

# AV MAGAZINE

## Retail Special

**Developments in:** large-scale presentation systems, tools to bring online and in-store closer together, design for a retail revolution

**Interviews with retail technology experts:** Mark Flowers (Midwich); Stuart Holmes (PSCo); Helen Kenniff (Sedao) and John Rowney (Casio)

**Case studies from:** Daktronics; LG and Unicol





# Designing and realising the retail revolution

As technology continues to transform the high street, **Rob Lane** investigates how design, planning and implementation is being influenced by the retail revolution and also accelerating its advancement.

**A** moving target is always harder to hit. When it comes to strategising, budgeting and planning for retail design, with an end-goal of implementation, the target is a fast-moving blur of transition – fuelled by audio-video and cloud-based technology. Indeed, such is the speed of change within retail that it's difficult to disagree with influential retail commentator Walter Loeb's comment in *Forbes* magazine that the sector is "undergoing a revolutionary change".

Loeb believes that in order to keep thriving retail must accept technology's influence – but only if such influence adds fluidity to the shopping experience. In other words, Loeb doesn't advocate tech for tech's sake; it must add value to retail rather than cluttering it.

"Technology is reshaping how consumers shop," says Loeb. "Retailers that resist the changes coming about will not survive. Those that embrace technology and let the consumer be in charge will thrive."

Loeb highlights stores such as Macy's and Nordstrom's, which have integrated magic mirrors and smart fitting rooms into their stores. Technology, and the need to integrate it in an intelligent and meaningful way, is essential to retail's future – and Loeb predicts resurgence in high-street shopping by 2020.

Retailers need to take a holistic view of AV tech in particular, treating it as a strategic technology and fully integrating it into marketing plans. But above all, it's essential that all AV technology be adopted in an active rather than passive role in the in-store experience – so no static imagery or unresponsive touch displays.



Moment Factory created the video art display at the Shinsegae department store, South Korea

Retail design has shifted to the experience of shopping, rather than trying to compete with the parallel online experience offered by retailers. Technology is harnessed to enhance the customer's perception of the brand, and stores have the opportunity to create an immersive brand experience: one that is authentic to their brand. The store is a brand's biggest product and biggest opportunity to engage with customers.

## AGE OF THE APP

The age of smartphones, social media and apps has changed the shopping experience forever. Consumers exist in a digital world and there's an expectation that well-designed spaces will offer dynamic, interactive experiences. Smartphones are powerful, interactive and personal computers. Stores need to offer the same expansive, emotive digital experience.

Retailers and store designers are reinventing the reasons why people visit stores, creating retail destinations where stores operate like community centres and making a purchase is secondary to the experience of being there. (Purchases can come later.)

It's essential that these new experience stores entice customers to hang out as long as possible, by providing a

required service, or a pleasant working or socialising environment – something a smartphone can't offer, in other words.

"Leisure in all its forms now increasingly underpins many bricks and mortar shopping destinations," says Richard Barker, director at retail property consultants, Barker Proudlove. "People still like to go out and shop as an experience, however much they may also like to stay at home and buy online."

"Retailers are embracing the idea of shopping as a leisure experience by incorporating everything from coffee shops to yoga classes," adds Perran Jervis Partner and Head of Retail at law firm, TLT.

TLT's *Retail Growth Strategies Report 2017* collated growth strategies and challenges from 100 of the UK's top retailers, to gain a sector and category view of retail. Conlumino, a global retail research agency, conducted independent research on behalf of TLT.

Although the report found that more than 4,000 stores are set to close this year, it concluded that the top areas of investment are linked to technology. It remains a priority, with just over half of retailers planning to increase budgets this year, especially consumer-facing AV tech. With 39 per cent of retailers planning refurbishments, this is good news for store designers.



It is important to have a fully cross-platform, coherent and completely linked-up technology strategy that can be implemented in all stores

When it comes to the sources of technology and digital innovation, retailers still rely heavily on external consultants (64 per cent) working with internal IT teams (52 per cent), but this is changing. According to TLT, nearly half of retailers now have their own digital innovation team, with many of the UK's largest department stores and supermarkets – including John Lewis, M&S and Sainsbury's – opening 'technology incubators' or 'digital innovation hubs'. These 'concept stores' are key to prototyping technology before it's rolled out.

"All ideas involving AV technology should be prototyped first," says Emily Webster, senior designer and AV technologist at ESI Design in New York. "Your initial prototype retail store should go above and beyond what you think is practical and scalable in terms of how your clients will interact with the retail environment. From the prototype store, you can then curate best practices and create a kit of tactics that can be rolled out to other locations."

Webster believes that a prototype store can also be a flagship outlet, serving as a lab for testing new ideas, strategies, and technologies for branding and interaction touch points.

"By creating a flexible audio-visual environment, you can deliver entertaining

experiences by using the media as a canvas to experiment with," she adds. "Then you use feedback from your retail associates and customers, identify what is and isn't working to recreate and scale the most successful experiences to other locations."

### LONGEVITY AND ADAPTABILITY

Of course, key issues such as scalability, future proofing, reliability and adaptability have to be considered – as well as how these things inform implementation strategies. Despite the transient nature of tech and the rapid changes in retail as a whole, most permanent installations are designed for longevity and adaptability. This isn't just about build-quality, but also content flexibility, adaptability and ease of use.

"Scalability, future proofing, reliability and adaptability affect absolutely every aspect of our process," says Amahl Hazelton, communications manager, destinations, at Moment Factory. "We work closely with clients to make sure they're thinking long term, and to make sure they have the content they will need to keep the installation engaging for years to come."

But it's not all about the long term, as Bob Kronman, managing director of Kronman Associates explains: "When we

worked with a major fashion retailer we identified short-term, medium- and long-term goals – referred to as crawl, walk and run. Eventual roll-out to the full brand estate is an ongoing process, with service, maintenance and update planning being continued within the company."

Crucially, it's essential to have a coherent and completely linked-up technology approach, which is fully cross-platform and exhaustively well tested – as well as a strategy that can be implemented across every store.

"A detailed strategy will consider all listed items, as well as operation process, support, management, installation, deployment and procurement strategies," says Christian Bozeat, director of Macom UK.

"The most important process is to produce a concept/business case for a project," he adds. "This is done in conjunction with the designer and content production teams. A properly completed concept will factor in standards across the business, management, control, and content distribution – as well as innovative uses of hardware."

"At ESI Design, our strategy is to focus on how to engage the end-user and create for them a truly memorable experience," says Webster. "Keeping this perspective as 'true north', retailers can make



business decisions to reflect and enhance the customer experience, rather than putting in technology without purpose or goals and metrics for success.”

Hazelton agrees: “Tech alone doesn’t create emotion and engagement – but content does. Integrating tech into a retail environment isn’t about the tech itself, it’s about the content that tech can deliver; it’s about the brand stories, the two-way connections that can be made with shoppers.”

## CUSTOMER JOURNEY

The starting point of any implementation strategy is usually the ‘customer journey’, identifying the current or desired relationship between the customer and the brand along with any existing interaction.

“We always start with the customer journey,” explains Peter Critchley, managing director of Beaver Group. “This is from the very first interaction a customer has with the brand – often before they reach the physical store. This link creates much more seamless brand affinity, through technology.”

First and foremost is the customer journey. What is this solution here to do? Is it to make the customer experience easier or more engaging – or both? It’s all about looking at the aim and deciding where to go from there: does the strategy coincide with the existing brand?

David Wilson, strategic project director at Engage Works has a simpler approach: “Ultimately what the user/consumer wants is the driver – that must be the focus for any strategy. Deliver that and the rest falls into place – you can forget sales targets if the target has no relationship with you.”



Comcast and ESI Design transformed the Chicago flagship Studio Xfinity cable store into an immersive experience

Crucially, as Walter Loeb stated, use of technology within retail design must be considered very carefully as part of any strategic planning process. It must not be tech for tech’s sake.

“Approaching retail store design with a ‘tech first’ or ‘AV first’ mentality probably won’t create an authentic experience for

customers,” says Webster. “The best way to tell a changing or multifaceted brand story that connects with customers is with a dynamic media canvas. And that’s where AV comes in.”

## DESTINATION STORES

Today it’s about the experience – not the product. Experience is all-important, but in the past retailers have fallen into the trap of using technology to offer experiential thrills to consumers when they should perhaps have given more thoughts as to the actual benefits.

It’s a tricky balancing act: how best to offer the experience required to entice consumers into these destination stores, while providing substance.

“The retail space in the UK has not moved forward much since the deployment of the Burberry store on London’s Regent Street,” opines Bozeat. “That is always referenced by anyone discussing the retail AV world in the UK.”

“I have seen some beautiful solutions with content being a key factor to how the solution is perceived. However, very few are innovative and often only provide a space to display content and update it when required. Content is often recycled and not created specifically.”

It’s certainly true that, of all the tech touch points in retail, content was previously the most neglected. That’s strange when one considers that it is ultimately the end to the means – the means being AV tech.

“You always need much more time than you think for the digital technology project design process,” says Critchley. “Often, it’s presumed to not take very long because it’s digital.”

Kronman agrees: “Good content can be expensive and it needs to be updated regularly to remain relevant to the brand, the products and the consumers.”

The rise and rise of online retail has transformed shopping into a more personal, engaging experience. The resulting omnichannel retail revolution and its leveraging of interactive technology and immersive content is cranking up the personal, and the emotional, dial.

“We often say we deliver the ROE – the Return on Emotion,” says Hazelton. “Our creatives are particularly experienced and skilled at creating emotionally engaging content that attracts, engages and retains visitors, who leave with vivid memories and highly photogenic, shareable content. “Everybody in the world still wants and is still buying consumer goods, but not all brands and retailers are fully ready to engage in a meaningful way. The ones that are ready to engage are pioneering new kinds of meaningful and value-added consumer relationships.” ■



Pioneer Digital worked with Sunglass Hut to enhance digital signage across the three Westfield flagship stores