Putting the WOW in Retail
Creating the Ultimate Customer Experience from Understanding Customers to Collaborating with Suppliers
A SPECIAL THANK YOU TO OUR SPONSOR Great Northern for their industry expertise, editorial, and research support. And thank you to the members of the Research Council for their role in developing this white paper.

We live in the world of instant gratification, and what is more instant than the in-store experience? For shoppers, a store environment is the culmination of all sensorial observations--conscious and unconscious. These observations can lead to a pleasant experience or an extremely bad one.

When it comes to designing the ultimate retail experience, research finds that shoppers typically want three things. An experience that makes the time spent in store worth their effort to get there. Convenience, by making products easy to find and access. And personalization, a way to make them feel the environment is unique to them via personalized attention and customized product options.

Every retailer is different, and every project is unique. Retailers need suppliers who take time to understand their brand, along with the goals and objectives of each remodel or buildout. The right fixtures and designs will help the retailer achieve those goals and objectives. They will also enhance the customer experience. The ultimate store environment will not only delight shoppers but also make work easier and more effective for store employees.

Our goal at Shop! Environments Association is to provide retailers and brands with fresh ideas to meet their customers’ untapped needs by using Shop! member products and services. Delivering on the “wow factor” is one of six important retail trends we’ve identified in today’s challenging retail environment. This white paper provides insights to understand how the key players (Suppliers, Brands and Retailers) in our industry can work together to create the ultimate in-store experience for the shopper. Using a holistic approach to create a store environment and in-store communications can provide a frictionless, seamless experience for the shopper.

I am confident that after reading this white paper, at minimum you will have an understanding the needs and challenges of the Shopper, Brands, and Retailers plus discover best practices for creating the ultimate shopper experience.

If you have any questions about this or other Shop! White Papers, feel free to reach out to me (tdittman@shopassociation.org) or Madeline Baumgartner, Director of Education & Research, at mbaumgartner@shopassociation.org.

Todd Dittman
Shop! Executive Director
Introduction

While this e-commerce tsunami is occurring, retail is fighting to adapt. Even the strong convenience channel, which by its nature captures impulse sales while consumers are out of the house is changing. 2018 was a major year of mergers and acquisitions, with multiple billion-dollar deals transpiring as players build scale or pursue focus.

Another shift has been the growth of new retail formats to engage consumers. Marketplaces with artisanal vendors, pop-up shops, subscription box retailers, or product rental retailers have gotten the attention of Americans: nearly four-fifths of U.S. adults have shopped at or visited at least one of these formats. These experiential channels are most successful among the critical millennial demographic.

BRICK AND MORTAR IS NOT GOING AWAY

E-commerce may appear threatening to existing retailers. But the flip side of the coin is that nearly 90% of U.S. retail sales are still done in brick-and-mortar stores. As the International Council of Shopping Centers (ICSC) describes in its March 2019 insights piece, *Bricks Drive Clicks Globally*, a physical store presence is important to buying online for 55% of online shoppers globally because a physical store is a key driver of brand perception and brand awareness. Furthermore, retailers lose business when they close a store as illustrated in the chart below.

Learning from new retail formats and macro trends, retailers need to develop to be more experiential (to take advantage of all a shopper’s senses) and continue to innovate ways to be more convenient. Amazon Go stores, for example, show how the leading e-commerce company is entering the physical space with a super convenient model. These stores require the shopper to scan their app as they enter, pick out the products they want and simply walk out of the store—no checkout lines, registers, or scanning. Technology follows the shopper and knows what they select, simply billing via their Amazon account once they leave the store.

This paper will showcase how brick and mortar retail needs to focus on creating experiential in-store environments to engage and inspire, while meeting shopper demands. This will also enable retail to differentiate from the e-commerce path so that stores increase their relevance. The paper will start with shopper motivations and insights, the foundation for the design of any in-store design. Then it will highlight the needs of the brands and retailers so that the collaboration needed for best-in-class activations is achieved. Finally, this report will highlight the applications that demonstrate best practices to achieve success and case studies that tell the stories of how to win.
3 Shopper Motivations and Insights

THE KEY TO DEVELOPING the ultimate in-store environment and in-store marketing communication plan is understanding the shopper. To do so, Shop! has identified three key shopper motivators. These three motivations all point to providing a shopping experience that fulfills a shopper’s demands in these territories. Shoppers want value (want their money’s worth), convenience (make it easy for them) and transparency (good for them and the environment).

VALUE

Shoppers continue to show no regrets hunting for the best value and ensuring they avoid paying more than they have to. Mintel’s North American Consumer Trends show that 70% of U.S. consumers say that saving money is the most important way to improve their current economic situation.

CONVENIENCE

People are starved for time. Solutions that respect this and allow consumers to fulfill their needs while saving precious time will be successful. According to Mintel, today’s consumers are advancing the need for natural, nutritious, customizable snacks and meals without sacrificing flavor.

TRANSPARENCY

Today’s consumers are very mindful of their choices. They are concerned about the environment, fair treatment of individuals throughout a product’s supply chain, corporate values, and more. It is critical for brands to provide an entire experience that conveys the values of an organization.

DEFINING EXPERIENCE IS DIFFICULT

It is very difficult to define a shopper’s desired experience. Shoppers can be fragmented in a multitude of ways, including:
- Channel/Retailer
- Product category
- Trip Purpose/Trip Mission
- Target (geographic, demographic, behavioral)

One example of the challenge with defining shopper experience is diversity. According to Acosta’s The Why Behind the Buy, there are currently five generations that each have distinct characteristics. Gen Z, Millennials, Gen X, Boomers, and Silents are all at different life stages, with different needs and preferences. Brands must consider their shopper targets carefully and understand their shopping wants and needs.

SHOPPER CHARACTERISTICS AND THE FIVE GENERATIONS

<table>
<thead>
<tr>
<th>Shopper Characteristics</th>
<th>Gen Z</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
<th>Silents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age/ Birth Years</td>
<td>12-21</td>
<td>22-36</td>
<td>37-52</td>
<td>53-71</td>
<td>72+ Before 1946</td>
</tr>
<tr>
<td>Population Size¹</td>
<td>42.1 million (7% of shoppers 18+)</td>
<td>67.1 million (27% of shoppers 18+)</td>
<td>65.7 million (26% of shoppers 18+)</td>
<td>72.1 million (29% of shoppers 18+)</td>
<td>27.5 million (11% of shoppers 18+)</td>
</tr>
<tr>
<td>Average Household Size²</td>
<td>3.18</td>
<td>2.85</td>
<td>2.92</td>
<td>2.78</td>
<td>1.87</td>
</tr>
<tr>
<td>Average Spend Per Month on Groceries²</td>
<td>$269</td>
<td>$298</td>
<td>$380</td>
<td>$314</td>
<td>$287</td>
</tr>
<tr>
<td>Key Differentiators</td>
<td>Not big spender—yet but they’re dedicated to healthy, organic food, and make frequent trips to the store</td>
<td>Using technology to shop and save, and they’re not particularly brand loyal—but they’re driven by speed, convenience and variety</td>
<td>Biggest spenders on groceries, loyal to their brands, and big users of digital coupons</td>
<td>Downsizing, technology-capable, and interested in locally sourced products</td>
<td>Have the highest per-person grocery bill, but live on fixed incomes and are motivated by value</td>
</tr>
</tbody>
</table>

¹ U.S. Census Bureau, 2016 Population estimates by age, July 1, 2016
² Acosta Custom The Why Behind the Buy™ Study, Spring 2017

Source: Acosta
COMMON TRENDS FOR THE SHOPPER EXPERIENCE
Even though defining experience is difficult, there are common trends. For example, shoppers want to be engaged and excited. Great experiences like this drive sales. More than 80% of consumers are likely to purchase after an event or brand experience. A successful experience allows the shopper to gain a better understanding of the product. It is also very impactful when the shopper can see a demonstration and experience the product.

Along with being engaged, shoppers have come to expect personalized experiences. Nearly 8 out of 10 customers indicate that personalized service is important to choosing where to shop. Many times, this involves loyalty programs as over two-thirds of shoppers are more likely to shop at a store offering personalized rewards based on loyalty. So, retailers should consider how their activation can allow customers to experience the product on their terms.

Of course, the experience must be easy. If people cannot quickly find the products and solutions they desire, they will move to other retailers and brands. Amazon Go has developed a solution that makes convenience even more convenient—not only with their technology, but also by having a curated assortment of local, healthy, ready-to-eat snacks and meals that provide in-demand solutions to its on-the-go urban customers.

NACS President and CEO Henry Armour addressed C-Store owners and suggested that creating frictionless customer shopper experiences will be the key to winning. For instance, a 7-Eleven test store in Texas and Shell Select in Kentucky include fresh food choices, popular local foodservice options in the stores, and disruptive luxury merchandising for impulse buy electronics and personal care items.

THE SIX DIMENSIONS OF RETAIL EXPERIENCE
According to Big Red Rooster (a JLL company) there are six universal criteria that fulfill shopper needs. These determine how empowered, engaged and fulfilled the shopper is.

1. Intuitive
   It is simple and easy for shoppers to find what they’re looking for, including quality products and new items.

2. Human
   Shoppers have quality interactions with knowledgeable, reliable associates who treat them fairly.

3. Meaningful
   The retailer makes a difference in the lives of shoppers, who feel a sense of pride when shopping there.

4. Immersive
   The exterior and interior of the store are appealing and captivating. Shoppers enjoy spending time there.

5. Accessible
   Shoppers can shop where and when they want (store, mobile or website), and the retailer knows their preferences.

6. Personalized
   The experience is how shoppers want it, with associates who understand their unique needs, recommendations based on past behavior and rewards based on loyalty.

Source: Big Red Rooster - A JLL Company
CASE STUDY:  
Reseaching with Alliances to Redesign the Beverage Department

Retailer: Terno  
Location: České Budějovice  
Brand: Budějovický Budvar (Budweiser Budvar Brewery)  
Brand: Kofola (Carbonated Soft Drink)  
POP Communication Agency: Dago, s.r.o.

The aim of the project was to improve the shopping environment within the beverage section at Terno. “We know from research that the faster and more easily the shoppers orient, the more satisfied they are, and this consequently reflects in the volume of their purchases,” said Josef Kroulík, the Off-trade Sales Manager of Budějovický Budvar, a national brand. The pilot design was completed at a Terno store in České Budějovice. This location was chosen due to its position in the region and selling assortment.

A year-long marketing research project preceded the category redesign. The goal of the research was to find out the details of consumers’ behavior in the category, their preferences as to the visual appearance of the environment, and the elements contained within the department. In-store shop-along research was conducted with beverage section shoppers, followed by focus group discussions. The process for each stage of the research is shown in the graphic below.

Kofola, which is a significant player in the segment of non-alcoholic beverages, became a partner in this project. “The cooperation on the project with the participation of Budějovický Budvar was mutually very beneficial. I appreciate, for example, that there were designed cap ends, which could hold both palettes and well-done design expositions of products in the top section. As a complex, it moves qualitatively to a completely different level,” said Jana Riegerová, the Trade Marketing Manager Senior of Kofola ČeskoSlovensko a.s.

The store design team used existing shelves and neutralized them as to their design with wooden decoration, light-colored in the non-alcoholic section and dark-colored in the beer section. The endcaps were used to draw attention to individual categories. These premium endcaps were used to help improve shopper knowledge and show the value of presented brands. The top parts of endcaps and the coordinating shelves were illuminated by a total of more than 300 feet of lighting. The focus of the signage in the non-alcoholic category represents visuals associated with a kind of beverage, for example sparkling or non-sparkling water.

For the beer section, the signage contained lifestyle photos of people drinking beer, evoking emotions of the traditional moment when drinking beer in a pub. The beer section also includes a snack-bar, where customers can refresh themselves or use the space to have a rest.

At publication time, the team did not know how much influence the new category design had on sales, but they do already perceive the project as successful. The team designed the pilot store according to results of a year-long research effort, which gave them sufficient confidence that they proceeded in the right direction. This was proven by first responses of shoppers and store personnel. Another argument for similar projects is the influence of sales environment on building brands which is perceived by significant brands as Budvar and Kofola.

The new Terno store in České Budějovice attracted customers to a newly designed department of beers and non-alcoholic beverages. The new configuration is now more airy and better organized, which should result in more enjoyable shopping. The other stores within the COOP chain will follow with similar designs.
2019 Shop! OMA Competition: Gold Award Winner

**Category:** Food – Permanent
**Nestlé Waters San Pellegrino Foodie Cart**

**Entrant:** Great Northern Instore
**Client:** Nestlé Waters

The growing consumer trend toward a “foodie” mentality informed the design team in creating a solution that felt at home in the increasingly popular “specialty food” sections of the store and other areas where a more worldly and healthy shopper spent time. In designing a mobile “foodie” cart, the team created a new shopping experience for San Pellegrino fans.

The team wanted to create an ultra-versatile, breakthrough display capable of merchandising multiple product lines in the grocery and food channel in a variety of locations in the store. Thus, they designed a mobile “foodie cart” that reinforced San Pellegrino’s positioning while offering the brand and retailer extreme flexibility in placement and merchandising options.

The team started with a faux walnut countertop, then used brand-matched silver wire shelving and metal frame. An adjustable shelving system was installed that holds individual bottles as well as 6- or 12-packs. Identifying placards were installed on both ends and a logo emblazoned on the top and sides of the wooden surface. The solid construction and smooth casters allowed the unit to be positioned where most effective.

The cart evokes a premium, authentic feel for the food enthusiast and delivered a highly trafficked, efficient merchandising tool for the retailer, and a secondary merchandising location for the brand.

---

2019 Shop! Global Award Winner

**Category:** Beauty & Cosmetics – Permanent
**OLAY Smart Retail Vending Machine**

**Company Name:** Procter & Gamble (China) Sales Co., Ltd.
**Chapter/Affiliate:** Shop! Greater China
**Client Company:** Procter & Gamble (China) Sales Co., Ltd.

Proctor & Gamble (P&G) wanted a new system to replace their manual sample distribution program. The manual program had low efficiency with a complicated sample collection process which led to a high loss rate. They were also unable to track the information of the sample taker, they had trouble with samples being discarded, and the company was unable to establish a continuous contact with consumers. P&G wanted the new program to enhance the brand experience for the shopper.

The new vending machine provided a convenient sample collection process, complete with sample scanning and five second distribution. The advanced mechanical arm helped greatly improve the efficiency of sample dispensing. Also, the high-end appearance immediately attracted people to the display.

The technology also provided a number of other advantages including unique sample codes given to each customer tied to their personal information. With one click, the Olay flagship store established a deep connection between the brand and consumers. And thanks to the accumulated big data, they can make an accurate secondary contact with sample takers.

Both customers and the retailer responded favorably to the Olay smart retail trial machine, with the belief that this innovative solution has solved the pain point of traditional trial machine. Olay trialed the machine in conjunction with “T-Mall super product day” and “618” marketing activities. The machine was praised by consumers when it was launched. Through a positive trial experience, Olay cultivated a group of loyal fans for the brand, successfully channeled consumers from offline to online, and achieved a win-win situation for the brand and platform.

The trial activity has rapidly spread on social platforms and triggered urban topics. Five trial machines were launched during the activity with five more planned to be added in various markets. Each vending machine has a 3-year life expectancy.
Brand Insights

BRANDS KNOW THAT IN ORDER to survive they must not only understand who their shopper is, but what they want, how they want it, and when they want it. In order to help them do so, they need to have an in-house data management system that captures shopper/consumer data.

But, there is more to success than understanding the shopper. Brands that sell into retailers have other challenges as well. Yet, many of these are the same concerns at retailers and brand retailers. Among these are, what is next in retail—how do we get ahead of this? What can we do to be more eco-friendly? What is the best way to measure ROI and keep costs contained? What is innovative in retail? And how can we incorporate digitalization and technology into the marketing mix?

UNDERSTANDING THEIR INTERNAL BUSINESS

Like many businesses today, brands are streamlining not only their workforce, but also their budgets. Many brand teams are being asked to do more with less—all the while trying to stay innovative, relevant, and profitable. There are limited marketing budgets to combat the ever-growing competition for the limited shelf and floor space at retailers. Additionally, brands must try to stand out in an already crowded environment. Justifying the ROI for programs is also a major concern for brands. And in the case of in-store marketing programs, ensuring compliance can be tricky.

Aside from concerns for the in-store environments, brands have to balance the needs of other internal departments. They need to continually improve “content strategies” whether in-store or online. There should be a continuity across all channels to ensure a blurring of lines among them. And brands have to remain innovative and conduct targeted product development with the ability to generate quickly-test and learn fast.

Brands are ever increasing their physical and digital footprint in order to win in multiple retail environments. They need to continually explore new spaces of brand engagement. Non-traditional retailing like pop-up, event marketing, and experiential marketing are becoming standard additions to the traditional marketing mix. As brands are engaging in different direct-to-consumer models, omni-channel strategies are more important than ever. It is not about channel it is about the ecosystem, with each channel playing a part in survival.

UNDERSTANDING THE COMPETITION

Brands not only have to be concerned with who they currently compete with in-store, they also need to be aware of on-line only brands and those making the move offline into brick and mortar. Multiple brands would also benefit from collaboration and working together on cross promotions that deliver consumer-centric solutions. Win and survive together!

UNDERSTANDING THE RETAILER

A brand-retailer relationship is just as important as the brand-consumer relationship. Cultivating those connections is key to success for all. Brands acknowledge that a one-sized merchandising program does not fit within the requirements of all retail chains. Designing a program that includes a display that will not be allowed on the store floor is a waste of time and money. Brands must understand and keep up to date with the basics of a retailer’s merchandising and display requirements, along with their brand guidelines. Some basic questions to consider may be:

• Does the program need to complement their in-store strategy?
• If it does, how can the display best fit their merchandising standards and overall agenda?
• Do they have a retail standards document or style guide? Color, typefaces, size of the fixture?
• Are there any height or other size limitations?
• Who will be responsible for setting up, placing, and stocking the display in-store?

Generally, brands set their promotion calendar and then meet with retailers once a year to plan out the year. After collaborating with the retailers, they fill in the gaps in the schedule. Brands need to know the strategy of the retailer and work within the parameters of the style guide of the retailer. Often times brand teams work with corporate retail teams to create standardized in-store solutions that can be customized or made one-off for special programs. The standardization allows for streamlined production and delivery, and consistency in brand identity. But customization allows for localization and personalization, and even digital and technology integration in-store depending on the requirements of the retailer. Brands also have the challenge of creating national retail programs with the corporate offices at the retailer, only to find programs not being instituted at the local level.
CASE STUDY:
Collaboratively Building the WOW with Products that Reflect Brand Values

**Project Team**
**Brand/Retailer:** Regatta Store  
**Location:** Dublin, Ireland  
**Flooring Supplier:** Tarkett

Situated in the buzzing and vibrant Square Tallaght shopping center, the Regatta store attracts shoppers from across the capital. As part of its rebrand campaign, the outdoor clothing store underwent a complete refurbishment to establish a bold look inspired by nature to reflect the brand’s identity. Tarkett was selected to take the lead on the store’s flooring installation after being chosen by close partners, Johnston Shopfitters, who were managing the project.

Using 200mm x 1220mm sized planks from the iD Inspiration 70 collection, Tarkett created a bespoke design to bring the great outdoors inside. Four light and dark shades of wood designs were mixed together to achieve a natural and eye-catching pattern.

Brian Fox from Regatta said, “We wanted to achieve a totally fresh and unique design for the refurbishment. Tarkett’s modular options offered us new design choices to play with. We were really keen to use a patterned design with a dynamic range of natural wood shades that would tie in perfectly with the Regatta brand.”

Paul Callan from Johnston Shopfitters added, “The layout of the Regatta store made it more challenging than usual to implement the patterned flooring design, but thanks to Tarkett’s expert advice and consultation, we managed to make this pattern seamlessly complement the shape of the store.”

As well as creating a bold and stylish result, the design also provided ease and speed of installation, which was one of the key criteria for the project. The flooring was installed within a few days to meet the store’s deadline for completion.

The new bespoke flooring has been well received and has since attracted attention from other outlets. As a result, this look is being replicated across 10 more Regatta stores spread out over the UK and Ireland.
2019 Shop! Design Award: Gold Award Brand Activation
In-Store Communications Award Winner

L’Occitane en Provence 555 Fifth Avenue
New York City, NY

Project Team
International TreeScapes (display)
Kendu In-Store Visual Solutions (lightboxes)
Lido Lighting (lighting)
Living Stone Concrete Design (concrete work)
L’Occitane en Provence (design, retailer)
Rawlins Design (architecture)
Thorson, Baker & Associates (engineering)
Triangle Sign & Service (signage)
Vision Woodworking (fixtures)

L’Occitane captures the true art de vivre of Provence, offering a sensorial immersion in the natural beauty, fragrance, and lifestyle of the south of France. From the texture of L’Occitane products to their scent, each skincare, body care, and fragrance formula promises pleasure through beauty and well-being—a moment rich in enjoyment and discovery that goes beyond tangible benefits to create a different experience of Provence.

At the heart of 555 is a dynamic space that will continuously evolve to highlight seasonal campaigns inspired by the Provençal lifestyle, ingredient stories, environmental and philanthropic commitments, and significant product launches.

Designed with the brand’s natural elements and heritage in mind, 555 5th Avenue communicates L’Occitane’s identity through unique and interactive touchpoints. The 1,900-square-foot concept store elevates the brick-and-mortar model from a location to an unforgettable experience.

Recognizing that retail is constantly evolving, now at a faster pace than ever, L’Occitane En Provence have created a store that can easily adapt to these changes; to be more agile, and more disruptive.

Captivate the consumer’s attention, encourage engagement, and produce user-generated content for social media, from the eye-catching art form installations to integrated lifestyle products and enhanced fulfilment services, the ambiance, and atmosphere changes throughout the life of the store.

An evolutive space that will continuously change to highlight seasonal campaigns inspired by the Provençal lifestyle, ingredient stories, environmental and philanthropic commitments, and significant product launches.

RESULTS
Of the 29 L’Occitane Remodel/Relocation/New Store Projects completed in the U.S. in the 2018 calendar year, the Grand Opening first-day sales at L’Occitane 555 (August 23, 2018) were the highest recorded.

Conceived and designed to attract new customers and re-engage loyal customers, 555 has successfully delivered by recruiting three times the number of new customers versus the average U.S. store.

Since the Grand Opening, 555 is also outperforming the average U.S. store in skincare share and ticket performance. The new concept store has also received high praise from the media and is attracting great attention on social channels.

Designed with the brand’s natural elements and heritage in mind, 555 5th Avenue communicates L’Occitane’s identity through unique and interactive touchpoints. The 1900-square-foot concept store elevates the brick-and-mortar model from a location to an unforgettable experience. Eye-catching art form installations, integrated lifestyle products, and enhanced fulfilment services, the ambiance and atmosphere changes throughout the life of the store in support of the annual marketing calendar.
### Retailer Insights

#### U.S. AND UK STORE OPENINGS AND CLOSURES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEN</td>
<td>3,446</td>
<td>3,258</td>
<td>633</td>
</tr>
<tr>
<td>CLOSED</td>
<td>8,558</td>
<td>5,844</td>
<td>431</td>
</tr>
</tbody>
</table>

*Number to September 13, 2019

Source: Consign Research

#### IN ORDER TO COMBAT the alarming decline in the number of store visits, retailers must work with brands to motivate consumers to get out of their chairs and go to the store. Retailers must focus on giving shoppers what they cannot get at home, in an environment that entices them to make the journey. To do so, many retailers are investing in unique fixture designs and in-store technology to create interesting, interactive, and memorable experiences for shoppers. Research shows it’s worth the effort—while online sales are growing quickly, over 90 percent of U.S. retail sales still come from brick-and-mortar stores. The key is to understand shoppers, design stores for them and teach employees who to work within the store to bring the ultimate shopper experience to the shopper.

#### THE SHOPPER

Gensler knows that the key to designing engaging, interactive, and inspirational spaces is to understand the shopper and their journey. The foundation of a great customer experience is creating modern, up-to-date environments that lead to memorable moments. And that experience must be seamless for the shopper regardless of physical space, customer service, technology, brand, product, or social media. One key to developing those experiences is understanding a shopper’s “purpose” or “experience mode” as Gensler calls it.

#### FIVE EXPERIENCE MODES

Gensler has defined these modes into five categories. The experience a shopper is looking to get out of a store will depend on their mode at the time. Note while nearly half of the shoppers are in task mode, the other half are engaged in other activities while shopping.

**ASPIRATIONAL SHOPPERS**
Seek inspiration, personal achievement, and connection to a larger purpose.

49%

**DISCOVERY SHOPPERS**
Looking to see what’s new, learn something, or fill time between other activities.

19%

**ENTERTAINMENT SHOPPERS**
Seek fun and an escape from the everyday, whether by taking a class or playing a game.

7%

**SOCIAL SHOPPERS**
Prioritize hanging out with friends/family, knowing they may not actually make a purchase.

16%

**TASK SHOPPERS**
Focus on efficiency, control, easy navigation—a simple, intuitive experience is most gratifying.

10%

#### CORPORATE HEADQUARTERS AND THE LOCAL STORE

Retailers are often caught in the middle between the customer and the brand. At the corporate level, retailers want to work with brands and often require localized products and programs. The retailer has their goals for the overall company, individual stores, product categories, and seasons. The key is to balance those with the brands goals. One way retailers can help the process is to share their shopper profiles and brand guidelines with their brand partners. This helps with developing in-store promotional campaigns and packaging. The needs of the retailer are ever evolving based on the needs and preferences of the shopper.

One of the keys to creating the ultimate shopping experience is balancing the needs of the corporate brand with the capabilities of the local store. On a local level, oftentimes the local store manager is in an even more precarious position. While they are trying to balance the needs of their local customers, they need to implement programs agreed upon at the corporate level. Typically, promotional programs work in theory but are not achievable at the local level. Each store may have a different clientele and footprint. In-store execution is of the essence, staging the store daily.

#### MANAGING CHANNELS

Retailers engage in different direct-to-consumer models. Forty percent have at least one channel to directly supply to consumers. In regard to omni-channel strategies, retailers are leveraging retail space for offline marketing promotions and sales. They are also in collaboration with e-tailers for crossover opportunities at retail. Retailers are also acting as hubs for direct-to-consumer pick-ups, returns and other strategies to increase traffic and opportunities for growth. To accommodate these changes in strategy, retailers need to make sure their in-store space/ formats have dedicated customer experience opportunities such as pop-in shops, kiosks, local spots, experience walls, and the like. Thankfully, they do not have to do it alone. Brands are often bringing the right innovation and solutions for retailers.

#### EMPOWERING THE EMPLOYEES

The in-store shopper experience is influenced by numerous factors, from the mood of the customer to the behavior of the retail staff, to the design and layout of the retail environment—and everything in between. While retailers cannot control every variable, it is imperative to realize which ones are critical and how to influence their design. Over the years, retailers focused on factors such as the built environment, visual displays, ambient elements such as music and lighting, and more recently, technology. Yet, ask any shopper about their latest retail experience and more often than not, their delight or grievance includes a service story. The key differentiator between online and off-line is the physical store and the store employee. A well-thought-out store environment based on shopper insights and the customer experience in mind, coupled with well-trained, engaged employees, is a recipe for success. Retailers should take the following into consideration:

- What about staff training and how this can contribute or take away from the retail environment?
- Do they understand the brand they work for and what they stand for?
- What training is being done to make the retail environment all-inclusive etc. and go beyond delivering the brand promise?
- Staff are the key in making or breaking a positive in-store experience.
CASE STUDY: Collaborating to Bring Local Brand National

Brand/Retailer: Tervis
Location: Coconut Point Shopping Center, Ft. Myers, FL
Producer: Ryan Scott Displays

Tervis offers a full line of stainless and plastic insulated tumblers and accessories. Tervis approached their current display partner Ryan Scott Displays to be part of redefining the Tervis Tumbler's brand identity at retail. The goal of the project was to create an original, clean, modern retail environment that personified and celebrated the coastal Florida heritage of Tervis Tumblers. The Coconut Point shopping center in Ft. Myers, FL was chosen for the pilot project. The location was also selected to serve as the brand’s new flagship location.

The project had an approximate 90-day timeline from start to finish. This included creative development, engineering, fabrication, permitting, construction, and installation. Due to their previous working relationship, Ryan Scott knew just what Tervis needed - coastal lifestyle elements: beach, sand, water, and the Florida vibe. Tervis was on board with the store design from the beginning and the team quickly got to a final concept.

Using 3D concept design and engineering the team was able to clearly visualize the space and construction of all the elements and finishes. This significantly helped to define expectations and provided a clear roadmap for success. Ryan Scott utilized premium and durable materials from top to bottom. The floor was a hand laid vintage woodgrain ceramic grey tile complemented by a cool white-painted wall and recessed LED lighting.

The cash wrap and back wrap area were backed by a whitewashed wavy textured wall panel accent. This is flanked by two 12’ palm trees with a 75” TV front and center. The design team carried this palm tree theme into a window feature and seating area. The window feature showcases an oversized Tervis logo lounging in a hammock in the shade of two large palm trees. This feature sits directly in front of the costal porch seating area. With two Adirondack chairs and a tech bar made from recycled Tervis cups, a beautiful sisal rug and a reclaimed wire spool table, this seating area really brings to life the Tervis lifestyle.

Even with this extremely tight timeline the client and the project team were extremely happy with the outcome. They had the busiest store opening in company history with record breaking attendance. “Yes! that’s a store we can be proud of” said Rogan Donelly, Tervis Tumbler Co. president.

The Tervis and Ryan Scott team are planning to expand their partnership as they extend the Tervis location footprint across the United States.
This new concept store focuses on a suite of services—grooming, training, veterinary care, daycare, and self-wash. It also features a curated selection of food, mobile vet house calls, and dog walking.

Petco, a leading big-box pet supply retailer with approximately $4 billion in annual sales, was facing pressure as its products became more commodified and online retailers moved into their space. Petco's leadership needed to transform their business strategy, leveraging their substantial retail network while providing an offering that differentiated the company against price-driven and online competition.

From there, the physical design of the store took shape. The façade offers a sense of simplicity that effectively introduces the brand. The design emphasizes the core services offered and creates an intuitive transitioning from one area to the next. Casual seating spaces within each service area support personal interactions with “pet coaches”, in-store experts who help guide the experience.

The resulting design was featured heavily by news outlets highlighting Petco’s shifting focus in a rapidly changing retail environment. After setting a goal for 1,000 subscribers by the end of 2018, Petco’s CMO reported that PetCoach had reached 2,000 by the beginning of October and revised its targets to 4,000 by the end of the year. The San Marcos space will continue to act as a test lab to hone in on the right mix of products and services as PetCoach continues to expand.

The design can be broken into the following zones:
- Entry/Services Check-In
- Feature Drive Aisle & Training Area
- The ‘Kitchen’
- Curated Warehousing

The team designed PetCoach as a highly personal retail experience that offers an online profile for each pet parent and pet, allowing staff to easily make curated suggestions. Additionally, mobile and digital touchpoints, including interactive screens, throughout the store facilitate appointment check-ins and easy point-of-sale transactions, as well as provide content and online access.

COLLABORATION

The design team was first asked to work on a simple concierge service space. However, through a series of co-creation workshops with leadership, it became apparent that a service-driven approach would be a strong asset in the transformation of the entire brand.

SHOPPER INSIGHT

The team undertook a series of deep-dive research projects to segment the market and understand key drivers for Petco’s future customer. Out of that research, the picture of a high-value customer who is digitally native, short on time, but passionate about pet parenting started to emerge.

With this customer in mind, the team led another set of workshops that defined a new business model—one where a membership program would unlock all the products and services needed to be a great pet parent. Through a mobile app, members could access a one-stop-shop for veterinary services, grooming, daycare, training, nutrition and a curated selection of enhanced products. A full omnichannel program was also devised, connecting services in-store with mobile vet and grooming services, pet transportation, and click and collect.
Key Takeaways

WHEN IT COMES TO DESIGNING THE ULTIMATE RETAIL ENVIRONMENT, shoppers want three things—an experience (make the time spent in store worth their effort to get there), convenience (make products easy to find and access), and personalization (‘I am unique, thus I want a unique experience, personalized attention, and customized product options’). Remember, we live in the world of instant gratification; what is more instant than the in-store experience?

1. ASSEMBLE PROJECT TEAM

The key to every good working relationship is collaboration, and the key to collaboration is communication. Open communication about strategy, goals, and expectation is critical. Retailers and brands need to seek to store fixture manufacturers and in-store marketing suppliers who can work collaboratively with them, predict their needs and help them connect the brick-and-mortar and click-and-mortar sides of their businesses.

2. SHOPPER INSIGHTS

It is vitally important to identify the target shoppers or audience before the design process begins. Brands and retailers must understand who the shoppers are, what is important to them, how they think, and where they are in their purchase journey. Answering consumers’ fundamental needs and emotions is much more powerful than simply stating a product’s benefits.

Understand what shopping mode customers are in and how best to reach them. Most importantly, know that customers change with time (generationally), the season (holiday, summer, back to school) and the reason (self, family member, gift, necessity or nice to have).

3. BRAND INSIGHTS

Brand and store requirements are an essential part of the design process. Each brand or retailer needs to understand what they currently provide for customers’ in-store experience and what steps will they need to take to stay relevant or competitive. Also, global brands may not have the same marketing dollars in different countries, thus a high-tech solution in one country may not be possible in another. Brands also need to know how to balance the digital and analog experience for shopper.

4. RETAILER INSIGHTS

A one-sized retail program does not fit within the requirements of all retail chains. For example, designing a display that will not be allowed on the store floor is a waste of time and money. Brands must understand and keep up to date with the basics of a retailer’s merchandising and display requirements. Retailer support for the program does not end with a signature. They must also have support during execution to ensure compliance, and thus sales. As retailers and brands expand across country lines, companies need to keep cultural differences in mind. Designs, images and phrases that work well in one country may not work in others. In some cases, they could cause offense. Companies must do their due diligence whenever going to a new market.

5. ENVIRONMENT DESIGN, DEVELOPMENT, AND INSTALLATION

Successful retailers have the ability to change rapidly. Stores are refreshing, remodeling, and redesigning fast. They are also getting smaller and the number of outlets are shrinking. Retailers have to offer an experience and personalization shoppers crave in a convenient, easy to use format.

Remember, appealing to shoppers’ senses helps draw attention to an environment and/or display. According to the POPAI UK research report, How Light, Motion and Sound Influence Shopper Behaviour, those three elements are an effective way to drive shopper impact. Light increases dwell time, motion draw attention, and sound is another a great disruptor that commands attention. It’s important not to forget the sense of smell. Scents should be consistent brand wide but can rotate with the seasons or be targeted in certain areas of the store.

But most importantly, an effective program execution necessitates excellent project management and attention to detail since there are hundreds of elements that need to be coordinated and properly managed to ensure successful execution.

6. ROI, SUCCESS & EVALUATION

Calculating ROI starts with an understanding of three baseline sets of data to build the ROI equation:

• In-store execution data on a store-by-store basis
• Cost factors
• Performance data

The key to measuring the success of any project is to have well-defined defined goals. These goals have to be clearly established and agreed upon in the beginning of each project. Choosing the right tool to measure the goal is also critical. Attainable goals and measurable KPIs are key to the success of a program. Budgets often have influence on the tool used to access each. Finally, the key to every successful project is turning the data into actionable insights to help enhance the shopper experience in-store and increase the likelihood of product sales and repeat purchases.

Every retailer is different, and every project is unique. Retailers need suppliers who take time to understand their brand, along with the goals and objectives of each remodel or buildout. The right fixtures and designs will help the retailer achieve those goals and objectives. They will also enhance the customer experience, making shopping quick, easy, and enjoyable. The ultimate store environment will not only delight shoppers but also make work easier and more effective for store employees.
About Great Northern

Great Northern Instore is on a mission to help our customers win by doing what others can’t or won’t. Our mission isn’t just a few words on a plaque, it is an attitude baked into our culture. A culture that is entrepreneurial, always seeking to help customers solve problems by using our in-store expertise and wide breadth of capabilities and resources to make new ideas a reality.

About Shop!

Shop! Environments Association (shopassociation.org) is the global trade association dedicated to enhancing retail environments and experiences. Shop! represents more than 1,400 member companies and affiliates worldwide from 23 countries. The association brings value to the global retail marketplace through our industry leadership, research programs, industry certification, education and networking events. Shop! produces the award-winning magazine, Retail Environments, offering business-focused content to retailers, brands, designers and suppliers throughout the industry.

Putting the WOW in Retail