management of brandscapes, evoking a sense of well-being, through a respect for longevity and circularity.

CHALLENGES AND CONVERSATIONS

1. For a multichannel/omni-channel retailer of your choice, provide an analysis of their owned retail space (stores, concessions, website). In your analysis you should refer to retail design, and atmospherics, and you should evaluate whether the online and offline retail space supports the brand and its market positioning.
2. For a fashion retailer of your choice, discuss how they use physical, digital and virtual space to engage consumers.
3. To demonstrate your understanding of retail terminology, research your own examples of fashion retailers that use/have used the following in their retail strategy and suggest their reasons for doing so: temporary retail/pop-up stores; phygital retail, hyperphysical retail, third place.
4. To what extent do you agree with the opinion that physical retail space is a waste of resources, which could be eliminated to pass on lower prices to consumers. Debate this view, from the viewpoint of luxury, premium, mass and value fashion brands.
5. Scenario: You are the creative director of a well-known fashion brand. You have been tasked with making a presentation to show how your brand should be ready to respond to mega-trends and changes in the retail business environment. Your presentation should include references to well-being and accessibility; sustainability; the threat of pandemics; leisure and tourist shopping activity.

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