

Luxury Briefing: Thom Browne, Missoni among brands opening their first U.S.-based off-price stores



BY JILL MANOFF
DEC 18, 2024



This week, the full scoop on NYC's new luxury outlet mall and the opportunities it presents luxury brands and consumers.

Along with the rise of resale, recent TikToks of fashionable shoppers securing big deals at sample sales (see: Kering, The Row) have increased the consumer desire to land designer styles at big savings.

The trend is convenient, considering macroeconomic pressures and rising prices have driven fashion shoppers to adopt cost-conscious behaviors, including pivoting to resale and off-price channels, as spelled out in McKinsey & Company's State of Fashion 2025 report, released in November. And those behaviors are set to stick: Seventy percent of consumers surveyed by McKinsey said they plan to continue shopping at outlets or off-price retailers in the next 12 months, even if they have more money to spend.

"When there is a downturn in the full-price channel, consumers don't stop shopping," said Simon Williamson, chief merchant at Value Retail. "What they may do is shop smarter, and we are a fantastic antidote to [challenges

in the market]. Having the opportunity to continue to shop because there's a value proposition attached to it is very attractive to our consumers."

In mid-October, Value Retail kicked off the rolling opening of its first stateside experiential retail destination, Belmont Park Village, on Long Island. Located within Belmont Park, which also houses the UBS Arena and a horse-racing track, the Village houses the first U.S. off-price boutiques of luxury brands including Thom Browne, Vivienne Westwood, Aquazzura, Missoni, Rene Caovilla, Orlebar Brown and Palm Angels. It joins Value Retail's Bicester Collection, which includes 12 luxury shopping villages, among other entertainment properties, in Europe, China and the U.S. The Collection was established nearly 30 years ago with the opening of Bicester Village, the popular luxury outlet near London.

In July, L Catterton, the private equity firm backed by LVMH, acquired a 42% stake in Value Retail for \$1.94 billion. In 2023, Value Retail's total brand sales reportedly jumped 16%, and its foot traffic increased 13.4%.

LVMH has good reason to focus on this market segment. According to McKinsey, the revenue growth of off-price retailers in 2024 was 1.8 times that of the broader market. Moreover, 21% of fashion executives surveyed by McKinsey said partnering with off-price players will be among their top strategies for inventory optimization in 2025.

In a conversation with Glossy, Value Retail's Williamson broke down the current luxury brand opportunity in the off-price channel and the ways Belmont Park Village is answering today's luxury consumer demands.



Thirty years in, why is now a good time for Value Retail to open its first retail destination in the U.S.?

"[Value Retail founder and chairman] Scott [Malkin's] vision is always to build out experience-retail destinations that are not only about retail but also about the intersection of sport, music, entertainment and hospitality. Belmont was primed for that development, just outside New York and close to the airports, which plays into our traveling luxury consumer [focus]. It's also something that [our partner] brands wanted from us. ... Some brands [represented], like Thom Browne, have stores in other locations within our portfolio. But some, including [outerwear brand] Rains, are unique to New York."



Who is Belmont Park Village's target customer?

"Our villages are not regional shopping centers focused on consumers within a five-mile radius. Of course, we have those consumers, but our sweet spot is that traveling luxury consumer. They could be living in Connecticut, Westchester or New Jersey, and they may only come to us once or twice a year, but when they come, they spend the entire day with us. The average dwell time of the consumer in our projects across the Collection is four to five hours. Pre-pandemic, in 2019, just over 63 million people visited New York per year. ... That opportunity to capture the consumer when they're in the New York metro area is fantastic. ... With Belmont Park as part of the Bicester Collection, we can build it into our successful, established [marketing] platform. It will allow Belmont to be included [in communications] across different airlines and travel partners as people are planning their travel to New York, specifically."



How are you working with brands to ensure their Village stores are successful?

"Especially here in the U.S., what we bring to the table is very different from what is in the market. It's not the racks and racks of merchandise you would find in a discount store. Shopping off-price doesn't need to be down and dirty. We work with our brands to ensure they've got fantastic shop fits, the best product available for the customer and super-qualified sales associates introducing their brand to a consumer who may never have touched it in the full-price channel. ... Our focus has always been to be a distribution channel for brands' previous season collections [versus products made for the off-price channel]."

Who is Belmont Park Village's target customer?

"Our villages are not regional shopping centers focused on consumers within a five-mile radius. Of course, we have those consumers, but our sweet spot is that traveling luxury consumer. They could be living in Connecticut, Westchester or New Jersey, and they may only come to us once or twice a year, but when they come, they spend the entire day with us. The average dwell time of the consumer in our projects across the Collection is four to five hours. Pre-pandemic, in 2019, just over 63 million people visited New York per year. ... That opportunity to

capture the consumer when they're in the New York metro area is fantastic. ... With Belmont Park as part of the Bicester Collection, we can build it into our successful, established [marketing] platform. It will allow Belmont to be included [in communications] across different airlines and travel partners as people are planning their travel to New York, specifically."

How are you working with brands to ensure their Village stores are successful?

"Especially here in the U.S., what we bring to the table is very different from what is in the market. It's not the racks and racks of merchandise you would find in a discount store. Shopping off-price doesn't need to be down and dirty. We work with our brands to ensure they've got fantastic shop fits, the best

product available for the customer and super-qualified sales associates introducing their brand to a consumer who may never have touched it in the full-price channel. ... Our focus has always been to be a distribution channel for brands' previous season collections [versus products made for the off-price channel].

There's always the perception that people shopping off-price are just swimming in one direction, going from the full- to the off-price channel. But that is not the case for us. The crossover between full price and off-price is generally less than 10% in our stores; ninety percent of the consumers our brands are reaching are guests they've never had in their stores before. So, our brands [aim] to deliver their brand expression in a very clear and cohesive way, so that when their [off-price] consumer walks past their [full-price] door in another market, they'll know what they're going to get."

What else is unique about the customer experience Belmont Park Village provides?

“Hospitality is rooted in everything we do, including through the services we provide. [They include] hands-free shopping, valet parking and the Apartment, which will open early next year, where we can host our private clients. There’s also our belief in a curation of experience through additional layers that are present inside the Village when people visit. Next weekend, for example, we’ll be hosting carol singers, and Father Christmas will be doing letters to Santa for the kids. That has nothing to do with our value proposition or selling a product, but it plays into the overall experience that people have when they come to the project.

[In addition,] we provide our guests with surprise and delight moments as they grow with us and spend more time and money with us, and those are very much rooted in experiences. At Belmont, those involve the broader campus, including the race track, the arena, the concerts and the sports. ... This type of destination doesn’t exist anywhere else in New York.”



Where does technology fit into your strategy for Belmont Park Village?

“Technology is a really important part of the physical experience. We embrace technology by making the guest journey even more seamless, whether it be allowing guests to pre-book valet parking or reserve parking, or book hands-free shopping or a stylist appointment. And that can be done through the Village app or through our website. And, of course, we use social media to celebrate whatever activities are happening in the Village so that we can keep people up to speed on activations or special events.”

What is the future of luxury retail, and how does the Village play into that?

“Post-Covid, people went into major consumerism. They just wanted to be out and about. They wanted to touch things, they wanted to feel things, they wanted to smell things, they wanted to be with their friends, and they wanted joint experiences. Now that we’re coming out on the other side of that, consumers are looking for a wider selection of things beyond one core activity — and that’s an arena we’ve always played in. It’s never just been about the deal. It’s about being in a beautiful environment, with great service and great product — and the P.S. is that you get value at the same time. If you’re just looking for the product or the deal, you can shop online.”



How much of a discount is needed to be compelling to today’s shoppers?

“We offer up to 65% off all year round — so you will find things in the store that are 30% off, and you’ll find things that are up to 65% off and everything in between. I work with the brands to ensure that what they’re doing is right for the consumer, but they should not need to give away huge discounts in our projects because the consumer is led by product first, rather than price. We want [shoppers] to be able to find those little gems and things that they potentially would not see in other locations — we’re not relying on bread-and-butter products; we’re leaning into fashion products.”

