PIONEERING ENVIRONMENTS

Achieving Authenticity:

Telling a Story Through Experience

As brick-and-mortar retail becomes more targeted and specialized, we use the term "authenticity" to describe success, but what does it really mean?

Authors:

Sheri Blattel, Associate Principal
CTA Retail Co-leader

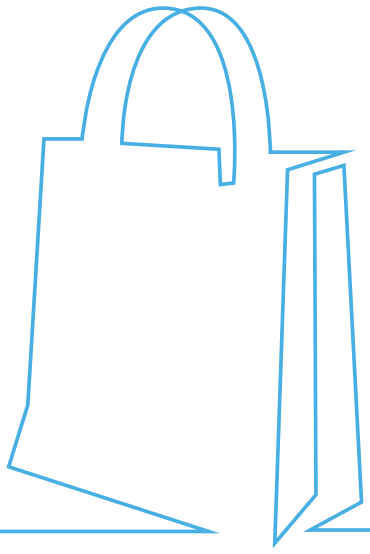
Connie St. George
Project Manager / Architect

The Reinvention of Retail

The new age of retail disruption has reshaped the consumer journey with an emphasis on immersive experiences and engaging environments. Retail has entered a peak consumer economy driven by consumer preference. Retailers in all categories have big opportunities for exploring new ways to create experience-rich environments and memorable moments across blended channels for deeper authenticity.

According to Klarna, 73% of consumers prefer an in-store shopping experience as part of their retail journey. In addition, 46% of consumers prefer to touch, feel, and experience before a purchase. eMarketer.com predicts physical store spending will account for 89.1% of all U.S. retail sales in 2019, a 2% increase over 2018. Successful retailers will be those that create a consistent, seamless experience across physical and digital spaces.

With multiple buying options available, a close connection with the customer in the physical space is more important than ever. Physical stores enhance shopper engagement and build brand connection and loyalty through a thoughtful balance of technology and human-centric experience. Understanding how successful physical retail environments are conceived, sited, designed, and constructed is crucial to creating relatable, experience-rich environments.



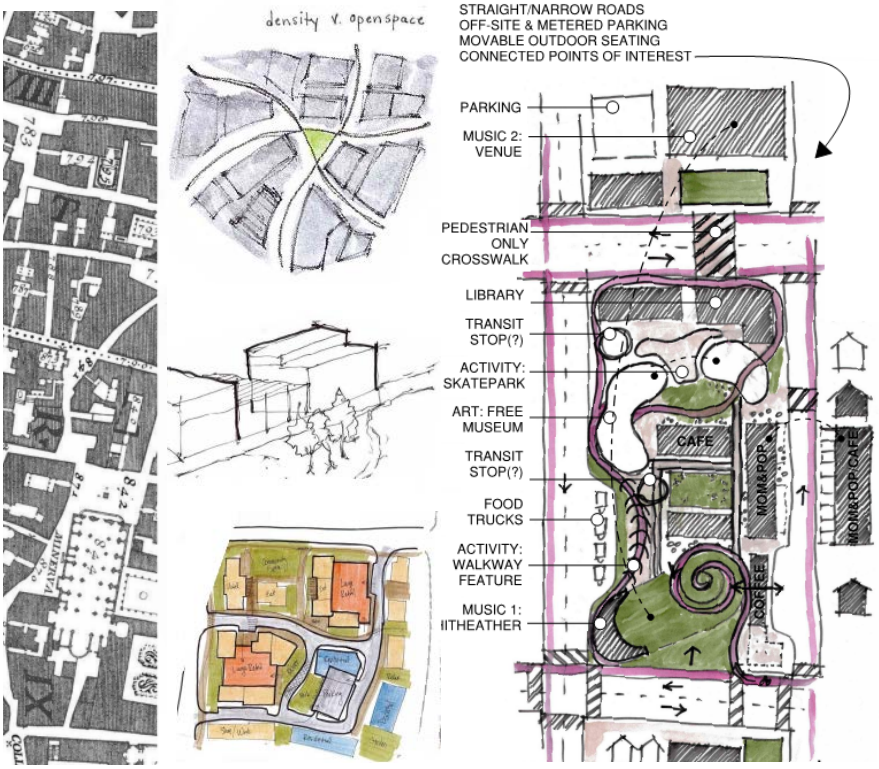
A majority of consumers still feel compelled to be present in the physical retail space to experience a product or service before making a buying decision. But with so many buying options, consumers must be attracted to a store environment over other more appealing or convenient choices. Experiences must be tailored to fit every key moment in the shopping journey. Aesthetically pleasing, highly personalized, and technology-rich environments can be used to infuse the brand into the entire experience, leading to increased loyalty and spend.

Developers, landlords, retailers, purveyors, and designers are challenged to create unique, unexpected, localized, and authentic experiences that engage the modern and ever more sophisticated consumer.

New Retail Concepts Rooted in the Past

Retail communities harken back through the ages to the concepts of mercantile and trade in Roman city centers and piazzas, which were fundamentally based upon human connection and gathering together through the trade of goods, ideas, and culture, providing a sense of community.

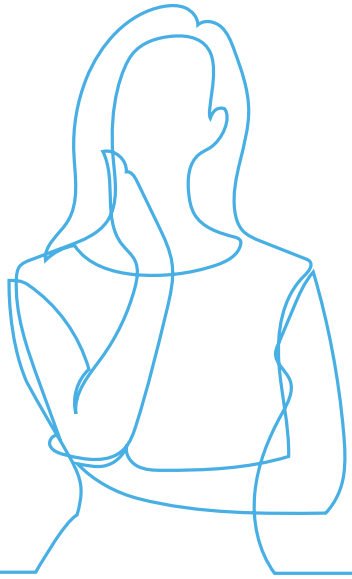
Today, demand for these multi-functional locations has taken hold of U.S. consumers, and there's an incredible, unmet demand for authentic gathering spaces. This demand has provided unending opportunities for the vision of developers, designers, and retailers to transform existing (or new) retail spaces into destinations. These manifest themselves in the form of a purposeful balance of curated shopping and epicurean delights: breweries, distilleries, gathering environments, green spaces, outdoor amenities, walking trails, event and entertainment spaces.



The Evolution of Tenancy Trends

A *National Retail Market Report* published in May 2017 revealed the challenges facing the retail industry as it experienced an increase in bankruptcies and closures of large format retailers. These shifts have presented opportunities, spurring innovation in these environments and new trends in retail.

Widespread big-box closures and the preference for smaller footprints, customized selections and purchasing options, and one-stop convenience are creating demand for the elevation of community in retail development. Specialty centers, lifestyle centers, regional malls, strip shopping development, power centers, and mixed-use structures will be either redeveloped or replaced by experience-driven, authentic destinations implementing a harmonious mix of commerce, live, work, and play concepts.



New players are emerging in this space because of the elevated curation of product lines, the rise of global brands in the U.S. marketplace, and mergers and acquisitions across existing brands to create dual brands. Anchors in authentic destinations are not big-box tenancies anymore, but rather food and beverage concepts, experiential entertainment, and mashups of many uses.

> *An 'authentic destination' is the intentional curation of uses in a thoughtful mix to create a unique experience and innovative environment.*

RETAIL-ANCHORED TENANCY TRENDS:

Wellness; healthy, plant-based food options, yoga, running, outdoor engagement, meditation rooms, spas

Entertainment; experiential entertainment; escape rooms, wrecking rooms, barcades, Topgolf, iFLY, live music, street theatre, festival venues, outdoor film

Culture; museums, interactive thinkeries, libraries, theatre, art, film

Food and Beverage; food halls, craft breweries, cooking experiences, food theatre

Services; couriers and delivery, dry cleaners, e-banking

Food trends are rapidly evolving, with the food and beverage landscape matured to quality driven, ethically sourced, localized options. A November 2016 Cushman & Wakefield report indicated that food hall growth increased by 37.1% in 2016 and restaurants by 25%. Craft breweries, food halls, experiential entertainment, art, and culture will occupy up to 70% of these destinations.

Health and wellness retail is experiencing similar expansion with a 20% increase in 2018. Established retailers such as CVS, Hy-Vee, and HEB are piloting new formats that support partnerships and encourage a holistic shopping experience. New players in the market, like Clean Market NYC, are also getting in on the movement, finding ways to seamlessly connect community, education, products, and services.

The integration of offerings for the highly engaged and savvy consumer will fuel the future of retail.

Both Sides of the Coin

The Six Dimensions of Retail Experience

- Meaningful: Promoting a mission that relates to the consumer
- Human: Quality interactions
- Personalized: Cater to consumer wants and needs
- Accessible: Anywhere, wherever, whenever
- Intuitive: Simple, easy, seamless, frictionless
- Immersive: unique and captivating all five senses

In discussing the future of retail, the continued growth of ecommerce cannot be ignored; however, in-person shopping will not be replaced, but rather enhanced by technological tools and resources. Sensory stimulation — the desire and need for physical engagement (the reveal, the unexpected, the hunt) is still representative of how people shop and are entertained.

Delivering on every key dimension of a store experience is the greatest opportunity for retailers and brands to create unique and unexpected spaces distinct from others in the same category. This may include ease of access to products or services to encourage consumer discovery; customer service in the form of knowledgeable and personal assistance (brands that prioritize customer service grew earnings up to 8% faster); promotions and easy-to-navigate rewards programs; and accurately interpreting customer preferences. If the bases are all covered, a community will develop and function as an advocacy group for your brand. This is a powerful way to affect consumers' lives through real, memorable moments of deep authenticity.

With physical spaces still so important for human interaction and engagement, there's no room for mediocrity or poor execution — expectations are high as consumers demand to be delighted.

Naturally, this begs the question: What does it mean to be authentic?

> *The retail landscape is dynamic, complex, and exciting.*

Defining Authenticity

STEP 1:
Develop a Road Map for your Business

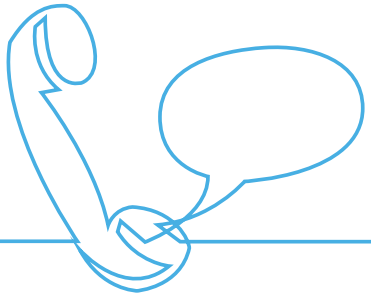
It's a big first step — straightforward, but not simple. Your vision is your destination; your road map should represent how you hope to get there. It doesn't have to be a detailed, topographical road map, with every bump and bend noted, but make sure the major thoroughfares are sketched in and visible. Decide how location affects aesthetics, get a general idea for the feelings you hope to evoke from your visitors, document and share your core values so they resonate from the start.

STEP 2:
Listen Between the Lines

Engage with a designer early in the process. Find someone who is willing to challenge your ideas — you'll know your core concept is strong enough when it can stand up to the hard questions.

Determine the feeling your place of business will project. Modern and fun? Substantial and serious? Welcoming and homey? Quick and convenient? Do you want customers to linger or is a fast turnaround more important to your business plan? What are you showcasing and what features play a supporting role?

The information you surface by way of this exploration should inform your materials and other spacial design decisions.



"Know who you are and why you're doing what you're doing.

STEP 3:
Wow Them With Experience

This may require some soul searching. You need to know your story before you can share it in a powerful way.

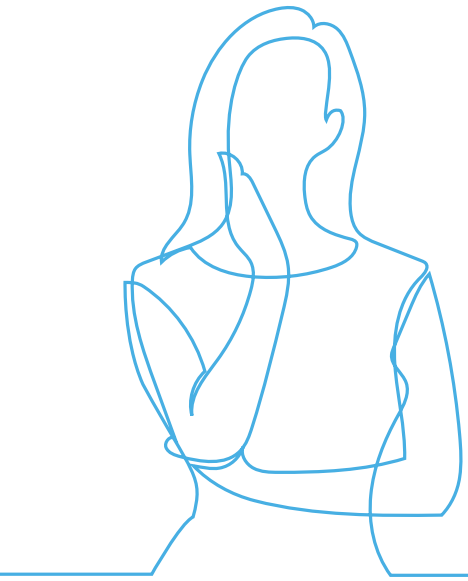
ASK YOURSELF THESE QUESTIONS:

- What brought you to this business?
- What's important about what you're trying to share?
- What motivates you?

Your motive, mission, and sense of purpose don't have to be about saving the world — they just need to be truthful and genuine.

PICTURE THIS

You're a couple of retired military veterans working to expand a craft brewery from your home garage to an old fire station. Your goal is to share your personal story of experiences with heightened camaraderie and service as well as to honor those who continue to carry on a devotion to protecting and serving. Your brewing experience began overseas, but you brought it home, mixed it with your local history, and this strong foundation now drives you to open a community gathering space where people come to bond, reminisce, and relax. Every element of your brand — logo, product, product names, merchandise offerings, and the actual building (selected for symbolism and establishment) should be communicated clearly and intentionally in everything you do.

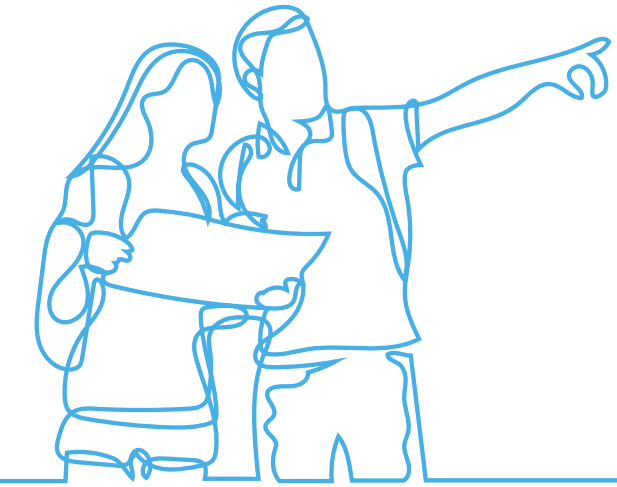


STEP 4:
Make the Right Decisions to Create Sense of Place

When creating place and crafting experience in authentic destinations, attention to detail is paramount. Some things to consider:

- Design decisions must be made to leverage walkability in order to increase dwell time in the community and enhance the experience of users.
- Engagement in lingering spaces such as pocket parks and thoughtfully placed green areas in the community provides opportunities to rethink the outdoor experience.
- Density versus open space ratios provides the appropriate palette for curation and balance of adjacencies in supporting character and maintaining authenticity of space.
- Jewel box storefronts that uniquely identify a retailer's brands and provide views into the customized and curated products and spaces add enticement for potential consumers.

Carefully made design decisions can transform your vision, thoughts, musings, and inspirations into a tangible palette of materials and details that support your story and reinforce your brand. The authenticity will begin to take shape as your concepts become physical and malleable.

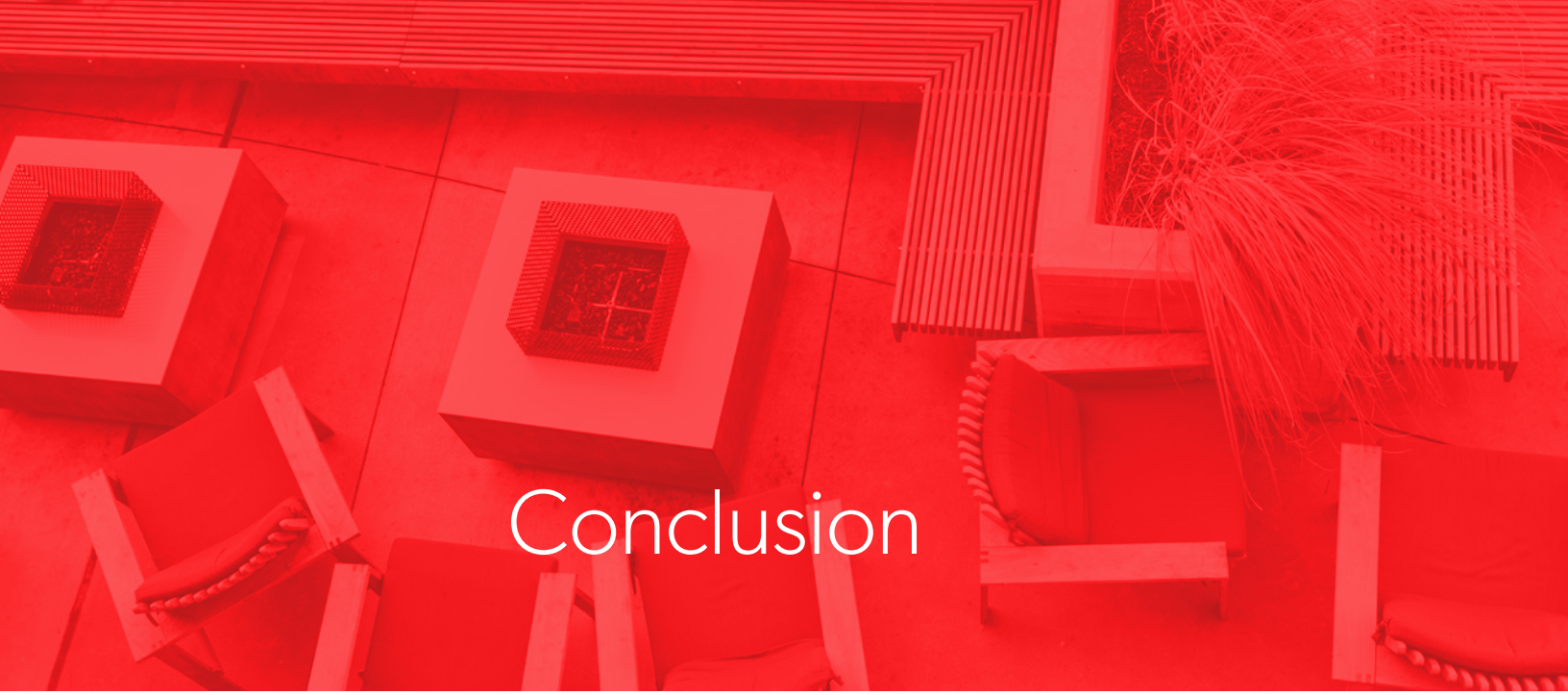


STEP 5:
Embrace the Character of the Community

Authenticity extends beyond the built experience into the intangibles like culture and core values. As retail establishments become increasingly experiential, products and services are becoming more local and value-based. Consumers want to know where food and materials are sourced from. Business owners want to feel good about supporting local artisans, farmers, and trades folk.

Leverage every opportunity to celebrate the small details and incorporate them into your story and your space. Feature suppliers with signage or special displays; write the story of your ethical commitments on the wall in plain sight; share proceeds and spread the word about local charities or causes; give your values legs by making them visible and apparent in your materials, services, products, and personality. Build a connection with your customer that can't be duplicated.

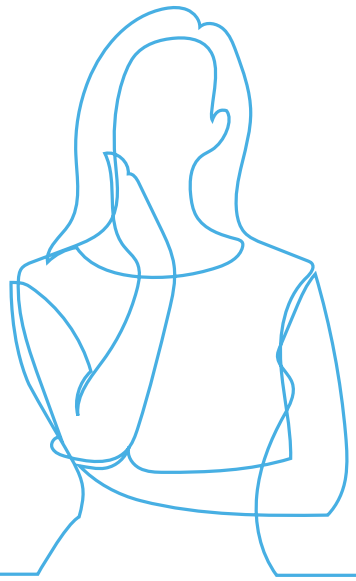
If something is part of who you are and how you do business, share it.



Conclusion

If the story you're telling through the lens of your retail space isn't genuine, personal, informed, and fueled with passion, your space may end up expressively empty as a result.

Customers should be able to feel a sense of place even if they can't necessarily describe what details trigger their emotions. It's a culmination of the entire experience that translates into feeling a genuine connection. A truly authentic experience stems from a vision as unique as the individual behind it — not perfect, but real, approachable, and relatable.



An experience becomes real because of a willingness to be vulnerable and express who you are through your space.

About the Authors

Sheri Blattel

For over 25 years, Sheri has been intimately involved in all phases of retail development and design. Her work has spanned project feasibility, due diligence efforts, site planning, construction documents, store planning, interior and exterior branding briefs, and construction administration. Sheri's creative and collaborative approach to integrating each retailer's vision into holistic design solutions is key to delivering innovative and provoking retail environments for her clients. Her years of experience have led her to be one of the leading store layout efficiency experts with the ability to collaborate with a client on work and customer flow to maximize efficiencies and improve sales while maintaining each retailer's unique brand.

Connie St. George

LEED AP

Connie St. George has more than 15 years of experience as an architectural project manager working with a wide variety of clients in the retail, mixed-use, commercial, government, and healthcare sectors. While her diverse experience offers a well-rounded base of knowledge, her primary client base has been restaurant and bar owners. She has served as architectural lead for national corporate accounts, but has also worked hand-in-hand with owners striving to establish their own brand and developing their first location. Her strength is the ability to translate the goals of her clients into a tangible form while recognizing and balancing the realities of the challenges that every project must overcome to be successful.

PIONEERING ENVIRONMENTS

Contact us to learn more about our retail design service offerings.

Sheri Blattel
sherib@ctagroup.com
512.900.4273

Connie St. George
connies@ctagroup.com
208.577.5617

www.CTAGROUP.com