The Future of Luxury Retail
The art of connecting
Verizon is helping to elevate luxury retail by enabling digital innovation. Here’s how.
From seamless omnichannel experiences to personalised interactions, connectivity is reshaping the way customers engage with luxury brands, both online and offline. These technologies not only enhance convenience, but also create immersive environments that captivate and engage customers.

“Adopting emerging technologies was always on the cards,” says James Hughes, the retail Chief Technology Officer (CTO) for Verizon in EMEA. “These brands centre around innovation; they centre around design. Over the past few years, technology has empowered luxury retailers to add new tools into the fold, and to test and explore what their customers like, what fits their brand, and what fits their DNA.”

Some of the technologies in play include mobile apps, virtual reality and augmented reality. These tools bridge the gap between online and in-store. For example, customers can browse collections online, reserve items, and then experience them in person at the store, creating a cohesive shopping experience.

“By harnessing the transformative potential of technology, luxury retailers can elevate the art of shopping, redefining the boundaries of luxury and creating unforgettable moments,” says James.

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The high end of technology in-store

One area where connectivity is playing a crucial role in luxury retail is in-store technology integration. Interactive displays, digital fitting rooms and smart mirrors are just a few examples of how technology is enhancing the traditional brick-and-mortar shopping experience.

These innovations not only provide entertainment and ease, but also serve as powerful storytelling tools to help educate customers about products and brand heritage. For instance, customers can use digital interfaces (via a QR code attached to the product or image recognition) to explore the craftsmanship behind luxury goods, or to virtually try on different styles and variations.

Below, we’ve assembled six examples of the kinds of technology that luxury retail brands are using in-store – often enabled by Verizon connectivity:

1. Interactive Displays & Smart Mirrors:
Interactive displays and smart mirrors are an exciting part of the technological revolution in luxury retail. These interactive interfaces allow customers to explore products in a dynamic and engaging manner.

For example, customers can use touchscreen displays to browse through collections, view product details and access additional information such as available sizes and colours. Smart mirrors equipped with augmented reality (AR) technology enable customers to virtually try on clothing and accessories without physically changing garments, offering a convenient and immersive shopping experience.

2. RFID Technology:
Radio-frequency identification (RFID) technology is revolutionising inventory management and the in-store experience at once. RFID tags embedded in products enable retailers to track merchandise in real-time, ensuring accurate stock levels and facilitating efficient restocking processes. Additionally, RFID-enabled systems can provide customers with valuable information, such as product origins, materials used and care instructions, enhancing transparency and trust. Moreover, RFID technology can be integrated into interactive displays, allowing customers to access detailed product information by simply scanning items with their smartphones.
3. Beacon Technology:
Beacon technology casts beams of Bluetooth low-energy (BLE) signals to detect the presence of customers within a physical store and deliver personalised messages or offers directly to their smartphones. Luxury retailers can strategically deploy beacon devices throughout their stores to enhance the shopping experience and engage customers in real-time.

For example, when a registered customer enters the store, beacons can trigger personalised welcome messages or exclusive discounts tailored to their preferences and purchase history. These sorts of communications establish a sense of recognition and appreciation between the brand and the shopper.

4. Virtual Reality (VR) and Augmented Reality (AR):
Virtual reality (VR) and augmented reality (AR) technologies are transforming the way customers interact with luxury products in-store. VR headsets allow customers to immerse themselves in virtual environments, in which they can explore product collections, experience simulated brand events, and even participate in virtual retail shows.

AR applications, on the other hand, overlay digital information and virtual elements onto the physical world, enabling customers to visualise how products would look in real-world settings. For example, customers can use AR-enabled devices to see how furniture pieces would fit into their homes or how makeup products would appear on their skin, reassuring consumers and nudging purchase decisions along.
5. Mobile Point-of-Sale (mPOS) Systems:
Mobile point-of-sale (mPOS) systems enable sales associates to access customer profiles, purchase history, and product recommendations on the go, facilitating personalised interactions. This empowers luxury retailers to streamline checkout processes and enhance customer service in-store.

Equipped with tablets or smartphones, sales associates can assist customers anywhere in the store, eliminating the need for traditional cash registers and checkout counters. This flexibility allows for a more personalised and efficient shopping experience, as customers can complete transactions seamlessly without waiting in long queues. Additionally, mPOS systems enable sales associates to access customer profiles, purchase history, and product recommendations on the go, facilitating personalised interactions.

6. Artificial Intelligence and Machine Learning
Machine learning algorithms analyse customer behaviour and preferences to anticipate their needs and tailor product offerings, creating a hyper-personalised shopping experience that resonates with individual tastes and desires.

Algorithms also empower luxury retailers to analyse vast amounts of customer data and derive actionable insights that allow personalised experiences. AI-powered chatbots and virtual assistants provide customers with instant support, personalised recommendations, and concierge services.

Both AI and machine learning require cloud computing to function.
The customer as the centre of their universe

Digital technology has already redefined consumer behaviours and expectations. In response, luxury brands are embracing the integration of connectivity into their physical stores.

Part of the appeal of luxury is its exclusivity. But digital technology has levelled the playing field – as a VIP experience can now be scaled. Consequently, white-glove service is no longer the province of consumers who can afford personal shoppers.

“With access to technology, consumers have more power, and they can just get things online [social media] with the click of a button,” says Shakaila Forbes-Bell, a renowned fashion psychologist and best-selling author of the book Big Dress Energy.

In Shakaila's view, today's generation of consumers is empowered and looking for personalisation, as this is a regular feature of daily life on social media. Our feeds are tailored to our interests – and so are the promotions we see. Furthermore, if we are unhappy with a brand or a product, we can now voice this lack of satisfaction online.

“[Brands] understand that they cannot risk alienating consumers anymore.”

To adapt to the present, luxury needs to feel a lot more accessible. And of course, personalisation is near the top of the list when thinking about what consumers want from luxury brands.

To satisfy this new appetite, connectivity enables luxury brands to offer personalised services designed to match individual preferences. By leveraging data analytics and artificial intelligence, retailers can gain insights into customer behaviour, allowing them to deliver customised recommendations and exclusive offers.

For example, luxury retailers can use beacon technology to detect when an opted-in customer enters the store and send an invite to an exclusive event to their smartphone, enhancing the feeling of exclusivity and personalisation. Furthermore, social media platforms, influencer partnerships, and online communities allow brands to foster ongoing relationships with their clientele, extending the luxury experience beyond the physical store.
Connectivity allows luxury brands to create experiences, show off sustainability.

Incorporating these advanced technologies into the retail environment enhances the convenience of the shopping experience. But it also creates memorable and immersive moments that resonate. By embracing innovation and leveraging cutting-edge technologies, luxury retailers can differentiate themselves in a competitive market landscape.

“The existence of shops is about more than just turning over product. It is something else,” says Howard Saunders, a futurist and author. “[Consumers] are entering these stores for something more.”

By embracing virtual reality, augmented reality, interactive displays, RFID/NFC technology and artificial intelligence, luxury retailers can transform their stores into dynamic destinations that captivate the senses. In a single gesture, this elevates the art of shopping and leaves a lasting impression on a discerning customer base.

For example, Verizon collaborates with a luxury retailer that has created tech-led experiences for its flagship stores across Europe, North America and Asia. One of these experiences was a virtual retail show, by which the retailer featured holograms of models wearing the brand’s latest seasonal collection.

So: technology allows for dazzling storytelling in-store. But some of the most important stories for brands to tell are about the sustainability of their products.

To tell a meaningful story about a brand’s sustainability credentials, you first need to be able to talk about its supply chain. Connectivity that begins at manufacture allows the garment to be tracked from the moment it is minted until it arrives in store. Finding a compelling, immersive way for this story to be accessible in-store is the second end of this equation.

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Blockchain Technology: Blockchain technology allows luxury brands to provide transparent and immutable records of their supply chains. This transparency enables consumers to trace the journey of products from raw materials to the finished garment, allowing accountability and authenticity in sustainability claims.

QR Codes and NFC Tags: Integrating QR codes or Near-Field Communication (NFC) tags into product labels enables consumers to access detailed information about the materials used, the production process, and the social and environmental impact of each item. This level of transparency encourages trust and empowers consumers to make informed purchasing decisions.

Big Data: Implementing data analytics platforms allows luxury retail brands to collect, analyse and visualise data related to sustainability. Through intuitive dashboards and reports, brands can communicate key metrics such as carbon footprint reduction, water savings, and waste diversion, demonstrating tangible progress towards their sustainability goals.

“Today’s consumers are more environmentally conscious than ever.”
– Dr. Helen Crowley

Storytelling around sustainability is a worthwhile endeavour for luxury retail brands. For one point of context, 73% of Gen Z shoppers are willing to pay more for sustainable products. Furthermore, according to Shakaila (the retail psychologist), by 2040, Gen Z will comprise 40% of all luxury purchases. Gen Z is also buying luxury earlier than previous generations. The average age for an individual from Gen Z to make a luxury purchase is 15 years old, which is 3-5 years younger than the previous generation, Millennials.

“Today’s consumers are more environmentally conscious than ever,” says Dr. Helen Crowley, an environmental consultant who advises luxury multinationals (such as Yves Saint Laurent) on sustainable practices.

“They want any product they buy to have as little negative effect on the world as possible.”

Part of the reason Gen Z is looking to luxury brands is as a retort to fast retail. Luxury goods are made with the highest possible level of craft, and this durability is inherently sustainable. Part of the reason that luxury clothes last longer is that, traditionally, luxury brands use the highest quality material available in the clothing and accessories they make. But recycled material too is being woven into luxury – even Gucci is making jeans with scrap denim.
The Future of Luxury Retail

For the luxury retail industry, connectivity means much more than an online presence. Since its inception as 19th century haute couture in Paris, luxury retail has meant exclusivity. In today’s digital age, however, luxury brands face the challenge of maintaining a sense of exclusivity while adapting to new demands from a connected consumer base.

“We’re just starting to uncover the insights behind how the world of luxury is changing – and how the future of luxury retail will look,” says James, Retail CTO at Verizon.

When fully mature, connectivity in-store will allow for a harmonious relationship between the brand’s digital and physical channels. Indeed, one of the key roles of connectivity in luxury retail is the creation of a seamless omnichannel experience.

Today’s consumers expect to move effortlessly between online and offline channels, blurring the lines between virtual and physical shopping environments.

But technology does more than allow for omnichannel harmony. To help reassure customers about a brand’s environmental credentials, for example, retailers can leverage virtual reality (VR) technology to offer immersive tours of their production facilities or documentaries that highlight their sustainability initiatives. These digital experiences provide a behind-the-scenes look at the brand’s commitment to sustainability.

“It’s crucial that brands understand these changes so that they can adapt to this new landscape, and so that the nascent potential here can be realised. There’s so much to explore – and so much happening that is exciting,” says James.

Technology for connected retailers

1. Technology that delivers increased personalisation
Beacon technology is one example of how personalised messaging can reach shoppers in-store. But digital displays – such as magic mirrors – can also show personalised recommendations for each customer.

2. Technology that facilitates experiential offerings
AR, VR, and digital displays are some examples of technology that enriches the in-store experience.

3. Technology that allows for supply chain tracking
Technology such as AI, RFID, machine learning and data analytics allow luxury retailers to track the origin and environmental impact of every item sold.

For transformation to succeed, retailers need to bring together their disconnected systems to create powerful, modular, intelligent solutions that enable new functionality, smarter insights and faster decision-making. This is what we at Verizon call Enterprise Intelligence – and it’s the key to unlocking the future of smart retail.

To learn more, visit our Innovation Hub.
4 steps to become a connected retailer

Each digitisation and connectivity project requires a different set of technologies, partners, and enablers. At Verizon Business, we take care to understand the particular needs, advise and give you access to our range of partners.

1. **Ideation:** Our innovation centres and hubs play an important role in helping business leaders to visualise how technologies like private 5G could transform their operations. As well as giving insight into the solutions that are available, a visit to a Verizon centre can provide a great opportunity to discuss your challenges and ideate with Verizon experts.

2. **Development:** Verizon has well-established partnerships with a range of collaborators – from chip manufacturers to security vendors. We also work with most of the world’s leading software developers, consultancy companies and cloud computing providers. We’re able to recommend partners that we’ve worked with before and whose people and services we trust to provide many of the additional products and services you may need for your projects. But if you’d rather keep an existing partner or choose to use another vendor’s technology, we’ll be happy to work with them, too.

3. **Deployment:** Traditionally, Wi-Fi was almost exclusively seen in small indoor environments. While it’s now being used for wider areas, the challenges are quite different. Familiarity with building networks gives MNOs an edge over others when it comes to designing and deploying private 5G networks. Verizon operates one of the world’s largest networks. Over the past 20 years, we’ve deployed service in a vast range of environments, from densely packed cities to wide-open plains. Where others may find building a network covering a complex environment like a port or a manufacturing site challenging, for us, it’s just another day.

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4. **Management:** Verizon operates one of the world’s largest networks – and the most reliable 5G network in the U.S.¹ This gives us unique insight into the challenges of maintaining security and performance – and how to address them.

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¹ Most reliable 5G network based on more first place rankings in RootMetrics® 5G data reliability assessments of 125 metro markets conducted in 2H 2023. Tested with best commercially available smartphones on three national mobile networks across all available network types. Your experiences may vary. RootMetrics rankings are not an endorsement of Verizon.
The in-store tech stack

Augmented Wi-Fi Network
An augmented Wi-Fi network is an advanced setup that enhances the capabilities of a traditional Wi-Fi network. This enhancement, which aims to improve coverage, extend range and mitigate connectivity issues within a given area, is achieved through the integration of additional technologies or devices. Techniques such as mesh networking, Wi-Fi extenders/repeaters, range boosters/amplifiers, and powerline networking are common. Augmented Wi-Fi Networks offer a more robust and reliable wireless connectivity experience and are especially useful in larger spaces or in environments with challenging architectural layouts.

Private Networks
Unlike public networks, which serve a wide range of users and subscribers, private 5G networks are dedicated to a specific organisation, such as an enterprise, industrial facility, campus, or government agency. Some features of private 5G – such as ultra-low latency – allow you to deploy applications on an edge compute platform.

Edge Technology
Built for innovation, 5G Edge technology, a Verizon Business offering, enhances applications by hosting them at the edge of the network—closer to your devices and endpoints. This helps lower response times and boost performance, so you can collect, process and analyse your data faster.

Cybersecurity & Threat Management
As your network grows more dynamic and complex in addressing your business needs, making it a secure foundation can be a major challenge. Verizon has the expertise and solutions to help you build a secure network foundation for your entire security infrastructure by elevating network and security intelligence to the next level. Our products include DDoS Shield, which helps mitigate the effects of unexpected and unpredictable distributed-denial-of-service (DDoS) attacks, and SD WAN, which helps to automate traffic flow and boost bandwidth on demand.

Learn more about how Verizon can help you explore and adopt the technology that’s reinventing retail at verizon.com/gb/retail