

THE RETAIL EXECUTIVE'S CHECKLIST:

7 Things to Consider When Reinventing Your Store Experience

“People always remember the way you make them feel. At the end of the day, **what’s going to get me out of my house** or my car to see you in a **physical environment?**”

- Melissa Gonzalez, The Lionisque Group

INTRODUCTION: IT’S TIME FOR SOMETHING NEW AND DIFFERENT

It hasn’t been an easy few years for brick-and-mortar retailers. More than 8,000 stores will shutter this year, a four-fold jump from 2016, according to [Credit Suisse](#). While department stores like **Macy’s**, **Sears** and **Kmart**, make up a large portion of these closures, specialty retailers have not been immune to struggles. Many specialty icons like **American Apparel** and **Guess** have also joined the list of those shuttering stores.

On the other end of the spectrum, formerly online-only brands like **Warby Parker**, **Bonobos**, **Birchbox** and **Rent the Runway** have seen significant successes with their brick-and-mortar ventures. What separates these new brick-and-mortar leaders from the laggards? Why are consumers straying from the brands they know, the brands with history and heritage, for something completely new and different?

Perhaps it’s because they’re exactly that: completely new and different.

Like many of your retail peers, you’ve made a significant investment in your stores, and considering significant experience changes will probably also pose significant risk. However, as an industry we are presented with a rare opportunity to reinvent ourselves.

In this new era of retail, shopping will only be one part of the in-store experience. Technology, entertainment, social media, hyper-personalized selling and value-added services all encompass the new store engagement equation, requiring only ingenuity (and investment) in order to make them part of a completely reinvented store experience.

We’re here to help, because we believe that despite constant disruption and technological innovation, the store is still the centerpiece of most customer journeys. Our challenge is no longer to justify the store’s existence, but rather to reinvent the store’s experience in order to restore its relevance.

Following are seven expert tips that we have developed to help you reinvent your store experiences and restore relevance and value to your brand.

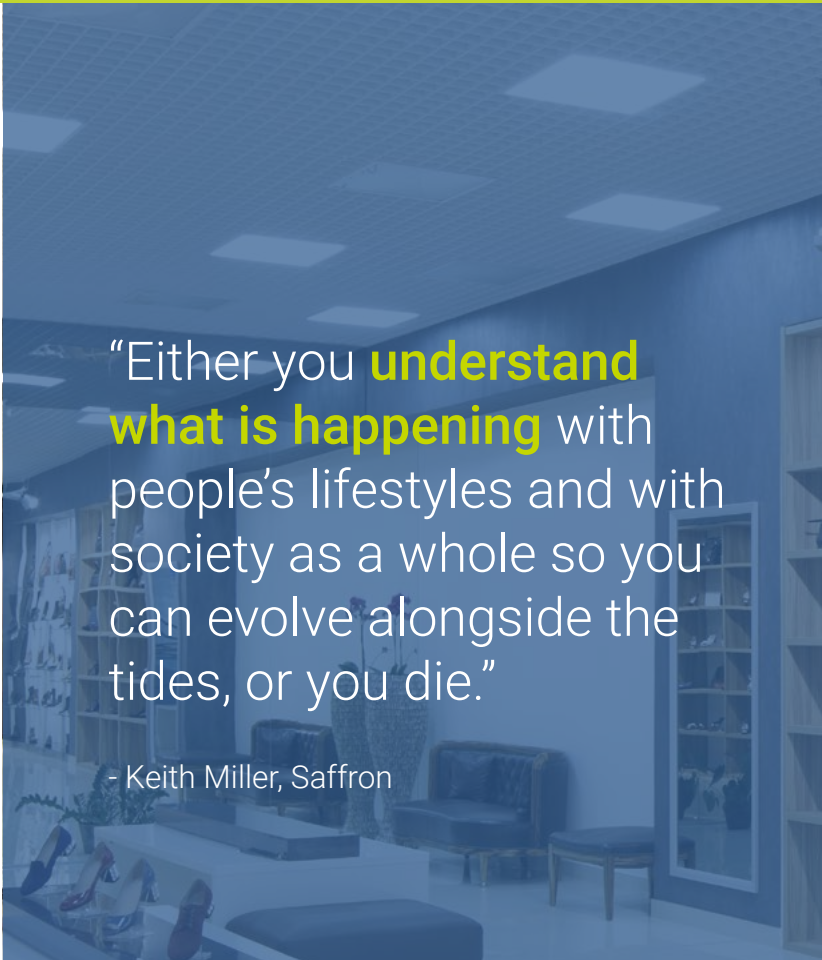
1 BE WILLING TO REIMAGINE YOUR BRAND

Every retailer has a history or brand promise that makes them unique. Often their brand stories represent a specific lifestyle, or they're aspirational and they typically attempt to resonate with target consumers on a personal level.

However, as the world shifts beneath our feet, now is the time for retailers to re-examine their brand promise. It's time to ask what customers expect from the brand and how those expectations translate to all channels and touchpoints.

"Due to the change in consumer behavior globally, rapidly evolving spending habits and the way people relate to brands, all retail sectors are in a process of change or they are forced to be," said Keith Miller, VP of the Americas for global consultancy Saffron, in an interview with *WWD*. "Either you understand what is happening with people's lifestyles and with society as a whole so you can evolve alongside the tides, or you die."

Your new brand should be brought to life in the store through a combination of empowered employees, immersive in-store technology, and activities and experiences that reflect and inspire your customers' lifestyles. All should be complemented by services that add specific and tangible value to each experience. And these elements should be refined and optimized based on what you know about your customers.



"Either you **understand what is happening** with people's lifestyles and with society as a whole so you can evolve alongside the tides, or you die."

- Keith Miller, Saffron

KEY TAKEAWAY

As you start your reinvention journey ask yourself the following critical questions, *What makes our brand different than anything else? What is one thing that we promise customers that we can always deliver? How are our customers, and their response to our brand, changing?* Doing so will help you uncover some critical insights about what makes your brand unique and how it may need to evolve in order to stay relevant in consumers' eyes.


2 RETHINK THE DEFINITION OF SHOPPING

Over the last two years, a seismic shift has taken place across the retail landscape. Many of the big-name department stores and retailers that took up most of shopping malls' space began to rethink their brick-and-mortar strategy. [Analysis from Green Street Advisors](#) confirmed the bleak outlook for the shopping mall: The firm predicted that same-tenant sales for shopping malls will only grow 1.2% between 2016 and 2019, a significant decline from the 4% growth seen in 2015.

Certainly, changing demographic and economic factors influence local retail dynamics, but the impact of e-commerce and more innovative and experience-centric brands is undeniable. Consumers are now looking for experiences that most traditional shopping malls and brick-and-mortar stores simply do not provide.

However, real estate developers like Rick Caruso are enduring the “shopping mall apocalypse” and encouraging retailers and consumers alike to rethink the shopping experience. Caruso is the Founder and CEO of his namesake business, which birthed **the Grove, the Promenade at Westlake** and numerous other “lifestyle destinations” that feature restaurants, gaming centers, exercise centers, movie theaters and other forms of entertainment, in addition to brick-and-mortar stores.

How you define shopping for your customers will depend on your brand story, your category and, of course, your community. Before you begin to reinvent your in-store experiences, consider how you can augment these elements with technology, events and more, to create an entertaining and friction-free shopping experience.



Consumers are now looking for experiences that most traditional shopping malls and brick-and-mortar stores **simply do not provide.**

KEY TAKEAWAY


Don't be afraid to turn your idea of shopping completely upside down. Think first about the type of experience that will resonate with your customers, then think about how to integrate the selling of merchandise into that experience. It's time to put engaging ahead of selling.

3 INVEST IN DEEP CUSTOMER INSIGHTS

Despite the many challenges they often represent, digital channels and touch points can also provide you with more context into who your customer is, what their behaviors are, and most importantly, what they want from the brands and retailers they purchase from. From likes to follows to clicks to opens, social networks and digital devices arguably provide you with the most authentic look at what your customer is *really* like.

Combining these insights with traditional sales and marketing metrics, as well as insights from consumer researchers and analysts, can help you improve your assortment, craft more successful campaigns and even create more memorable in-store experiences. With the right customer insights, you can enhance and improve all facets of the store, from layout, to assortments, employee training and enablement, and even the technology you choose to support these enhancements.

Shoppers are also more eager and willing to share their feedback directly with retailers – as long as they can reap the benefits. Surveying 8,500 shoppers worldwide, [Daymon](#) found that 50% of engaged shoppers characterized as “Vocal Aficionados” and “Balanced Enthusiasts” said they were interested in giving a company feedback in order to enhance the shopping experience. Additionally, 47% said they were also interested in helping a company design a new product or service.



“Staying relevant as markets and consumer expectations change is key. Whatever the industry. Whatever the company. **Thinking you know better** as CEO or as a senior manager is **foolish.**”

- Ken Hughes,
[Author and Consumer Behaviouralist](#)

KEY TAKEAWAY

As you begin to explore new experiences, invest in deep insights that go beyond traditional CRM metrics. Dig deep into your target customers to better understand the motivations behind their behaviors. Look outside traditional sources for insights into motivations and aspirations that may help you anticipate their desires as they begin to shift. Look for new ways to bring shoppers into the planning conversation.

4 EXPERIMENT WITH NEW FORMATS, PARTNERSHIPS AND EXPERIENCES

Beginning as online-only businesses, brands like **Warby Parker**, **Bonobos**, **BaubleBar** and **Birchbox** optimized their brick-and-mortar strategies by experimenting first with pop-up shops and events. According to [PopUp Republic](#), the pop-up shop industry is valued at \$50 billion, and as you begin developing new experiences, pop-ups are a low-risk, potentially high-reward way of testing new store experiences and even technology with your target customers.

Because pop-ups and events are short-term opportunities, they can help your business test and learn on a limited scale. Use these initiatives as an opportunity to learn about your customers and how they respond to the experience. It is also a best practice to have senior associates available to collect first-hand feedback on customer responses and to evaluate ways to improve in the future.

Most experts recommend starting small, with seasonal or holiday-themed pop-ups like **Target** did for its New York City shop, called [Target Wonderland](#). The space was part toy store, part holiday playground and part tech incubator. Or, join the event circuit. We're seeing more consumers spend money on events and experiences like music festivals, Spartan Races and themed 5Ks — should your brand go there? Brainstorm — or better yet, compile a focus group — to develop a list of events your target customers would likely attend or gravitate to. Partner with these events by hosting special parties or opening pop-ups at certain locations. For example, **Boot Barn**, a cowboy boot and western wear retailer, is frequently present at rodeos across the U.S.



The average American family spends **\$606** on entertainment fees and admissions **every year**.

- United States Bureau of Labor Statistics

KEY TAKEAWAY

Rather than investing heavily in new store concepts, assortments or technology, test them in pop-up shops or at relevant events. These short-term stores will provide you with plenty of customer feedback and lessons learned before you roll out an initiative on a larger scale.


5 EMBRACE DIGITAL TRANSFORMATION

Over the past five years, we've seen digital devices, including smartphones, wearable devices and even in-store technologies, play a more prominent role in the customer engagement equation. Today, **\$0.56 of every dollar spent in a store** is influenced by a digital interaction – amounting to \$2.1 trillion overall, according to Deloitte.

Cutting-edge retailers see digital's influence in retail as a prime opportunity for them to bring cutting-edge tools, apps and technologies into their store environments. But do not be fooled: there is no silver-bullet way to embrace digital transformation. Success ultimately depends on your goals, the products you sell and who you're trying to serve.

Recent examples convey the myriad of opportunities available today. **True Religion**, for example, empowers store associates with Apple Watches so they can better serve customers. **Clienteling capabilities** allow associates to access customer "closets," which include all of the products they've purchased and valuable metrics such as average total spend. How they communicate with customers, and the products they recommend, will vary based on the data and insights they uncover through the app.

Some retailers, such as **Sephora**, **Neiman Marcus** and **Lowe's**, have developed innovation labs dedicated to researching and testing the latest technologies. Walmart has launched a tech incubator called **Store No. 8**. If an innovation lab is in your future, great, but it's certainly not required. There are other ways you can begin to embrace digital disruption.



In 2016, **digital interactions influenced** approximately \$2.1 trillion in brick-and-mortar sales.

- Deloitte

KEY TAKEAWAY

Rather than investing in a new innovation lab, use your peers' experiences, along with granular customer data and insights, to guide your strategies. Pop-up stores are also a great place to test new technologies and see how they create a fun and friction-free shopping journey.

6 DON'T UNDERESTIMATE THE POWER OF FULFILLMENT

Order delivery and fulfillment is considered one of the least fun and “sexy” topics in any conversation about retail experiences. With all of the cool and glitzy gadgets entering the market, it’s easy to see why. But the reality is that fulfillment is the foundation of a great customer experience.

Shoppers want to get the products they want as quickly and easily as possible – whether a product is being delivered to their doorstep or they need to collect it from a nearby location. The success of Amazon Prime and Prime Now speak to the importance of fast, hassle-free delivery, and in general retailers have struggled to keep pace. But consider this an opportunity for your brick-and-mortar stores to truly shine by making order pickup a focal point of the experience.

Rather than having customers go to the help desk and forcing an already-busy associate to try and help, why not dedicate staff to the fulfillment process? Arm them with tablets or other technologies so they can not only verify that an order is picked and ready to go, but so they can offer some last-minute product recommendations and insight into how to best use the product. With a subtle shift in strategy, you can transform in-store fulfillment from a simple accommodation into a great service experience.

There are other innovative fulfillment approaches you can use for inspiration. For example, a Florida **Walmart** has partnered with fast food restaurant Grown to implement an organic fast food drive-through in the store. German retailer **Metro** features an in-aisle greenhouse where customers can pick their own herbs.



Help your brick-and-mortar store to shine by making fulfillment a **focal point of the experience.**

KEY TAKEAWAY

Not quite sure how to add extra value to the fulfillment experience? Start by thinking about what your customers want at a foundational level, then brainstorm ways to surprise and delight them. For example, if your customers want a more high-touch service experience, arm associates with tablets so they can fulfill orders and make additional product recommendations based on their purchase.

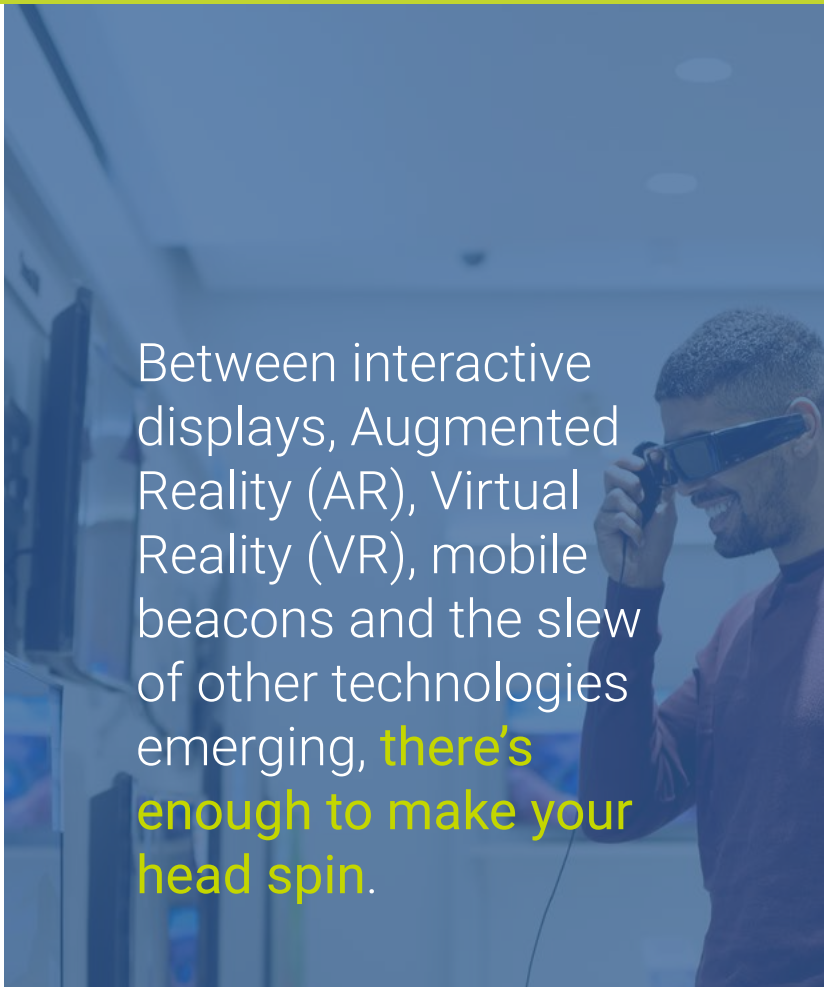
7 DON'T STOP THINKING ABOUT TOMORROW

The onslaught of disruption that we've seen over the past several years is testament to the fact that change is always happening. That is why in order to not only survive, but thrive, it is important to always be thinking of new ways to innovate.

But it's not just about implementing the latest gadgets that make your customers stand in their tracks. It's about understanding what your customers want and finding the right strategy to surprise, delight and create a more engaging experience.

That means you need to prioritize. Between interactive displays, Augmented Reality (AR), Virtual Reality (VR), mobile beacons and the slew of other technologies emerging, there's enough to make your head spin. Using your brand promise and target customer as the baseline, explore how different technologies will add value to the customer, and if they don't add value, disregard them.

For example, if certain products that come in a lot of different colors or styles, take cues from brands like **L'Oreal** and **use AR** so in-store shoppers can digitally try on products before they make a decision. Or, if your customers want to be able to customize items they buy to better suit their personal preferences, consider rolling out digital kiosks or tablets that allow them to see their customizations before they place an order.

A man wearing AR glasses is shown in a retail environment, looking at a product. The background is a blurred store interior with shelves and displays.

Between interactive displays, Augmented Reality (AR), Virtual Reality (VR), mobile beacons and the slew of other technologies emerging, **there's enough to make your head spin.**

KEY TAKEAWAY

Today, the technology possibilities are endless, and there are so many ways you can create a more enriching and immersive in-store experience. The trick is identifying the things that will add value to your customers today ... and in the future.

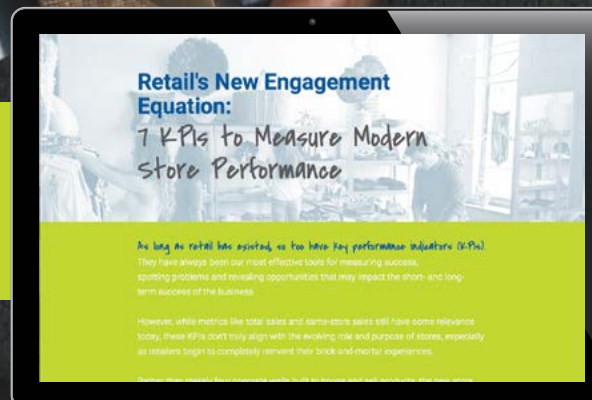
CONTINUE YOUR REINVENTION JOURNEY

Despite the current volatile state of the industry, retailers have more opportunities than ever to completely reinvent themselves and their in-store experiences so they can truly thrive in these crazy, yet exciting, times.

Using this checklist as your baseline, you can begin to build your new brick-and-mortar strategy. Of course, this new strategy isn't a complete shift from what your brand is today. Rather, it's a fusion of your current brand values and in-store experiences, and new customer insights that reveal who your shoppers are and what they expect from brands they engage with.

Remember, though, that reinvention is not a one-time exercise. It is an ongoing, reiterative process that is constantly changing as your customers do the same. To ensure that you're constantly improving and evolving with your customers, you must measure the effectiveness of your in-store experiences. This new era of brick-and-mortar retail, however, requires retailers to embrace completely new measures of success. Learn more about these metrics by accessing our new listicle.

SEE THE LISTICLE



LEARN MORE



In an era of virtually limitless choice, sustained competitive advantage only comes to retailers who engage customers differently by truly understanding who they are, what they want and why they buy. At Aptos, we too, believe that engaging customers differently is critical to our success. We are committed to a deep understanding of each of our clients, to fulfilling their needs with the retail industry's most comprehensive omni-channel solutions, and to fostering long-term relationships built on tangible value and trust. More than 500 retail brands rely upon our Singular Commerce platform to deliver every shopper a personalized, empowered and seamless experience, no matter when, where or how they shop. Learn more: www.aptos.com

945 East Paces Ferry Road, NE #2500
Atlanta, GA 30326

info@aptos.com



Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The Retail TouchPoints network is comprised of a weekly newsletter, insightful editorial blog, special reports, web seminars, exclusive benchmark research, and a content-rich web site featuring daily news updates and multi-media interviews at www.retailtouchpoints.com. The *Retail TouchPoints* team also interacts with social media communities via Facebook, Twitter and LinkedIn.

777 Terrace Ave, Suite 202
Hasbrouck Heights, NJ 07604

info@retailtouchpoints.com

