FROM STORES TO STOREFRONTS

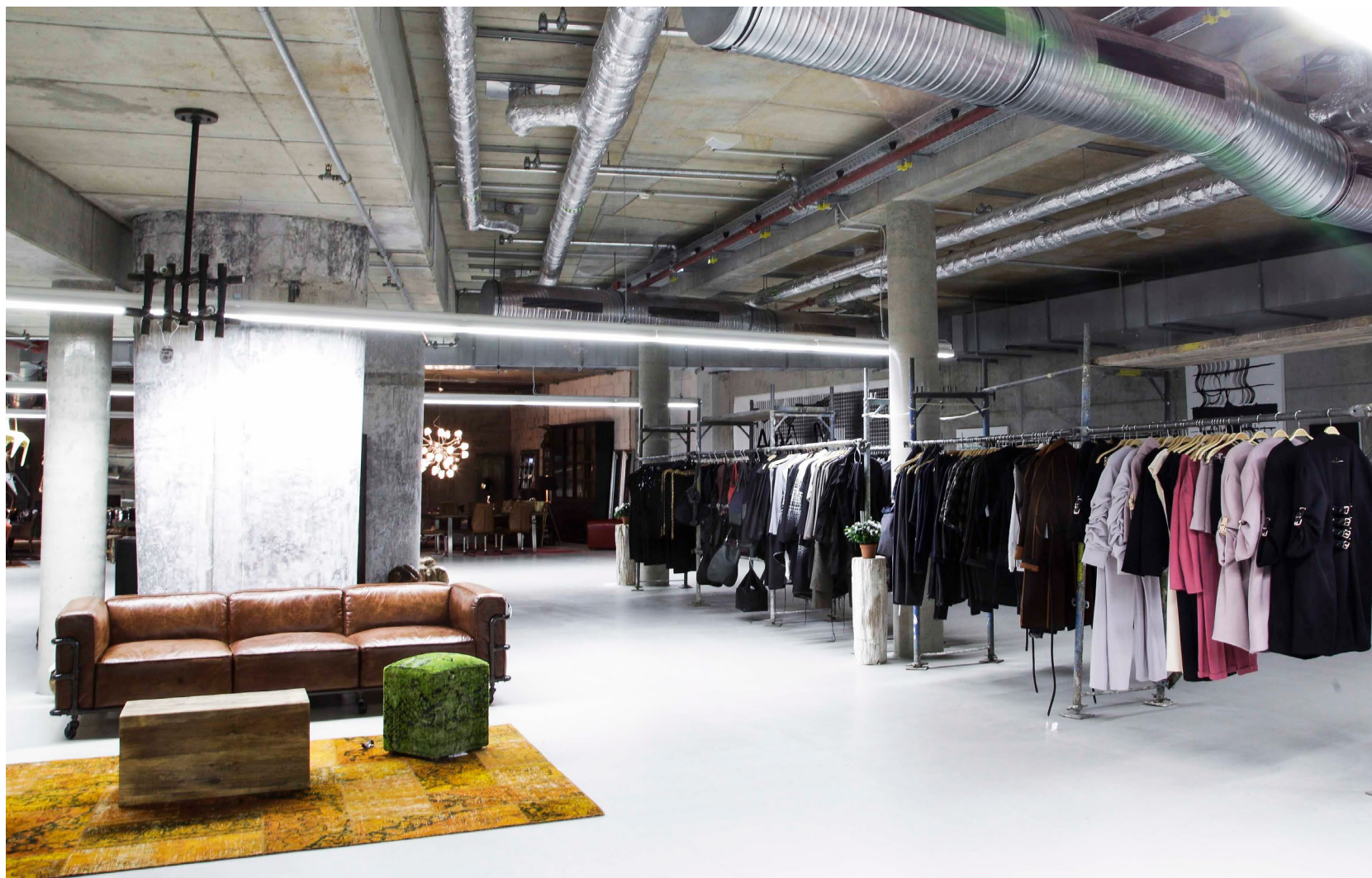Shamin Vogel / Jana Melkumova-Reynolds

FASHION RETAILERS ARE STEPPING AWAY FROM THE CLASSIC
WHOLESALE MODEL AND EXPLORING NEW WAYS OF COLLABORATING
WITH BRANDS.

In a recent keynote, Dr. Marc Schumacher, Managing Director at Liganova retail consulting, announced that stores needed to reconsider their business models, based on forward orders and heavily dependent on pre-markdown sell-throughs, and reinvent themselves as "communication points", or showrooms: places of encounter between the brand and the consumer, rather than necessarily sites of business transactions. Some retailers have already embraced this approach and rethought their partner and client relationships by reducing their buy and experimenting with different trading terms.

Wolf & Badger, an independent retailer with two locations in central London, calls its modus operandi "serviced retail": brands pay a monthly fee (effectively, a rent) to have their collections in the store, and a modest commission on sales. All customer service and logistics are handled by Wolf & Badger; moreover, brands can hold trunk shows, press events, and even wholesale appointments with buyers from other shops in the store. "It is a superior business model for designers as they make better margins than they would under traditional wholesale models and gain direct customer feedback," opines Henry Graham, the store's co-founder. The model, of course, also benefits the retailer, who gets guaranteed returns on every square meter through 'rent' and doesn't have to take the risk of investing in stock.

Berlin-based concept store **LNFA**, too, combines retail and communication services, providing not only an offline platform in a top location (the **Bikini Berlin** complex) but also consulting, PR, communication and branding. While fashion remains its core focus, LNFA is also a hub for design, art and creative industries, and hosts in-store events for both consumers and press. The brands get charged a variable participation fee, as well as a commission on sold items.

LNFA