SYBARITE *presents*

THE FUTURE OF EXPERIENCE

REPORT 2025/26

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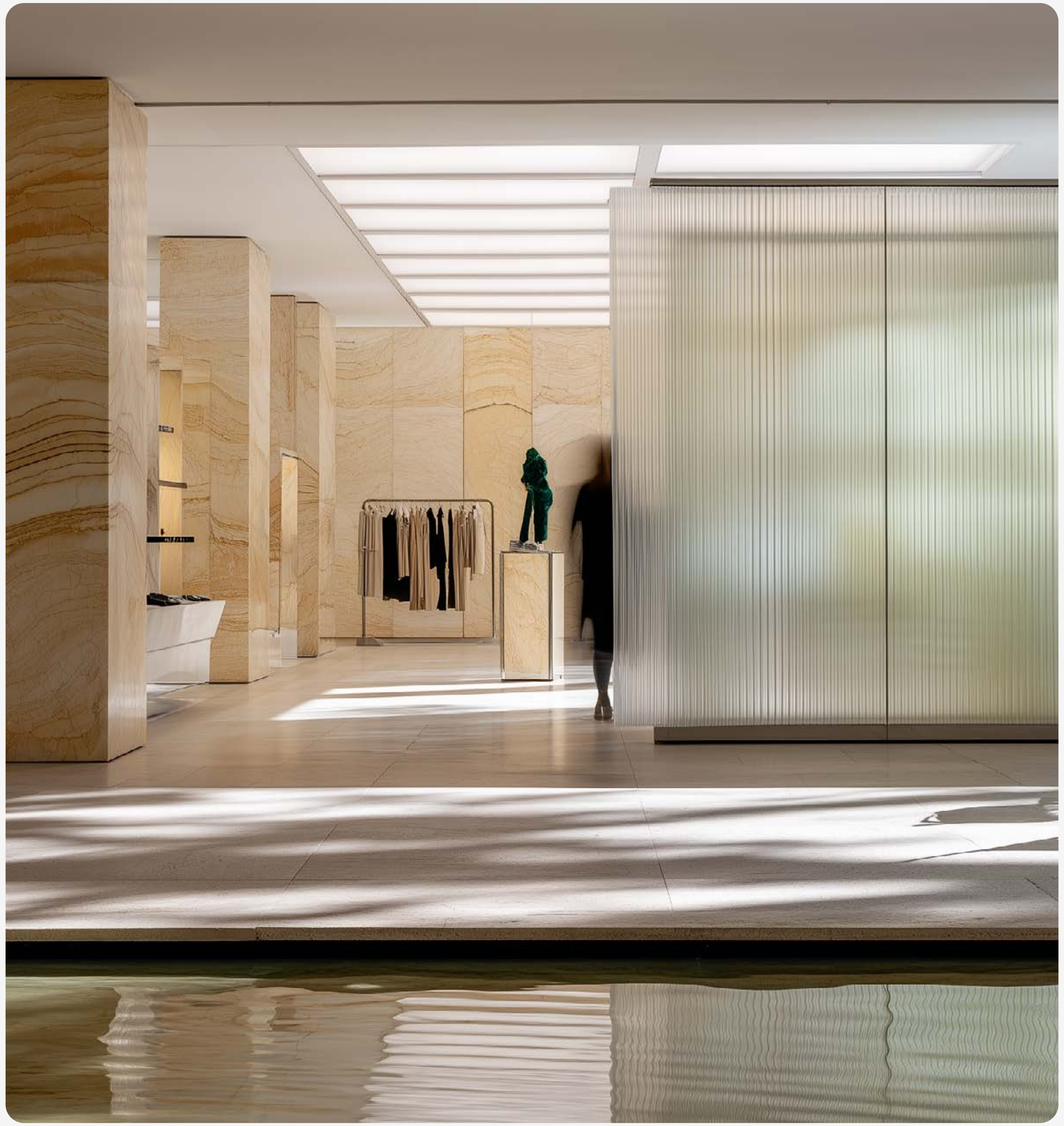

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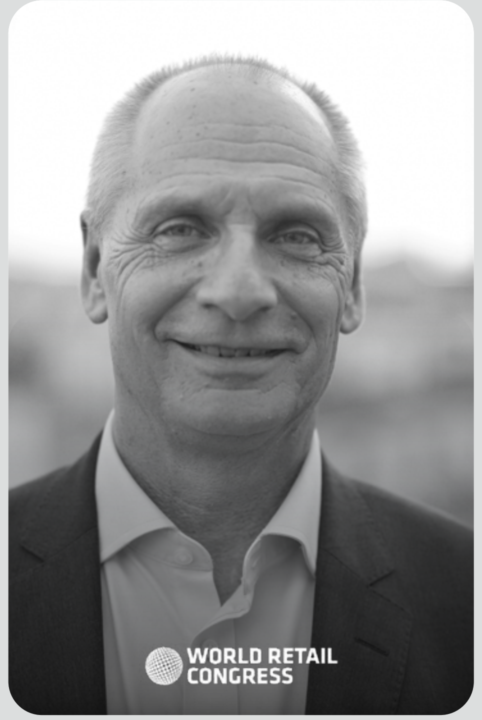

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FOREWORD

CRAFTING EXPERIENCE

DARE TO BE BOLD

BY MICHAEL WARD, MANAGING DIRECTOR, HARRODS

In times of volatility, the most resilient businesses are those that refuse to stand still.

Luxury, in particular, is not a fixed state of perfection, but a dynamic dialogue between brand, culture, and customer.

Whether there is economic uncertainty, global disruption, or rapidly evolving consumer preferences, it is the responsibility of the retailers, brands, architects, and designers to create moments of connection that are curated, responsive, and deeply human. There is no such thing as a transaction in luxury retail today. It is all about relationships.

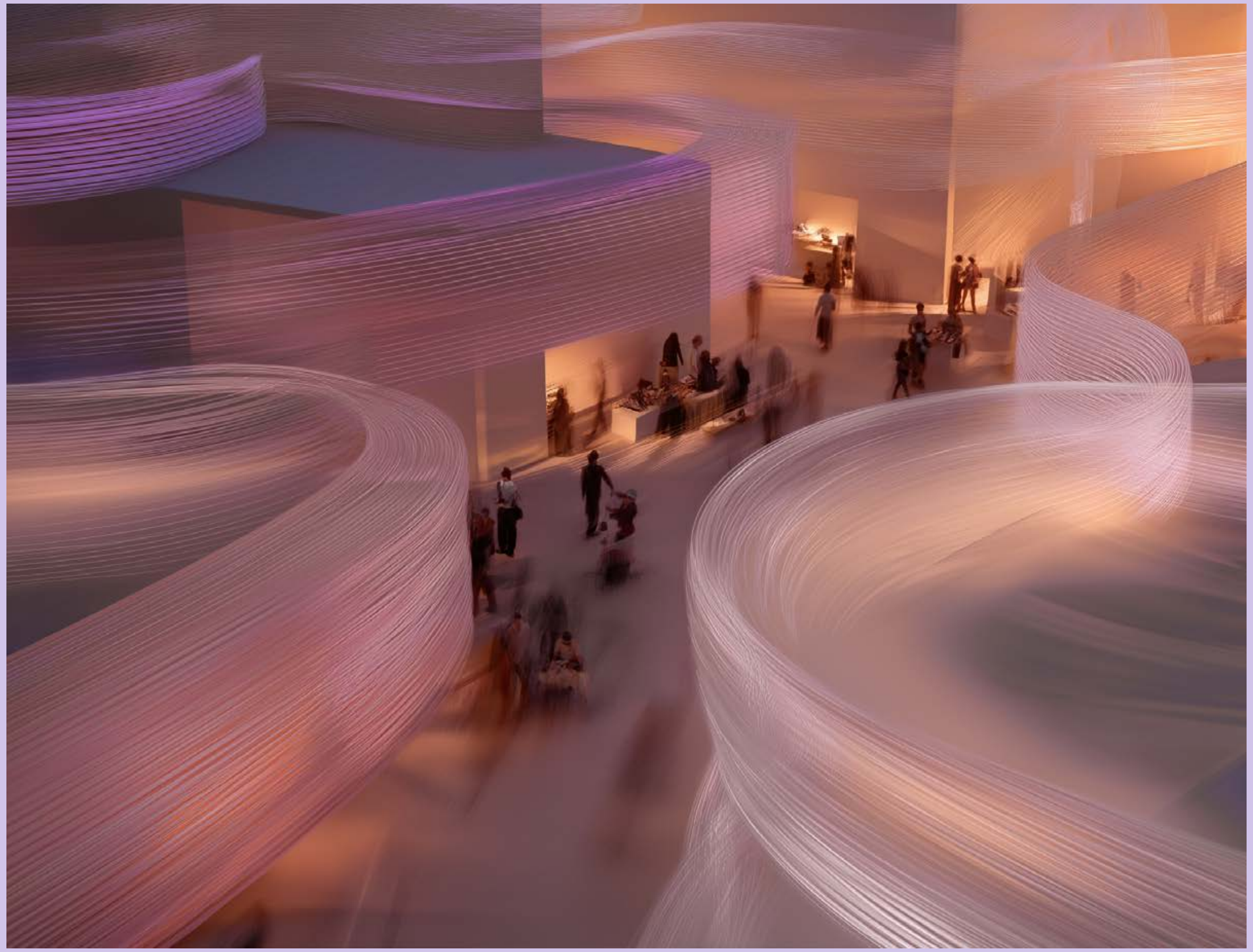
Throughout my career, I have experienced first-hand that resilience in retail does not come from retrenchment, but from courage. It is forged through the passion to create, a hunger to remain relevant, and a willingness to adapt without compromising on quality or vision.

The future of retail will not be designed in silos. It will be built through collaboration — between brands and developers, architects and designers, artists and curators. It will require partnerships that transcend disciplines and geographies, united by a shared purpose: to inspire and engage people through experience.

Luxury is not a product; it is the sum of moments, relationships, and stories. And in an era of change, it is experience — bold, imaginative, and meticulously crafted — that will define which businesses thrive.

This report, **The Future of Experience**, captures the essence of that transformation. It invites us to reimagine how spaces, services, and stories can connect us more deeply to the world around us.

I hope it challenges you to think bravely, to reject complacency, and to create with unwavering passion.



AI Imagery - Source: Sybarite.


INTRODUCTION
LUXURY REDEFINED

I. THE POWER OF PLACE

In the late 1990s, **Apple** was at the precipice of a breakthrough.

Fresh from his return to the company in 1997, Steve Jobs had launched a sleek new product – the iMac – that brought the brand back from the brink of doom. But he faced a problem: iMacs were getting lost in a sea of uninspired retail experiences. At the time, Apple relied on big-box electronics stores, where their computers sat among a jumble of beige PCs, with salespeople who barely understood the difference between a Mac and a microwave.

Jobs knew that Apple's vision needed to be showcased in the same sophisticated approach he had toward his products, which leveraged design to create desirability, a novelty among technology merchandising at the time.

The solution, Jobs understood, lay in retail – retail as it has never been done before. Apple wouldn't just sell computers; it would sell an experience.

In 1999, Jobs and a small team, including former Target executive Ron Johnson, began secretly prototyping what an Apple Store could be. Tapping San Francisco design firm Eight Inc., they built a mock store inside a warehouse in Cupertino, testing every detail, from the height of display tables to the way customers would interact with products. The guiding principle was simplicity. Products would be out in the open, inviting hands-on exploration.

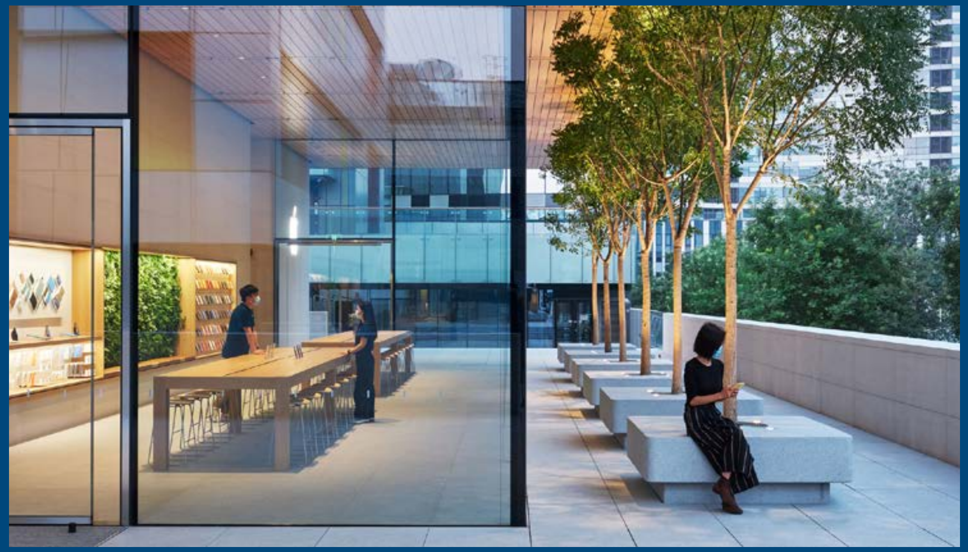
When the first two Apple Stores opened in 2001 – located in Tysons Corner, Virginia, and Glendale, California – these stores weren't just places to shop; they were temples to technology. More than a thousand people queued outside of the Virginia location, a well-lit, pristine space with fixtures in light wood and brushed steel. Apple products were displayed on sprawling tables and platforms along the wall, each section thoughtfully divided by product.

In the following years, Apple took its design-led brick-and-mortar strategy and amplified it. Today, Apple's hundreds of stores have become regional landmarks. No two stores are identical, but all share a signature aesthetic: clean lines, glass facades, and an emphasis on natural materials like wood and stone.

Take, for example, **Apple Central World** in Bangkok. Nestled in the heart of the iconic Ratchaprasong intersection, its perfectly curved façade and cantilevered tree canopy roof dissolve the boundary between inside and out, echoing the surrounding ring of trees. In Beijing, **Apple Sanlitun** features a porous building enveloped by a vast sweeping overhang that shields visitors from monsoon rains and summer sun, creating a welcoming place to pause and gather. **Apple Carnegie Library** in Washington D.C. adopts a different approach, revitalising a neglected Beaux-Arts landmark, restoring its grandeur and reactivating its original southern entrance with a grand public plaza that now hosts concerts and events. It's an effective playbook: in its fiscal 2024 year, Apple generated $391 billion in sale.[1]

Apple redefined the power of luxury retail. Even as commerce becomes growingly digitalised, the value of an in-person experience is as potent as ever – especially as luxury faces significant headwinds in the year ahead.

Apple Central World, Bangkok, Exterior – Source: Public Domain via Apple Newsroom (2020).



Apple Sanlitun, Beijing, Exterior & Interior – Source: Public Domain via Apple Newsroom (2020).

II. TODAY'S CHALLENGING LANDSCAPE FOR LUXURY

A. FINANCIAL BACKDROP

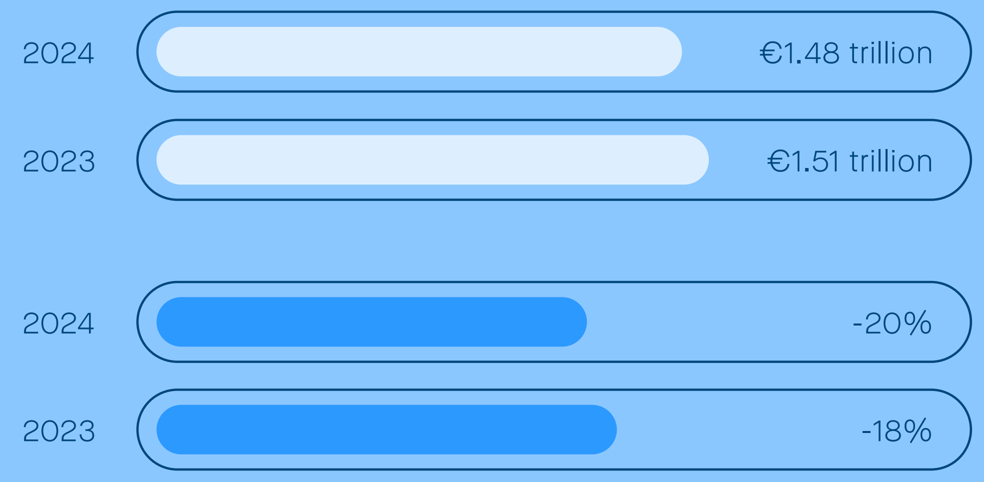
"Experienced retail leaders from across all sectors and regions of the world confirm that they have never known a more challenging, more competitive and fast-moving time in retailing."

Ian McGarrigle
Founder & Chair, World Retail Congress

After a post-pandemic boom, global sales of high-end goods stagnated in 2024, with some markets experiencing their first signs of stagnation in years. According to Bain & Company, global luxury spending totaled €1.48 trillion last year, a decrease of about 1 percent to 3 percent at current exchange rates compared to 2023 – a stark contrast to the double-digit growth seen just a few years ago.[2] In China, deceleration was even more dramatic: the Chinese luxury market declined 18 percent to 20 percent in the same period.[3]

With a global trade war continuing to unfold, analysts do not anticipate a return to growth, at least not in luxury, in 2025. Additionally, McKinsey reports that more than 60 percent of consumers are now more selective in their discretionary spending due to inflationary pressures, including tariff-related price increases.[4] But it's not just a difficult economy or geopolitical uncertainty that has slowed down spending.

Global vs China Luxury Spending



Source: The latest Bain-Altagamma Luxury Goods Worldwide Market Study 2024

B. SHIFTING CONSUMER BEHAVIOUR

At the same time, luxury is experiencing an identity crisis – with an increasing divide between mass-market luxury and true exclusivity. The democratisation of high fashion, fueled by social media, influencer marketing, and affordable access to luxury items via resale, has made once-exclusive brands seem overexposed.

"More recently, the sector has gone through a bit of a hiccup as demand suffered from what we called 'greedflation,' the idea that post Covid, many brands went too high too quickly in terms of price points and this, combined with a lack of creativity, has hit demand [...] We argue that is now evolving again as brands come out with product ranges that enable them to rebuild stepping stones for the aspirational consumer who had been temporarily priced out."

Erwan Rambourg
Managing Director, Global Head of Consumer & Retail Equity Research, HSBC

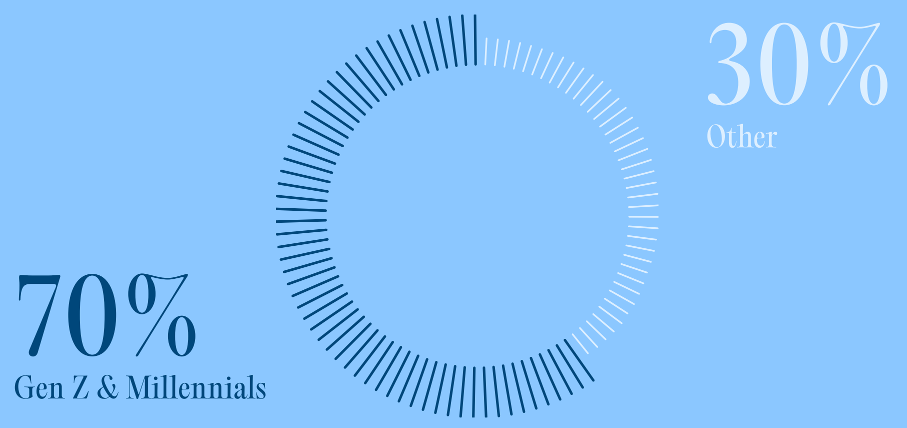
"There is the inescapable fact that all of us as consumers have come to realise that we are in control when it comes to finding and buying the things we need and want. The consumer is in complete control of where, when and how they want to shop."

Ian McGarrigle
Founder & Chair, World Retail Congress

II. TODAY'S CHALLENGING LANDSCAPE FOR LUXURY

Today's luxury consumer demands more than a monolithic brand identity. Personalisation, niche exclusivity, and unique cultural affiliations have driven fragmentation in the market. Shoppers no longer seek just heritage; they want a brand that aligns with their personal identity and values. As of 2024, Bain estimates that Gen Z alone accounted for about 20 percent of global luxury spending, while Gen Z and Millennials combined are projected to contribute around 70 percent of all luxury expenditures by 2025.[5]

Social media presents another challenge, despite its advantages for brands in reaching a global audience. In the last decade, the cost of digital customer acquisition has skyrocketed while the social landscape itself has become oversaturated. This means it's not only expensive but also creatively challenging for brands to stand out online.



Source: Bain & Co. Report: Gen Z accounts for 20% of all luxury purchases globally

C. A NEED FOR RETAIL TRANSFORMATION

In the last 15 years, the convenience and competitive pricing of online shopping, led by Amazon, significantly disrupted all of brick-and-mortar retail. Consumers, especially younger generations, increasingly favoured direct-to-consumer brands, fast fashion, and specialty retailers over the one-size-fits-all department store experience.

The financial crisis of 2008 accelerated these challenges, leading to store closures and bankruptcies. A major issue across the sector was that malls, department stores and traditional retailers had failed to modernise their retail environments. Many relied on outdated layouts, impersonal customer service, and slow inventory turnover, making them less appealing compared to emerging competitors.

"Retailing – across all sectors, not just luxury – relies on emotion. Consumers have to be attracted to the brand and increasingly the lifestyle or values they evoke. Above all, it is about creating experiences and particularly in physical space."

Ian McGarrigle
Founder & Chair, World Retail Congress

III. A RETURN TO EXPERIENCE

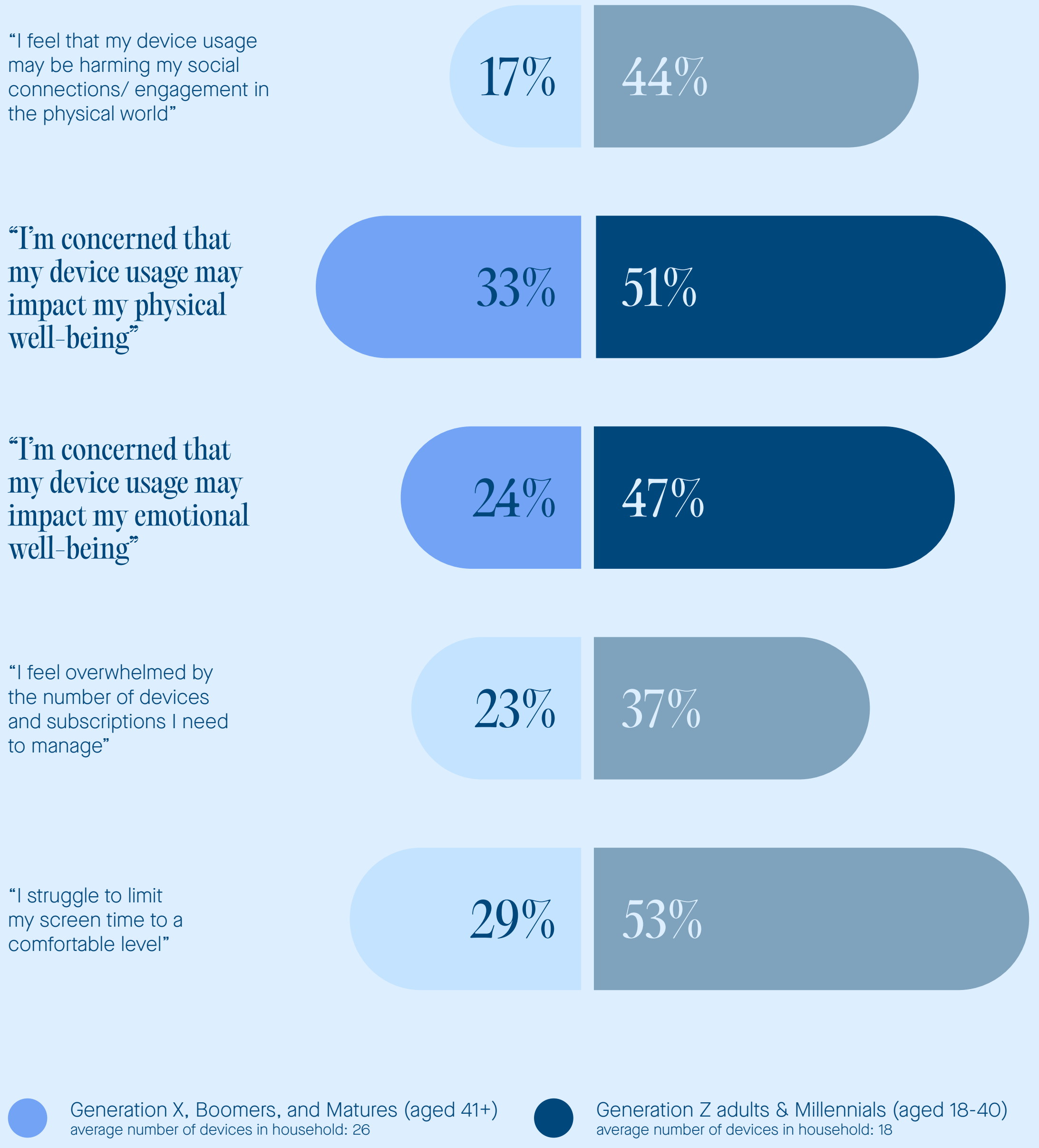
A. SOCIAL ISOLATION

Today, the rise of digital shopping has brought unparalleled convenience, but it has also led to a retail experience that is increasingly transactional and devoid of human connection.

Online shopping, for all its advantages, has created a paradox of choice. Shoppers are bombarded with countless options, leading to decision fatigue and a longing for curated, guided experiences. Studies indicate that more than 70 percent of online shopping carts are abandoned, with respondents citing indecision as the leading cause, overwhelmed by the options or information presented to them.[6]

Beyond the effects on retailers, consumers in general are sick of – and physically sick from – interfacing with technology. Younger adults are particularly concerned about their screen time, for instance. According to a 2023 Deloitte survey, 51 percent of Gen Z and Millennials agreed with the statement, "I'm concerned that my device usage may negatively impact my physical well-being." 47 percent said they are concerned technology has affected their mental health.[7]

In this landscape, the principles that made department stores revolutionary – a focus on atmosphere, discovery, and social engagement – are precisely what can set physical retail apart in the modern era.



Source: Deloitte Center for Technology, Media & Telecommunications: Digital fatigue

B. A ROBUST REAL ESTATE MARKET

Meanwhile, global demand for brick-and-mortar retail in prime destinations is the most competitive it's been in recent memory, signifying the importance of the physical shopping experience. In 2024, new store openings for luxury brands increased 12 percent, with China accounting for 40 percent of that growth, according to a Savills report.[8] Despite a pullback in the luxury sector in 2024, brands including Loewe, Chanel, Alaïa, Lemaire, Louis Vuitton and Cartier have all opened new locations in the last two years.

Global retail rents have steadily bounced back since hitting a low in 2020, with demand for space in prime locations remaining robust in the fourth quarter of 2024 despite subdued consumer sentiment in a number of major markets and lackluster global spending growth over the last year. Although retail bankruptcies have risen in the US and Europe, availability of prime retail spaces is limited and new development or vacancies coming onto the market is being quickly absorbed. Retailer activity also remains healthy in high-growth and tourism-oriented markets in Asia Pacific. Cities that saw rents accelerating coming into 2025 include Sydney, Paris, Bengaluru, Dubai, Delhi, Mumbai, Milan, Madrid, Seoul, and Berlin, according to JLL data.[9]

For brands and retailers, a competitive real estate market signals the health of physical commerce. Whereas intensifying contention for the world's best retail real estate has created higher cost levels for store openings. As a result, the standard of efficacy for each store is higher than ever, not only in terms of productivity but also in creating a sense of desirability – giving shoppers a reason to visit a store as a cultural destination more than just a place to buy goods.

C. DESIGN REIGNS SUPREME

The most effective strategy for creating a cultural destination is rooted in experiential luxury: hospitality concepts, food and beverage offerings and investing in flagship retail. The power of retail has always been rooted in its ability to use design and a sense of space to drive engagement – and ultimately sales. Long before the rise of e-commerce, retailers understood that the physical environment played a critical role in shaping consumer behavior. Thoughtful store layouts, striking architectural elements, and sensory experiences have long been tools to captivate shoppers and foster brand loyalty.

Shifting our lens from the West – where department stores and luxury brands were born – to the fast-growing markets of Asia and the Middle East, we see a bold new chapter unfolding. Here, retailers are not just responding to change; they're driving it. With visionary thinking, they are breaking down boundaries between retail and adjacent industries, pushing the limits of what a physical retail experience can be.

A prime example is **SKP Beijing**, rebranded and reopened in 2012. It quickly became a benchmark for luxury retail in China and gained global recognition – not only for its exceptional sales per square foot but for creating what many call an 'immediate heritage.' Through a meticulously curated brand mix, strategic floor planning, and immersive sensory design, SKP redefined what a department store could offer today's emotionally and experientially-driven consumer.

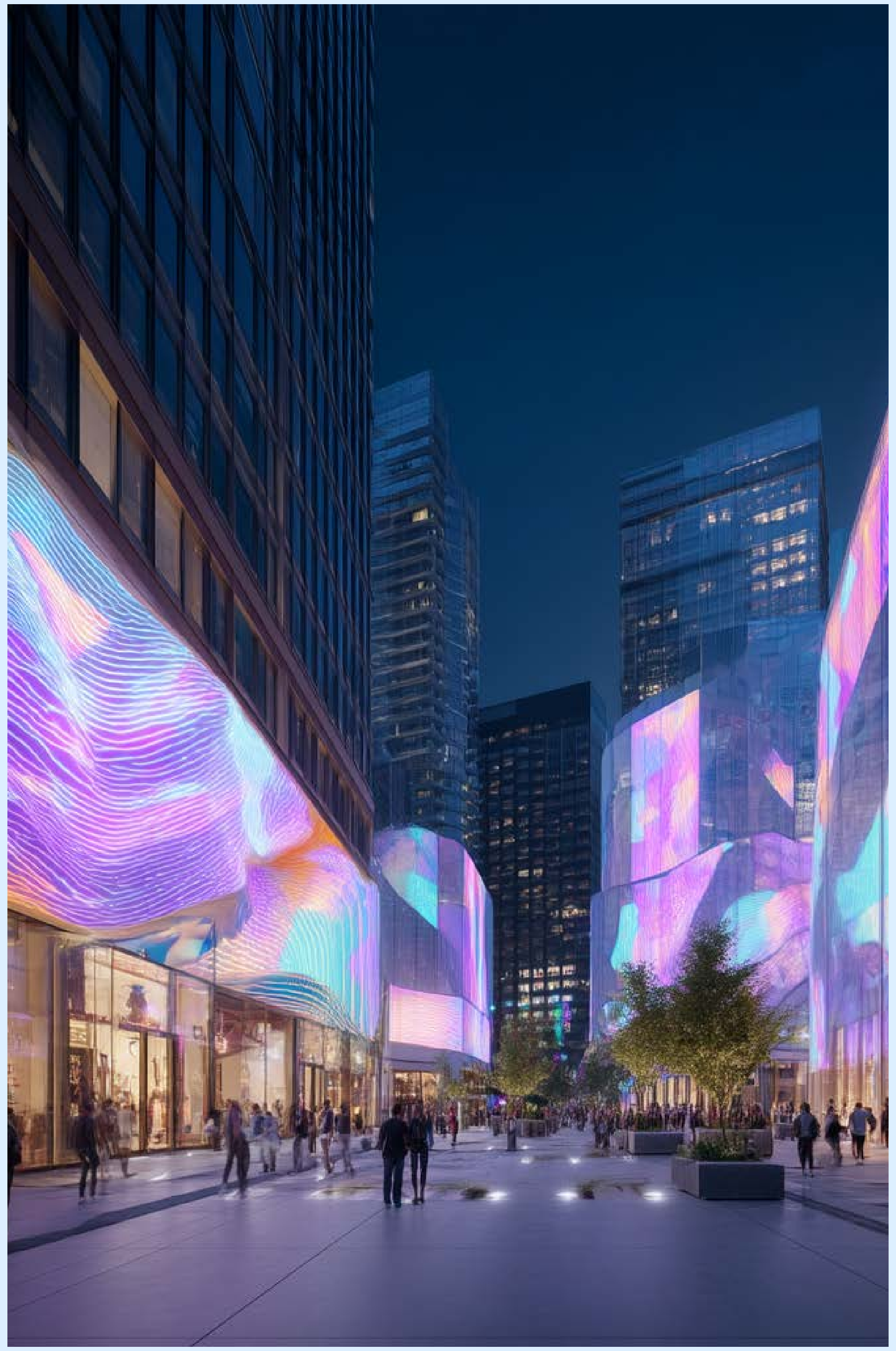
Just across the road, **SKP-S Beijing** opened a few years later as SKP's alter ego – a bold, future-facing, experience-first destination that reimagined luxury for a new generation. Unlike traditional department stores, SKP-S speaks the language of innovation, experimentation, and cultural relevance, positioning 'experience per square metre' as its central design principle.

By 2025, SKP and SKP-S will have established retail destinations in four major Chinese cities – each tailored to its unique location and local culture. Throughout this journey, Sybarite has had the privilege of partnering with SKP as its architectural and retail planning collaborator for over a decade, helping bring this transformative vision to life.

At Sybarite, we've been fortunate to work with such a forward-thinking client and to witness first-hand the evolution of department stores into cultural, emotional, and commercial landmarks. Following our 2019 publication '**The Future of Luxury,**' we believe the current moment – shaped by rapid shifts across social, political, economic, cultural, and technological domains – calls for a renewed perspective on retail. Now is the right time to both reflect and look ahead, to rethink what retail can and should become.

This report is our contribution to that conversation. We've invited voices from media, trend forecasting, strategic consultancy, real estate analysis, and brand and department store operations to share their insights. We explore the enduring value propositions of retail's past and spotlight pioneering formats that point toward the future – analysing them from business, strategic, and design perspectives.

Our hope is that this report, in its own small way, helps pave the way toward a more customer-centred, experience-driven, and future-ready retail landscape.



AI Imagery - Source: Sybarite.

CHAPTER 1

TIMELESS INSPIRATION

I. AU BONHEUR DES DAMES [10]

Les magasins du Bon Marché, Paris, Rue de Sèvres – Source: © Fonds Leveau; © Patrimoine Le Bon Marché Rive Gauche.

At the dawn of the 19th century, a modest drapery shop stood quietly at the corner of Rue de Sèvres and Rue du Bac in Paris. Known as Au Bon Marché, it resembled countless other stores of its time: cramped, chaotic, and transactional. But its transformation under proprietor Aristide Boucicaut would forever change the face of retail.

Boucicaut, the visionary son of a hatmaker, imagined something radically new: a destination that was more than a place to buy goods. In 1852, he reimagined Au Bon Marché as a grand emporium where shopping was not a chore but a cultural experience. This bold rethinking underscored the importance of cultivating a sense of place. With soaring ironwork galleries, expansive glass ceilings, and natural light cascading through bay windows designed by Louis-Charles Boileau and Gustave Eiffel, the store became a Parisian landmark – one that invited people to linger, not just shop.

In many ways, **Le Bon Marché** was among the first true examples of retail as the 'third place' – a space distinct from home and work where people could gather, socialise, and indulge. Women in particular found freedom here, they were able to spend entire afternoons exploring fashion, chatting with friends, and simply enjoying the surroundings. Boucicaut turned the store into a destination, not just a shop, embedding community and leisure into the retail experience.

Understanding that surprise and delight were also powerful tools, Boucicaut filled the store with novelties: seasonal displays, live entertainment, rotating collections, and elegant product presentations. The store became not just a place to purchase goods, but a place to be enchanted. Customers never quite knew what they might find, and that sense of wonder drew them back again and again.

Food and beverage also played a key role – a lesson that still resonates today. Offering refreshments helped lengthen dwell time and encouraged guests to treat the store as a space of indulgence and comfort. This tactic, now common in modern concept stores, underscored food as a shortcut to success: nourish the body, and you nourish the brand experience.

Perhaps most revolutionary was Boucicaut's approach to customer service. He abolished haggling in favour of fixed prices, welcomed all with free entry, and offered unheard-of conveniences: home delivery, product returns, and mail-order catalogues. These moves placed the customer at the heart of the experience, building a relationship based on trust, transparency, and ease, tenets still vital to any successful retail business today.

By the time of Boucicaut's death, his wife Marguerite had taken the reins of a retail empire with 2,000 employees and an annual turnover of 72 million Francs.[11] Au Bon Marché had become more than a store; it was a phenomenon, inspiring Émile Zola's novel 'Au Bonheur des Dames' and serving as the blueprint for department stores around the world.

From **Le Printemps** and **La Samaritaine** in Paris to **Harrods** and **Selfridges** in London – where lounges, libraries, and beauty halls extended the experience – department stores across Europe and beyond adopted Boucicaut's playbook. Italy's **La Rinascente**, Germany's **KaDeWe**, Japan's **Takashimaya** all echoed the same foundational lessons of place-making, service, hospitality, and theatricality.

Today, as retail navigates digital disruption and shifting consumer expectations, the spirit of Le Bon Marché endures. Boucicaut didn't just sell goods, he sold an experience, a moment of magic, a reason to stay. In an era hungry for connection, inspiration, and joy, those lessons remain not only relevant – they're essential.


Le Samaritaine, Paris, Interior Atrium – Source: Sybarite.


KaDeWe, Berlin, Exterior – Source: Public Domain via Wikimedia Commons (2013).

Harrods, London, Loro Piana Facade at Night – Source: Harrods.

II. RETAIL’S HYBRID MODEL

Much like Bon Marché once positioned itself as a destination for leisure and social interaction, today’s most forward-thinking retailers are realising that brick-and-mortar stores must offer more than just products. The most astute stores are increasingly incorporating restaurants, art installations, live events, and localised services – creating environments that cannot be replicated online. This new, hybrid form of retail that isn’t just about driving transactions; it takes an individualised store approach to ensure that each location has something unique to offer.

Below, we unpack the five most critical aspects of retail that we can glean from history, propositions created by establishments like **Le Bon Marché** and reconfigured for modern times.

A. CULTIVATING A SENSE OF PLACE

What can never be replicated online? A tangible, awe-inspiring sense of place that can only be experienced in real life.

In today’s highly competitive retail landscape, architecture and store design play a pivotal role in shaping the customer experience and creating lasting impressions. The most successful brands are able to establish truly unique retail experiences by combining cutting edge architecture with leveraging the site of the store with local sensibilities.

In Oslo, the iconic **Steen & Strøm** department store has committed to creating a sense of place for visitors by building a new storefront and entrance on Karl Johans Gate, the main thoroughfare in Norway’s capital, as part of its $36 million renovation in 2021.[12] More recently, it underwent a €26 million capital development that saw the construction of a new beauty hall, two floors of contemporary fashion, an expanded food and beverage section and redesigned floor dedicated to technology.

Steen & Strøm, Oslo, Corner Entrance of Prinsens Gate & Nedre Slottsgate – Source: Steen & Strøm.

> “We are focused on leveraging our position as the ´Store of Oslo,´ committed to offering our visitor and customer authenticity, difference, a unique brand and product selection [...] There is no future growth without acknowledging culture. It is the most commonly forgotten attribute, or archetype to differentiate a department store.”

David Wilkinson
Executive Director, Steen & Strøm

Steen & Strøm, Oslo, Karl Johans Gate Entrance – Photography: Knut Neerland; Source: Steen & Strøm.

Its emphasis on store environment is coupled with a concerted effort in brand curation, ensuring a balance of international labels next to Scandinavian fashion brands like Filippa K, Tiger of Sweden, Ganni, and Holzweiler – all showcasing and promoting the Nordic lifestyle, which aids in the creation of a sense of place. Merchandising can be its own language of design.

Steen & Strøm, Oslo, Studio 1 – Source: Steen & Strøm.

Steen & Strøm, Oslo, Beauty Hall Interior – Photography: Knut Neerland; Source: Steen & Strøm.

“Visual merchandising is an art form, whether executed through installation-based creativity or product presentation [...] Storytelling articulated through visual merchandising is often undervalued and perceived as an ‘expense.’ In our experience, these creative endeavours add both top line and bottom line performance growth.”

David Wilkinson
Executive Director, Steen & Strøm

Steen & Strøm, Oslo, Karl Johans Gate Atrium – Photography: Knut Neerland; Source: Steen & Strøm.

Steen & Strøm, Oslo, Window Display – Source: Steen & Strøm.

Another exemplary case for the importance of sense of place is the **Starbucks' special Reserve Roasteries** around the world. Its Shanghai outpost, for instance, is a sprawling coffee wonderland deeply rooted in its locality, featuring design elements inspired by traditional Chinese tea houses, while the ceiling's handcrafted wooden petals mimic the motion of coffee roasting.

Starbucks Roastery, Shanghai, Ceiling View – Photography: Matthew Glac; Source: Starbucks Coffee Company.

The **KaDeWe (Kaufhaus des Westens)** department store in Berlin, meanwhile, has undergone a transformative renovation by design firm OMA, reimagining the traditional retail experience through innovative architecture and design.

To address the challenges of navigating its vast 60,000-square-meter space, OMA introduced a master plan that divides the store into four distinct "quadrants," each with its own architectural identity and accessed from different street entrances. These quadrants are interconnected by "primary streets," creating an internal urban grid that enhances orientation and movement within the store.[13]

Another notable feature of the renovation, the first stage of which was unveiled in 2021, is the reintroduction of natural light. OMA reopened previously sealed windows and balconies, allowing daylight to permeate the interior spaces. The original vaulted rooftop has been transformed into a glass volume, enabling visitors to view the sky from the ground floor upwards, thus reestablishing a connection between the interior and the external environment.

By integrating elements of urban planning and emphasising natural light and spatial clarity, KaDeWe reaffirms its status as a world-class retail destination.

KaDeWe, Berlin, Rooftop Restaurant – Photography & Source: Zoonar / Tromp Willem van Urk / Alamy.

KaDeWe, Berlin, Staircase – Photography & Source: Juergen Held / Alamy.

B. SHOPPING AS SOCIAL THEATRE

Today, shopping destinations cannot be regarded by their developers as merely a place to shop. Malls and department stores must think of themselves as a 'Third Place,' or a social space outside of home and work, where people can gather, socialise, and build relationships in an informal and casual environment. Physical retail can serve as a powerful antidote to the global loneliness epidemic, for instance. A Gallup survey revealed that over one in five people worldwide felt lonely "a lot of the day yesterday."[14]

In response to this pervasive sense of isolation, brick-and-mortar retail spaces are evolving to serve as hubs for social interaction. The most perceptive retailers are recognising the importance of creating environments that foster community engagement.

As the world grapples with rising feelings of loneliness, the role of physical retail spaces in providing opportunities for social connection has become increasingly significant. In a growingly isolated world, social experience itself has become a luxury. The brands that will thrive are those that recognise retail as an experience rather than a transaction.

Le Bon Marché, the world's first true department store, has long understood a truth many retailers are only now rediscovering: brick-and-mortar retail is far more than a place of transaction – it is a place of transformation. A space where culture, community, and commerce intersect, and where shopping becomes social theatre.

Le Bon Marché, Paris, 1872 mars 30 vue intérieure du Bon Marché, escalier principal – Source: © Le Monde Illustré; © Patrimoine Le Bon Marché Rive Gauche.

"Stores have become bigger to accommodate event spaces, new categories, breakout areas and the like [...] Whatever means to have the consumer spend more time getting to know the story of a brand is a good idea it seems."

Erwan Rambourg
Managing Director, Global Head of Consumer & Retail Equity Research, HSBC

Today, Le Bon Marché continues to embody this idea through programming that redefines what a retail experience can be. Its atrium – once a marvel of 19th-century ironwork – now serves as a dynamic stage for immersive installations, contemporary art, and ever-evolving pop-ups. These activations do more than create "Instagrammable moments"; they infuse the store with cultural currency and emotional resonance.

In 2016, the store exhibited **'Er Xi' by Ai Weiwei**, filling the atrium with mythical creatures crafted from bamboo and papier de soie – a poetic and politically charged collaboration with one of the world's most controversial artists. In 2018, **MANA and Scott Oster's 'Le Cube'** brought skateboarding inside a translucent, floating structure in the heart of the store, turning shopping into an urban performance. Playful interventions like **Leandro Erlich**'s optical illusions added a whimsical twist to the iconic escalators, reinforcing that cultural engagement doesn't always require spectacle – just imagination.

These moments build loyalty not by pushing product, but by creating memory. That same philosophy can be seen in the 2024 **'Paper People' installation by illustrator Jean Jullien** and the Paris pop-up, which celebrated the Parisian lifestyle through niche fashion brands, design objects, cafés, and culinary activations – positioning the store as a cultural curator for the city itself.

Le Bon Marché, Paris, Leandro Erlich Installation "Sous le Ciel" – Source: Le Bon Marché (2018).

Le Bon Marché, Paris, Ai Weiwei Installation "Er Xi" – Source: Le Bon Marché (2016).

Le Bon Marché, Paris, Sarah Andelman & Jean Jullien Installation "Mise en Page" – Source: Le Bon Marché (2024).

This retail-as-cultural-platform mindset is echoed in a broader trend among luxury brands. Dior's **Galerie Dior** in Paris is a permanent museum-like space that traces the house's creative legacy through immersive exhibition design, elevating brand storytelling to an art form. Similarly, **Gucci Cosmos** – a traveling showcase that's part-boutique, part-archive, part-art installation – brings Gucci's history to life in a multisensory way that's both educational and emotionally charged.

Together, these examples signal a new era of brick-and-mortar: one where the store becomes a stage, the shopper a participant, and culture the real currency. In this model, retail is not just a destination – it's a shared experience that invites return, reflection, and connection.

180 Studios, London, GUCCI COSMOS Exhibition Installation – Source: Sybarite.

180 Studios, London, GUCCI COSMOS Exhibition Installation – Source: Sybarite.

180 Studios, London, GUCCI COSMOS Exhibition Installation – Source: Sybarite.

C. BEYOND THE CULINARY SHORTCUT

If brick-and-mortar retail is to thrive in the experience economy, food and beverage (F&B) is no longer a footnote – it's a front-row act. Across department stores and shopping malls, F&B has grown from an amenity into a critical revenue driver and cultural magnet. Real estate data suggests that F&B's average share of space in a shopping centre has more than doubled in the last decade in certain markets, and can reach up to 20 percent of total retail leasing in a mall.[15] But success in this space is about more than square footage. It's about sensory curation, storytelling, and strategic detail.

Mall landlord Brookfield Properties told CNBC late last year, for instance, that in some of its shopping centres, F&B accounts for up to 30 percent of total leasing.[16]

Harrods offers perhaps the clearest example of how food can define – and elevate – a retail brand. Originally founded as a humble grocer and tea merchant in Stepney in the 1830s, Harrods has turned that heritage into a cornerstone of its identity. Today, its food halls are not only retail spaces but theatrical environments. Under Art Deco and Art Nouveau ceilings, ingredients are arranged like fine jewelry. Culinary preparation is on full display, transforming shopping into spectacle.

"Harrods started life as a food store and we have always had this as part of our DNA [...] Over the past year, Harrods has continued to evolve our value proposition and today is an immersive lifestyle destination, seamlessly blending our rich heritage with modern innovation to meet evolving consumer behaviours."

Michael Ward
Managing Director, Harrods

The evolution of Harrods' F&B offering has become a blueprint for integrating taste with prestige. But this strategy is not limited to London, and Harrods extend the brand's storytelling into global markets, using cuisine as a cultural ambassador. Food, here, becomes both universal language and brand signature.

Harrods, London, Food Hall Interior – Source: Harrods.

Harrods, London, Dining Hall Interior – Source: Harrods.

"This commitment to excellence, innovation, and experiential dining ensures that Harrods is not just a place to shop but a true luxury lifestyle destination where food and fashion meet in a world of exceptional taste"

Michael Ward
Managing Director, Harrods

The broader industry trend reflects this thinking: food is no longer just sustenance; it's performance. Grand food halls evoke emotional responses through Belle Époque architecture, immersive lighting, and open kitchens that showcase craft and provenance.

In Japan, the famed depachika (department store food basements) of retailers like **Isetan Shinjuku** have long celebrated this model. There, food fairs known as bussanten constantly rotate seasonal and regional delicacies – turning everyday shopping into culinary education. The experience extends vertically: customers are encouraged to take their purchases to the rooftop garden, where the act of eating becomes a leisurely, scenic ritual. This strategic placement of F&B experiences is a smart use of vertical space and a subtle cue for movement through multi-level environments.

Meanwhile, in the **Mall of the Emirates**, the **Fashion Dome** exemplifies the power of F&B when it merges with architecture. Here, vaulted ceilings, dramatic lighting, and high-design eateries turn dining into an Instagrammable moment – a feast for both palate and lens. In such environments, F&B transcends utility. It becomes emotional, visual, and deeply shareable.

In a competitive landscape, food and beverage offer retailers a shortcut to relevance – but not a shortcut to quality. Only when executed with craft, care, and creativity, F&B can transform retail environments into destinations. It draws crowds, slows them down, deepens engagement, and crucially gives them a reason to return.

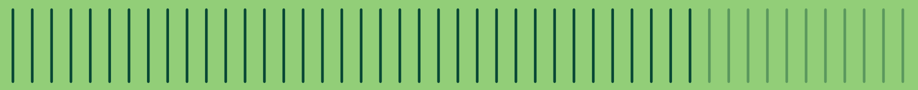
Mall of the Emirates, Dubai, Atrium – Source: Public Domain via Wikimedia Commons (2008).

D. RETURN TO SERVICE

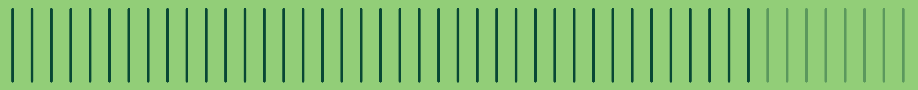
Amid all the innovation in retail – AI, personalisation, omnichannel – one thing remains constant: the most successful stores deliver great service. It's the foundational value proposition of the department store, dating back to its origins in the 19th century: help consumers find what they're looking for and inspire them to discover what they didn't know they needed.

Service today is not just about politeness at the counter. It's about operational excellence and emotional intelligence, enabled by both people and systems. Key service metrics driving satisfaction include staff knowledge and attentiveness, checkout efficiency, cleanliness and comfort, and ease of arrival, which includes parking, wayfinding and welcoming entrances. According to PwC, for instance, more than 70 percent of global customers say they desire human interaction in the shopping experience.[17]

Customers that say they desire human interaction in the shopping experience



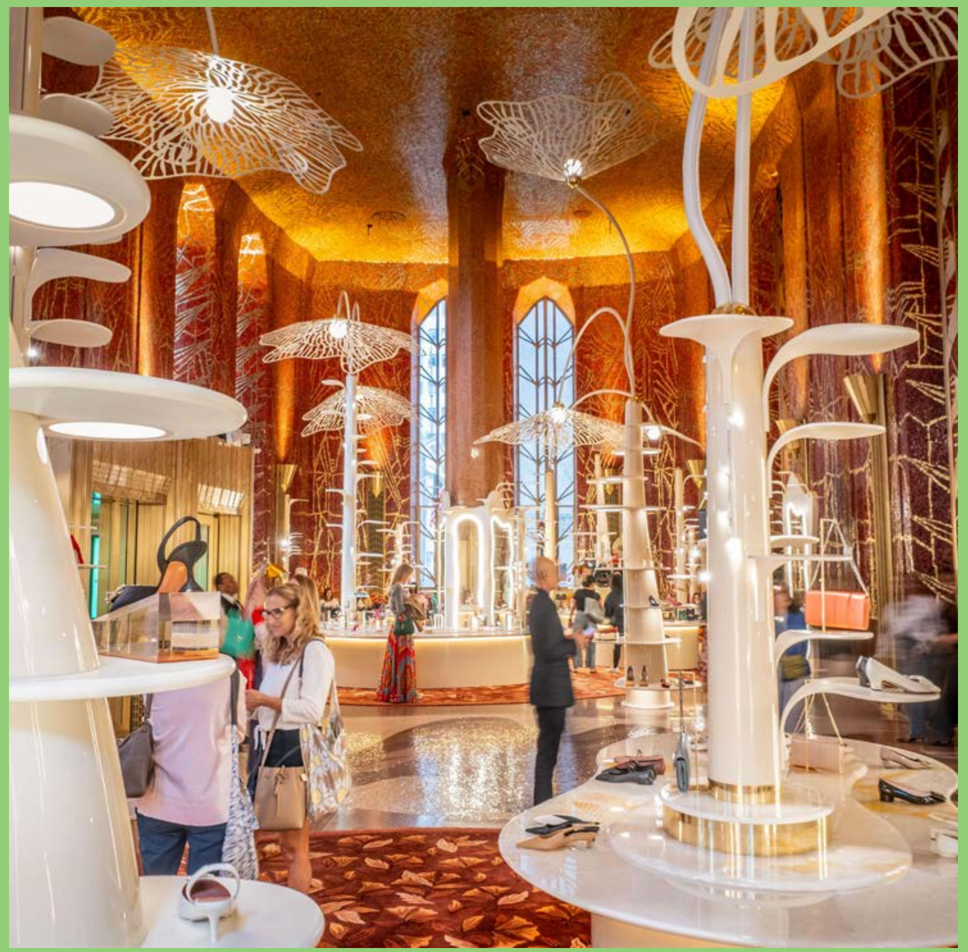
74%
of non-US respondents



82%
of US respondents

Source: PwC, Experience is everything: Here's how to get it right

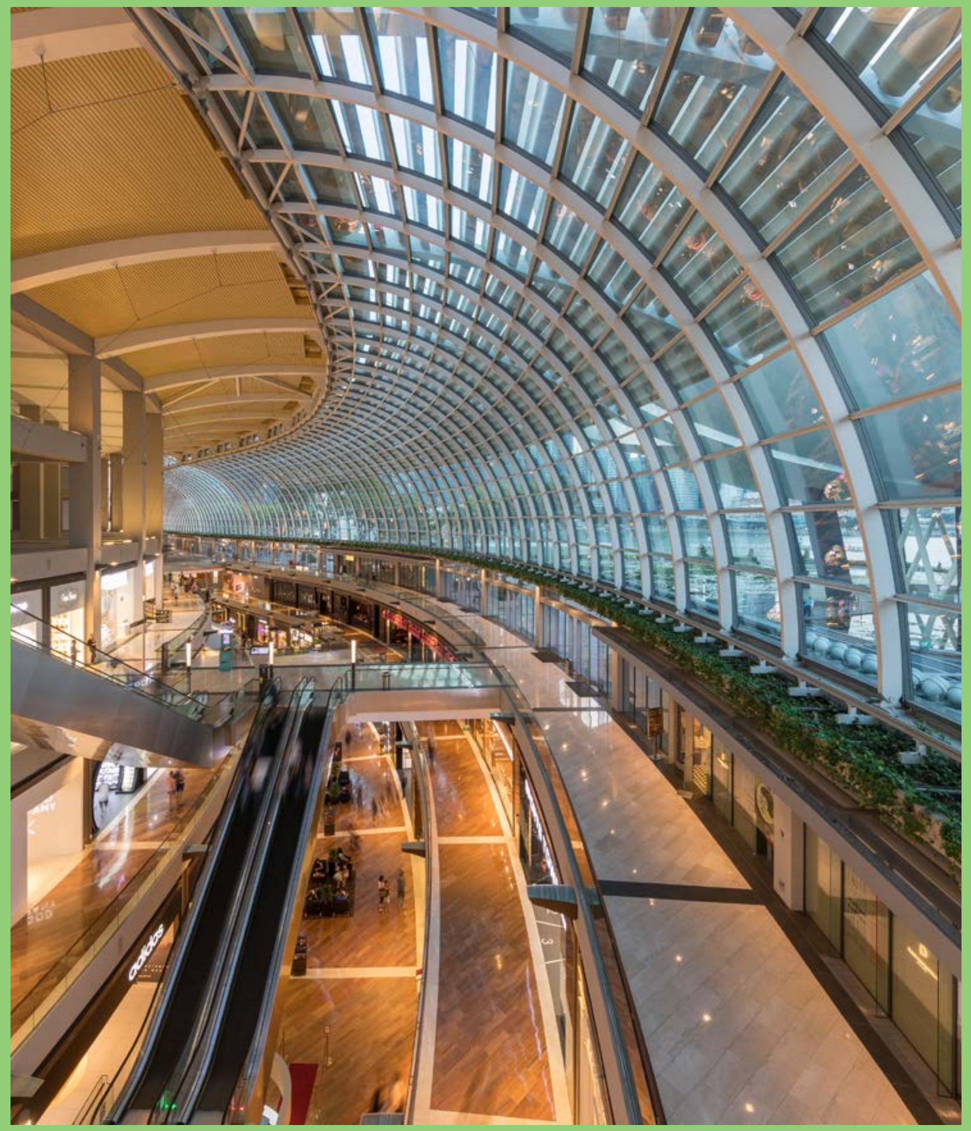
Leading department stores are re-investing in service as a differentiator. **Printemps'** new NYC flagship features personal shopping suites and concierge-style services, blending luxury fashion with a hospitality-inspired approach.



Printemps, New York, The Red Room Interior – Photography & Source: ZUMA Press, Inc. / Alamy (2025).

In Canada, **Holt Renfrew** offers valet service, beauty spas, and stylists that create tailored customer journeys – supported by staff trained in both fashion and service etiquette.

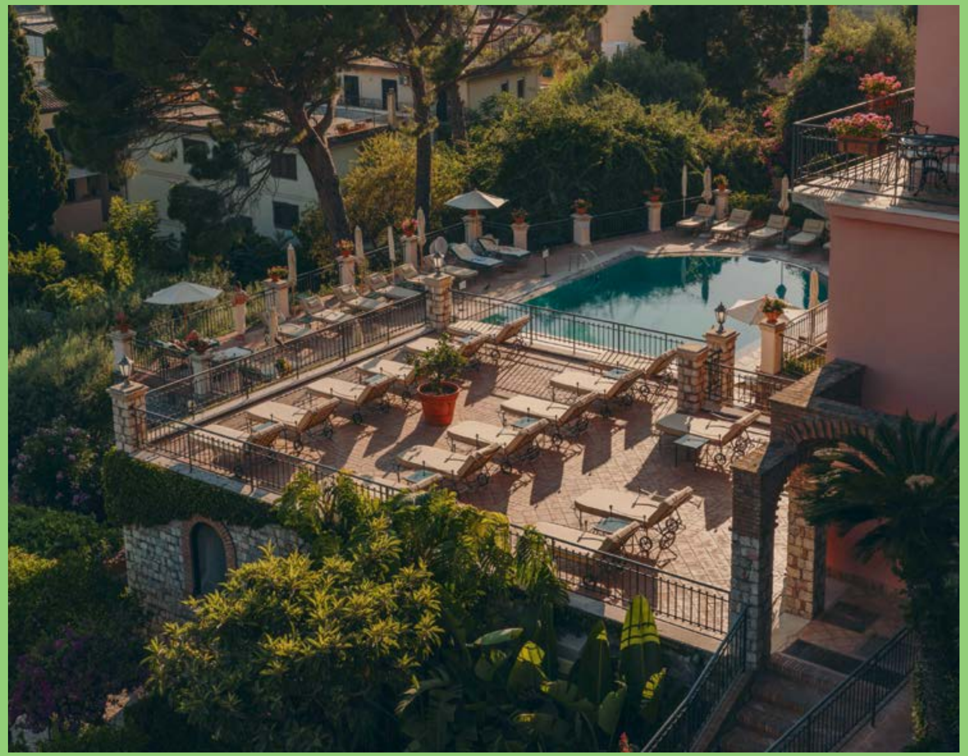
The Shoppes at **Marina Bay Sands** in Singapore exemplify how luxury retail in Asia integrates service and tech. Guests can access multilingual assistance, reserve dining and shopping experiences through one digital interface, and even have luxury purchases delivered to their hotel rooms, blending retail and hospitality into a seamless whole.



Marina Bay Sands, Singapore, The Shoppes Interiors – Source: Public Domain via Wikimedia Commons (2018).

This crossover is no coincidence. Luxury hospitality brands like **LVMH's Belmond** offer a model worth studying. Known for intuitive, anticipatory service, Belmond emphasises consistency, personalisation, and human warmth – all elements increasingly expected in high-end retail environments. As LVMH blurs the lines between fashion, hotels, and experience, it's clear that hospitality isn't a separate industry – it's a standard.

The return to service is more than nostalgic – it's strategic. In a competitive market, where digital convenience is only a swipe away, physical retail must deliver more than products. It must deliver care, craft, and consistency. Retailers who excel here don't just drive sales – they build loyalty, advocacy, and long-term brand equity.



Grand Hotel Timeo, Italy, The Pool – Photography: Salva Lopez; Source: LVMH Belmond via Belmond Media Library (2025).

Castello di Casole, Italy, Eco Printing & Botanical Workshop – Photography: Nuria Val; Source: LVMH Belmond via Belmond Media Library (2025).

Splendido, Italy, Dior Spa – Photography: Matthieu Salvaing; Source: LVMH Belmond via Belmond Media Library (2025).

Royal Scotsman, United Kingdom, Grand Suite Desk – Photography: Ludovic Balay; Source: LVMH Belmond via Belmond Media Library (2023)

E. MOMENTS OF WONDER AND SURPRISE

The true competitive edge of physical retail lies in its ability to create moments of wonder. This idea – that shopping should spark joy, provoke curiosity, and delight the senses – is not new. It was embedded in the DNA of the original department store visionaries like Harry Gordon Selfridge, who famously declared, "Shopping should be fun." But today, this philosophy is being reimagined for a new generation, through bold activations, immersive storytelling, and collaborations that blur the lines between commerce and culture.

Selfridges has long championed the role of surprise in driving emotional connection and foot traffic. Its **Corner Shop** – strategically placed at the nexus of Oxford Street and Duke Street – serves as a high-visibility playground for retail experimentation. These activations aren't just pop-ups; they're statements. From the **Joke Shop,** which offered a nostalgic yet irreverent take on British humour, to **Supermarket**, a vision of a "shop of the future" where luxury meets sustainability, Selfridges turns temporary retail into a spectacle of ideas. Most recently, **Obsession 2025** and the new Selfridges Lounge further blur the boundaries between culture, hospitality, and shopping – proving that delight can be designed into every square metre of a store.

Selfridges, London, Oxford Street, Selfridges Joke Shop – Manager's Office Window – Photography: Tim Charles; Source: Selfridges.

Selfridges, London, Oxford Street, Corner Shot Oxford Street & Duke Street – Photography: Andrew Meredith; Source: Selfridges.

Selfridges, London, Oxford Street, Selfridges Joke Shop – Front Desk – Photography: Tim Charles; Source: Selfridges.

Selfridges, London, Oxford Street, Obsession Window Display – Photography: TDM.Space; Source: Selfridges.

CHAPTER 1

The key is contrast: unexpected juxtapositions that create emotional peaks. This ethos drives many of the most memorable brand collaborations today. Take **Louis Vuitton's 2023 collaboration with Yayoi Kusama** – a radical evolution of their original 2012 partnership. Whereas the first collection focused on applying Kusama's iconic polka dots to products, the second created an entire universe. Store façades from Harrods to Louis Vuitton Paris were taken over by dot-covered installations and surreal sculptures of Kusama herself. From global window displays to hospitality extensions like **Harrods' Polka Dot Patisserie**, the campaign transcended traditional retail, becoming an experiential ecosystem that invited participation, not just purchase.

The success of Kusama x Louis Vuitton lies not only in aesthetics, but in its scale and theatre. These are not pop-ups: They are retail destinations. By combining sculptural art, digital campaigns, and curated environments, the collaboration demonstrates how physical space can become an extension of an artist's imagination, while also amplifying brand storytelling.

Louis Vuitton, Harrods, London, Yayoi Kusama Facade Installation – Source: Harrods.


Maison Louis Vuitton, Paris, Yayoi Kusama Facade Installation – Photography & Source: Philippe Turpin / Photononstop / Alamy (2023).

In the same spirit, **Marni**'s global expansion, led by Sybarite from 2002, transformed brand expression into a travelling exhibition. Each site-specific activation reflects its locale while reinforcing Marni's eclectic identity – a nomadic retail philosophy that invites global consumers into a playful and unexpected journey through the brand's universe. Through understanding that delight is strategic, these activations are not just about novelty – they're about crafting peak moments that consumers remember, photograph, and share.

Marni, London, Interior – Source: Sybarite.

"Simon and I consciously rejected a cookie-cutter approach to designing all Marni stores [...] Our ambition was for each space to express its own idiosyncrasies, shaped by the unique spirit of the city it was in. At the same time, we wanted each store to be instantly recognisable - to feel unmistakably Marni - so you would not have to read the name above the door. This recognisability came through a shared signature DNA, most notably in the organic stainless steel rails that seamlessly transition into flat surfaces for displaying accessories. Beyond that, every store was truly bespoke - London is entirely different from Aoyama, Las Vegas, or Milan - each one was responding to its environment, and each store was hugely successful."

Torquil McIntosh
Co-Founder, Sybarite

Marni, Las Vegas, Interior – Source: Sybarite.

Marni, Milan, Interior – Source: Sybarite.

Marni, Aoyama, Interior – Source: Sybarite.

"The idea is that if you are shopping in Milan's Montenapoleone or Shanghai's Xintiandi district, you should be able to recognise essential codes of a brand but hopefully products will differ somewhat, art pieces will be unique, the layout, services must be specific to that given store [...] In other words, we have moved from a copy-and-paste approach to what you might call 'mass customisation' of retail."

Erwan Rambourg
Managing Director, Global Head of Consumer & Retail Equity Research, HSBC

III. LIBERATING RETAIL

The stores that endure are those that inspire. They are not merely points of transaction but cultural landmarks: places where history, creativity, and community converge. Such destinations remind us that retail at its best is about discovery, theatre, and emotional connection - experiences that root themselves in memory and meaning long after the purchase has been made.

Few stores embody this spirit more vividly than **Liberty London.** Founded in 1875 by Arthur Lasenby Liberty as an "emporium for discovery," Liberty quickly became a crucible for the Arts & Crafts and Art Nouveau movements, championing craftsmanship and design that defined an era. Its current home, built in the 1920s from the timbers of two historic ships, remains one of London's most distinctive landmarks: a Tudor-revival icon that is inseparable from the city's cultural fabric.

Liberty, London, Facade – Source: Sybarite.

Liberty, London, Interior – Source: Sybarite.

What makes Liberty truly timeless is its ability to balance rootedness with continual renewal. The retailer is defying the wider multibrand slowdown, with sales and profits rising sharply above pre-pandemic levels, proving that heritage is a springboard, not an anchor. Recent initiatives - from immersive Prada and Loewe edits to the 150th-anniversary quilt stitched from over a thousand customer contributions - show a commitment to theatre and reinvention. Even its latest chapter, Topshop at Liberty - coined the "homecoming of an icon" - reimagines a high-street legend within its walls. Emblematic of Liberty's prowess with perfectly balancing nostalgia and relevance, this alliance of two iconic British names provides both authenticity and newness.

Liberty's story illustrates a larger truth. Timeless retail is not about preservation but about creating places that continually liberate experience from the ordinary. In a world awash with sameness, its example points to a future where meaning, identity, and resonance matter most.

In the following thought-piece, Kevin Roche, holding positions such as Senior Vice of Marketing, Senior Vice President, and President and Construction within LVMH's Selective Retailing Group as well as being Non-Executive Director at Sybarite, Founder at Roche Design Strategy and longtime advisor to the world's leading luxury houses, expands on this theme, arguing that survival depends on escaping what he calls "Retail Boredom" and rediscovering how to make stores into destinations that matter.

AN ANTIDOTE TO RETAIL BOREDOM

BY KEVIN ROCHE, NON-EXECUTIVE DIRECTOR, SYBARITE; FOUNDER, KEVIN ROCHE DESIGN STRATEGY

After over five decades in the luxury industry, I have observed what has been a gradual erosion of traditional retail formats toward a holistic integration of categories, resulting in the convergence of retailing, hospitality, entertainment, food & beverage, cultural, and sporting venues into the mixing of commercial and social experiences.

In other words, the lines that once divided the way we live, work, shop, relax, and entertain ourselves are now seamless.

Investing in innovation, newness, or potentially breakthrough experience can be intimidating and even risky. It has become abundantly clear that managing old-world traditional retail formats through operational efficiencies and expense management is no longer enough to survive.

In their quest for scale, many legacy retail brands have transitioned from curators of wonderment to experts in expansion and operational effectiveness. Public listing, expansion mandates, and cost-cutting initiatives can propel these operators into performance engines, but that's not enough to compete against new retail formats.

At its best, the retailing industry has always been about aspiration, discovery, and establishing long-lasting emotional connections. **When hard metrics become the industry bible, and the soft metrics become subordinate or disappear altogether, the soul of the store brand withers.** In a world where most retailers sell merchandise that few need, and most everything is available at our fingertips 24/7, consumers are seeking reasons to visit, spend time, and shop in the built environment. Delivering endless aisles of sameness is not just uninspiring - it is also discouraging to a customer with options and choices.

1. SEARCHING FOR SOCIALLY RELEVANT RETAIL

The most resonant retail, hospitality, and entertainment destinations today are those that curate and cultivate a balance between the assortment, the execution and most importantly the context of the place.

In Hollywood, California, you can experience the globally famous **Hollywood Bowl**, a 20,000-seat amphitheatre. It offers a pre-show experience that alone lasts two to three hours, featuring shopping, dining, and socialising, followed by the show itself. It is a socially relevant retail experience, capturing a share of time and, therefore, a share of the wallet.

This principle translates seamlessly into retail. Starbucks' Reserve Roasteries are not formulaic rollouts. Each location is deeply embedded in local identity — whether through design, product, or storytelling. It's a reinvention of global branding, where destinations speak to the world yet feel unmistakably of their place.

Hollywood Bowl, Los Angeles, John Williams Performance – Photography & Source: Chon Kit Leong / Alamy (2014).

Starbucks Reserve Roastery, Milan, Bar – Source: Starbucks Coffee Company.

2. THE DEPARTMENT STORE AS WE KNOW IT

The remaining traditional department stores must ask, 'What business are we in any way, and why will I matter in five years?' This is an industry that can discover insights from outside this sector, where these non-essential retailers may want to explore a network of one-of-a-kind destinations uniquely merchandised, designed, and operated with a heavy dose of local wonder. The hospitality industry figured this out more than 20 years ago.

As we know, many department stores — but not all — have lost their unique DNA that defined their relevance when they chose to pursue profit through scaling, mergers, and operational optimisation. Today, one of the best-in-class, internationally recognised department stores is **Le Bon Marché** in Paris. This is a destination with a long-standing reputation as a cultural landmark on Paris Left Bank. More than a store, it embodies the Left Bank's spirit — artistically, culturally, and emotionally charged.

Le Bon Marché, Paris, Exterior View at Night – Source: Public Domain via Wikimedia Commons (2007).

Many old-world retailers have lost their commitment to their narrative, the story that binds everything they do. In my recent work with **LVMH's Moët Hennessy**, preparing a Master Plan for one of the group's premier Maison Brand Homes in the Champagne region countryside and a winery in Napa Valley, California; **we walked the sites not just with an architect's eyes, but with the sensitivity of a storyteller.** The rich history of the buildings, landscape, the light, the sounds, smells, and the wind — everything has a voice. If you listen and look carefully at the customer, the site and the buildings tell you what to do.

3. THE NEW CURRENCIES: SHARE OF TIME, MIND, AND WALLET

The traditional retail industry's preoccupation with sales per square foot overlooks a more meaningful metric: share of time — the true currency of engagement. If people are not eating, sleeping, or working, they are likely investing their time in experiences. **This has become retail's new playing field: not simply selling goods, but capturing minutes, hours, even days by evoking emotions that turn into lasting memories.**

The way to grow this share of time — and ultimately extend it into share of mind and share of wallet — lies in identifying the elusive formula of relevance and meaning. This does not reside in a product or object alone, but in the narrative and the experience it enables. It is about transforming the physical store into a place of social relevance, where newness is continually unfolding.

At Le Bon Marché, newness is woven directly into the cultural calendar. In 2018, when the team sought to capture the laid-back spirit of Los Angeles, they built a three-story skate ramp in the atrium, anchoring a series of exhibitions and products around the city's skate culture. It was not a promotional gimmick; it was a curated cultural moment.

Decades earlier, **Neiman Marcus** pioneered this idea under Stanley Marcus, launching two-week immersive "Fortnights" that brought evolving global cultural references into each store. These were not just retail events, but cultural activations that built attraction, loyalty, and relationships far beyond the transactional.

Neiman Marcus, Dallas, Facade on Ervay Street During the French Fortnight – Source: DeGolyer Library, SMU.

Today, **Restoration Hardware** offers a masterclass in this evolution. CEO Gary Friedman has stretched the brand beyond conventional retail — building multi-level mansions as showrooms, opening restaurants and hotels, even launching a private jet and yacht for members. Through continually creating high calibre and highly relevant surprises, Friedman has gradually built a cultural universe around the brand — one that has made Restoration Hardware one of the most admired lifestyle brands in the world.

Maintaining this kind of relevance and newness is not a seasonal promotion. It is an operating strategy. **The imperative is to keep the store physically compelling and programmatically alive — to bring people something they have not seen, felt, or thought about elsewhere. That is the foundation of share of mind — and ultimately, share of wallet.**

Restoration Hardware, Houston, Storefront – Source: Public Domain via Wikimedia Commons (2011).

Restoration Hardware, Houston, Showroom – Source: Public Domain via Wikimedia Commons (2011).

4. EXCELLENCE LIVES IN THE DETAILS

Amid the excitement around "experience," we must not fall into the trap of meaningless design spectacles. True excellence is driven into every detail as a set of non-negotiable standards and executed with operational excellence; no detail is too small.

Transactions should be seamless. Fitting rooms should feel like personal sanctuaries. Cleanliness, sightlines, lighting, temperature, scent, music, world-class storytelling, and visual merchandising — these are not afterthoughts. They are a store's unique handwriting.

Trained service and staff must be instilled in the art of anticipation. While costly, this is beyond what is expected. It is a fundamental necessity. **Retailers often ask if such gestures "convert." But that is the wrong question. The right question is: Did it matter? Did it connect? Did it build a reason to return?**

The Four Seasons model offers a powerful parallel for exceptional retail. Each hotel reflects its setting — mountains in Chiang Mai, savannahs in Kenya, and beaches in St. Barts — while religiously maintaining standards that establish trust and exceed expectations on every visit. Staff are trained in the art of anticipation, not just service. It is this combination of consistency and surprise that builds love, brands, and trust.

Too few retailers operate this way. But those who do — **Hermès, Apple, Restoration Hardware, Le Bon Marché**, the new **Tiffanys** — are not just surviving. They are leading because they understand that experience is not a campaign. It is a culture.

5. THE IMPORTANCE OF LEADERSHIP

An iconic architect once said, "It takes a great client to do great work." The consulting industry can only take a client so far, borrowing from an abundance of experts who expound upon and replay what's new, who is doing what, why it matters, and how their thought leadership positions are the best and brightest.

The role of the business strategist, retail and merchant consultant, designer, and architect is critically important as a retailer's toolbox, facilitating the exploration and creation of uncompromising, discerning solutions that can be considered and implemented. But ultimately, it requires an inspired leadership team, ownership, a board of directors and developers to lead with a viable vision and a conviction to innovate in creating, regaining, and maintaining relevance. **Courage is not a cliché. Informed and inspired leadership is not a nice-to-have, it is a requirement to survive.**

CHAPTER 2

DECODING TOMORROW

I. DEBUNKING THE MYTH OF 'EXPERIENTIAL RETAIL'

From indoor roller coasters to meditation rooms, and augmented reality "magic mirrors" to robot concierges, retailers in the past decade have experimented widely in the quest to redefine the shopping experience. But while some innovations – like food and beverage offerings – have become standard in store design, many others faded as quickly as they appeared. What's emerging now is not a rejection of experience, but a more evolved, purpose-driven vision of retail.

The experiential retail wave of the 2010s, marked by pop-ups, photo ops, and Instagrammable decor, often mistook spectacle for substance. These spaces attracted foot traffic but rarely cultivated meaningful connection, loyalty, or conversion. Retailers like **Glossier** and **Showfields** created stores that resembled interactive art installations more than functional retail environments – fun to visit, but forgettable as shopping destinations. Experience was too often skin-deep.

In contrast, today's leading-edge retailers are channelling the enduring lessons of legacy icons like **Le Bon Marché** into a new framework, one defined by integration, innovation, and deep engagement. We are now entering the age of hyper-hybrid retail: a layered, multidimensional approach where retail is not just a transaction or a show, but an immersive journey that blends service, hospitality, architecture, entertainment, and community. Experience is no longer an add-on; it's the operating system.

Showfields, Miami Beach, Interior Display & Art Installation – Photography & Source: Jeffrey Isaac Greenberg / Alamy (2022).

Glossier, London, Covent Garden Interior – Source: Sybarite.

Retail is also being reimagined as a true destination, far beyond the idea of a well-designed sense of place. Stores like **SKP-S Beijing** or **Dover Street Market** in London don't just sell products, they draw visitors as cultural landmarks. People don't just shop; they explore, linger, and return. These spaces function as galleries, studios, and social hubs, reflecting a world where retail competes not just with other stores, but with restaurants, museums, and even travel.

Dover Street Market, London, Interior – Source: Sybarite.

SKP-S, Beijing, Interior View of Trendsetters 3F – Photography: Noah Sheldon; Source: Sybarite.

Supporting this shift is a new era of retail architecture: spectacular, otherworldly environments that elevate the act of shopping to a form of pilgrimage. Think of Heatherwick Studio's **Coal Drops Yard** in London — this structure signals ambition and permanence, positioning retail as a form of urban theatre where design doesn't just house commerce – it defines it.

At the same time, technology is transforming retail into what's known as a phygital frontier. The best retailers now weave digital seamlessly into the physical world – not as a gimmick, but as an invisible layer of utility and personalisation. Whether it's AI-driven product recommendations or app-enabled loyalty programs, digital tools now enhance, rather than distract from, the core shopping experience.

Most profoundly, we're seeing retail as a catalyst: a force that can actively shape the cities of tomorrow. From mixed-use developments to mobility hubs and community programming, retail spaces are increasingly being designed as civic infrastructure. The store is no longer just a place to buy; it's a place to gather, recharge, and reconnect. As urban life becomes more fragmented and digitised, physical retail offers something uniquely valuable: the ability to anchor neighbourhoods, inspire creativity, and bring people together.

In the end, the lesson from Le Bon Marché wasn't about spectacle; it was about evolution. Boucicaut created more than a store; he created a new way of living, shopping, and socialising. Today's pioneers are doing the same, not by chasing trends, but by embracing experience as a fully integrated, multidimensional strategy. This isn't the end of experiential retail – it's its reinvention.

WELCOME TO CONFORMITY

BY ROB CAMPBELL, PARTNER & CSO, UNCORPORATED

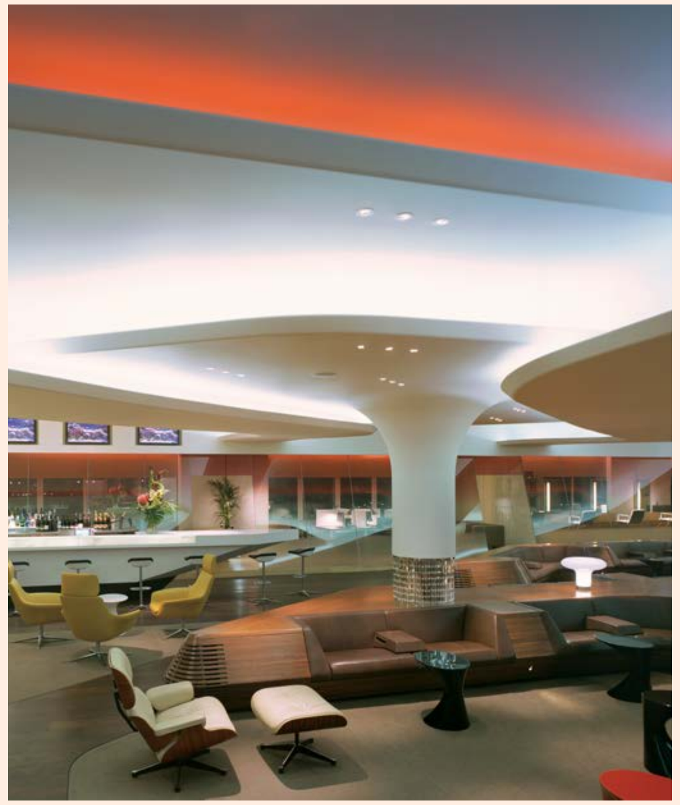
The truth be told, the words 'brand experience' have been long misunderstood, often interpreted as needing to provide 'lowest common denominator consistency' rather than creating seminal brand experiences for customers' possibilities. **The result of this attitude has been a seemingly endless production line of category complicity.**

The need to invest in a differentiated, distinctive and desirable brand experience is not, as many would like to suggest, an act of creative vanity, but actually one of commercial sanity. With globalisation and technological advancements, any innovation can be replicated and distributed by competitors in increasingly shorter timeframes. The impact of this on driving brand value and customer loyalty is significant because it removes tangible reasons why a customer would choose one brand over another. It is for this reason we are witnessing an increasing number of companies see brand experience as a way to build meaningful customer engagement and loyalty rather than rely on traditional brand approaches. Put simply, design is driving the future.

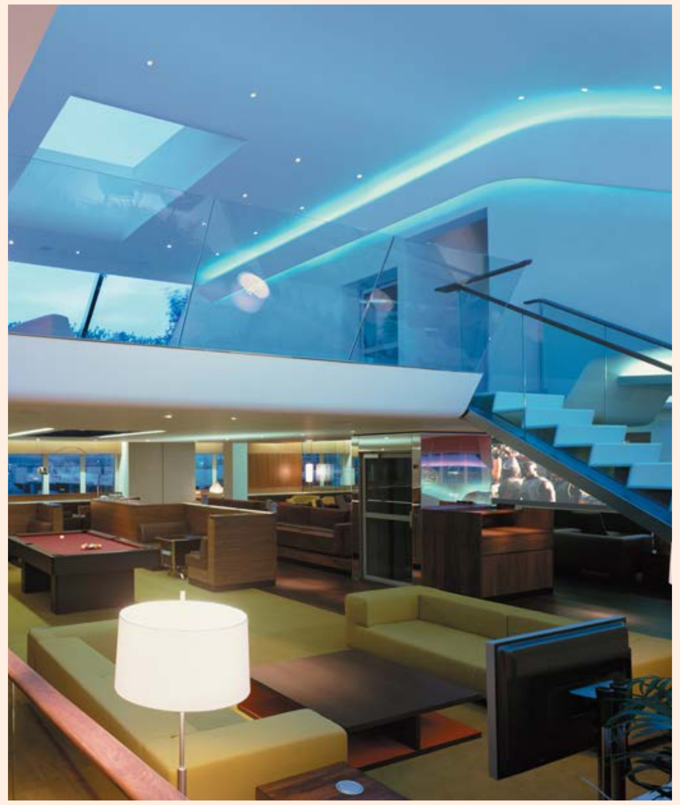
Of course, this is not really a new phenomenon. Back in the early 2000's, **Virgin Atlantic** used their **lounge experience** to drive a competitive edge over their peers. Rather than create an environment that was similar to their competitors' offering – albeit in their corporate colours – their starting point was to 'create a lounge that passengers would want to miss their plane to stay in.' This approach not only allowed them to create an experience that redefined the category, it created an invigorating and infectious relationship with the Virgin Atlantic brand – helping catapult them into the consideration set of business customers that were previously unavailable to them.

And while times have changed significantly since the launch of the Virgin Atlantic lounge, we are seeing more and more progressive brands recognise the commercial impact and value of investing in a seminal brand experience for their customers. Not just in terms of driving engagement, but also in terms of building differentiated and sustainable brand value.

Given it will only get increasingly more difficult and expensive for brands to stand out, investing in a truly innovative retail experience may soon be seen as one of the most commercially responsible ways to turn your brand into a commercial beacon rather than be another offering in the long line of parity attractions.



Virgin Atlantic Heathrow Clubhouse, London, Sunken Lounge & Cocktail Bar – Photography: Richard Davies; Design & Source: SOFTROOM.



Virgin Atlantic Heathrow Clubhouse, London, Den & Skylounge – Photography: Richard Davies; Design & Source: SOFTROOM.

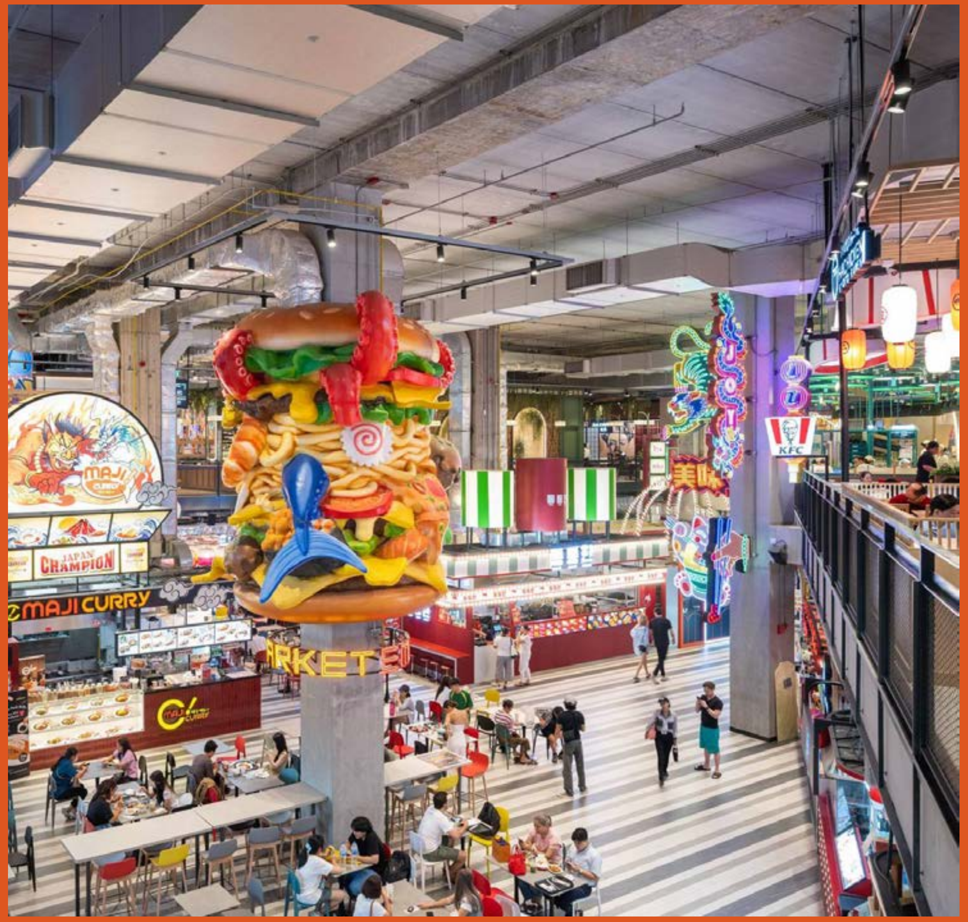
II. HYPER-HYBRID RETAIL

In the age of digital saturation and fragmented attention, the most forward-thinking retailers are no longer just offering products or even "experiences" in the traditional sense. They are creating multidimensional ecosystems: living, breathing environments where retail blends seamlessly with hospitality, entertainment, culture, and service. This is what we'd like to call Hyper-Hybrid Retail, a paradigm that builds on the foundational lessons of institutions like Le Bon Marché, but amplifies them into something more dynamic, integrated, and immersive.

Nowhere is this more vividly realised than at **Emsphere** in Bangkok. Designed not as a conventional mall but as a vertical village of interconnected experiences, Emsphere challenges the very architecture of retail. Each floor is deliberately unique, with thematic zoning that provides visual and experiential distinction while maintaining overall cohesion through a raw, industrial design language. Rather than a homogenous flow of stores, the journey through Emsphere is one of constant discovery. Even the functional elements of the building, including escalators, skybridges, atriums, have been transformed into expressive platforms. These are no longer mere passageways; they become sites of artistic activation.

Emsphere, Bangkok, Exterior – Source: Design 103.

What truly sets Emsphere apart is its ability to evolve over time and throughout the day. In the morning and afternoon, it hums with the energy of retail, gourmet markets, and artisanal cafes. By evening, the space transforms into a vibrant social hub, animated by rooftop bars, live music, and illuminated courtyards. The building shifts its mood like a city in miniature, where retail becomes a time-responsive, emotionally attuned environment. Strategically, Emsphere also reconfigures conventional mall logic by placing an IKEA on the fourth floor. This unexpected move recalibrates visitor flow, drawing traffic upward and distributing energy throughout the entire vertical footprint.



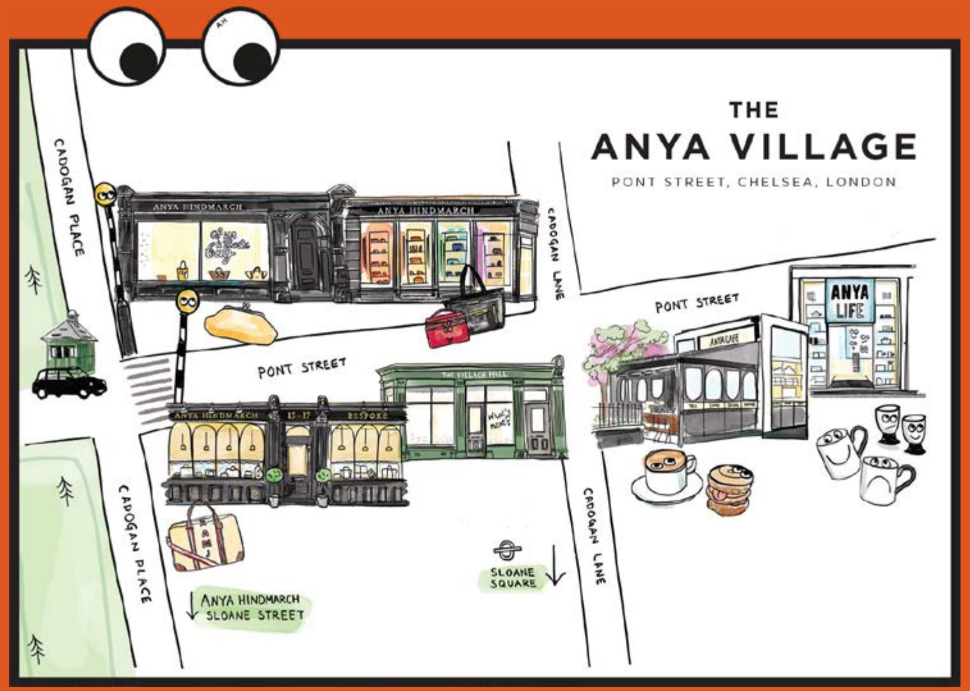
Emsphere, Bangkok, Food Market – Source: Design 103.

The same ethos is evident in **Anya Hindmarch's Village** in London, a whimsical reimagining of the flagship store that has become a branded neighbourhood unto itself. It's a fully immersive brand world that includes a café, ice cream shop, salon, and a revolving series of cultural and sustainability-focused activities. Instead of organising around categories of product, the Village is designed around rhythms of life: moments of play, self-care, socialising, and creativity, all delivered with Anya's signature wit and craftsmanship.

This hybridisation is not limited to traditional fashion or luxury players. Increasingly, we're seeing cross-sector collaborations where the lines between commerce, culture, and service are intentionally blurred. Brands launch their drops inside fitness clubs and even grocery stores, such as **Alo Yoga**'s collaboration with LA grocery chain **Erewhon**. Boutique hotels are hosting rotating retail capsules in their lobbies, and even furniture brands have become fashion collaborators: Think **Fendi Casa** or tie-ups like **Off-White x IKEA.** These new hybrids are not random pairings. They are curated ecosystems designed around shared values, audience overlap, and lifestyle alignment. They acknowledge a profound truth: that today's consumers don't segment their lives into neat categories, so retailers shouldn't either.

Hyper-Hybrid Retail represents a decisive evolution from spectacle-based experiential design toward something more sophisticated and sustainable. It integrates food and beverage not as filler, but as fuel for deeper engagement. It prioritises architectural storytelling over surface-level decoration. And it treats retail not as an isolated commercial act but as a platform for participation, co-creation, and emotional connection.

What began with Boucicaut's vision of turning shopping into a pleasure has now matured into something far more ambitious: retail as an orchestrated ecosystem, where every space, product, and interaction is part of a unified, immersive whole.



The Anya Village, London, The Village Illustrated Map – Source: Anya Hindmarch.

The Anya Village, London, Anya Life Store Interior – Source: Anya Hindmarch.

The Anya Village, London, Anya Café – Source: Anya Hindmarch.

THE AGE OF HYPER-HYBRIDITY

BY SIMON MITCHELL, CO-FOUNDER, SYBARITE

If Hyper-Hybrid Retail represents a conceptual evolution in retail philosophy, then Hyper-Hybridity is its actionable framework – a design-led, operational shift from static environments to curated, dynamic ecosystems. This is not a departure from traditional retail models, but rather a transcendence of them.

The pre-Hybrid traditional leasing model still underpins the vast majority of global retail environments, and yet, it fails to reflect how people engage with brands today. The pre-Hybrid formats – often monolithic, monotone, and purely transactional – fail to foster the emotional and cultural engagement contemporary audiences demand. They permit brand occupancy but not brand flourishing.

Retail pioneers such as **Harrods, Selfridges**, and **SKP** have shifted towards a more editorial Hybrid approach – merging direct operations with curated narratives. **SKP-S**, the subversive sister of SKP, exemplifies this progression. Composed of over 60 percent experiential and cultural programming, SKP-S offers a new paradigm in which retail is reimagined as a multidimensional journey – immersive, emotionally charged, and future-proof.

1. A NEW HYPER-HYBRID RULE BOOK

The Hyper-Hybrid model demands 100 percent curation across every aspect of the retail environment. This is not a utopian ideal, rather an operational mindset that reshapes how retail is conceived and experienced. The grand department stores of the past – Harrods, **Le Bon Marché, Steen & Strøm** – once offered fully curated collections; although full curation may no longer be financially viable in the traditional sense, the intent behind it has never been more critical.

Harvey Nichols is currently embarking on a brand refresh and repositioning that involves the redesign of the ground floor of its iconic Knightsbridge flagship. Envisioned as a 'Living Magazine,' our team at Sybarite took inspiration from the editorial heights of 90s London, imbuing the space with a curated and eclectic energy, which will bring together fine jewellery, sunglasses, homewares, design objects, accessories, fragrance, and beauty in an ever-evolving composition. The intention is not only to curate but to create a setting that remains agile - responsive to cultural moments, open to surprise, and attuned to how customers wish to explore and connect.

SKP-S, Chengdu, 1F Fashion – Photography: Nick Kuratnik; Source: Sybarite.

Successful retail destinations today do not merely serve categories – they respond to behavioural cadence. They are attuned to cultural shifts, delivering continuous activation and renewed relevance. In this context, design is no longer reactive, it must anticipate and articulate what comes next.

Harvey Nichols, London, Runway Tables – Source: Sybarite.

Harvey Nichols, London, Runway Tables – Source: Sybarite.

2. THE CHARM OF THE UNEXPECTED PAIRING

One of the most compelling aspects of Hyper-Hybridity is the unexpected pairing: camping gear beside couture, a champagne bar in the heart of a beauty hall. These are not design quirks – they are deliberate juxtapositions that mirror the eclectic lives of modern consumers.

In our recent explorations into the future of retail, we have uncovered compelling opportunities to integrate unexpected categories into future department stores or shopping malls. From premium children's education programmes and bespoke birthday party packages to live-streamed e-sports tournaments and virtual reality laser battles – these seemingly unconventional offerings respond to the emerging needs of today's consumers. More importantly, they allow brands to cultivate connections with their audiences that transcend the transactional.

Luxury brands, in particular, have an unprecedented opportunity to extend their narratives beyond product. Through cross-sector collaborations – with fitness, wellness, education, entertainment – they can create immersive, emotionally resonant ecosystems.

3. FLIPPING THE SPATIAL SCRIPT

Emsphere in Bangkok embodies this disruptive spirit. A radical reimagining of retail architecture, it places food curation at lower levels and car showrooms, carparks, and nightclubs above – in-turn subverting spatial expectations and freeing the retail canvas. Its raw architectural skeleton allows brands to pivot fast, leaving room for spontaneity and local energy. **What emerges is not just spatial disruption but spatial liberation: a framework where flexibility is built in, and the unexpected becomes the norm.**

Emsphere, Bangkok, Aerial View – Source: Design 103.

This thinking similarly informed our work with Harrods on the **Moët & Chandon Champagne Bar.** Located at the heart of the Beauty Hall, it interrupts the expected with a luxurious moment of pause and celebration – a place where commerce meets culture, and surprise drives memory.

These are just two examples among countless possibilities, whether through a complete architectural overhaul or an innovative plug-in, the key is to view retail design with fresh and critical eyes. Disruption does not always mean scale.

Harrods, London, Moët & Chandon Champagne Bar – Photography: Rupert Peace; Source: Sybarite.

Harrods, London, View from Beauty Hall to Moët & Chandon Champagne Bar – Photography: Rupert Peace; Source: Sybarite.

4. SPEED OF NEWNESS

Where Europe and the US are often hindered by structural regulation and planning inertia, in contrast, Asia and the Middle East embrace velocity. They have become the incubators of innovation, where retail formats evolve quickly, supported by technology and empowered consumers. China's digital infrastructure – from WeChat-enabled payments to live streamed commerce – has redefined retail rhythms. In conjunction, the Middle East is constantly cultivating a new generation of culturally embedded, globally minded consumers.

Retailers in these regions are not afraid to merge fashion with e-sports, fitness with education, or hospitality with retail. Their ambition – and the governance frameworks that support it – offers a blueprint for the global market. **The Box** in Beijing, with its 95 percent curated offer, and **Macau**'s multi-use entertainment centres signal a shift toward Hyper-Hybridisation that is faster, braver, and more experimental.

The Box, Beijing, Exterior – Source: Coordination Asia (COO) / Urban Regeneration Front (URF).

Studio City, Macau, Water Park Aerial View – Source: Studio City and Whitewater.

Studio City, Macau, Water Park Exterior View – Source: Studio City and Whitewater.

5. TOWARD THE NEXT DIMENSION

As retail becomes more saturated, the need for differentiation intensifies. The Hyper-Hybrid model enables brands to carve out distinctive identities through spatial fluidity, storytelling, and immersion. This is not about fixed categories or rigid formats – it is about building dynamic ecosystems responsive to cultural, emotional, and social needs.

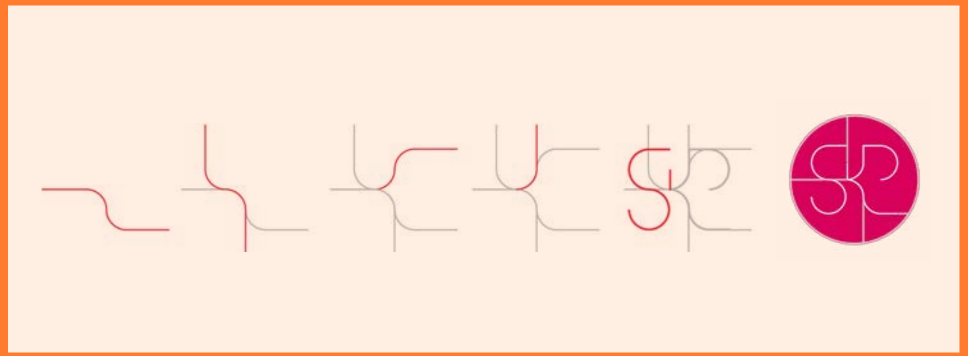
Retailers must act not as landlords, but as cultural editors – bringing freshness, frequency, and surprise back into the customer relationship. The mirage of the classic department store is giving way to something more immediate and alive: environments that respond to how we live, not merely how we shop.

Looking ahead, the Hyper-Hybrid frontier will be shaped by adjacent domains – AI-driven personalisation, sustainability as retail ethic, and playful interactivity. These systems can no longer be simply add-ons, rather these are intrinsic pillars of design and strategy; when fused with architectural storytelling, they create the conditions for something extraordinary: spaces that people do not just visit, but identify with.

III. RETAIL AS DESTINATION

In a landscape where convenience has been digitised and instant gratification is a tap away, the physical act of shopping must offer something more profound: a reason to go, a reason to stay, and a reason to return. This is the ethos behind the next evolution in retail, in which physical stores aren't simply places of transaction, but places of pilgrimage. These are spaces that carry weight, memory, and magnetism. They don't just host brands – they become brands in their own right.

This transformation is exemplified by SKP, the Chinese luxury retail powerhouse that has redefined what it means to build a sense of place through design, with help from Sybarite as SKP's principal architect. When the original Shin Kong Place in Beijing was reimagined into SKP in 2016, it wasn't merely an architectural facelift; it was the birth of a cultural landmark. The now-iconic SKP curve, a fluid geometry that links interior and exterior in a continuous gesture, became a subtle but powerful signature. It's not a logo in the traditional sense, but a spatial imprint, one that intuitively tells you where you are.



SKP Curve, Brand Evolution Diagram – Source: Sybarite.

With each new SKP outpost – Xi'an, Chengdu, Wuhan – this design language deepens and matures, creating an architectural continuity across cities while allowing for local expression.

But SKP's success isn't just aesthetic. Its presence actively reshapes urban economies.

In Beijing, SKP helped define an entire commercial district. This anchor effect has made SKP into a cornerstone of urban planning, lifting surrounding real estate, hospitality, and infrastructure in its wake. In Chengdu, the SKP experience extends beyond the vertical, unfolding into a subterranean retail park. In Wuhan, it merges a department store with a walkable fashion avenue, drawing people in not just to shop, but to explore.

SKP, Beijing, Atrium – Photography: Kristen Pelou; Source: Sybarite.

"Everything that you see, touch, feel [is] very much a branded environment that we've created for SKP, so, what you find is within the geometry of the logo [...] We captured what we named the SKP Curve."

Torquil McIntosh
Co-Founder, Sybarite

SKP, Chengdu, Aerial View of SKP Park – Photography: Nick Kuratnik; Source: Sybarite.

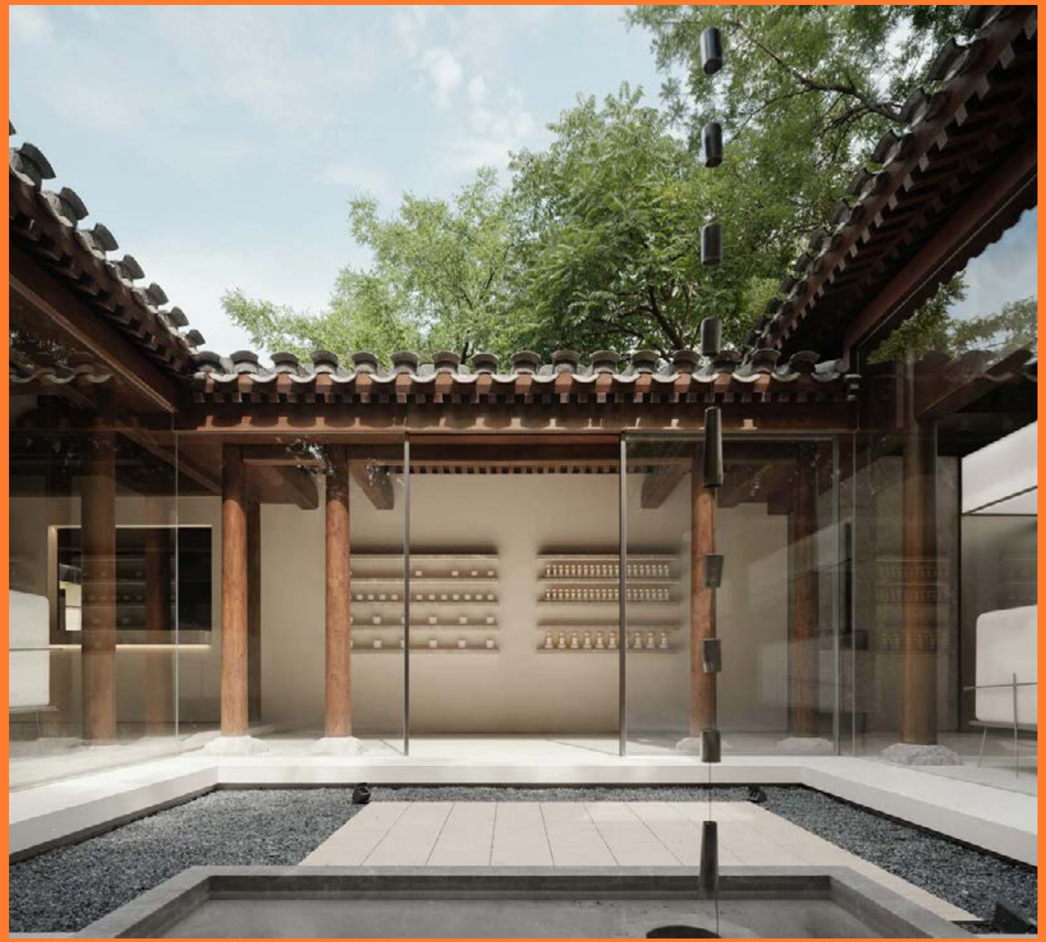
Another compelling case is Bangkok's ICONSIAM, a riverside development that fuses ultra-luxury retail with cultural immersion. Here, international prestige meets local heritage: Thai craftsmanship is elevated within modern architecture, food zones evoke regional culinary traditions, and even the park outside becomes part of the retail experience.

ICONSIAM, Bangkok, Aerial View – Source: ICONSIAM.

ICONSIAM, Bangkok, SOOKSIAM – Source: ICONSIAM.

Meanwhile, To Summer, a contemporary Chinese fragrance brand, offers a quieter, more contemplative take on retail as a destination. Its flagship stores are situated not in commercial zones but in culturally charged environments: a Qing-dynasty courtyard in Beijing, for instance, or a villa on Shanghai's historic Hunan Road. These locations are more sanctuary than store. Neutral palettes, natural materials, and immersive scent diffusion create a sensory journey that engages memory, emotion, and identity. The retail ritual here is less about purchase and more about presence. Rotating art installations and craft workshops ensure that the space evolves, inviting repeat visits and community engagement

What unites these examples is a clear shift in intent. Retail is no longer content to borrow attention; it strives to earn it. That means creating physical environments that are culturally resonant, architecturally meaningful, and emotionally magnetic. In this new paradigm, the destination is not the product but rather the place itself.



To Summer, Beijing, Flagship Store Exterior – Photography: InSpace Architecture Photography; Design: F.O.G Architecture; Source: To Summer.

To Summer, Shanghai, Store Interior – Photography: SFAP; Design: F.O.G Architecture; Source: To Summer.

IV. OUT-OF-THE-BOX RETAIL DISRUPTION

In today's most forward-thinking retail spaces, the goal is no longer simply to sell – it is to encourage discovery, and blur the lines between art, architecture, technology, and commerce. A new generation of disruptors is emerging, reshaping what retail looks like, feels like, and stands for in a way that's rooted in emotion.

Trend forecasting firm **WGSN**, for instance, has coined the concept of **"Joy Commerce"** as a pivotal tactic for modern experiential retail, positioning shopping as **"an emotional escape [...] while we've become used to gamification in e-commerce, gamified experience and high-touch designs have the ability to transform stores into dopamine-fuelled destinations, while also providing inspiration and comfort."** This approach taps into the rise of what WGSN calls **"Glimmers,"** or **"micro-moments of joy,"** as a key emotional driver.

> "Joy Commerce will be a strategic tool to reimagine the world as a more positive place for all. What does this mean for those in retail? Shopping will become more than just a transaction. It will become an emotional escape"

Carla Buzasi
CEO, WGSN

At the forefront of this movement is **SKP-S**, a revolutionary retail concept rewriting the luxury department store model. SKP-S isn't bound by convention or even Earth, for that matter. With each new location, it unfolds a new chapter in an expansive, otherworldly narrative, beginning in Beijing in 2019 with **"Life on Mars,"** followed by **"Rebirth on Earth"** in Xi'an, and then **"Parallel World"** in Chengdu. Most recently, Wuhan's **"Paradox Planet"** extends the cosmic storyline even further. Each iteration pushes architectural boundaries, not just as spectacle, but as story. Think domed ceilings, reflective tunnels, kinetic sculptures, and spatial illusions that evoke a sci-fi dreamscape.

Unlike traditional stores focused on 'inventory per square meter,' SKP-S champions 'experience per square meter.' It prioritises emotional resonance and artistic experimentation, often giving over entire zones to installations, curation, and contemplation. Robotic clones converse amid floating metallic discs; sculptural escalators loop through glowing terrain. These are spaces not just shopped but explored.

SKP-S, Beijing, Interior View of Trendsetters 3F – Photography: Noah Sheldon; Source: Sybarite.

SKP-S, Xi'an, Time Tunnel Entrance 4F – Photography: Boris Shiu; Source: Sybarite.

SKP-S, Chengdu, Art Installation in 1F Designers – Photography: Nick Kuratnik; Source: Sybarite.

SKP-S, Wuhan, Art Installation in GF – Photography: Wan She Tong; Source: Sybarite.

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A kindred spirit in disruption is **Dover Street Market,** a pioneer of curated chaos. DSM flips the script on department store norms, embracing unpredictability and decentralisation. Each brand under its roof is given the freedom to design its own environment, resulting in a patchwork of avant-garde moments. Artists and designers like Jake and Dinos Chapman, Gary Card, and Jamie Reid have contributed to its rotating universe, blurring lines between fashion and art, display and provocation.

This same ethos is playing out in unexpected niches across the world. In Shanghai, **Jellycat's Café** brought its plush toy aesthetic to life with themed desserts and immersive installations. At Selfridges, the brand even experimented with a UK-inspired fish & chips experience, combining kitsch with culinary delight. Meanwhile, **Jacquemus** has mastered the pop-up as a manifesto, turning each new retail location, from the deserts of Egypt to the hills of Los Angeles,into a cinematic celebration of local culture and brand identity. Each launch feels more like a scene from a film than a store opening.

Jellycat, Shanghai, Pop-up at Jing An Kerry Centre – Source: Courtesy Little Red Book / Daodaoduijia.

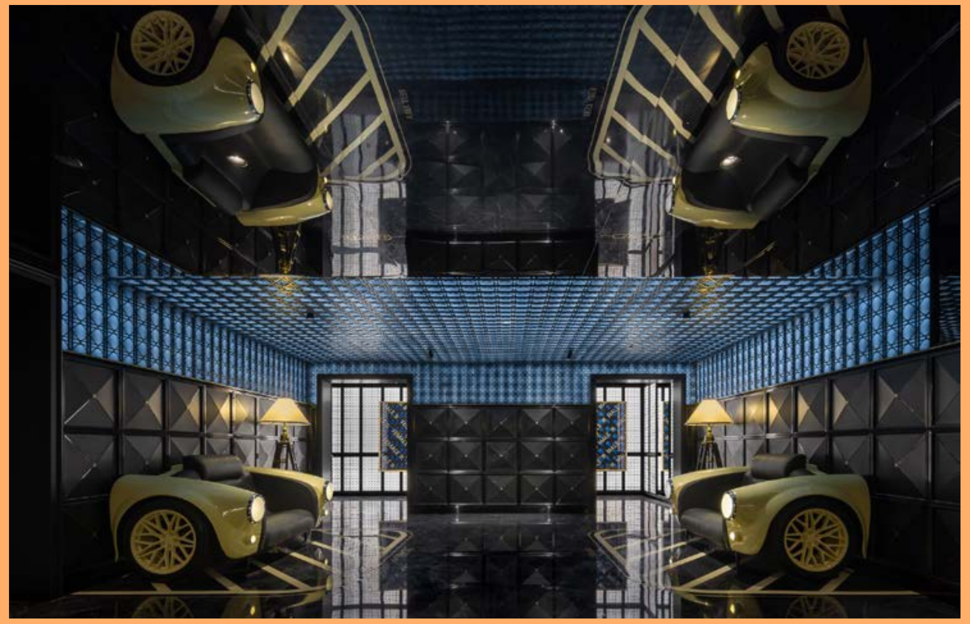
Jellycat, Shanghai, Pop-up at Jing An Kerry Centre – Source: Courtesy Little Red Book / Daodaoduijia.

Selfridges, London, Oxford Street, "Le Bleu" Jacquemus at The Corner Shop – Source: Selfridges.

Selfridges, London, Oxford Street, "Le Bleu" Jacquemus at The Corner Shop – Source: Selfridges.

This experiential wave extends even to the most mundane elements of the retail journey. Nanjing's **Deji Plaza** made headlines not for a new anchor tenant, but for its restrooms: luxuriously designed, diversely-themed artistic spaces that have become social media phenomena. What might once have been a purely functional space is now a moment of delight and surprise.

These examples point to a larger, more profound shift in the DNA of retail, especially visible in China's emerging category of "non-standard commercial real estate." In contrast to the rigid formats of traditional malls or department stores, these projects embrace flexibility, decentralisation, and experience-first thinking. They're less about maximum lease efficiency and more about spatial experimentation and emotional texture. Many are built in unexpected places: under railway viaducts, inside decommissioned factories, or in the shells of forgotten podiums – spaces once dismissed as unusable are now fertile ground for urban reinvention.



Deji Plaza, Nanjing, 2F Restrooms: Blues Club – Source: ©唯想国际X+Living.

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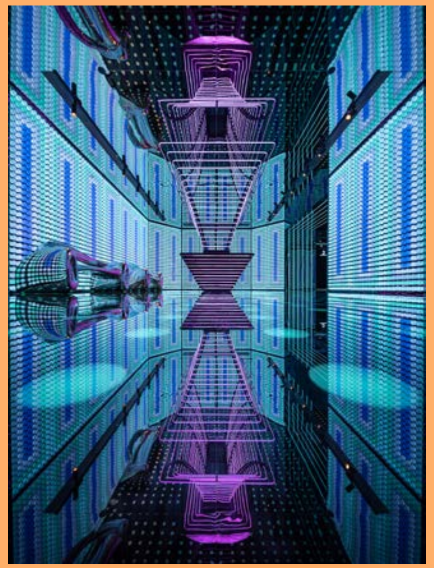
"In China, the demand for 'retailtainment' has surged as shoppers become more discerning and frugal with their spending [...] Whether through interactive installations, localised storytelling, or retail spaces that seamlessly blend with dining and lifestyle elements, the goal is to offer something that can't be replicated online. Across China and beyond, the new standard for retail destinations isn't just about aesthetics – it's about creating spaces that resonate culturally, encourage social sharing, and ultimately foster lasting brand loyalty"

Bethanie Ryder
Freelance Writer; Former Editor, Jing Daily



Deji Plaza, Nanjing, 3F Restrooms: Cyber Neon – Source: ©唯想国际X+Living.

Deji Plaza, Nanjing, 5F Restrooms: Pop Impressionism – Source: ©唯想国际X+Living.

Take **Hai 550** in Shanghai, which transformed a gritty, industrial site into a vibrant, culture-forward retail hub. Or **Aranya:** a serene coastal development designed for reflection and disconnection, loved by China's "lying flat" generation. In **Central Market** Hong Kong, heritage preservation fuses with food, fashion, and street performance. Meanwhile, **Luxe Lakes CPI** in Chengdu imagines retail as part of a floating landscape, where you shop alongside water gardens and sculpture trails.

Hai 550, Shanghai, Exterior View – Photography: Zeng Yu; Design: Shanghai JOIN Architecture Design; Source: Better Future Awards.

Aranya, Qinghuang Island, Night View – Source: Aranya.

Luxe Lakes CPI, Chengdu, Exterior View – Photography: Arch-Exit / Blue Orange Photography; Design: Vari Architects; Source: ArchDaily.

"The most successful retail activations in APAC are often narrative-driven. They focus on a story, concept, or idea and translate it into an experience that not only hits traditional retail touchpoints but also feels innovative, engaging, and experiential"

Bethanie Ryder
Freelance Writer; Former Editor, Jing Daily

This pivot toward the experiential, the non-linear, and the unexpected isn't just aesthetic. It's a strategic response to shifting consumer priorities, tighter urban land constraints, and a generational demand for deeper connection. These disruptors are proving that retail doesn't have to be a copy-paste template. It can be elastic, imaginative, and wildly expressive.

FROM EXPERIENCE TO TRANSFORMATION: THE IMPORTANCE OF EVOKING AWE IN LUXURY'S TRANSFORMATION ERA

BY CHRIS SANDERSON, CO-FOUNDER, THE FUTURE LABORATORY

Since the mid 2010s, I have been observing how 'experience' has evolved and overtaken the traditional allure of 'product' as a commercial growth area – especially within the luxury sector. But experience was being designed, packaged and sold as a passive utility that could be pushed out to an audience eager for greater brand engagement, without really grappling the more profound opportunity that lay at the heart of this exchange – transformative relationships.

At The Future Laboratory, we anticipated the emergence of a trend towards a new form of engagement – a more purposeful, self-initiated and proactive desire by society to consume the goods, products, brands and services which enabled them to be happier, healthier and wealthier.

We called this the Transformation Era back in 2018 and since then, The Future Laboratory has developed its thinking on the power of transformational engagement, taking into account evolving generational mindsets around what we have termed 'neo-collectivism – the desire to put a sense of society above a sense of self. The Ancient Greeks identified this as Eudaimonia, the notion that pleasure and contentment come from the flourishing of a society that puts communal wellbeing over self — focussed, sensual satisfaction (hedonism).

Throw in the increased interest and empirical data on proprioception (awareness of body position) and we have a journey of transformation that relates to a sense of scale, awe and wonder – all vital parts in an odyssey of personal growth and development. Awe plays a significant role in the continued value of the world of luxury. Awe is a basic state of consciousness. Ordinary things can bring us awe, as well as those big tickets moments when we encounter the grandness of the natural world or the brilliant complexity of human endeavour.

AI Imagery – Source: The Future Laboratory.

Dacher Keltner, faculty director of the Greater Good Science Center, USA, based at Berkeley, espouses, 'My hope is that we can better embrace the mindsets of awe – from the vastness of experience to awe in the everyday' [18, 19]

Luxury is awesome. The transcendence of the everyday functional object into a work of wonder – through its artistry, complexity, beauty and craftsmanship – sits at the heart of traditional luxury. Yet, as we move into a new state of luxury which perceptibly eschews these traditional markers, awe becomes more relevant than ever. The awe pivots to the wonder of time, and the wonder of self – how awe, according to Keltner, makes you feel 'small, humble and connected'. Awe helps luxury make the transition from a passive engagement with objets de luxe to a new transformational engagement with ourselves, through the luxury of time.

This is where the future of the luxury industry lies. I'm hoping you're now joining up the dots. When we think of spatial, or intentional design, we naturally tend to migrate to the awe-inspiring being those grandiose, large-scale spaces that evoke awe simply by dint of their size. And yet, with the concept of proprioception in mind, how we are moved to feel elevated by the humble, small, every-day and mundane space is perhaps a greater challenge that we as designers, architects and creatives must face in the future.

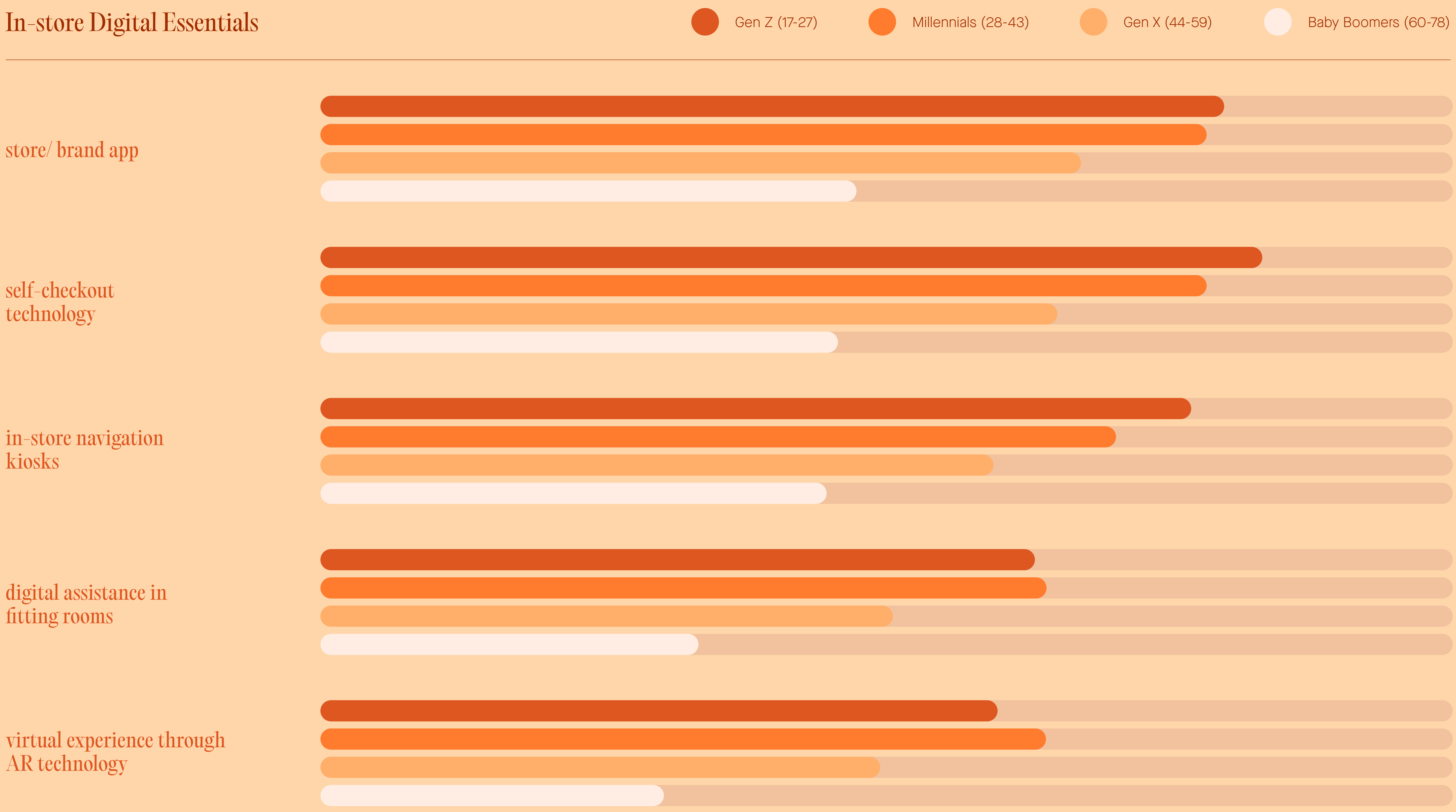
V. RETAIL AS THE PHYGITAL FRONTIER

As the boundaries between physical and digital continue to dissolve, the next era of retail is being shaped not just by aesthetics or convenience, but by interaction - intelligent, immersive, and intuitive. Retail is evolving into a phygital frontier, where in-store experiences are enriched with digital enhancements, and online environments strive to capture the tactility and emotion of real life.

Brands around the world are investing in emerging technologies - from AR mirrors to AI-powered stylists, from smart shelving that tracks inventory in real time to VR pods that plunge shoppers into alternate realities. These tools aren't gimmicks; they're part of a broader strategy to personalise shopping journeys, boost operational efficiency, and rewire the emotional connection between people and products.

The data speaks: recent studies show that a growing number of Gen Z and Millennial consumers expect some form of augmented experience when shopping in-store.[20] In China, smart retail applications are already becoming normalised, with brands like Alibaba and JD.com leading a phygital retail revolution.

In-store Digital Essentials



Source: PwC Holiday Outlook 2024

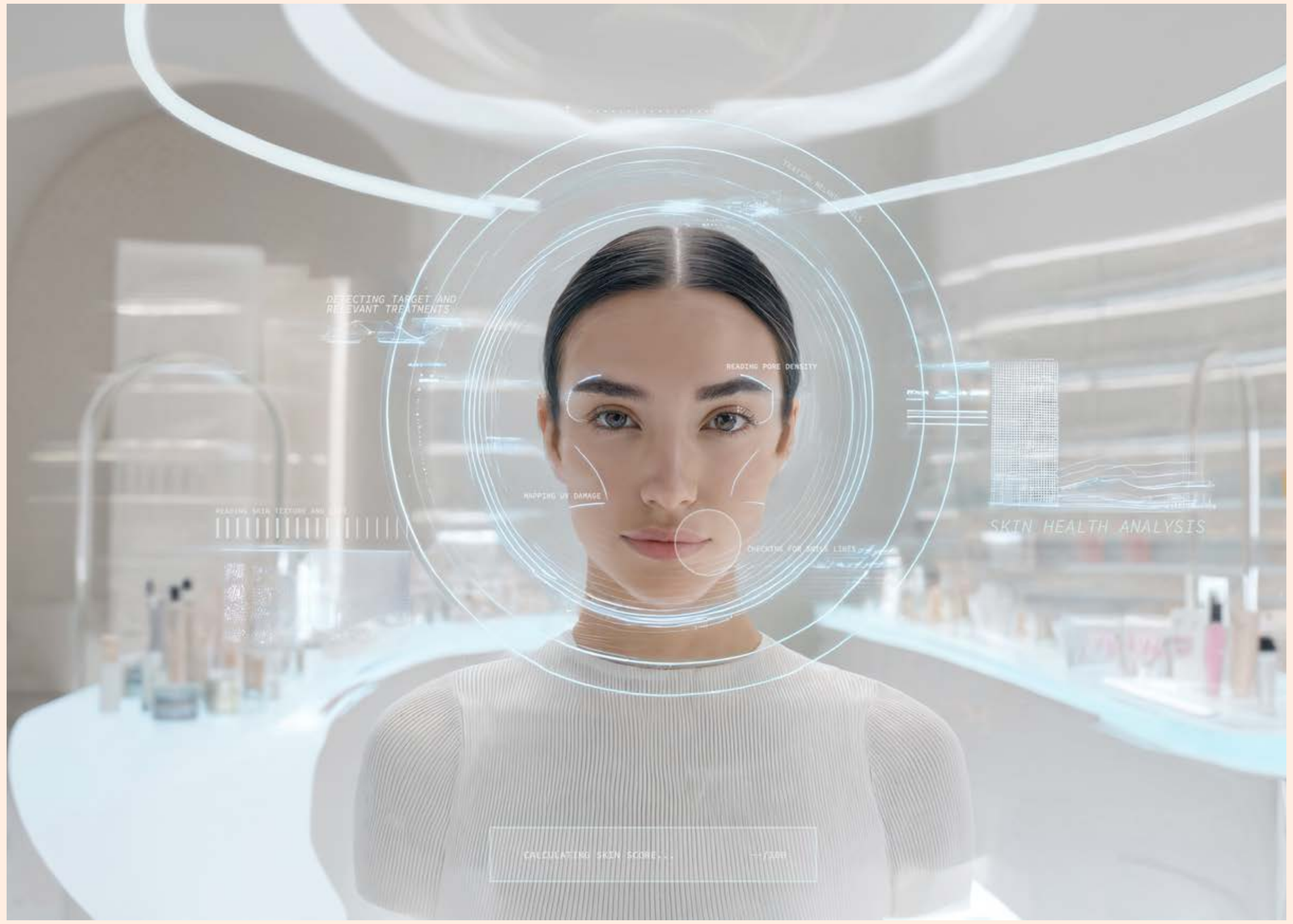
Base: Gen Z 1,000, Millennials 1,000, Gen X 1,000, Baby boomers 1,000

REFLEXIVE RETAIL: AI AND THE OMNI-CHANNEL DREAMSCAPE

BY KATIE BARON, CONTENT DIRECTOR, STYLUS: THE TRENDS INTELLIGENCE BUSINESS

AI will reinvigorate physical brand environments in ways that will supercharge the omni-channel retail experience while also creating more compelling lines of connections to more fantastical brand's narratives – those subtle suspensions of disbelief that enable people to step or relax into alternative worlds, and potentially brand manifestos. The crux of both angles (think: help me vs. entertain me) will be experiences that are inherently more visitor-reflexive, and relevant to that moment because of their far more advanced connection to real-time information beyond the brand itself.

On the pragmatic-meets-inspiration side, consider **Sephora**'s flagship in Shanghai which includes Care and Look Analysis devices which draw on skin diagnostics, styling trends and its real-time inventory (only what's in-store) alongside using XR tech to offer up recommendations and tutorials. I also anticipate phygital discovery concepts using 'speak it to dream it' tech of the kind we saw at **Miami Art Week** in 2024 where people will be able to converse with the environment itself to visualise what they want – desires the brand will then be able to respond to with relevant suggestions.



AI Imagery – Source: Sybarite.

One of the most intriguing examples of this hybrid future is **Future Stores**, an initiative that explores what retail could become when storytelling, tech, and environment merge seamlessly. From holographic campaigns to AI-assisted consultations, Future Stores offer a dynamic stage for brands to experiment with what's next. Conversations with its founders reveal a shared belief: the future of retail isn't about replacing the physical - it's about enhancing it with digital layers that respond, adapt, and inspire.

Future Stores, London, Street View – Source: Future Stores.

Future Stores, London, Interior View – Source: Future Stores.

Another standout example is **xydrobe** at Harrods, a plug-in immersive VR cinema that redefines what a brand installation can be. Created in partnership with Sybarite and luxury watchmaker Vacheron Constantin, this cinematic pod places viewers inside a fully sensorial narrative experience-from scent to sound to temperature - all synchronised to a visual storyline that deepens brand engagement. It's a next-gen take on experiential marketing, merging spatial design with virtual storytelling in a way that feels intimate and cinematic rather than cold or clinical.

xydrobe, London, Harrods x Vacheron Constantin Exterior View – Photography: Sandra Ciampone; Source: Sybarite.

xydrobe, London, Harrods x Vacheron Constantin VR Cinema Interior View – Photography: Sandra Ciampone; Source: Sybarite.

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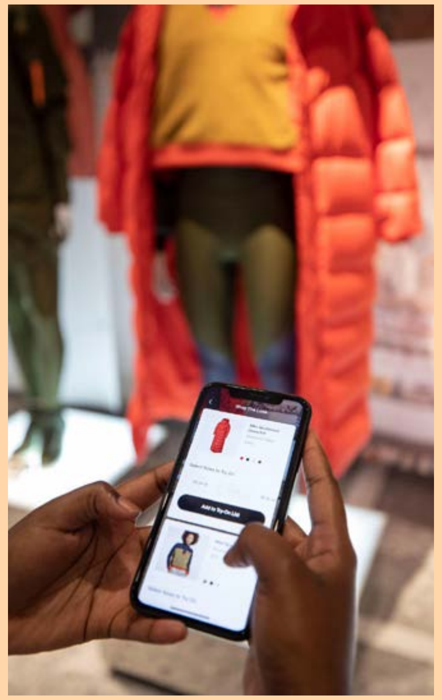
Meanwhile, Nike's **House of Innovation** continues to lead with its tech-enabled flagship stores around the globe. These aren't just spaces to buy sneakers - they're labs where visitors interact with products in constantly evolving ways. From smart fitting rooms to app-linked customization zones, every touchpoint is curated to feel personal, responsive, and innovative. Nike's integration of data, design, and community programming positions the brand as a leader in shaping phygital ecosystems.

Nike, New York, House of Innovation Interior View – Source: Nike.

Nike, New York, House of Innovation Art Installation – Source: Nike.



Nike, New York, House of Innovation E-Commerce Interactivity – Source: Nike.

Nike, New York, House of Innovation Changing Rooms – Source: Nike.

Designer Feng Chen Wang is also pushing this frontier, not only through her own collections but also in collaboration with brands like Nike and via AR-enhanced activations like those seen at **ComplexCon** Hong Kong. Her work imagines a future that is both inclusive and technologically expressive - merging the tactile craft of fashion with digital extensions that offer personalisation, accessibility, and surprise.

> "As the technology becomes increasingly more sophisticated, lighting, scent, and ambiance based on mood, demographics, and even cultural context will morph and adapt [...] This participatory and personalised approach will create a space where the customer feels engaged and valued at every touchpoint"

Simon Mitchell
Sybarite Co-Founder

In this phygital paradigm, emotion is again the ultimate currency. Whether it's the thrill of stepping into a VR dreamscape at **Harrods**, the precision of a virtual sneaker fitting at Nike, or the playful shock of an AR pop-up in Hong Kong, retail is no longer just about what you buy. It's about how you feel while buying it.

The future store isn't a fixed destination: it's a fluid, reactive platform where technology enhances intimacy, not replaces it. The most successful phygital retailers will be those who use digital tools to make physical presence more meaningful, more memorable, and more human.

FUTURE STORES, PRESENT TENSE: A CONVERSATION ON REAL-TIME RETAIL

ARIEL HAROUSH, CHAIRMAN & FOUNDER OF FUTURE STORES, FOUNDER OF CEO OF OUTFORM
IN CONVERSATION WITH SIMON MITCHELL, CO-FOUNDER, SYBARITE

Future Stores is a novel retail concept founded by Ariel Haroush, aiming to upend the traditional shopping experience by blending immersive technology with immersive brand storytelling through wall-to-wall LED displays. Beyond visual spectacle, Future Stores integrates analytics to monitor customer behaviour, including dwell time and traffic patterns. This data-driven approach enables brands to tailor experiences and measure engagement. The store also functions as a transactional space, complete with integrated payment systems and a stockroom, facilitating seamless purchases.

SM: Ariel, what motivated you to start Future Stores?

AH: When you're trying to create a series of experiences, each for a different brand, you realise again and again you have to redo things in a very analogue way. It's creative engineering, prototyping, execution and installation.

But the shoppers are moving so much faster today. Shoppers today have the attention span of a TikTok clip. When you design an experience that has four or five months of tail, you're not able to move fast enough in the speed of culture, in the speed of the shopper. **So the question is, how can I constantly create relevancy in a retail space?**

And that was my thesis for Future Stores. I said, can High Street be as dynamic as my social feed? I'd love to go into a store and be surprised and delighted every time I go, constantly getting new stories, new things that are happening.

So what do you need to do? At retail destinations, you need to embed cinematic technology that enables complex storytelling. LED or screen technology provides you that agility to really respond to market demands.

SM: Do you see Future Stores as the antithesis of traditional retail?

AH: **Future Stores is a hybrid between a store and the media.**

The thesis is that when you advertise where people want to buy, the likelihood of conversion is higher. If you think about retail media online, it's about selling awareness. You see the shampoo, you click on it, and you buy it. It's a seamless proposition, and we are trying to do this in real life, on High Street.

It's acting almost like a giant billboard, but it's a billboard you can step inside of, and it's a billboard you can buy inside of. And that's kind of basically sitting on the back of a behaviour that we've seen from online coming to an offline world.

SM: What of your recent activations have been particularly successful?

AH: We launched actually with Intel and it was a complex storytelling mission of educating consumers on AI. AI is talked about everywhere now but a lot of people don't really know how it relates to them.

We were able to create a narrative about AI by changing the store from one story to another based on single prompts: So you'd see a text message that says 'create a fantasy world,' and then immediately the entire space would become a fantasy world.

But it was more than just changing scenery. We had a sequence of events where in the mornings, schools came in to learn about AI and in the evening, it was an event space. On the weekend, it was a gaming space and a watch party. Then we brought in influencers showcasing their expertise in science and running.

Fifteen million people passed by the store that month, and 99 percent of those who stepped into the store understood now what is AI in a very positive way. And Intel saw a 59 percent sales increase.

Intel has asked us to replicate the project, so now we are now busy on building a New York store and a Paris store based on that first activation.

Future Stores, London, Intel Launch Countdown – Source: Future Stores.

SM: Are there any store concepts catching up your attention and what is your opinion towards them?

AH: I've seen that the pop-up industry has been growing quite substantially. Today, it's about $100 billion worldwide.

A lot of the brands that do pop-ups actually have their own stores, and it's because their existing stores do not drive any traffic. Because the mindset of their shopper is, 'Been there, done that.' But if you want a pop-up today, it will take months to build up the space. **How do you ensure that space will be relevant by the time it's done?** There's interesting research showing that about 74% of brands that plan pop-ups end up canceling because the process is too complicated. Moreover, 50% of those who actually go ahead with pop-ups end up compromising on the location. This leads to a kind of limbo and a vicious cycle.

SM: Do you see traditional shopping malls, department stores or other retailers on High Street adopting the concept of retail as media?

AH: Right now the market is absorbing it. It's going to take time to penetrate.

Many brands want to be in a mall because they have the traffic, but brands don't want to commit to permanently staying there. What's beautiful about Future Stores is that we are giving the brands almost a crystal ball. **We're saying, 'Come to the mall, activate your space for a month, maybe two, and see whether you like it or not.'**

The data is a huge part of our selling proposition. When you're a brand today and you're selling wholesale to a retailer, you can drive sales but never attain the data because the data belongs to the retailer.

We provide the data in a way that it's also pretty revolutionary because we have so many sensors and so many technologies that support our ability to really understand the shopper journey and understand exactly how they behave, react and it's not just when they're inside the store – it's the story of walking on the street, glancing at the store and then entering the store.

We know where the conversion points are, and we can amplify our content to enhance the shopper journey. Let's say we have the store and the content is running tones of red and then we change it to tones of blue and more people glance at the store. AI can enhance that and it can turn into a never-ending optimisation process that will give you more what is the equivalent of online clicks, which in this analogy would be more glances, more people entering the store.

VI. RETAIL AS CATALYST: SHAPING THE CITIES OF TOMORROW

As cities evolve and reimagine their purpose, retail is no longer just a backdrop to urban life. It has the opportunity to become a key force in shaping the very structure of tomorrow's metropolises. Once viewed primarily as a commercial function, retail today has become a multidimensional catalyst: sparking community, revitalising underutilised land, anchoring new districts, and combining environmental ambitions with economic vitality.

In Chengdu, **SKP Park** exemplifies this shift in profound and architectural terms. Sited within the city's 16,900-kilometre Tianfu Avenue Green Belt, the project was met with a clear constraint: no buildings could rise above ground level. Rather than see this as a barrier, SKP and Sybarite transformed it into a bold design opportunity. The result is a sunken retail world, carved into 190 acres of landscape, one of the largest below-ground retail environments in the world. Above it lies a sweeping, uninterrupted park gifted to the people of Chengdu. This parkland is not ornamental; it reflects SKP's commitment to green urbanism, contributing to China's broader ambitions for carbon neutrality and sustainable urban growth.

What's remarkable is that the commercial experience remains uncompromised. Over half a million square meters of mixed-use programming, housing more than 1,300 of the world's top luxury and lifestyle brands, exist seamlessly within the subterranean structure. The design strategy resonates with the philosophy of "landscape urbanism," prioritising spatial atmosphere, biodiversity, and topographical flow over the more common reliance on isolated, image-driven architecture.

SKP Chengdu also serves as a socio-economic anchor. It is a gravitational point for culture, commerce, and community, redefining how Chinese cities can grow more inclusively and resiliently. By integrating cultural installations, hospitality, art, and advanced retail technologies, it signals a future where urban centres are designed to be flexible ecosystems, rather than fixed commercial zones.

SKP, Chengdu, Aerial View of SKP Park – Photography: Nick Kuratnik; Source: Sybarite.

SKP, Chengdu, SKP Ampitheatre – Photography: Nick Kuratnik; Source: Sybarite.

"Historically, Western brands have also underestimated the importance of 'third spaces' in China. In the West, a lot of our retail stores are sterile, and retail is seen as purely transactional, [...] But Chinese consumers have always expected a level of 'retailtainment' that goes beyond just browsing products, and those standards are only heightening. With the stakes raised, shoppers want a more holistic approach to brand engagement,

CHAPTER 2

filtering out those who are simply in it for the money from those genuinely invested in creating meaningful experiences."

Bethanie Ryder
Freelance Writer; Former Editor, Jing Daily

Across the globe, similar dynamics are unfolding in innovative ways. In London, **Coal Drops Yard** transforms the Victorian industrial past into a contemporary social landmark. Originally built in the 1850s as coal warehouses, the site had fallen into decline before being reinvigorated through a visionary adaptive reuse strategy. Rather than demolish its history, designers integrated contemporary forms into the existing infrastructure, creating a blend of heritage and innovation.

Coal Drops Yard, London, Courtyard – Source: Sybarite.

Coal Drops Yard actively invites civic participation. Beyond hosting independent boutiques and chef-led restaurants, it provides platforms for local makers, cultural events, and public programmes. Its success lies not only in its foot traffic but in how it fosters a renewed sense of ownership and identity among Londoners. It's retail as public space, not just private enterprise.

Meanwhile, in the Middle East, retail is central to the visioning of future cities, especially under **Saudi Vision 2030**. As the kingdom looks beyond oil dependency, mixed-use megaprojects such as **Diriyah Gate** and **NEOM** are putting retail at the heart of their masterplans. These aren't just shopping centres; they're fully integrated ecosystems designed to attract tourism, support cultural exchange, and stimulate economic diversification. Retail here plays a dual role: enabling global connectivity while preserving local heritage.

"Vision 2030 is more than a national development strategy – it is a cultural reset [...] The kingdom is positioning itself not only as an economic powerhouse but as a global laboratory for new forms of urban expression. Cities like Riyadh are rapidly transforming into experience-driven environments where authenticity and ambition go hand in hand. At Diriyah Gate, we drew on Najdi architectural language not as nostalgic reference but as a framework for contemporary storytelling — reinterpreting heritage as an engine for innovation. Over 70% of the kingdom's population is under 35, a generation that has grown up connected, mobile, and globally attuned. Their expectations are multidimensional. They seek depth and identity, but also fluidity and access. They value spaces that are immersive and expressive, where boundaries between living, learning, working, and playing are blurred."

Elias Tamer
Strategy Lead, 20-20 Studio

Taken together, **SKP-S**, Coal Drops Yard and Saudi Vision 2030 point to an emerging truth: retail has become a mechanism for urban storytelling and ecological regeneration. It is not just a reflection of consumption, but a generator of culture, connectivity, and progress.

"The cities of tomorrow won't compete on size, spectacle, or scale. They'll compete on resonance – on the capacity of a space to be remembered, revisited, and recommended. For architects, this is a design opportunity. For developers, it's a business imperative."

Elias Tamer
Strategy Lead, 20-20 Studio

RETAIL AS BLUEPRINT IN THE GIGA SHIFT: A CONVERSATION ON CULTURE, PLACE, AND VISION 2030

BEVERLEY CHURCHILL, FOUNDER & CEO OF RETAIL STRATEGY & PLACEMAKING CONSULTANCY, CHURCHILL & PARTNERS
IN CONVERSATION WITH SIMON MITCHELL, CO-FOUNDER, SYBARITE

Beverley Churchill is the visionary founder of Churchill & Partners, the intelligent retail-strategy consultancy established in 2018 that's redefining world-class developments. With nearly 30 years' expertise in retail placemaking, destination marketing, and brand building - and pivotal roles in transforming **Selfridges, Covent Garden**, and several major Middle East destinations such as **New Murabba, ROSHN Renaissance, Qiddiya City & Coast.** Churchill leads projects with a rare creative-commercial duality, collaborating with top developers and real estate owners to revitalise underperforming assets or meticulously plan new destinations that deeply resonate with brands and consumers alike.

SM: How do you see the intersection of retail, real estate, and culture shaping the future of urban developments under Vision 2030?

BC: The extraordinary urban development happening in Saudi Arabia (the Kingdom is planning to invest over $1.3 trillion in real estate and infrastructure by 2030), is as much a cultural renaissance as it is a commercial exercise. Of course, Vision 2030 has targets to increase tourism and domestic spending on culture and entertainment but this doesn't necessarily account for the sheer scale, innovation and ambition of the projects being conceived.

What's interesting is that in many cases retail isn't being planned as a standalone asset, it's being interwoven with cultural programming, attractions, museums, performance venues and art installations highlighting its role as a form of experience and entertainment.

In mixed-use developments, retail is increasingly being seen as the glue that blends the traditional asset classes of residential and office spaces turning them into lifestyle destinations.

SM: What are the emerging principles that differentiate giga-projects like Diriyah Gate, NEOM, and New Murabba from traditional retail and mixed-use developments?

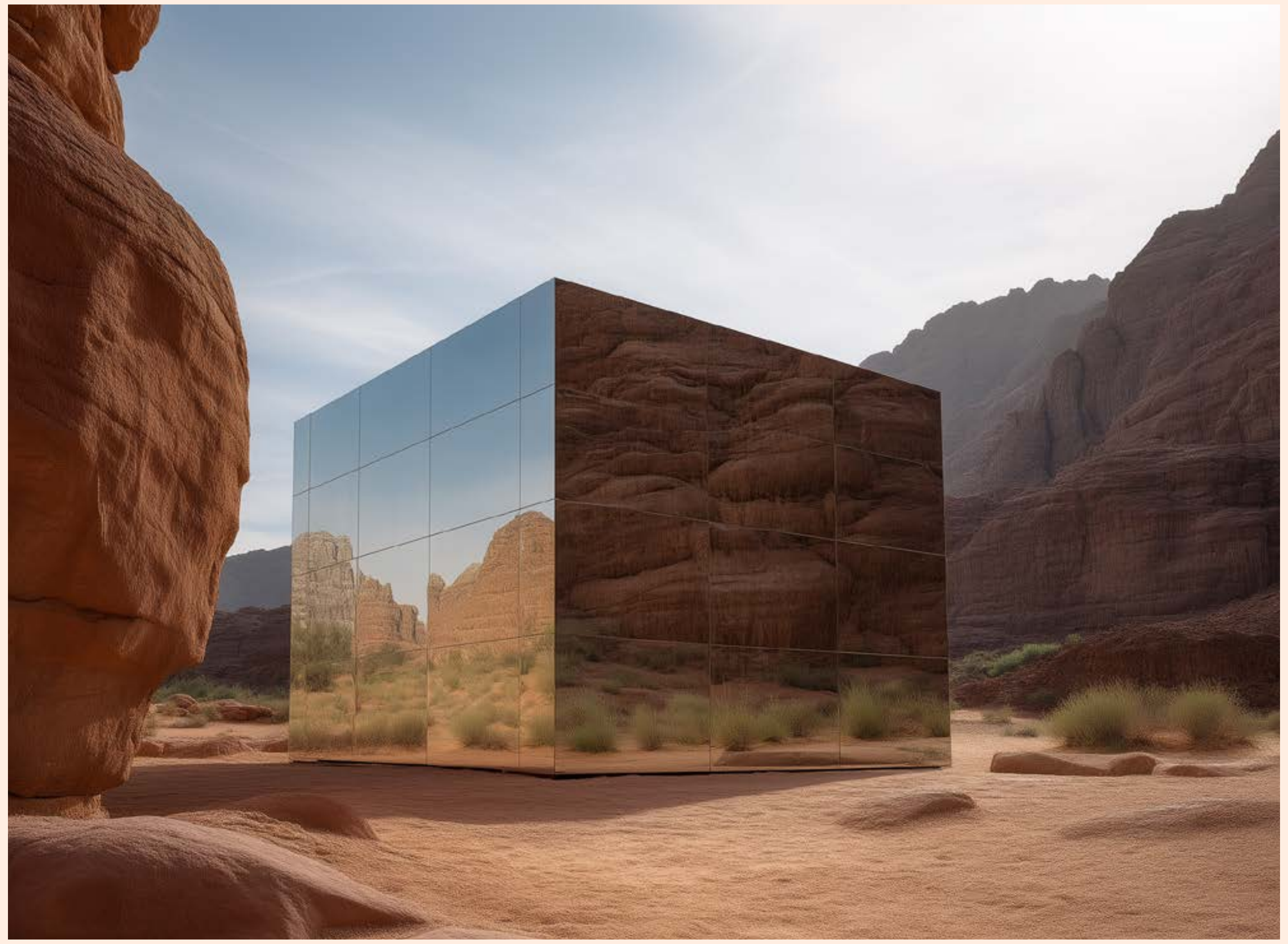
BC: From our experience delivering retail strategies as part of multi-discipline developer, consultant and design teams for **New Murabba** and **Qiddiya**, I'd say the key principle that differentiates the giga projects - over a above their extraordinary scale - is their 'start-up' mentality. **This growth mindset, combined with innovation, agility, and a willingness to take risks will redefine retail experiences and set them apart from traditional retail and mixed-use developments.**

For example, the central feature of New Murabba is the Mukaab. While **Diriyah Gate** celebrates Saudi heritage, this 400 metre cubed mixed-use icon and the dome at its core will be a gateway to another world, where technology and scale will create immersive realities limited only by our imaginations. Unthinkable in traditional urban planning.

Unlike typical mixed-use that focus on retail, office, and residential, the giga-projects are setting the bar for new 'hyper-mixed-use' developments, layering in additional asset classes such as incubators, wellness sanctuaries, art districts, entertainment and ecological zones. **NEOM's Oxagon,** for instance, is set to be the world's largest floating structure, combining a port, research, retail, and leisure in a single blueprint.

SM: How are projects like Diriyah Gate and AlUla integrating Saudi heritage and identity into modern placemaking while still appealing to a global audience?

BC: **Diriyah Gate and AlUla are wonderful case studies in heritage-driven futurism. They're not just a nod to the past, they're preserving, respecting and reinterpreting Saudi heritage and identity, making it relevant for current and future audiences.**



AI Imagery – Source: Sybarite.

Diriyah Gate celebrates the Najdi architectural language beautifully, embedding this into the urban form and retail and hospitality design helps deliver an authentic user experience, subtly educating visitors while at the same time giving Saudi citizens a place that feels authentically theirs. Confident global brands will see the benefit of adapting their design identity to reflect a local aesthetic and use it to their advantage to create new experiences.

SM: Are there any lessons that global cities can learn from these bold projects in the Kingdom?

BC: Of course there are learnings from these projects that are relevant to smart cities globally. First and foremost, scale is a strategy, these projects are ambitious not just in size but in vision, showing that risk-tolerant, visionary master planning can be a catalyst for economic diversification. Coming a close second for me would be 'narrative-led urbanism', the giga-projects are being built around a core purpose and narrative, not just masterplans. This story-telling approach gives emotional equity to real estate. In turn, the Kingdom should learn from global best-practice, and aim to achieve a balance of scale, technology, and systems with the needs of people to create effective empathetic human spaces.

SM: With retail shifting from transactional to experiential, how can developers and brands collaborate to create spaces that go beyond shopping?

BC: It starts with clarity over the metrics of success. Instead of sales or rental income per square meter alone, brands and developers should now co-create KPIs based on a broader base of 'soft' metrics such as capture rates, visitation, dwell time, engagement, conversion, social media amplification, and emotional resonance to prioritise investment in placemaking.

Collaboration also means embedding retail into broader ecosystems: retail and wellness, retail and storytelling, retail and social purpose. The most successful experiences in Saudi are those that are co-curated, not just co-branded.

SM: Are there examples in the Saudi ecosystem where immersive or sensory technologies are being used to push the boundaries of what "retail" means beyond shopping into narrative, wellness, or play?

BC: Yes, of course, there are plenty of examples where retail is becoming experiential rather than transactional. The Mukaab immediately springs to mind as a space where we were challenged by NMDC to define retail of another world harnessing the technology powering the building to create next-generation physical and digital experiences that will draw visitors of today back again and again. Qiddiya City is also integrating retail with entertainment on a massive scale, offering AI-enabled immersive attractions and purpose-built gamified zones with shopping and dining experiences. On a more boutique scale, **Hayy Jameel** in Jeddah is arts-focused and integrates curated retail with art installations, creating a seamless cultural-consumer journey where I managed to buy a pre-loved Chanel handbag on a 'quick site visit'!

Hayy Jameel, Jeddah, "Messages From the Road" (2025), Ashraf Abdullah, The Hayy Jameel Façade Commission – Source: Art Jameel.

SM: What role does experience design play at the master planning level of giga-projects?

BC: Experience design is no longer a layer, it's the blueprint. For example, in NEOM, **The Line**'s entire urban form is shaped by the user experience of a 5-minute walk to anything. This shift means master plans are becoming more choreographed than zoned. It's less about where you put retail and more about how you feel moving through it, framing every step as part of a cultural or sensory journey.

SM: You have worked across the UK, Europe, and Saudi Arabia. In your view, what defines a meaningful, high-impact retail experience in the Middle East versus Europe?

BC: The biggest difference is emotional immediacy. In Europe, retail experiences often prioritise subtlety, heritage, and brand evolution. In the Middle East, there's a hunger for boldness, novelty, and impact. People want to be wowed, but also anchored in meaning. In Saudi, the most successful projects will balance grandeur with grounding to combine cutting-edge innovation (like projection-mapped facades or metaverse boutiques) with deep cultural alignment (like prayer rooms, local hospitality rituals, and storytelling through space).

It's not about East vs. West — but about epic scale paired with deep soul. That's the formula for high-impact retail in the Kingdom today.

CHAPTER 3

QUANTIFIED INSIGHTS

IN COLLABORATION WITH savills

I. CAN SUPERIOR DESIGN ENHANCE SALES PERFORMANCE?

BY MARIE HICKEY, DIRECTOR OF RETAIL RESEARCH, SAVILLS

Experience has become a cornerstone of evolving retail strategy for brands and retail destinations, driven by shifting consumer expectations and changing spending patterns. These dynamics have been further intensified by global headwinds affecting both the luxury segment and discretionary retail spending more broadly.

This evolution is clearly visible in the growing incorporation of experience-led components within retail spaces — from cafés and restaurants to, in the case of luxury brands, purpose-built VIP hospitality areas. Leading players are even expanding beyond traditional retail into experience-focused sectors. A notable example is LVMH's acquisition and strategic development of the Belmond Hotel group, reflecting a broader move to deepen brand engagement through lifestyle and hospitality.

Castello di Casole, Italy, Exterior - Photography: Daniele Ragazzini; Source: LVMH Belmond via Belmond Media Library (2021).

But experience is more than just offering a coffee. Best-in-class retailers have long understood the importance of the physical environment in shaping consumer behaviour. Elements such as striking architecture, thoughtful store design and layout, exceptional customer service, high-quality amenities, and a differentiated product offer all contribute to creating a compelling retail experience.

When well executed, experience-led environments generate measurable results: increased visitor numbers, elevated social media engagement, and a "buzz" around the destination. Yet the critical question remains: can experience-oriented design directly enhance retail sales performance, and which design elements deliver the greatest returns?

This question is increasingly relevant for owners and investors. Delivering best-in-class retail destinations typically requires higher upfront investment. At a time when both top-line and bottom-line performance is under pressure, identifying which design strategies yield the strongest commercial outcomes is more important than ever.

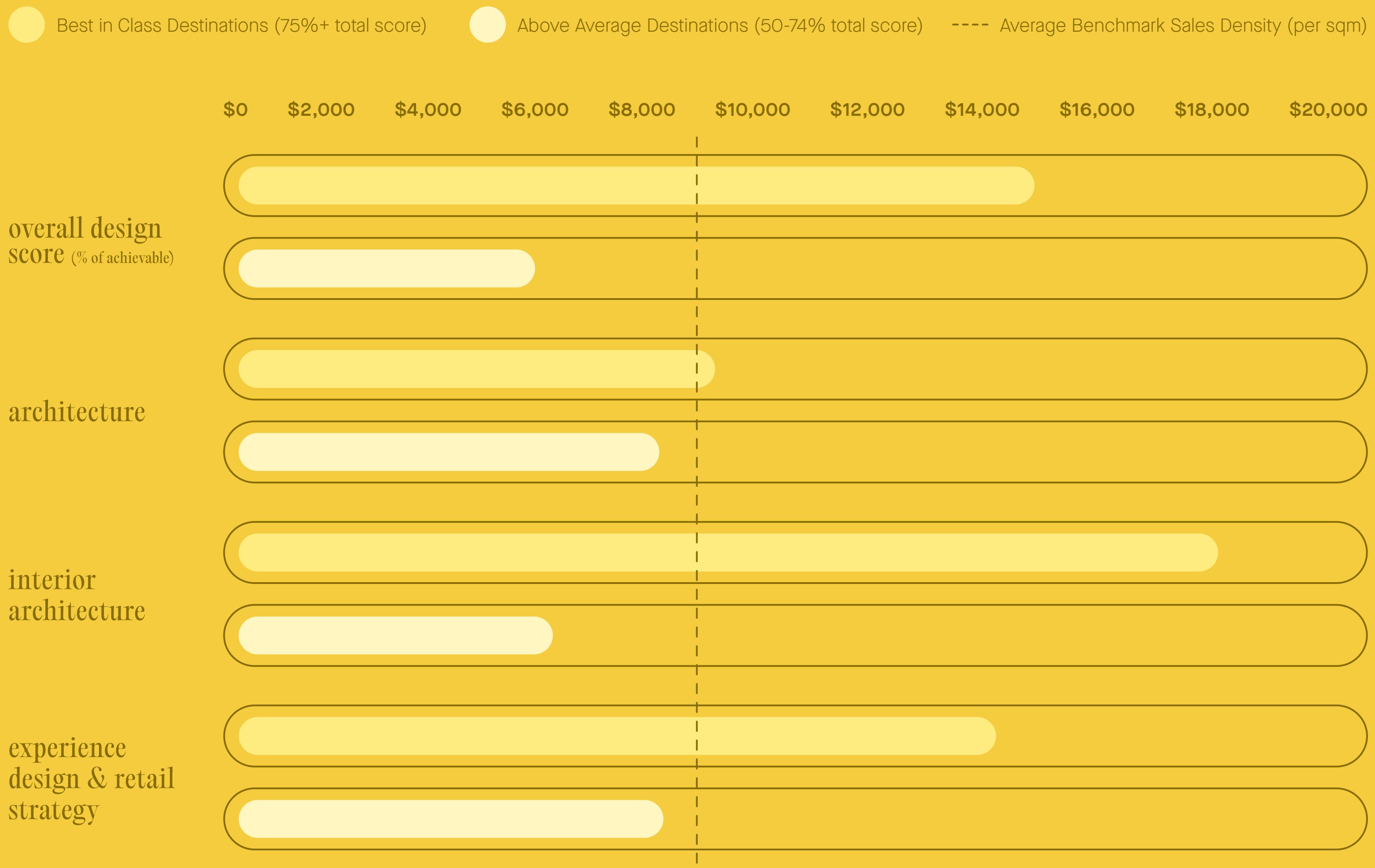
EXEMPLAR, BEST IN CLASS, CASE STUDIES DELIVERED A 70 PERCENT OUTPERFORMANCE IN SALES DENSITIES

Isolating the impact of design on retail sales performance is notoriously difficult. Measuring "good design" is inherently subjective, and a host of external variables — geography, micro-location, operational management, and broader macroeconomic conditions — introduce considerable noise that makes it challenging to draw direct causal links between design quality and retail outcomes.

Despite these statistical complexities, our analysis suggests a strong directional relationship between high-quality design and retail sales performance. By benchmarking 23 of the world's most prominent retail destinations based on expert assessments of design quality — across architecture, interior design, experience design & retail strategy — and comparing these scores with sales density data, a relatively high positive statistical correlation was identified between design quality and sales performance (based on correlation coefficient analysis).

Notably, destinations that achieved an aggregated design score above 75 percent of the total possible score — classified as "best in class" — recorded an average sales density of approximately $15,400 per sqm, which is 70 percent higher than the average across all case studies. When isolating turnovers to retail space only, this figure increased to $17,000 per sqm. In contrast, retail environments with design scores between 50 percent and 74 percent — considered good but not exemplar — delivered an average sales density of $6,800 per sqm, representing a 56 percent drop compared to their best-in-class peers.

Outperformance in Sales Densities: Best-in-Class vs Above-Average Retail Destinations



Comparing average sales density per sqm across 'architecture,' 'interior architecture,' and 'experience design & retail strategy' dimensions.

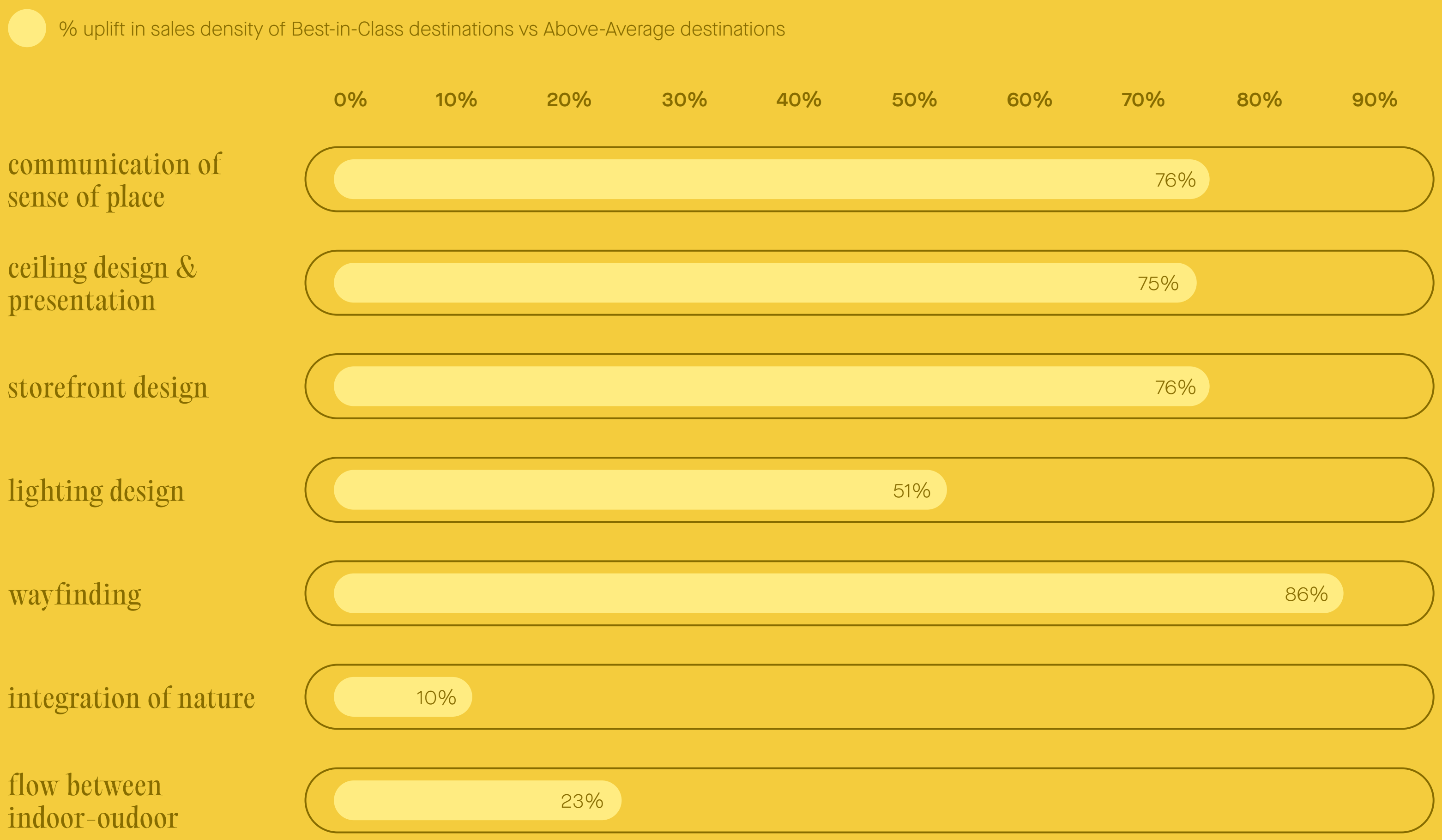
Source: Savills Research, Sybarite

Crucially, the highest sales densities were found in environments that performed strongly across all design pillars: architecture, interior architecture, and experience design & retail strategy. This reinforces the importance of a holistic approach to retail design. However, across the various design pillars assessed, interior architecture emerged as the strongest driver of outperformance with the strongest positive correlation to sales densities, followed closely by experience design & retail strategy.

THE DESIGN ELEMENTS THAT DELIVER

Among all the design pillars evaluated, interior architecture stands out as having the greatest potential to influence consumer spending. Case studies that scored highest in interior architectural quality recorded average sales densities of $18,300 per sqm - 102 percent higher than the all case study average.

Spotlight on Interior Architecture
Retail Sales Density (% Difference): Best-in-Class vs Above-Average Retail Destinations



Shows the percentage uplift in sales density for best-in-class retail destinations compared with above-average destinations across seven key criteria in the 'interior architecture' category — communication of sense of place, ceiling design & presentation, storefront design, lighting design, wayfinding, integration of nature and flow between indoor-outdoor.

Source: Savills Research, Sybarite

The strongest performers were those with a broad application of high-quality interior architectural elements, from seamless indoor-outdoor flow to ceiling treatments and intuitive wayfinding. However, "sense of place" - defined as the ability of interior design to reflect a unified identity, meaning, and emotional resonance - showed the strongest positive correlation with sales density of any single design element across all three pillars, delivering sales densities 76 percent higher than those case studies deemed as "above average." **This reinforces the commercial value of creating spaces where people feel connected, inspired, which can be ultimately reflected in spend performance.**

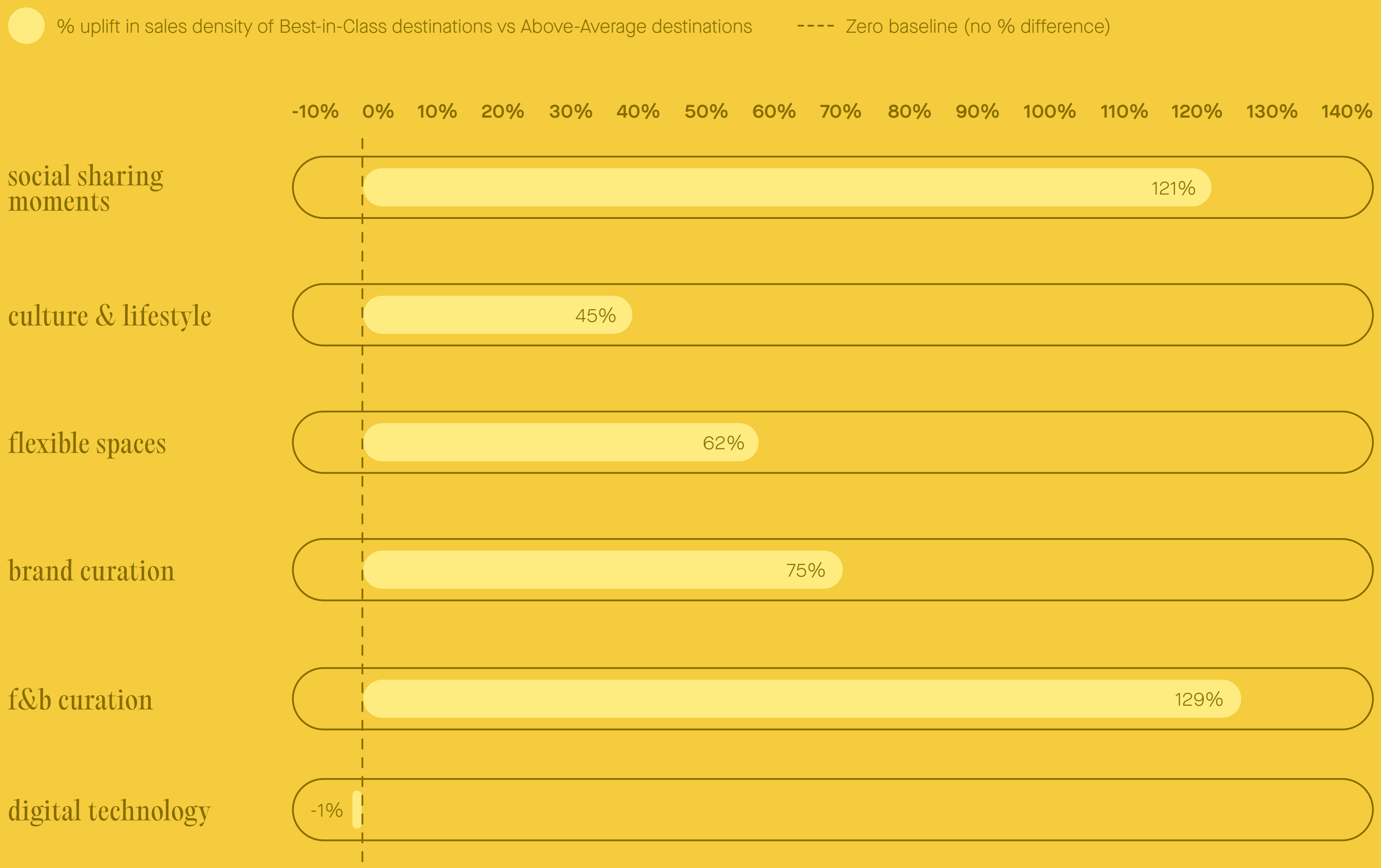
While other interior architectural components did not reach the same correlation strength as sense of place, they still demonstrated a positive influence on sales performance. Wayfinding for example, was linked to a 86 percent uplift in sales densities against the above average case studies.

THE EXPERIENTIAL EDGE: SOCIAL SHARING OPPORTUNITIES AND CURATED F&B

Within the experience design & retail strategy pillar, two components also showed a strong relationship with sales performance: design that delivered a variety of social sharing moments and secondly, the curation of food & beverage (F&B) experiences.

While social isolation linked to digital connectivity is prevalent in the thinking of younger consumers, creating physical environments that offer shareable, socially rich moments have the potential to deliver stronger commercial returns. Schemes that scored highest on the variety of social sharing moments delivered sales densities 121 percent higher than those considered merely above average. Similarly, those with best-in-class F&B curation outperformed above-average peers by 129 percent, underscoring the importance of integrating high-quality, experience-led hospitality into retail destinations.

Spotlight on Experience Design & Retail Strategy
Retail Sales Density (% Difference): Best-in-Class vs Above-Average Retail Destinations



Shows the percentage uplift in sales density for best-in-class retail destinations compared with above-average destinations across six key criteria in the 'experience design & retail strategy' category — social sharing moments, culture & lifestyle, flexible spaces, brand curation, F&B curation, and digital technology.

Source: Savills Research, Sybarite

II. WHAT DOES THIS MEAN FOR OWNERS AND INVESTORS?

BY MARIE HICKEY, DIRECTOR OF RETAIL RESEARCH, SAVILLS

The most successful retailers, brands, and retail destinations already recognise the strategic value of design in shaping customer experience. This, in turn, drives deeper customer engagement, loyalty, and ultimately top-line performance. The acceleration of investment into physical retail — particularly in the post-pandemic era — demonstrates that leading operators are not only aware of shifting consumer preferences (especially among younger, digitally native demographics), but are actively capitalising on the renewed appetite for high-quality physical retail experiences.

For retailers, there are also clear margin advantages in driving a greater share of sales through physical stores, including increased basket size, lower return rates, and greater brand engagement. However, what this analysis aims to highlight is the potential scale of top-line uplift that can be unlocked through best-in-class design.

This study provides retailers, brands, and retail destinations with a more systematic and comparative perspective.

While it's important to view design investment through the lens of return on investment (ROI), the findings argue for moving beyond a singular focus of financial metrics. Instead, ROI, design quality, and consumer experience should be reframed as an expanded inter-connected unit of measurement.

Delivering exceptional, experience-led environments that delight consumers requires continuous management, ongoing capital expenditure, and long-term planning to ensure the offer evolves without losing its quality. These data driven insights highlight the need for retailers, landlords and investors to broaden their success metrics when it comes to retail & leisure orientated destinations. When ROI, design, and experience are treated as complementary tools, invested parties have the opportunity to not only improve sales performance but also strengthen customer connection and loyalty — laying the foundation for more sustainable, long-term growth.

In this context, understanding the top-line potential of design and its read through to experience is just the first step. For owners and investors, it lays the foundation for more informed decision-making around capital deployment, asset repositioning, and long-term value creation.

The opportunity lies not just in creating standout destinations—but in aligning design quality with operational efficiency, to deliver retail experiences of the future that are both compelling and commercially resilient.

III. METHODOLOGY

BY MARIE HICKEY, DIRECTOR OF RETAIL RESEARCH, SAVILLS

The case studies comprised 23 of the most renowned department stores and shopping centres across North America, Europe, the Middle East, and Asia Pacific. These included iconic locations such as **Harrods** (London), **Samaritaine** (Paris), **Mall of the Emirates** (Dubai), and **Ginza 6** (Tokyo) — with the full list detailed in Table 1.

SELECTION CRITERIA

Locations were selected based on established global rankings of top-performing retail destinations and were validated through local market expertise from Sybarite and Savills.

SALES PERFORMANCE

For each case study, 2024 in-store sales turnover data was either obtained directly or modelled based on historical performance. This data was used to calculate sales density figures by dividing turnover by both total scheme footprint and total retail (sales) floorspace

DESIGN EVALUATION

Design performance was assessed through a structured survey administered to a curated panel of expert reviewers from retail design, retail strategy, design media and architectural recognition bodies.

CASE STUDY	CATEGORY	CITY	COUNTRY	REGION
TAIKOO LI SANLITUN	SHOPPING MALLS	BEIJING	CHINA	ASIA PACIFIC
SKP-S	DEPARTMENT STORES	MULTI-CITY	CHINA	ASIA PACIFIC
LANE CRAWFORD	DEPARTMENT STORES	HONG KONG	CHINA	ASIA PACIFIC
HYUNDAI	DEPARTMENT STORES	SEOUL	SOUTH KOREA	ASIA PACIFIC
GINZA 6	SHOPPING MALLS	TOKYO	JAPAN	ASIA PACIFIC
DAVID JONES	DEPARTMENT STORES	MELBOURNE	AUSTRALIA	ASIA PACIFIC
KADEWE	DEPARTMENT STORES	BERLIN	GERMANY	EUROPE
SELFRIDGES	DEPARTMENT STORES	LONDON	UK	EUROPE
HARRODS	DEPARTMENT STORES	LONDON	UK	EUROPE
HARVEY NICHOLS	DEPARTMENT STORES	LONDON	UK	EUROPE
STEEN & STRØM	DEPARTMENT STORES	OSLO	NORWAY	EUROPE
BON MARCHE	DEPARTMENT STORES	PARIS	FRANCE	EUROPE
SAMARITAINE	DEPARTMENT STORES	PARIS	FRANCE	EUROPE
PRINTEMPS	DEPARTMENT STORES	PARIS	FRANCE	EUROPE
RINASCENTE	DEPARTMENT STORES	MILAN	ITALY	EUROPE
THE GROVE	SHOPPING MALLS	LOS ANGELES	USA	NORTH AMERICA
BLOOMINGDALES	DEPARTMENT STORES	NEW YORK	USA	NORTH AMERICA
SAKS FIFTH AVENUE	DEPARTMENT STORES	NEW YORK	USA	NORTH AMERICA
NORDSTROM	DEPARTMENT STORES	NEW YORK	USA	NORTH AMERICA
HOLT RENFREW	DEPARTMENT STORES	TORONTO	CANADA	NORTH AMERICA
YORKDALE	SHOPPING MALLS	TORONTO	CANADA	NORTH AMERICA
DUBAI MALL	SHOPPING MALLS	DUBAI	UAE	UAE
MALL OF THE EMIRATES	SHOPPING MALLS	DUBAI	UAE	UAE

The panel of experts include:

SIMON MITCHELL

CO-FOUNDER, SYBARITE

Simon is a renowned architect and retail designer who has led a diverse range of pioneering design projects globally. His approach is rooted in conveying the essence of a brand through a distilled design narrative that seamlessly merges into the environment. A deep commitment to storytelling is central to his work, creating a subliminal connection between the space and the customer experience.

BEVERLEY CHURCHILL

FOUNDER, CHURCHILL & PARTNERS

Beverley brings over 25 years of expertise in retail and real estate, having played transformative roles at Selfridges and Covent Garden, two of London's most iconic retail destinations. With a deep understanding of placemaking, she leads a team that creates innovative, purpose-driven strategies for retail destinations and mixed- use projects globally, including high-profile developments in Saudi Arabia.

JÉRÔME GOUADAIN

SECRETARY GENERAL, PRIX VERSAILLES

Jérôme is the founder of the Prix Versailles, the UNESCO-supported global architecture and design award championing intelligent sustainability. With a background leading Diversum, a think tank with UNESCO and the OECD, he brings deep expertise in advancing architecture's ecological, social, and cultural impact worldwide.

SANXIA ZHOU

EDITOR-IN-CHIEF, FRAME CHINA

Sanxia is a leading figure in the Chinese design community. With her expertise in design marketing and international collaborations, she has played a pivotal role in promoting Chinese design on the global stage, advocating for the potential of design to shape the future.

Each expert independently and anonymously scored case study schemes across 14 design attributes, grouped into three key pillars: **ARCHITECTURE, INTERIOR ARCHITECTURE** AND **EXPERIENCE & RETAIL STRATEGY.**

Each attribute was rated on a 1 to 5 scale, with 5 representing excellence. Pillar scores were aggregated, and each case study's score was expressed as a percentage of the total available score.

BENCHMARKING CRITERIA
Based on design scores:

- **Best-in-class: ≥ 75% of the total available score**
- **Above average: 50–74%**

Further detail on scoring attributes and panel questions can be found in the table opposite:

PILLAR	QUESTION
ARCHITECTURE	How well does this department store or shopping mall stand out architecturally?
INTERIOR ARCHITECTURE	To what extent does the interior design of the department store or shopping mall communicate a strong sense of place?
	How well is the ceiling designed and presented?
	How well are the storefronts designed?
	How well is the lighting design executed?
	How well is customer navigation supported?
	How well is nature integrated into the space?
	To what extent does the design create a seamless flow between indoor and outdoor?
EXPERIENCE DESIGN & RETAIL STRATEGY	Are there a variety of social sharing moments?
	How well are culture and lifestyle integrated as strategic tools?
	How well are flexible spaces integrated into the overall layout?
	How strong is the brand curation?
	How well are food and beverage experiences curated?
	How effectively is digital technology integrated into the retail experience and operations?

CHAPTER 4

BEYOND ROI

A NEW MATRIX OF RETAIL RETURNS

In a climate where performance is too often reduced to spreadsheets and square metres, this final chapter reframes what "return" really means for future-facing retail, grounding the discussion in findings from the previous chapters.

We examined how leading destinations and brands are reshaping the role of physical retail - not simply as a point of sale, but as a platform for cultural resonance, emotional connection, and long-term value creation. Chapter 3, a quantitative analysis, specifically reinforced the interdependence between commercial performance and holistic investment in experience and design.

Now, we distil those insights into a new return matrix - one that moves beyond a narrow, financial lens to embrace broader, interconnected forms of impact: from experience **(ROE)** and design **(ROD)**, to loyalty **(ROL)**, heritage **(ROH)**, and community **(ROC)**. This is not just a conceptual shift — it is a strategic imperative for retailers, brand owners, and developers looking to thrive in an era where success is measured not only by revenue, but by relevance, resonance, and return visits.

ROI

RETURN ON INVESTMENT

"FOUNDATIONAL, BUT RESONANCE MULTIPLIES"

SALES PER SQUARE METRE	CONVERSION
CAPITAL EXPENDITURE	OPERATING EFFICIENCY
PROFITABILITY	REVENUE GENERATION

ROE

RETURN ON EXPERIENCE

"EMOTIONAL VALUE, ENGAGEMENT, AND MEMORY — DESIGNED INTO EVERY MOMENT"

MOMENTS OF WONDER	EMOTIONAL RESONANCE
BRAND RELEVANCE	CURATION
SHARE OF TIME	SENSE OF DISCOVERY

ROD

RETURN ON DESIGN

"DESIGN THAT PERFORMS. COMMERCIAL RESULTS DRIVEN BY SPATIAL EXCELLENCE"

SENSE OF PLACE	MICRO TO MACRO
STRATEGY LED	FLEXIBILITY & SCALABILITY
OPERATIONAL CLARITY	DYNAMIC CUSTOMER JOURNEY

ROL

RETURN ON LOYALTY

"DESIGNING FOR TRUST, RETURN VISITS, AND LONG-TERM RELATIONSHIPS"

SERVICE	FAMILIARITY
ANTICIPATION	PROGRAMMED NEWNESS
BRAND INTEGRITY	DETAIL-DRIVEN

ROH

RETURN ON HERITAGE

"HONOURING THE PAST, WHILE CREATING VALUE IN THE PRESENT"

(IMMEDIATE) BRAND LEGACY	AUTHENTICITY
RECOGNISABILITY	STORYTELLING
SOCIAL & CULTURAL CONTEXT	LONGEVITY

ROC

RETURN ON COMMUNITY

"SPACES THAT UNITE, CONNECT, AND SERVE A GREATER PURPOSE"

SOCIAL RESPONSIBILITY	INCLUSIVITY
BELONGING	TRUST
PARTICIPATION	EMPOWERMENT

CLOSING STATEMENT

In today's world, the role of the architect, the designer, the luxury fashion house, and the retailer extend far beyond pure transaction. We carry a significantly greater responsibility: to create spaces that invite people in, foster connection, and adapt to the changing rhythms of how we live, move, and gather - not purely how we spend.

We hope this report offers a timely and thoughtful perspective on The Future of Experience both in retail, and in sectors beyond - one that honours the value of the past, captures the realities of the present, and looks ahead with optimism and curiosity.

We are profoundly grateful to our contributors for sharing their insights, data, and lived experience. Their perspectives have elevated this report to unforeseen heights, whilst grounding it in both relevance and rigour, that we hope is as thoughtful as it is practical.

Simultaneously, we remain conscious of what may lie just beyond our lens - the overlooked signals, the emergent behaviours still taking shape, the quieter voices yet to be heard. In that spirit, this report is not a conclusion, but an opening.

If it sparks reflection, dialogue, or collaboration, then it will have done its job.

Thank you for reading.

- Simon Mitchell & Torquil McIntosh, Co-Founders, Sybarite

APPENDIX

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THE SYBARITE REPORT 2025/26

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About Sybarite

Founded in 2002, Sybarite is a global architecture and design studio specialising in cutting-edge retail, hospitality and experiential lifestyle spaces.

Our unique approach blends creative disciplines to craft evocative spaces, immersive environments, and compelling narratives. This is critically underpinned by a deep understanding of context, commerciality and culture.

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