

NEOCON 2011

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T 252 - RETAIL DESIGN IN AN ONLINE WORLD

Over the last 20 years the shopping behavior of American consumers has drastically changed. According to the most recent Nielsen Report about Global Trends in Online Shopping, a survey conducted in March 2010, an increasing number of consumers from around the world make major purchases online. At the same time we are faced with empty storefronts in our traditional urban centers. How does the continuing and rapidly increasing transformation from physical shopping locations to online points of sale affect the design of stores? Is there a future for retail space designers?

One of the market segments affected the most by the digitalization of the shopping experience has been the area of print media, which can be used as a good example, in order to understand the underlying consequences. According to the Nielsen Report 46 percent of global consumers said they purchased books in the past three months online. We have seen the development from the local business that is part of the extended family to national chains, like Borders or Barnes and Nobles. The chain stores have been mostly replaced themselves by now through online vendors like amazon. At the same time the physical product of the book is in the process of turning into an eBook, a digital version with identical content, but no physical presence apart from its reading device, be it a kindle, or an ipad.

Traditional bookstores have been trying to survive this development using several different strategies. Some of them are attempting to keep the customers through the implementation of readings and events. Through youtube the actual reading could of course be also moved to the digital realm, but the interactivity of the question and answer session and the signing of a book can hardly be replaced. Some stores have been going one step further with the creation of fully themed experiences in celebration of a book release, like the display of life owls for the final book of the Harry Potter series. Another attempt is the creation of a strong and supportive community around the venue, as it can best be seen in the case of comic book stores. Graphic novels have left the children's room and

helped a full genre to grow up along with its customers. They are still interested in a physical space, in order to exchange experiences and information with likeminded people. A similar trend is the focus on one specific topic for one store, for example Hennesy + Ingalls in Los Angeles, a store specialized on Art and Architecture. Of course these three tactical moves are usually combined in one way or another, sometimes also as a combination with a secondary venue that is non translatable into the digital world, like coffee shops. Another obvious attempt to save the traditional bookstore is its move to locations that have to be visited by potential buyers, like airports and train stations.

It is easy to understand that all these attempts to keep the traditional store alive, even though admirable, will not be able to save an industry, our industry of retail store designers. What can we do in the future? In order to understand our new opportunities we have to have a short look at some new and developing points of sale and buying criteria. We have to understand the development of our economy throughout history. Joseph Pine explained in his TED talk in 2004 how our world developed from an agrarian economy to an experience based economy. In an agrarian economy commodities are extracted and brought to the market. Through industrialization the commodities were made into goods and our service based economy worked hard on customizing the goods and delivering them in high quality to the consumers. Our new economy now is centered on perfectly customized and individualized services, which can best be described as experiences. We are living in an experience-based economy according to Joseph Pine. It is not just the most obvious leaders in this field, like Disney and Las Vegas, that provide us with the new goods for this market, but also the shows and concerts we visit, the wine and gourmet food we consume, even the conferences we attend. The most important buying criteria for the consumers in this field is the concept of authenticity. How can we as designers support the business in the task of rendering authenticity?

The term authenticity has to be strongly tied to the experience provided by the store. The idea of global brands, originally created to control cost and improve quality, has to be rethought. An authentic experience of a physical location has to be connected to the actual location, its history or its specific feel. A good example for this is a new Starbucks coffee shop, 15th Avenue Coffee & Tea in Seattle. It is a well-camouflaged Starbucks outlet without any of the familiar signs or products. The store has been de-branded. Another example is a new chain of duty free shops in several airports in Germany, in which each outlet is designed in order to represent a specific aspect of the city the airport is located in.

Another approach is the opposite direction, the softening of the location and an integration of the virtual world into the physical reality of the store. Rem Koolhaas

in collaboration with IDEO already did the first step in that direction with his Prada flagship store in New York in 2001. Handheld scanning devices are available to the staff throughout the store and are connected to displays. The consumer can scan in the barcodes of cloth and watch the outfit on the runway, in a different color or size. The flexibility and variety of online shopping is made available in the store. The Bluewater Mall in Kent, UK, goes one step further. The physical two-story mall has a virtual third floor, full of stores that are actually on a waiting list to move into the mall, but while waiting already able to test the market and connect with the future clients.

But it is my believe that we have to go one step further into the virtual world, in order to provide consumers with good and attractive shopping environments and businesses with much needed help to create more sales. The major shopping outlets in the internet, like amazon, ebay or orbitz, have not yet made the step from a service based economy to an experience based one. Even though the products are already part of the new economy, the outlets are one step behind. It is our responsibility and opportunity to help them make this step and to make online shopping a truly authentic experience.