

The decline of main street, the rise of multichannel retail

This article reviews the factors that influence the way we shop today, and how different retail formats can be integrated into a multichannel strategy.

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More than a sales outlet, Zara's flagship store on New York's Fifth Avenue is a statement. With more than 32,000 square feet of selling space, its main value is as a standard bearer for the brand. But showcasing its brand on one of the world's most exciting shopping streets is not Zara's sole ambition: It also maintains regular stores in more than 1,750 locations, sells online and through mobile apps, and has its own official pages on Pinterest and other social media networks.

Zara is significantly more dogmatic regarding its sales formats than the Barcelona-based retailer Desigual, which has more than 6,000 points of sale in 12 channels: flagship store, main street/high street store, mall store, outlet store, store catalog, kiosk/sales stand, storewithin- a-store, pop-up store, online store (both monobrand and multibrand), travel retail shop and traditional department store. The CEO of Desigual recently hinted that they were even piloting two new formats, which they expect to launch soon.

When it comes to the proliferation of formats, the world's best retailers are pragmatic, pursuing a strategy of taking the store to consumers, wherever they show the greatest willingness to buy. After six years of economic crisis – the longest recession cycle since the 1930s – companies accept that any channel is good, so long as it allows them to connect with increasingly elusive consumers.

But is this elusiveness a temporary effect of the crisis or has the way we shop changed forever?

Over the past few years, I have led various studies on what the consumers of the future will be like, and the retail strategies that companies should adopt in order to stay relevant.

Based on this research, I have classified the different marketing channels according to their prospects for the years to come.

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