

## **RETAIL DESIGN: A NEW DISCIPLINE**

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### **1. Introduction**

This paper has the aim to address Retail Design as a new research and education discipline that because of its multidisciplinary nature asks for a holistic approach.

Although retailing as commerce is timeless, Retail Design is one of the most challenging new fields of design, embracing both design disciplines of architecture, industrial design and communication design as well as social science disciplines such as environmental psychology, sociology, cultural anthropology and marketing/management. The term 'retail design' encompasses all aspects of the design of the physical store as well as, in a technological sense, a virtual store: ranging from store frontage, fascia and signage, through to the internal elements of equipment, merchandising, display, lighting, in-store communications, point of sale and finishes. Retail design also involves an understanding not only of what will work aesthetically within the space, but how it will perform functionally and commercially, how it can be built to budget and meet the many regulations governing the use of a public space. Retail design is the touch-point for responsibly developing and extending communications between brand and customer.

In the world of retail, consumer experience has become the primary issue; the consumer's journey through the shopping mall, the individual retail outlet or department store and internet store. It is the retail designer's task to relate to and develop this experience through visual, spatial and communicative expression. Communication is the platform underlying and surrounding the spatial concept.

A core issue for any business active in the retail sector must always be an empathic understanding of the culture of shopping.

#### *Developments*

The retail business has become one of the largest industries in the world. Retail business accounts for 21% of world's Gross Domestic Product (GDP) being one of the biggest employers in the world and one of the top four activities that improve consumer's sense of wellbeing. In many countries, more people work in it than in any other industry. Retail and society influence and change each other constantly and make certain shop concepts very popular, others redundant. Shops have to stay relevant in relation to our changing habits; retail brand loyalty is often fickle. Retailers therefore must have a heightened knowledge and appreciation of the contemporary way of life and the way to act within this context. And as consumers become ever more design literate, retailers in every sector realise that they must invest in design, not only to exceed consumers' expectations, but in all cases, simply to meet them.

Within both food and non food sectors for example, it is apparent that even value operators have made significant investment in retail design in recent years, adopting the visual language and signatures of middle and even high-end retailers, having the effect of raising the bar even higher to the extent that 'discount' is often now the norm.

Similarly, non-product sectors such as financial services, have also found they need to follow suit. Banks have realised that selling intangible products such as investments and loans need to be evidenced more tangibly by designing environments which are more closely related to stores than banking halls, making the process, from beginning to end, more familiar, and in turn adding perceived value in the way they communicate.

As access to the Internet is growing in the world, the World Wide Web has become available to many and this form of globalised shopping is becoming more prevalent and successful. The offer and choice of products and brands have become more diverse as has the companies who sell the products and services. Also, price has become much more transparent. This adds up, apart from the offer, to the necessity for any retailer to distinguish itself from competition with both a 'clicks and bricks' offer and to create a clear and tempting personality with a distinctive shopping experience.

This experience, whether physical or virtual, consists of many interdisciplinary connected elements, including the senses it addresses, the service concept, the visual merchandizing, the way of communicating in every aspect, the interior or the interactive design; all are touch-points that will affect, positively or negatively the shopping experience.

### *Embedment in society*

Retail mirrors society: social, economic, political and sustainable retailing that attempts also to be successful, calls for appreciation of the way in which the global and local shopping cultures both shape and are shaped by their respective societies. The current western society is one where consumers are searching for new experiences. This development has affected the retail scene since shopping and looking for experiences are essential aspects of our society [Van der Loo 2004].

Successful products or design solutions are characterized by a balanced relationship between relevant aspects. In this context attention is also devoted to the significance for clients and customers. This significance is often brought about in correlation with the constantly changing physical and social environment. Now more than ever products are also linked to infrastructures and services (e.g. the iPod), contain a digital component (photocopiers) and are embedded in a specific environment in the retail industry. This is one reason why research and education must be better equipped to respond adequately to new developments of a diverse nature (technical, socio-cultural, methodological and commercial). This, therefore, demands an active stance from a designer who must have an eye for such developments. In addition, designer must also be capable of harnessing his own personality and coloured personal experiences and views to create innovative and integrated solutions. That combination of competences is the core of the academically formed retail designer and retail design as an academic institution. The same combination of competences enables the designer to transcend the passing fads of the day and come up with suitable and practicable innovative solutions to design problems.

In short, the design of retail spaces being traditionally the area of architects and interior designers, has for a long time underestimated and downgraded as only being a superficial and commercial activity. However, retail design has nowadays regained its value and is recognized as a serious design discipline with its own identity. It is concerned with new ways of exploring and enhancing the experience of interaction with other individuals, with products and with the environment by blending design thinking, design techniques, together with an understanding of human behaviour and modern technology. The user-centric nature of retail design makes this new field important for retail development. A retail designer must have a strong understanding of the customer and the client's needs, so that with availability of new technology tools, designers are now helping marketers and retailers create unique experiences that connect with customers both on a deeper, emotional level and with society as a whole being responsible for a sustainable way of living, working and consuming. Therefore, it is important to address retail design as a research and education area. In the next sections we will go into both the research and education activities of this new discipline.

## **2. Research in retail design**

Consumers experience the retail environment as a whole and hence designers should adopt a holistic view on this environment by an integrated approach. And for that reason research in this domain

should also address this synthetic approach. The actual experience created by all environmental features constitutes a crucial element of the holistic view. However, hitherto only isolated factors have been studied. According to Quartier et al. [Quartier et al. 2008] minimal research is conducted in real retail spaces as a whole and in the reactions of consumers to those spaces. Studies of retail design encompasses in general a separate assessment of the different design domain areas of knowledge – interior design, communication design and product design. From a historical perspective this is quite understandable. Retail research has traditionally been undertaken by the marketing and management areas. Therefore, research in retail design can bridge the knowledge gap by adopting a designerly way of thinking [Cross 2006], [Brown 2009], [Verganti 2009].

Kindleysides' [Kindleysides 2006] definition of retail design shows the complexity of assessing retail spaces since designers must have "... an understanding not only of what will work aesthetically within the space, but how it will perform functionally and commercially, and how it can be built to budget and meet all of the regulations governing the use of a public space." However, this definition lacks to recognize the intrinsic value of the user. To understand the user, his perception of the space and of all the elements that communicate with him, his fruition of the whole experience with a brand, in different moments, at different levels that is crucial to the comprehension of retail design intervention. Therefore, research in will address the following themes, each of which can only be studied if they take the other themes in account.

#### *User experience*

Interactions between people and their environment are shaped by properties of the human being (user, consumer), varying from senses to capacities, and from personality characteristics to societal concerns, the product, embodying materials, shape and technologies, as well as immaterial properties, and the context enclosing culture and situation. Recently, Quartier [Quartier 2011] has developed - on the basis of new insights - a framework for these interactions developed, the Retail Communication Model, as is presented in Figure 1.

Although retail design traditionally refers to designing spaces the 'design of experiences' for consumers of products and services and of the brand identity are even more essential. Shopping has become a leisure activity as part of our daily life. Shopping is not only a functional activity anymore, but it has become a goal in itself with hedonic value.

The task is to create a sensorial translation of brand values through physical or virtual stores. This concept of experience dominating the development and creation of human activity in the XXI century has been addressed by several authors [Rhea 1992], [Pine and Gilmore 2007], [Press and Cooper 2003].

Research should help clarify the symbolic meanings derived from social interactions consumers experience when shopping, thus enhancing our understanding of consumer shopping behaviour.

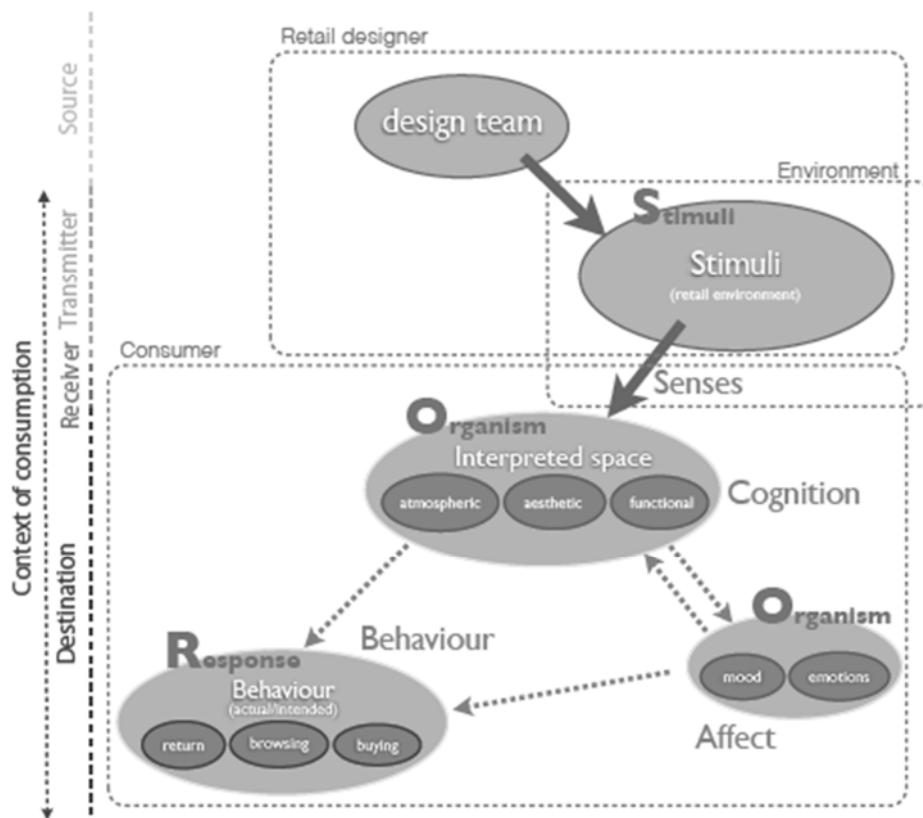
#### *Strategic context*

One of the aims of designing retail environments is to develop spaces/services/products that are consistent with the strategy, portfolio and brand positioning of the firm, whilst offering a sustainable experience to customers. Stores are seen as business resources of strategic importance [Kent 2003], [Van Tongeren 2003], [Prahalad and Ramaswamy 2004]. Research into this area will generate knowledge that provides a better understanding of the relationships between space/interior design – including product-services -, and (1) the existing product/brand portfolio and strategy of the firm (e.g. experiential marketing), (2) customer evaluations, (3) sustainability issues (e.g. ecodesign management), and (4) (international) market success.

#### *Technology transfer*

Many kinds of retail spaces have been designed for various purposes, for example, from shops/supermarkets and shopping malls to transferiums (e.g. airports); from buying products to getting services. More and more virtual environments have also been created to serve the same purposes with different impact. The nature of visiting these retail spaces as an activity varies according to what someone is shopping for. The design of the space and the objects within - such as the architecture

(both exterior and interior) of the building, furniture, lighting; the website with several built-in techniques – is relevant to meet basic requirements of the shopping function but at the same time tries to represent affordances to evoke feelings and emotions. New technologies (e.g. digitalisation, sensors and ‘intelligence’) demand/allow for new ways of interacting and shift the boundaries of what retail spaces and products within are (physical/virtual), what they offer (functionality) and how they do it (usability/experience).



**Figure 1. The retail communication model, as proposed by Quartier [Quartier 2011]**

### *Retail design methodology*

The results of research into the previous fields of retail design will be useful to support and improve problem solving in design practice by developing an appropriate methodology, and to train design students and practitioners in a more effective way.

## **3. Retail design education**

In the last decades design education has invested in retail design, not only because of its economic and social importance, but also due to the fact that retail represents the ideal context to address the systemic and integrative nature of Design. Over the last fifteen years retail design education has come to the fore at university level. Before, only retail management had its own curriculum. Since 2010 Retail Design has become a Master specialisation in Industrial design Engineering of Delft University of Technology. To illustrate this new retail design area in education and to show how broad the subject is we present here as a case study the results of a design project being an introductory course in this specialisation, called ‘Fundamentals of Retail design’.

### **3.1 Case study**

In this course 85 Master students took part, divided over 20 groups ranging from 4 to 6 members. Groups could choose one of the following briefs to work on for one day a week during 10 weeks:

1. A Bank wishes to open a non-transactional branch in order to strengthen its brand position/competitiveness.
2. Via new technology, Social Media play an increasing role in the path to purchase. What could a Social Media Shopping Centre be like?
3. A Brand (of your choice) currently with no shops, wishes to open one, in one years time.
4. In recent years we have seen phenomenal revival of motor car brands such as the Mini and the FIAT 500. Others such as MG have completely failed. What would you do with SAAB?
5. For Queen's day in Holland (a hugh celebration of the queen's birthday) develop a community pop-up environment providing a combination of commercial and social activities.
6. Non of these and create a retail project of your own choosing.

The final design result should be on a 'conceptual' level, but with arguments about feasibility. They had to take into account that the translation of a brand into a physical or online store/outlet had to be expressed in several elements: the store itself, the packaging, the clothes of the staff, the website, the adverts, the visual merchandising etc.

Involving a real client was optional. Part of the brief was that they were requested to perform an individual research/analysis on the topic.

### *Expectations*

The context of retail design is very broad and with many elements to be taken into account. On the one hand the focus can be on the brand identity, the consumers, the products, the services or the management. And from the design point of view several (sub)disciplines have to be mastered such as interior design, product & service design, communication design and architecture. However, similar to any design area retail design asks for visionary and creative solutions and hence for the ability to approach design problems in a multidisciplinary and holistic way. The briefings in this course should be the drivers for such an approach. Are the students with their product design background and novice in the area of retail design able to show such a holistic approach? The projects will be evaluated by the teaching staff and an external examiner, all of them experts in this retail design area. The following evaluation criteria were used:

- Strategy. In retail design branding and consumer behaviour play a key role. Designers can adopt a top-down strategy – from brand/firm to consumer –, taking the perspective of the brand and translate it into a retail environment; or a bottom-up strategy in which consumers' behaviour including their goals and desires are leading. The strategy chosen will partly depend on the client and his brief. Students should be able to match both strategies, meaning that in the design task they should combine both top-down and bottom-up approaches in order to hold a holistic view.
- Design solution. The designer has the freedom to choose between at least two paradigms, that we will summarize here:
  - A traditional retail approach in which the designer builds upon existing retail tools and tries to come up with new and creative arrangements.
  - A new retail approach that represents a paradigm shift towards inclusivity and sustainability.

Even if the brief seems to ask for a conventional approach, as is the case with part of the briefs are, students should be challenged to adopt an approach that is in line with the inclusive/sustainable paradigm.

Although these criteria were not beforehand presented to the students, the evaluation of the projects were based on them.

### *Results*

In Table 1 an overview of the projects is presented. In the second column the teachers' expectations are shown. The third column gives a synopsis of the team results and some evaluative comments.

**Table 1. Overview of assignments, expectations, design approach by the groups and evaluations**

Design Brief	Expectations	Results student projects
1. Non-transactional bank	Brand positioning and competitiveness are key issues. The challenge is to: - Start from the present situation - Adopt a mixed strategy and if not a bottom-up one (since the obvious solution would be a top-down strategy) - Solution: > New retailing > multichannel > feasible	<i>Group 1A: ABN/AMRO</i> - Customer focus: the trust of banks' consumers is the ultimate goal of the new branch. - Solution: > Traditional store solution > Focus on the 'customer journey' in a physical store. > low feasibility
		<i>Group 1B: ABN/AMRO</i> - Customer focus - Solution: > Design is a bus that 'goes to the people': target group are children and their parents > feasible
		<i>Group 1C: Café of America (see Fig. 2)</i> - Customer focus. Brand is secondary - Solution: > traditional approach: a Café > multichannel > low feasibility
2. Social Media shopping	- Essentials of social media: - Through other consumers the user gets information about products. - It provides a platform of a mutual communication and interaction between brands & users Challenges: - A mixed approach (the obvious strategy would be a bottom-up approach): consumer behaviour is key - Solution: > multichannel > feasible	<i>Group 2A: Social Duty Free</i> - Brand focus: duty free retail at airports - Solution > Multichannel: A smartphone app is the basis, with physical stores as well. > traditional approach
		<i>Group 2B: Bubbles Social shopping centre</i> - Analysis is customer focus but top-down strategy: solution is a new brand with collaboration of existing brands > traditional approach > Multichannel
		<i>Group 2C: 'Wannit'</i> -- Analysis has customer focus, but strategy is not bottom-up Solution: > traditional approach > Multichannel
3. Shopless Brands	Brand positioning and competitiveness are key issues. The challenge is to: - have a mixed strategy (the obvious would be a top-down strategy) - Solution: > a new retail approach (complete freedom to choose any solution with new elements) > multichannel > feasible	<i>Group 3A: Pickwick brand</i> - Completely brand-driven - Solution: > traditional approach with new elements
		<i>Group 3B: 'Spotify', Music Store</i> - Consumer and experience driven - Solution: > traditional approach but added value mainly in offered service and experience
		<i>Group 3C: Dove</i> - Completely brand-driven - Solution: > traditional approach: very predictable
		<i>Group 3D: Bison</i> - Top-down approach - Solution: > traditional approach
4. SAAB car brand	SAAB car manufacturer suffers from a low brand image and almost bankruptcy. - The obvious strategy will be Top-down although the expectations point to a mixed strategy - Consumer research should show the (lack of) brand identity and loyalty. - Solution: > The traditional showroom will not work anymore. A new design approach is expected. > multichannel > feasible	<i>Group 4A: SAAB's Retail Concept</i> - A Top-down approach with an extensive study into the impact of the brand identity - Solution: > AIDA approach: for every activity a subsolution, not completely traditional but not very new as well.
		<i>Group 4B: SAAB Experience, Shop&amp;Stop</i> - Top-down strategy: Strong identity building for larger group. - Solution > Traditional approach with extra focus on 'slow-down experience' (see Figure 2)
		<i>Group 4C: A touch of serenity</i> - Top-down approach - Solution: > traditional approach (changing location of showroom and a 'one-car-concept'.

5. Queen's day	For this once-per-year event in Holland it is expected that a temporary pop-up environment will be created combining both commercial and social activities. - A bottom-up strategy will be the obvious approach but the challenge is to have a mixed strategy - Solution: >a new design approach (inclusive, sustainable)	Group 5A: Queen's day Pop-up environment - Bottom-up approach - Solution: > Linking commercial and social activities by a <i>network</i> of pop-up 'events' > New, inclusive approach Group 5B: - Top-down approach even though the activities in the pop-upstore ask for people's involvement. - Solution: >traditional approach >Commercial and social activities are combined
6. Own choice	The expectations are both on the briefing and the solution. It is important to perceive which are the problems that students define to be crucial in the retail design domain. In terms of solution again it is expected that students will consider a mixed strategy and the new paradigm context	Group 6A: <i>Pakkie-to-go</i> A fast and sustainable service in order to extend the comfort of E-commerce: delivery service - Top-down approach, combining 2 brands - Solution: > New design approach but already existing Group 6B: <i>Online Art Retailing</i> Design an online art retailing platform that excites and inspires art minded internetnomads by displaying a contemporary art collection in a novel way - Bottom-up strategy based of the booming of social networks - Solution: > Existing solution >The newness in the design is to give consumers a richer experience than the existing online art selling. Group 6B: <i>ZARA HOME</i> A new concept for the existing ZARA subbrand offering for ZARA a flexible employment concept and a retail concept - Top-down strategy - Solution: >the employment concept is new > The design concept is traditional > New ideas concern the details Group 6C: Promotional stand Campina Crush A transportable pop-up store. Location: a pop-festival - Brand driven top-down strategy - Solution: >a truck as a pop-up store >traditional approach

### Discussion of the results

In Figure 2 we have made a diagrammatic synthesis of the results by the students, plotting two dimensions against each other: the briefing and the solution and per dimension the degree of innovativeness. The circles in the diagram represent the student projects, numbered according to the groups in Table 1.

In terms of the evaluation of the students' results the ideal would be that their work would stand in the grey area of Figure 3: According to our expectations it is easier to have an innovative solution as an answer to an innovative briefing rather than to have an innovative solution when facing a conventional briefing. In the end, and probably linked with the lack of experience of these students (basic course) we can conclude that the majority of the solutions to the conventional briefings were themselves conventional and that a high percentage of the solutions to the innovative briefings were also conventional being the ones pointed out in the diagram as being innovative. In fact, these solutions were mainly partially innovative and not innovative in a systemic and holistic way. The exception is group 5A, that was selected as the winner among all the teams.

As has been discussed before, our assessment criteria – the sustainable/inclusive parameter and the top-down/ bottom-up strategy - were not presented to the students. The goal was that they would make use of them by acquiring a deep understanding of the context as being ruled by these two pillars. Unfortunately, they did not catch these foundational action axis and in this respect they developed their work in quite an a-critical way.

To get an impression of the solutions some examples of the designs by the students are presented in Figure 3.

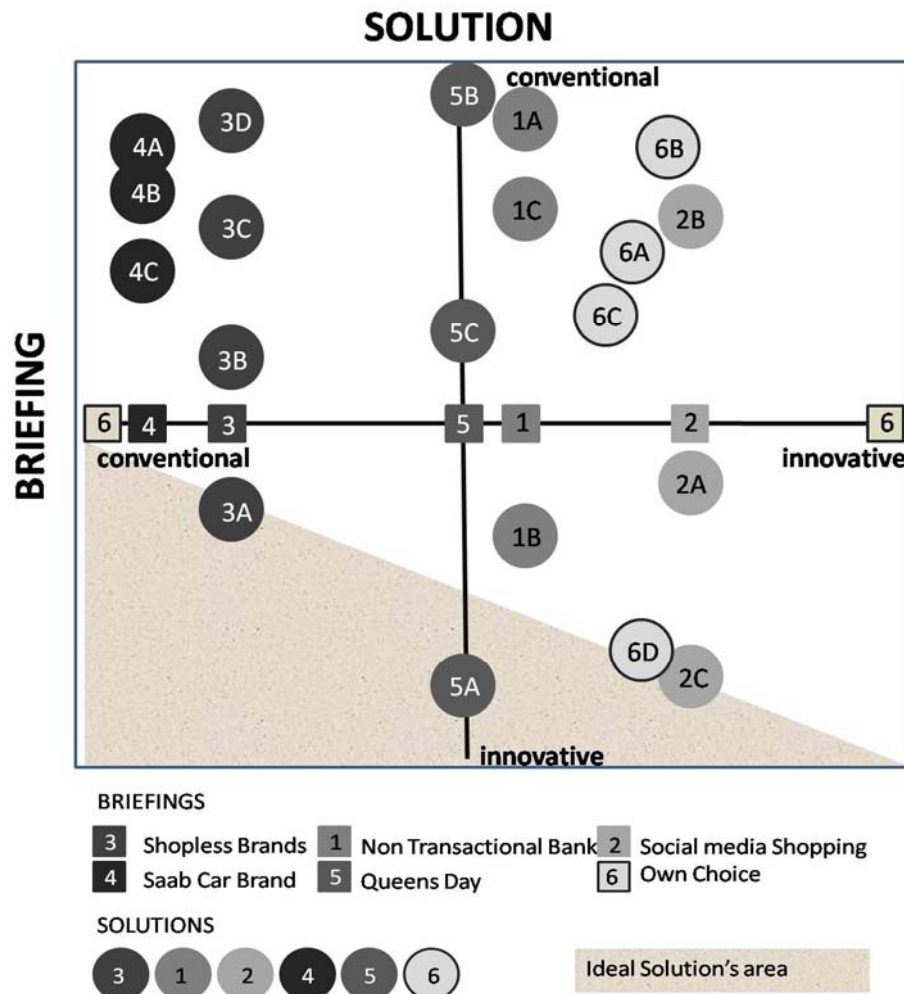


Figure 2. Diagrammatic synthesis of the evaluation

#### 4. Conclusions

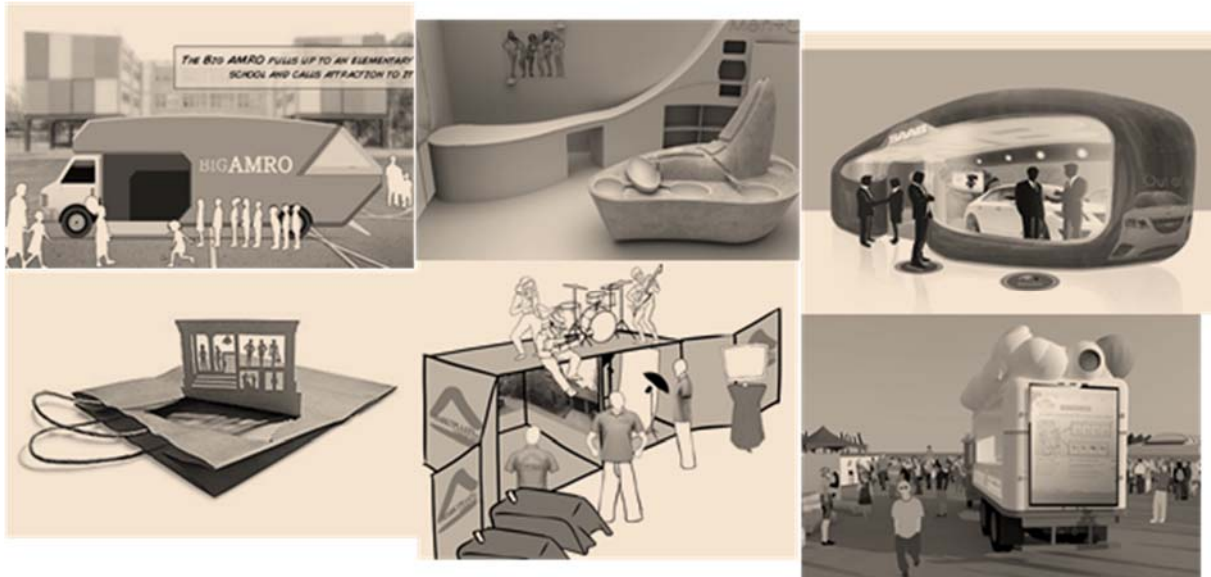
The context of retailing is very broad and with many elements taken into account. Retail design asks for a more complex approach than any other design discipline because the designer can start from different parameters arising from different areas. Taking into account the elements of the brand, the customer and the context, the first challenge for the retail designer is to adopt a holistic view. Second, as we have hypothesized two paradigms are crucial in conceptualizing the design solution. The first parameter concerns the choice for either a top-down (the brand) or a bottom-up strategy (the customer). The second parameter has to do with the shift towards sustainability and inclusivity. The question is whether the designer will be able to integrate in a balanced way the two paradigms, coming up with a solution that integrates all relevant elements of the brand contextualized in terms of sustainability, inclusivity and the social environment. Adopting a conventional versus a new approach has to do with how the problem will be framed independent of the briefing of the client.

The presented case from education with students who just started a Master specialization in retail design showed that industrial design students are quite well equipped to design concepts for a retail design environment. However, they miss the experience yet to satisfy the two paradigms for retail



design regarding an innovative strategy and solution; instead most of them stick to a conventional approach.

In spite of the results, what can be learned from this pedagogical action is that retail design is a rich and enlarged field of action for designers. It allows the development of systemic processes that are no longer linked to a client-product-user chain but rather to a client-product-services-user network the elements of it interacting with each other and determining the designer's moves and decisions.



**Figure 3. Examples of retail design concepts proposed by student groups**

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