STORES

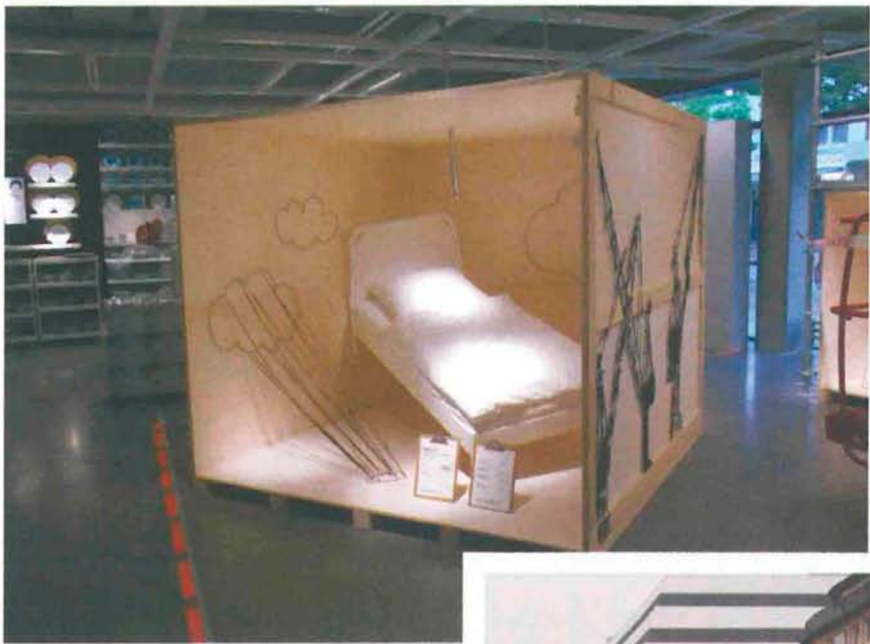
Change in retail is often incremental, but perhaps 2015 will be the year that brings big in-store changes? **John Ryan** talks to those whose job it is to create a difference

Looking into the de

A week is a long time in politics. A year in retail is a geological era. Twelve months ago the travails of the big supermarkets were in their relative infancy. Some were still working out what to do about convenience formats and others whether big stores were on the way out or not.

Equally, Ikea's smaller scale urban format in Hamburg or the idea that fashion retailer Jigsaw would open an Emporium in central London would have been unexpected news.

Making predictions about what is likely to happen by the end of 2015 is tricky therefore and there will certainly be some twists and turns along the way. In an election year, both the economy and the shopper behaviour will be uncertain and store design departments and designers will have their work cut out.



Supermarkets: questions over space

For the supermarkets, it's all about size. Jim Thompson, managing director of design consultancy 20.20, says: "The big retail boys are all still thinking 'what do I do about all of this space?' Reducing space and using the space that remains more effectively is a massive issue for these guys."

Practically, the big-small dilemma that faced big grocers at the outset of 2014 is the same now as it was then. Convenience stores will remain a battleground in much the same way as the supermarkets competed to get the biggest edge-of-town sites a few years ago.

That means that convenience formats will continue to be refined but there is unlikely to be any great leap forward in terms of the way they look because much of the groundwork has already been done.

The 'evolution, not revolution' mantra is likely to prevail more than ever in food retailing. Giles Brookes, joint owner of design consultancy Twelve Studio, picks up the point: "The 'new retail landscape' for supermarkets isn't so new anymore. The discounters are more established and the changes in customer buying habits are better understood so this year the supermarkets will start to move from reactive to proactive strategies."

He observes: "While there will be imperatives to cut operational costs and maximise efficiency, the main question for each brand to ask is 'how can I be a better me?' rather than 'how can I be like them?'"

"Supermarkets will start to move from reactive to proactive strategies"

Giles Brookes, Twelve Studio

Waitrose notwithstanding, the results from the big supermarkets over the Christmas period have not been of the vintage variety. The challenge for store designers over the next year will be offering stores that can help stop sales slipping and which contain fresh reasons for shoppers to keep coming back.

Big space is not all bad however. Thompson notes that in some of the large edge-of-town retailers such as Pets At Home and B&Q, staff increasingly act as "brand ambassadors". He says that the impersonal nature of the online shopping experience means that when shoppers enter a store, human contact will be more important than ever.

Department stores: reasons to visit

In the UK, department stores remain a prominent feature of the retail landscape. To a large extent, the best of this sector have been setting the in-store agenda whether it's as a multichannel operator, John Lewis, or perhaps as a destination in every sense of the word Selfridges on Oxford Street, where constant change is part of the proposition.

Andrew MacDonald, managing director of design consultancy Four IV, which has worked extensively across the department store sector in the UK and overseas, says: "We have clearly begun to see the development of a two-tier department store market, with those investing heavily to ensure that they stay on top and those believing that past credibility or customer loyalty will get them through.

"2015 will be the year that investment will be essential. New ranges, improved shopping environments and services are now what the customer expects as the norm, not as exceptions.

To see pictures and videos of store interiors go to Retail-week.com/stores

signers' crystal ball

Interestingly, in Asia the department store is far more than a purchase point. Restaurants, cinema, fully functioning auditoriums and culture halls are always part of the mix."

For shoppers, that means added reasons to prolong a visit to a store.

MacDonald says: "The aim is to develop dwell time and encourage revisits. Family-centric stores have lots of things aimed at young people from roof gardens to adventure playgrounds. Private lounges are offered with membership relating directly to store spend – all added advantages that only department stores can realistically offer."

Given that John Lewis is opening a full-line store in Birmingham's New Street this year and that House of Fraser is now in the hands of a Chinese owner, it would appear that this is likely to be one of the areas of retailing that may see the greatest in-store activity during 2015.

Clockwise from left: Ikea opened a smaller store last year; John Lewis will launch in Birmingham's New Street this year; retail destination Selfridges now houses a cinema in its London store

Topshop tested new lighting schemes at its Fifth Avenue store

"Retailers are becoming more ambitious about their retail 'venue'"

Alison Cardy, HMKM

Technology: making shopping easier

One of the more interesting points to emerge from the John Lewis statement about its Christmas performance was the rise and rise of click-and-collect as an option for shoppers.

That sounds like good news for retailers with large estates because they have more potential collection points. But Thompson notes: "Aligning the click-and-collect online side of things with the store remains difficult.

"When customers do walk into a store, you've got to give them more reasons to stay. Years ago we talked about the convergence of leisure and retail and now we've got a different sort of convergence, which is more important. Once you've got shoppers in a shop, how do you make the shop more interesting?"

Thompson describes trying to pick up an online purchase from a major fashion retailer just before Christmas: "The 'collect' part of the equation involved queuing up at the cash desk with all the other shoppers and waiting. This sort of thing isn't about making shopping easier. It actually takes longer, it can't be good."

Work still remains to be done on making the in-store experience a seamless element for online shoppers and vice versa.

Fashion

Guy Smith, head of design at Arcadia and the man with responsibility for many of the fashion environments that greet fashion shoppers when they head to the high street, thinks that retailers are on the cusp of substantial change.

Cycling retailer Rapha has developed a narrative that helps build a relationship with a customer

"We're close to consolidation. After years of moving around and trying to be multichannel, we're finally there. In the stores we'll start to see changes in payment and it therefore won't make sense to plan the store around the cash desk anymore. Then there are items like LED lights, which make things better for displays and the environment. They've been promised for years, but it looks like they've finally come of age and they're now affordable," he says.

Smith also forecasts a greater degree of "transparency". This means that the way in which stores are stocked and operate will become part of the online and in-store drama: "You might be allowed glimpses of stockrooms and how we move the stock around the store behind the scenes. In fashion, technology is a given now – it's just something that you've got to have and it's got to be right."

There is a sense, however, that the old rules still apply. Smith says: "Fashion is still about great product and great value – it's the way in which it is delivered that is changing."

"Aligning click-and-collect with the store remains difficult"

Jim Thompson, 20.20

Appealing to new customers

Alison Cardy, managing director at design consultancy HMKM, does much to sum up the thoughts of many in the store design fraternity: "We're finding clients exploring more and more exciting, innovative and provocative ways of connecting the digital and physical shopping experience. And many are looking far beyond the here and now, at how to connect with the next generation of customer – a generation who've grown up technology-savvy from birth.

"Retailers are becoming more ambitious about their retail 'venue'. They're aspiring to create a mix that fuses a diverse blend of people, brands and disciplines around a strong central vision."

Citing cyclewear retailer Rapha and US fashion lifestyle retailer Shinola, which has recently established a toehold in the UK, Cardy says: "Narrative continues to play a huge role in customer relationships with retailers and brands – history, provenance, craftsmanship and heritage remain critical elements in terms of building that engagement. Large or small scale, they are focusing on how to make social engagement a major part of what they do."

All of which means that retailers will be busy in-store during 2015.