Despite the rapid growth of e-commerce, Brick and Mortar dominates 75% of the luxury retail landscape however in an increasingly digital world, Brick and Mortar retail must re-think and re-invent its four key elements: ASSORTMENT, SERVICE, NAVIGATION AND PRODUCT.

**CURRENT MEGA EVENTS**

In the next decade, 60% of luxury growth will be driven through the existing customer base.

E-COMMERCE GROWTH IS OUTPACING BRICK & MORTAR

<table>
<thead>
<tr>
<th>TODAY</th>
<th>FUTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSORTMENT</td>
<td>DISCOVERY</td>
</tr>
<tr>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>In and out non-competitive merchandise</td>
<td></td>
</tr>
</tbody>
</table>

In 2014 in the US, both traffic and transactions declined.

<table>
<thead>
<tr>
<th>TRAFFIC</th>
<th>TRANSACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.2%</td>
<td>10%</td>
</tr>
</tbody>
</table>

5 to 1

MILLENIALS SPEND 5.4 HOURS PER DAY ON SOCIAL MEDIA

72% of millennials would spend money on experience vs. product.

MOVING FROM SHARE OF WALLET TO SHARE OF TIME

TODAY ASSORTMENT

Brand 80%

FUTURE DISCOVERY

Experience Manager

FUTURE RELATIONSHIP

TODAY NAVIGATION

Balance between High-Touch and High-Tech

FUTURE JOURNEY

Creativity that it is pragmatic

FUTURE EXPERIENCE

TODAY SERVICE

Career Path

Compensation Model

TODAY PRODUCT

Creativity

GLOBAL FLAGSHIP = CAPITAL OF CREATION

Craftsmanship

Transperancy

Creativity

This 2015 Capstone research paper is the work of graduate students, and any reproduction or use of this material requires written permission from the FIT CFMM Master’s Degree Program.