

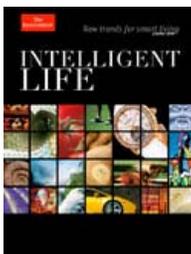


**• American Express® Service •**  
 Access translation services, medical and legal assistance and more when you're far from home.  
**LEARN HOW TO GET UP TO 25,000 MILES »**



**The Economist**  
**INTELLIGENT LIFE**  
*New trends for smart living*  
 Summer 2006

About **EB** | My account | Log out | Help




**LUXURY**  
 design/fashion/prestige cuvées/shopping/watches

### Are you being served?

Rachel Abrams  
From *Intelligent Life*, Summer 2006

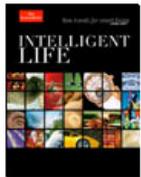
Paul Smith



- Editor's Letter
- Luxury
- Travel
- Cities Guide
- Food & Drink
- Leisure
- Culture
- Wellbeing
- Puzzler
- Feedback
- About Intelligent Life

**GO TO**  
[Economist.com](http://Economist.com)

**SHOP**  
**Economist Shop**  
 Buy *Intelligent Life* [click here](#)



#### More than ever, shopping is becoming a form of entertainment, as online retailing forces stores to rethink their roles

JUST as the invention of the escalator gave rise to the department store, so the spread of personal computing spawned online retailing. The shops we frequent in the high street or shopping mall are the ones we have learned to trust online. In the nowhere of the web, online shopping takes care of drab repeat purchases and bulk-buying. It can even be trusted with pricey indulgences, such as cosmetics and accessories, where the quality of the goods is predictable and the chance of them making it through the post is reasonable.

But shopping online is rather like eating sweets with the wrapper on. Certainly, striking everything off a shopping list with one click of the "submit order" button does offer satisfaction of a kind, but there's still something missing. What is it that some retail outlets get right that the glow of a monitor can't match? More to the point, as we become comfortable with online shopping, how are store environments adapting? In particular, how do purveyors of luxury goods and services manage to maintain thriving bricks-and-mortar retail experiences?

Many aren't. As the trickle of web-based transactions turns into a flood for certain categories of goods, high-street stores are striving to weather the transition. For household appliances and consumer electronics, for example, people nowadays prefer to visit the store only to browse, compare and seek expertise. They then return home to deliberate, order the goods online, and wait for delivery. The trend has taken a toll on store staffing, something that was traditionally tied to shop-floor takings.

Fortunately, retail stores are changing their spots. While understaffed stores may lose appeal and drive visitors elsewhere, stores that are both forthcoming with product information and compelling experiences, and are staffed by product experts and sales personnel, will attract both regular customers and the speculative online shoppers.

As chains, department stores, malls, arcades and showrooms lose appeal, their place is being taken by proliferating boutiques, flagships, pop-up stores, museum stores, even airport arcades and service-station marts. These "private-public spaces" continue to set the pace for their electronic counterparts.

ADVERTISEMENT



**American Express® Service**  
 Access translation services, medical and legal assistance and more when you're far from home.



**LEARN HOW TO GET UP TO 25,000 MILES »**

It's easy to see why. The magic of the best retail destinations lies as much in the sensory experiences and instant gratification they peddle as the goods and services on offer. There are opportunities for customers to handle and compare merchandise, to reconnoitre the goods before making the final commitment, and also to seek support thereafter too. These environments invite you to socialise, they lift your spirits, and they set your pulse racing. Above all, shopping at its best is entertainment.

As store planners know full well, consumers take in more information through the heart than through the head; we understand by experience. In response, retail spaces have become "experiential destinations"—offering food, fun and pampering, as well as things to take home. Their purpose is as much about converting visitors into customers over time as it is about moving the merchandise on a day-to-day basis. In this realm of desire over necessity, the pleasure of enjoying the spectacle has taken primacy over the actual selling process.

### Cult following

How have shop designers achieved this sleight of hand? Take the street-couture brand A Bathing Ape, which opened its first store, Busy Work Shop, in Tokyo in 1998. With a cult following, other destinations have been launched elsewhere in Japan and now in London and New York as well. Their signature is to display the goods like discovered treasure, with each store having its own particular story to tell.

The company that has designed the stores, Wonderwall of Tokyo, seems less concerned with selling expensive trainers than evoking an edgy form of humour, a sense of surprise, irony and ambiguity—providing, in a sense, a venue for the brand's acutely observed hipness. This "spectacle-comes-first" approach to the design has begun to extend beyond the realm of retail—to bring a similar kind of experience to hotels, cafés, galleries, salons and even live events. And so, coming full circle, it is bringing entertainment to entertainment itself.

Apple



**Architecture rules at Apple's starkly functional new mini stores**

In their book "Trading Up: The New American Luxury", Michael Silverstein and Neil Fiske characterise consumers as creatures saturated with choice and bursting with contradictions. As shoppers, we apparently expect consistent quality, but demand unique and personal products. We want to participate and fit in, but we guard our individual tastes scrupulously. We are open to new experiences, but our loyalty is hard-won. We are immersed in global culture, but long for home comforts.

Like the architects of 18th-century pleasure gardens, store designers have learned to tap in to this appetite for emotional engagement, education and entertainment. By equal measure, they strive to overcome our boredom thresholds, whither our financial discipline, and distract us from the likely onset of retail remorse.

Our shopping experience begins before we go through the revolving doors. In Britain, a monumental metallic pod by architects Future Systems declares Selfridges department store's gentrifying presence in Birmingham's city centre. In London's trendy Westbourne Grove, a white stucco townhouse is home to the Paul Smith flagship store. As you step over the threshold of Mr Smith's posh shop, the building drops an assured hint that his esoteric clothes and home wares belong in a neighbourhood and lifestyle like this—and messing with English heritage is not just desirable but to be expected.

In the psyche of the contemporary lifestyle shopper, the *flâneur* of Baudelaire's Paris lingers. We are still drawn to bustling streets to promenade. We want to see and be seen; to forget ourselves in a cityscape that ignites our imaginations. Today,

beyond the window glass and polished shop-fronts, the interiors work hard to reflect our images, too.

### Prolonging the excitement

As they fine-tune their customer-relationship management strategy, their brand and product development work, their focus-group data, retail marketers are poised to conjure up an atmosphere that confirms our sense of identity, stimulates us, and connects us to the brand and to each other. If we are sufficiently immersed, informed and amused, so the theory goes, we will eventually return with friends and take something home in a shopping bag.

And it seems to work. More than any other store, American Girl Place has put this theory into practice, integrating its in-store and online retail experiences seamlessly. As if recruiting the credit-card splurgers of tomorrow, American Girl Place's junior emporium in New York is a toyshop on steroids. It boasts an in-store café, a theatre, a hair salon and a hospital, all, of course, for the doll's respite, acculturation, makeover and primary care. On the website, kids plan store visits, coaxing parents to pre-book memorable (ie, expensive) highlights. Returning from a pilgrimage to the store, doll die-hards prolong the excitement back online in a sugar-coated members' club, or in an online store where they can buy yet more merchandise.

Then there's the other extreme. Apple, the design-conscious maker of Macintosh computers that engender the fiercest customer loyalty in the business, limped along with no retail space to call its own for its first 25 years. Then, in 2001, it opened a series of starkly functional, rigorously branded stores around the world. To Macaholics, the retail spaces declare: "See, you're not alone." To the uninitiated, each space asserts: "Your ease of use begins here." This split-level formula mirrors the orthodoxy of web navigation: the attractive display of hardware at the entrance on the ground floor draws in prospective customers indiscriminately, like a home-page. Then, ascending the luminous glass staircase to the mezzanine, loyalists are invited to find after-sales support, services, know-how and community amid racks of iPod accessories, at the Genius Bar, and in the auditorium.

Whether you loathe to shop or love to do so, consider this: true luxury might be not to have to shop at all. In the meantime, we have luxury brands and retail environments to sample that ultimate form of glamour. And that might be enough to keep us happy—until, that is, the whole aspirational notion of "owning" becomes passé. Then, perhaps, we will simply lease the merchandise from these retail spaces, borrowing the goods as if we were an unpaid spokesman for the brand.

### → Websites

A Bathing Ape's eclectic **website** reflects its unconventional approach to retailing. **American Girl Place** aims to prolong shoppers' excitement.

top

ADVERTISEMENT

**• American Express® Service •**

Access translation services, medical and legal assistance and more when you're far from home.

**LEARN HOW TO GET UP TO 25,000 MILES »**

made possible by



Home | Editor's Letter | About Intelligent Life | Feedback | Buy Intelligent Life | Advertise | Economist.com

**An Economist Group business**

Copyright © The Economist Newspaper Limited 2006. All rights reserved.  
 Legal disclaimer | Privacy Policy | Terms & Conditions | Help