Gensler

C&A New Store Concept (NSC)

Jon Tollit

Design Research and Evaluation Report

November 2020

Contents

Cover photo
New Store Concept, Bern

New Store Concept

Summary

In recent years, 'experience' has become an over-used and ill-defined term in the creation of physical environments, particularly in the retail industry. Designers and clients realise that the spaces providing sales or services need to be more than purely functional. An Econsulting/Adobe survey of 2020 recorded that 86% of customers were willing to spend more for a great experience over price and product.

In 2015 Gensler were asked by C&A, a long-established European retailer in affordable fashion, to design a new retail concept applicable to their 1,500 stores across 12 countries. Due to growing competition, the aim was to develop from a transactional retail model to a customer 'experience' focus. There was, however, little methodology available to guide the design decisions or to provide relevant criteria that would be appropriate to establishing a measurable outcome.
This document describes the research carried out by the Gensler team, led by Jon Tollit, together with C&A during the design development process prior to implementation of the first stores. The process helped define and influence the subsequent evolution of the Gensler Experience Index (ExI).

The project incorporated Jon Tollit's previous retail experience of over 30 years, which included: iconic Joseph stores in London during the 1980s, with Eva Jiricna Architects; the first Apple stores in the UK in the early 2000s; and strategic development with Selfridges post-2009 with Gensler, all of which were at the forefront of innovation in retail design at the time. Tollit's career has shadowed the changing atmosphere of brand and customer interface in different markets. He joined Gensler in 2001 specifically to build a multi-disciplinary studio to investigate and develop a broader understanding of this 'people focused' phenomenon, utilising the firm's global reach and active support of specific sector research, unusual in the design field at the time. Each project, in a rapid design and delivery industry, became a means of research and testing that would inform the subsequent project, providing relevant knowledge for future clients. Tollit became firmwide Retail Practice Area leader at Gensler in 2008.

Joseph Sloane Street London
Eva Jiricna Architects
1989

C&A had carried out extensive research prior to Gensler's appointment to redefine their unique selling proposition (USP) and to define their new target customer, 'Casual Pretty'. Gensler carried out an initial period of investigation, prior to design commencement, interviewing key stakeholders within the business, visiting, analysing and recording information from stores in different countries and markets, and assessing historic store concepts specifically reviewed through the lens of customer experience and a study of the customer journey.

A unique component of the subsequent design development process and customer research was to build a full-size, functioning mock up that could be stress tested by a variety of customer demographics and the client's inhouse teams prior to finalising the design for roll out.

Following this process, Gensler's Lifestyle sector across the firm became focused on the wider context of experience and its impact on their clients' businesses. Gensler have a long history of financially supporting research programmes internally to assist clients in different sectors. In 2017 a team were provided with a grant to initially investigate the need for definition of the intangibles associated with experience. In parallel, another team studied experiential return on investment (ROI). Could the investment return on customer experience be measured?

In 2007, Gensler had created a Workplace Performance Index (WPI), a pre- and post-occupancy tool to assess clients' employees' design insights before and proof statements after. Following the initial studies, the firm's leadership decided to initiate a 2 year development of an Experience Index (ExI) to support Lifestyle sector clients and inform the design processes. Subsequently, each sector redefined the criteria relevant for their specific markets, including retail.

Gensler research publications vol 1 & 2

Background

The retail industry represents the critical way humans interact, consume and exchange value. Its background is as old as society itself where simple exchange was the basis for community interaction and social survival.

In the last 150 years retail has evolved into a sophisticated representation of supply and demand, through different mechanisms that mediate between product supply, customer requirements and purchase ambitions.

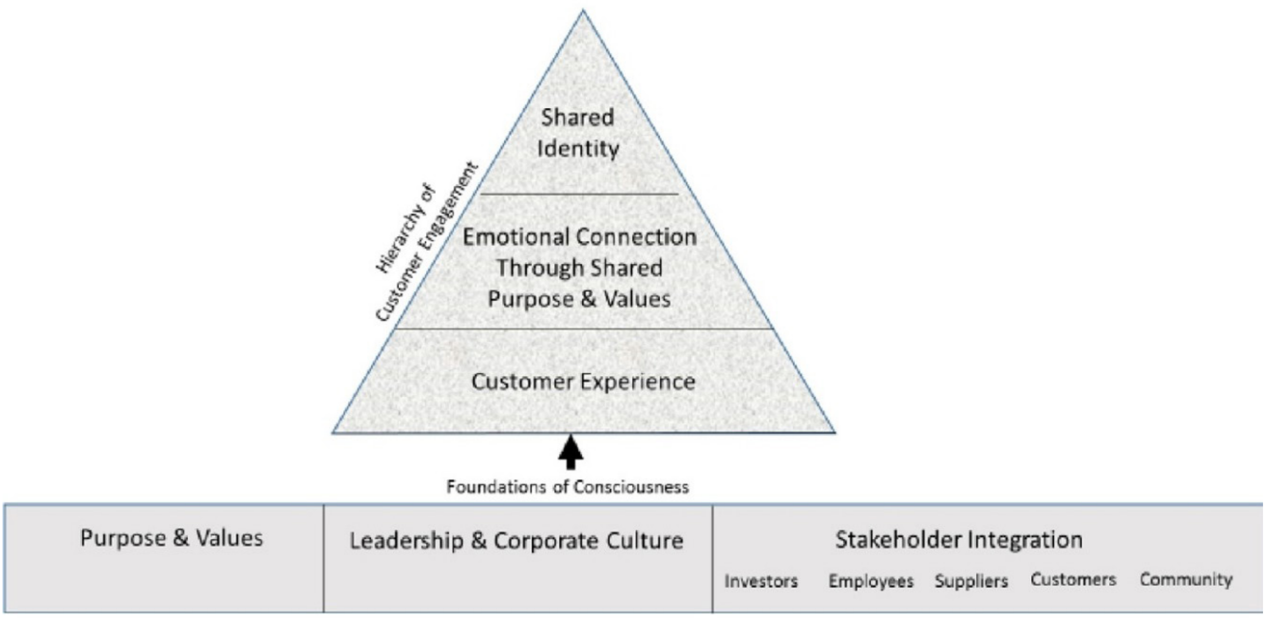
Most recently, customer choice and the rapid evolution of internet shopping together with mobile technology has transformed the transactional relationship into an omni-channel interface. Retailers have begun to recognise the importance of creating an engaged customer base, through the in-depth understanding of their behaviour, even though the methods and data available to achieve this were limited until recently. In line with this, the design of interior spaces needed to adjust its process from maximising selling space and product display to understanding individual customer requirements and particularly the customer journey.

Secondary research is essential to stay relevant in the rapidly evolving global environment. Trend watching, industry reports and case studies are crucial for clients and designers to be aware of changes within their market and competition differentiation. Deloitte, McKinsey and PWC have evolved their analysis and reporting to include experience retail over recent years. Market research developed rapidly over the same period, with many companies providing primary research data collection services for brands to inform and validate their business decision making. The aim to understand customer experience was discussed back in the 1980s (Holbrook and Hirschman, 1982), became almost mainstream by the late 1990s (Pine II and Gilmore, 1998) and

New Store Concept

was further enhanced by the philosophical influence of phenomenology prevalent at that time: 'Existential-phenomenology is presented as an alternative paradigm for conceptualizing and studying consumer experience. Basic theoretical tenets of existential-phenomenology are contrasted with more traditional assumptions and methods used in consumer research' (Thompson et al, 1989: 133).

By 2019, over 65% of companies were competing on experience, up from 36% in 2010. The desire to explain and codify experience has become a fundamental part of retail focused research, as has the testing of different approaches through qualitative enquiry, including narrative analysis, phenomenology, grounded theory, ethnography and case studies.



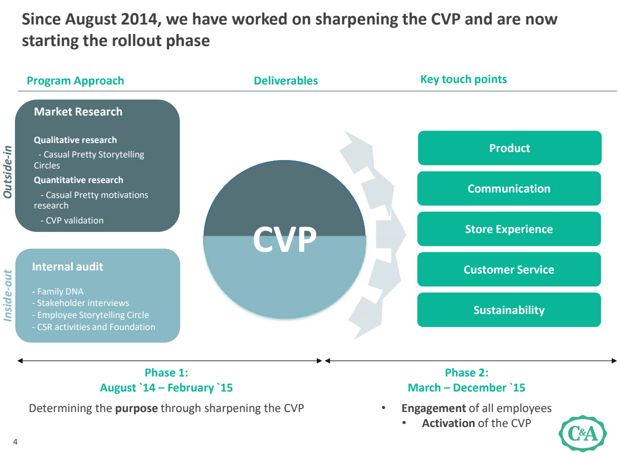
Project description

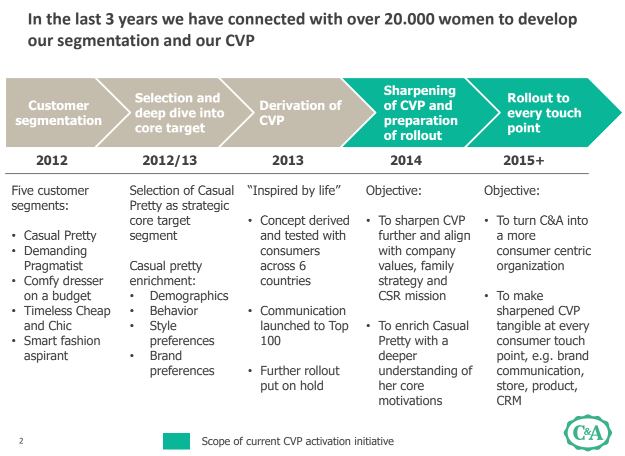
Throughout the project, Tollit headed the multi-disciplinary team as Principal of Gensler, and acted as the main interface with the client's departmental leads and directors through a specifically formed Steering Group. The Gensler team included retail and brand strategists, consulting analysts, retail designers, graphic designers and visual merchandisers. The client team included project sponsor, brand, environmental design, graphic design, visual merchandising, product, finance, HR and delivery representatives, in addition to regional teams from various European countries.

The ability and desire of the Gensler team to work proactively with the client team and evolve an appropriate design solution through analysis and testing, supported by wider international industry knowledge, was fundamental to the practice winning the project in the first instance, through a competitive interview process.

The design stage was limited in timescale from appointment in March 2015 to commencement of the first store and phase 1 roll out in January 2016.

The initial research carried out by the client defined the customer value proposition (CVP) and was shared soon after appointment. Further analysis of existing stores and competitor stores was carried out by surveying existing customers, to assess and understand the current position of the brand.



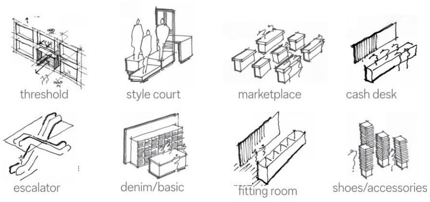


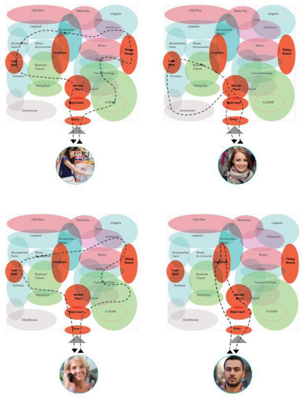
C&A briefing

The Spine

Visually linking certain fixed components and service elements together makes them stronger.

This creates a place SHE can rely on for service, advice, products and inspiration - a 'spine' to the store that acts as HER best friend.





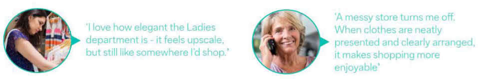
Inspiring
Optimistic
Accessible
Uncomplicated

Concept development

The first phase of research included immersion in the brand strategy, an audit of regional stores via site visits, and regional and internal stakeholder interviews. The team also carried out a thorough analysis of recent C&A store developments to assess their potential for further development within the New Store Concept (NSC), focusing on the customer journey and key 'moments of engagement' within the store. The results were summarised following analysis to refine the design brief.

The design concept was developed based on defined parameters established by this process. The tool for research was a full-size and fully operational mock up of the design concept, which could be beta tested by various groups: different customer demographics, merchandise teams, technical teams, store operational staff, cost consultants, management teams and delivery teams. This was completed and ready for use by October 2015. The client's internal team utilised the interim period to recruit, define and invite participants in the assessment process programmed for October and November 2015.

The World - Product Story - LDiv



- I — A wardrobe back wall and central hotspots that showcase outfits and provide new ideas. — F
- O — Materials that are warm and feminine. — S
- A — Dividers that demarcate the worlds without cutting them off from each other, for easy circulation. — C
- U — A mix of fixtures that accommodate the range of product, minimising mess and clutter. — S

Concept development

Research aims

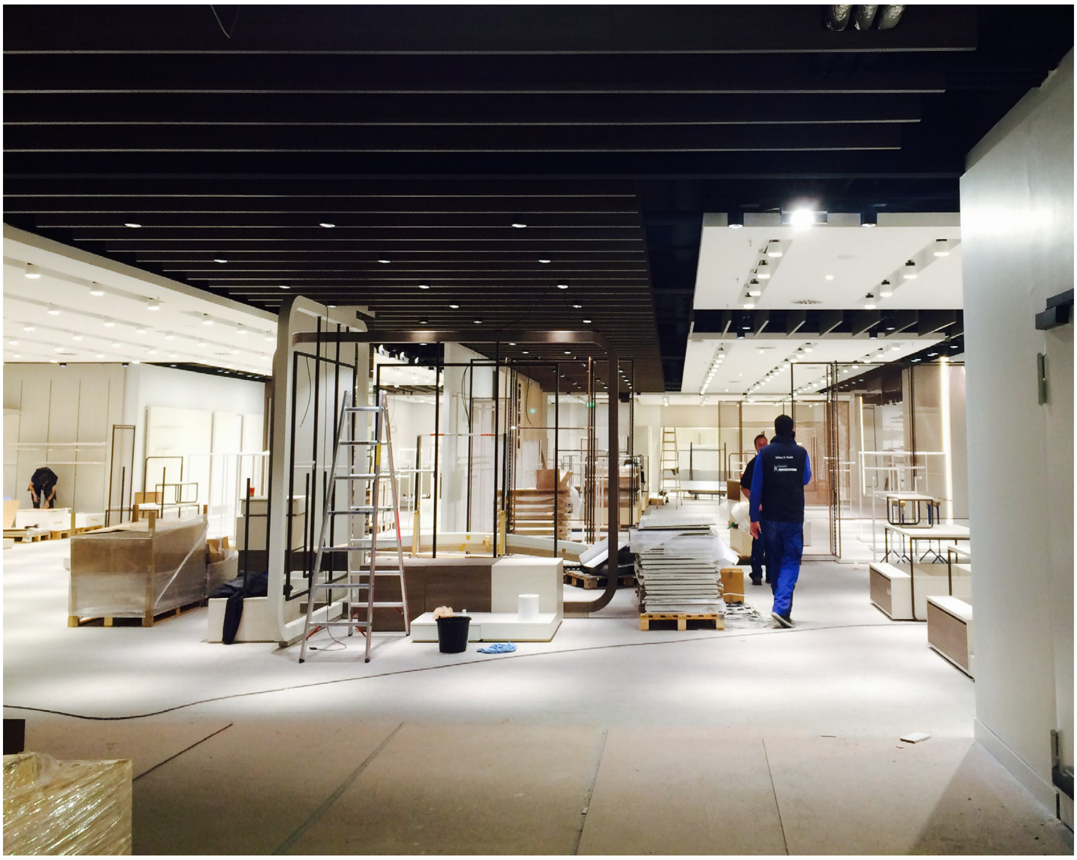
The overall research aim was to investigate to what extent it is possible to develop from a transactional retail model to a customer 'experience' focus, using an innovative, multi-disciplinary methodology that combined narrative analysis, phenomenology, grounded theory, and case studies with a full-size mock up of the design concept that allowed for an ethnographic analysis of customers in their 'natural' retail environment.

The project provided a unique opportunity to test a number of methods in order to define and develop a design solution in conjunction with a client with a similar ambition. It enabled the team to carry out an iterative process including testing and feedback prior to commitment of a final solution.

The design process is normally more concept driven as a means for designer selection rather than engaging with a firm to define and develop the appropriate solution for a particular user base. The investment in a new concept prior to any customer research is costly and time consuming without any certainty of success against defined parameters.

The process enabled C&A and Gensler to analyse existing conditions and mindsets, and to establish specific design criteria based on customer experience and the customer journey in place of old data metrics and siloed thinking.

The mock up provided a flexible tool to assess the actual performance and response of custom-

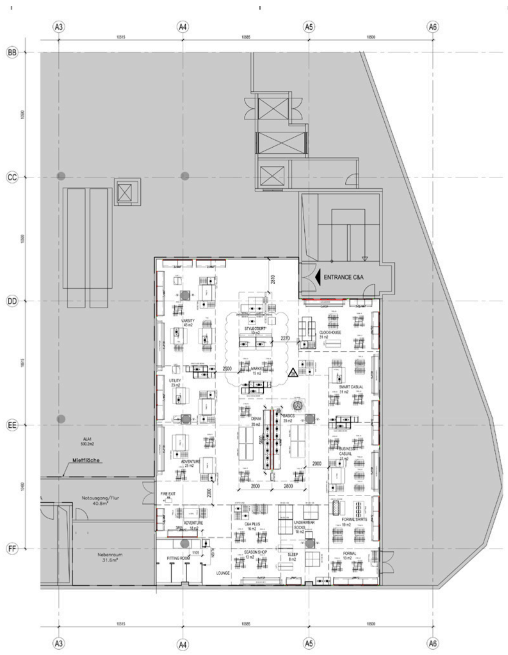


Mock-up under construction

ers in a real environment, record responses and feedback, and amend, adjust and redefine the approach.

It also enabled the various internal teams to test performance but also to observe and engage with the data gathering. The aim being to define a unified language and ambition for the brand and to achieve 'buy in' from all departments to support and understand the intent of the roll out programme, taking ownership and reacting to their specific requirements across different regions.

Mock-Up Ground Floor Plan



Mock-Up First Floor Plan

Mock-up under construction

Research methods

A variety of research methods were utilised at different stages of the design evolution.

The client had used surveys and interviews as primary research methods to establish the target customer together with brand strategy thinking in defining their USP (unique selling proposition). 20,000 women were interviewed over 3 years, gathering qualitative and quantitative information as well as an internal audit.

Following appointment, Gensler carried out background research to fully understand the USP and also to analyse the existing physical formats in different country regions.

Documentation and reports prepared by the client were reviewed. Interviews were carried out with key department heads and stakeholders of all aspects of the business, including product, management, IT, visual merchandising, HR and finance.

Each country region was visited and selected stores of different size and format were observed in operation with intercept interviews including customers and staff.

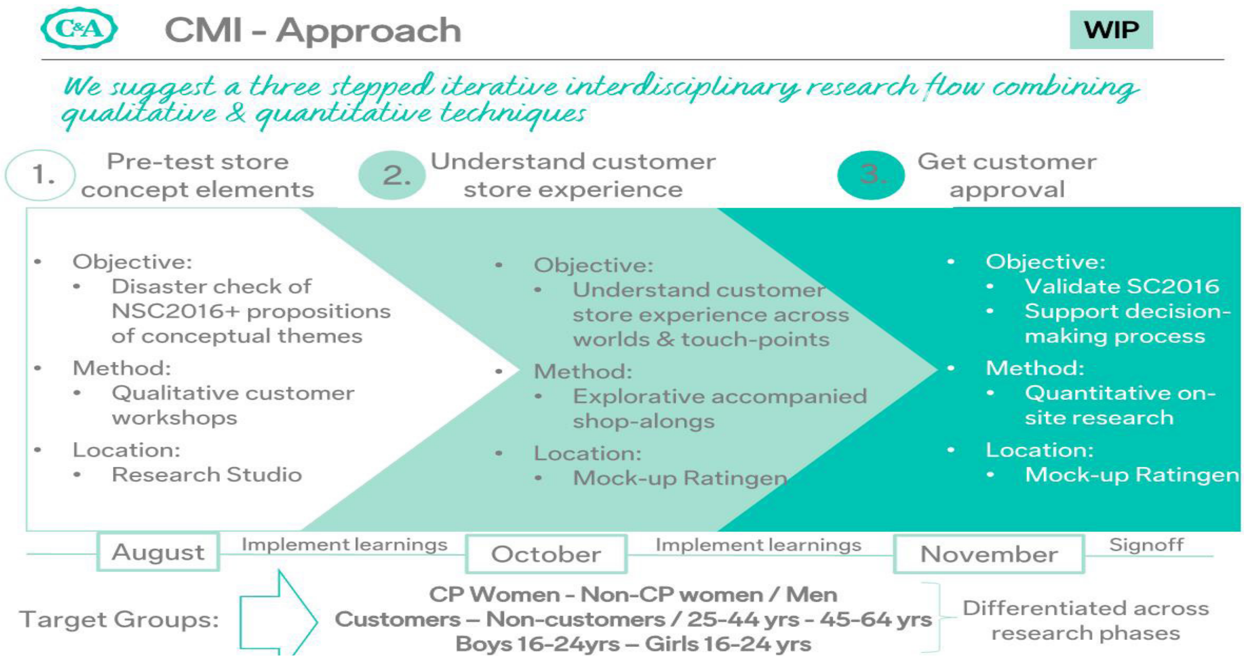
Previous design concepts over 30 years, still in operation, were reviewed and analysed through the new lens of customer journey. Through site visits and observation each site was compared against defined criteria, and plans of each store were marked up and recorded for presentation and discussion within the Steering Group. This information defined the design brief and fed into workshops to assess the concept as it developed.

Typical Existing Store

NSC mock-up

Customers can be asked questions as to their preferences, but it is uncertain if they know what they want and also the questioning is usually out of context of a retail environment. From anthropological learning, testing is best carried out in a customer's natural environment where learnt behaviours are expressed. To establish a response to a new concept it normally requires subjective design thinking and decision making prior to a test site being constructed for customer analysis.

To simulate the environment, a full scale mock up was therefore developed. The mock up enabled a variety of research techniques: observation, shop-a-longs and intercepts as well as focus groups, discussion forums, interviews and surveys. This provided insight into what variables had the biggest impact on customer behaviours and their emotive response to new propositions.
Comparative research was carried out against the relevant competition (H&M, Zara, Primark) to benchmark the brand's performance through the eyes of their existing and target customers.



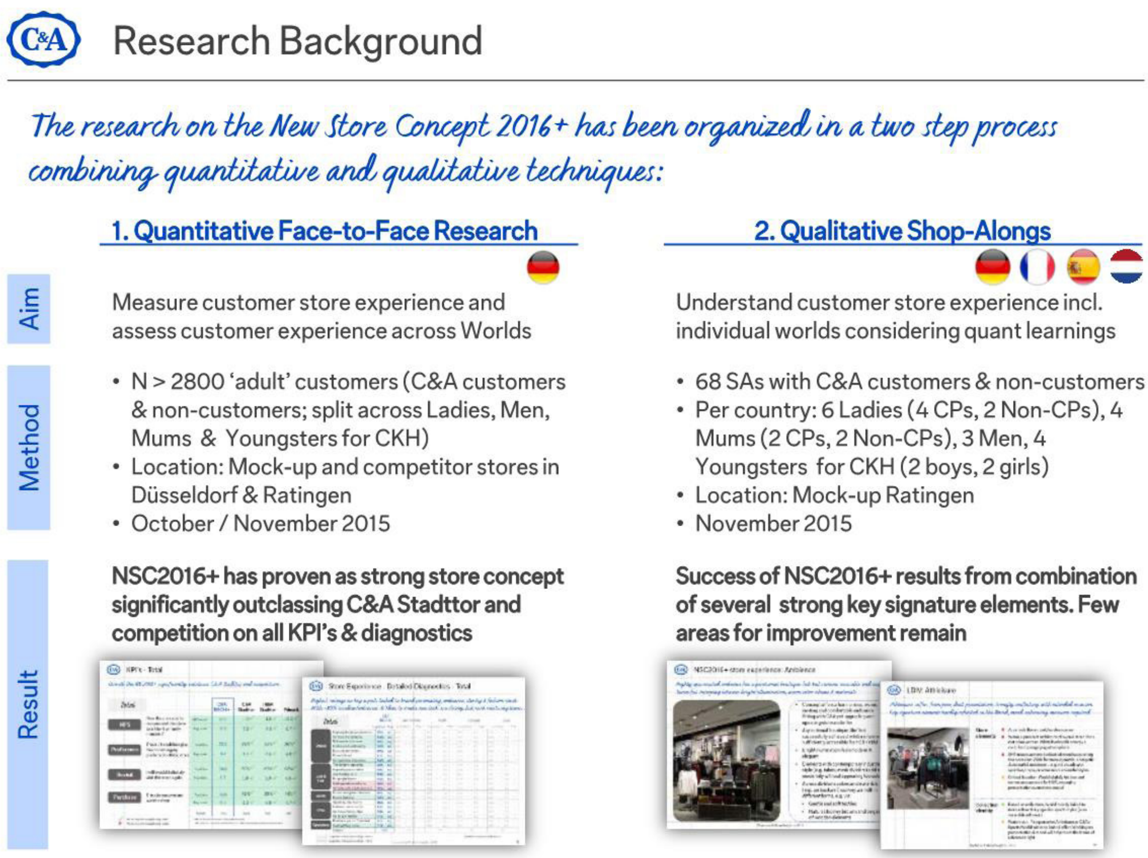
Research Approach

The method used comprised quantitative, face-to-face surveys with customers from Dusseldorf and Rattingen in Germany. A total of 2,279 respondents were involved, comprising 1,239 customers and 1,490 non-customers. 1,819 were aged 25-44 years, 910 were aged 45-46 and nearly 200 were 18-24, close to the Clockhouse (young adult brand) target group. 1,387 of the respondents were women (of which 553 'Casual Pretty' to meet target criteria). Defined Key Performance Indicators, including Net Promotor Score, Preference, Revisit and Purchase, were assessed, together with the new store concept, against the competition.

The store experience was assessed through detailed diagnostics: overall, look and feel, clarity, offer and operations. Further granularity was analysed against different demographics of customer: Ladies, 'Casual Pretty'(CVP), Men, Children.

There were also questions relating to areas of improvement: store design, atmosphere, fitting rooms, assortment and overall improvement. Further detailed analysis also provided insight to key customer touch points: cash desks and fitting rooms.

The different 'Worlds' (departments) were analysed by demographic and specific criteria: look and feel, clarity and offer. From interviews, specific elements were highlighted as positive 'likes', which included collection, worlds design, decoration elements and atmosphere. The reporting of actual quotes helped to communicate the customer aspirations, which could be understood by different departments in design, product, visual merchandising or communications.



Findings and conclusions

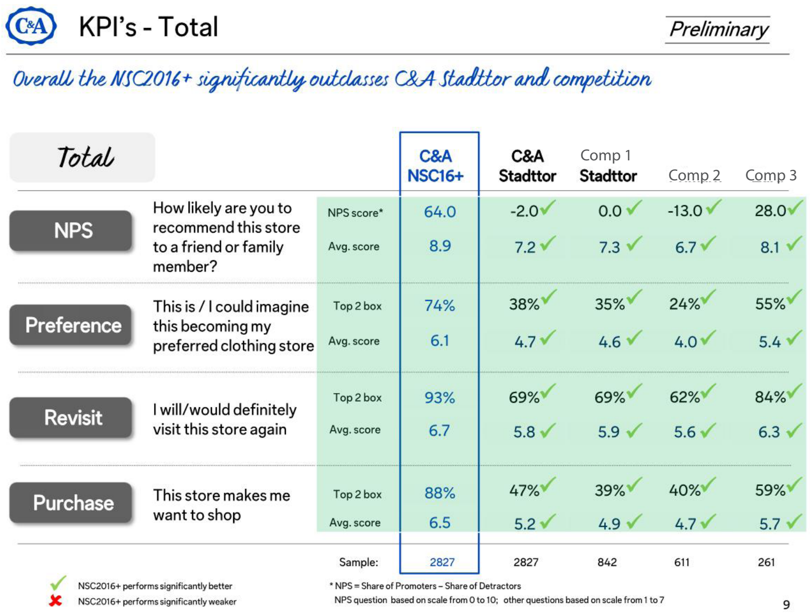
The recordings provided an unexpected and unpredicted level of improvement and response. The top line finding was that the 'NSC significantly outclassed C&A Stadttor and other competition on all KPI's and diagnostics.' The NSC was appreciated for being appealing and surprising, an engaging ambience and an up-to-date offer. Over 90% responded that the concept received the highest approval ratings on brand personality, ambience, operations, clarity and collection. It received less high ratings on windows and how to create a new look, while more than 50% could not define any improvements. 'Customers also spontaneously appreciated the neat, light, clear, modern/young and inviting character of the store'.

The research showed that the customers responded to the key attributes established as important to the experience and benchmarked against existing stores and the competition. The responses were much higher than expected by the client and well exceeded the minimum 10% uplift required. These results provided the necessary confidence to proceed with the proposals, and establish budgets and logistics for the planned delivery programme.

Adjustments were made to the visual merchandising, fixturing, brand messaging, digital content and material specifications through means of rapid prototyping, including a rigorous value engineering process enabling suppliers, contractors and sub-contractors to review the installation and feedback on relevant issues prior to manufacture.

The opening of the first stores provided the opportunity for further direct feedback from customers, and the queues at opening and the sales figures from the first programme of stores proved that the approach was successful and delivered the aims of the brief.

Overall, the conclusion was that it, therefore, is possible to develop from a transactional retail model to a customer 'experience' focus, using the innovative, multi-disciplinary methodology outlined above, and that the methodology can lead to results that benefit both the client and customers, and will make the brand better prepared for further changes in a volatile industry.


C&A KPI's - Total

Preliminary

Overall the NSC2016+ significantly outclasses C&A Stadttor and competition

Total			C&A NSC16+	C&A Stadttor	Comp 1 Stadttor	Comp 2	Comp 3
NPS	How likely are you to recommend this store to a friend or family member?	NPS score*	64.0	-2.0 ✓	0.0 ✓	-13.0 ✓	28.0 ✓
		Avg. score	8.9	7.2 ✓	7.3 ✓	6.7 ✓	8.1 ✓
Preference	This is / I could imagine this becoming my preferred clothing store	Top 2 box	74%	38% ✓	35% ✓	24% ✓	55% ✓
		Avg. score	6.1	4.7 ✓	4.6 ✓	4.0 ✓	5.4 ✓
Revisit	I will/would definitely visit this store again	Top 2 box	93%	69% ✓	69% ✓	62% ✓	84% ✓
		Avg. score	6.7	5.8 ✓	5.9 ✓	5.6 ✓	6.3 ✓
Purchase	This store makes me want to shop	Top 2 box	88%	47% ✓	39% ✓	40% ✓	59% ✓
		Avg. score	6.5	5.2 ✓	4.9 ✓	4.7 ✓	5.7 ✓
		Sample:	2827	2827	842	611	261

✓ NSC2016+ performs significantly better
✗ NSC2016+ performs significantly weaker

* NPS = Share of Promoters – Share of Detractors
NPS question based on scale from 0 to 10; other questions based on scale from 1 to 7

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NSC research results

Dissemination

Following the completion of the initial test sites Gensler were appointed to create application/delivery guidelines as an online digital tool, and hard copies and videos for the communication of the design and implementation process to all those involved in the process: country teams, contractors and suppliers.

Gensler also carried out personal training sessions for internal brand teams from the regions to enable them to fully understand the design tool kit and how to approach the design of stores of different sizes, shapes and formats to meet relevant local customer criteria, local regulations and maintain adherence to the concept for continuity and consistency. Gensler staff were embedded within the client teams to ensure dissemination of the knowledge.

The brand created videos of the customer experience and feedback, as a summary of the design approach by the key stakeholders in the team, used as internal PR and communication throughout the business.

The store openings were celebrated events in many major European shopping malls and town centres creating good PR in local press and on media stations, as well as extensive chatter on social media.

NSC opening

Esteem indicators

Gensler has won many awards for their retail design, internationally, over many years. Design solutions, however, are not created solely for their image or celebration by third parties or peer groups. Design solutions, for Gensler, are created primarily for people to experience and enjoy through the lens of the brand (client).

The main criterion of retail design for most clients is the return on investment. The feedback for the first phase of implementation was overwhelmingly positive from a customer response point of view, which translated into increased footfall, increase in return visits and a larger than expected percentage increase in sales (in some instances more than double the required target). The design was created to be flexible and adaptable, while maintaining the overall concept. The design proved to be scalable, adaptable to different locations, customer demands and buying patterns across varied cultural and socio-economic regions in Europe, and has been developed to operate effectively at different investment models, whilst maintaining the same quality of customer experience and brand consistency.

Gensler communicate and develop their research and strategies both internally and externally. The network of 6,500 staff in 52 offices globally share and present to each other across practice areas regularly to cross-pollinate to other markets. They also carry out their own research programmes to stay ahead of trends and to support clients. These are shared and published online, through email blasts, publications, seminars and industry forums.

Having been involved in the retail industry for most of his career, Jon Tollit has completed projects around the world. He shares his experience at external industry events, conferences, in interviews and through lectures, as studio tutor and Research Fellow at Oxford Brookes University, and as professional examiner. He is also invited to participate on awards juries and on advisory groups for a range of organisations. The C&A experience has been submitted for a variety of awards and is utilised as a case study by Gensler internally within the firm and to win future work.

NSC Lingerie Dept Bern

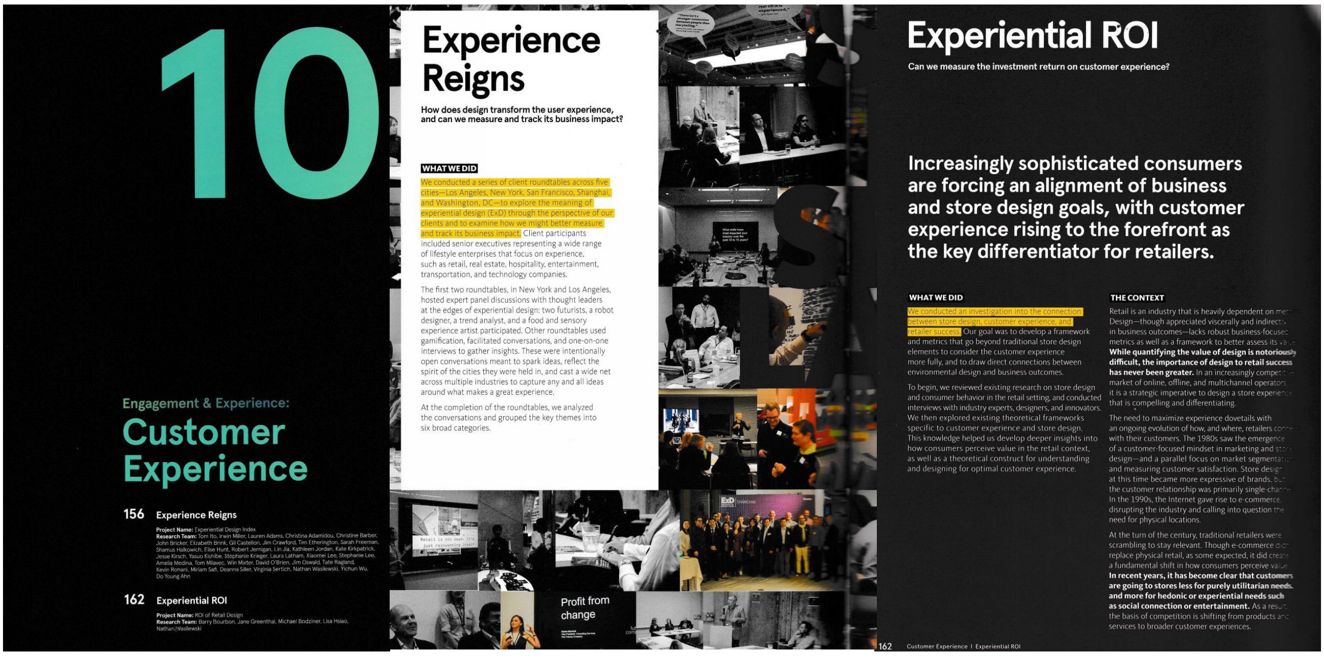
Research development

In 2017, as part of Gensler's research programme, various teams began to define the nature of retailers' concerns in an effort to understand the intangibles of experience. One team asked 'How does design transform the user experience , and can we measure and track its business impact?' This was carried out by conducting a series of client roundtables in 5 major cities to explore the meaning of experiential design through the perspective of clients, and to examine how one might better measure and track its business impact.

It found that there was need to establish a common language to ensure consistency to form the basis of any means of measurement. It also confirmed the need to better understand human behaviour. In order to be able to measure, it is necessary to understand people through psychographic as well as demographic analysis and adding ethnography to survey data.

A team also studied Experiential ROI. Could the investment return on customer experience be measured? A review of existing research, interviews and a study of theoretical frameworks helped develop a deeper insight. The research found that a positive customer experience showed a stronger correlation to loyalty than customer satisfaction, but meant that retailers should design for the entire customer experience across the organisation. The team proposed a revised design process to communicate with clients to ensure stakeholder engagement, effective background research and buy-in to design solutions.

These initial high-level studies indicated to Gensler that there was a need for more development to be able to understand customers better and to support clients more effectively in strategic and design decision making.


10

Engagement & Experience:
Customer Experience

156 Experience Reigns

Project Name: Experiential Design Index
Research Team: Tom Ito, Irwin Miller, Lauren Adams, Christina Adamidou, Christine Barber, John Bricker, Elizabeth Brink, Gil Castellon, Jim Crawford, Tim Etherington, Sarah Freeman, Shamus Halkowich, Elise Hunt, Robert Jernigan, Lin Jia, Kathleen Jordan, Kate Kirkpatrick, Jesse Kirsch, Yasuo Kishibe, Stephanie Krieger, Laura Latham, Xiaomei Lee, Stephanie Lee, Amelia Medina, Tom Milavec, Win Mixter, David O'Brien, Jim Oswald, Tate Ragland, Kevin Rohani, Miriam Safi, Deanna Siller, Virginia Sertich, Nathan Wasilewski, Yichun Wu, Do Young Ahn

162 Experiential ROI

Project Name: ROI of Retail Design
Research Team: Barry Bourbon, Jane Greenthal, Michael Bodziner, Lisa Hsiao, Nathan Wasilewski

Experience Reigns

How does design transform the user experience, and can we measure and track its business impact?

WHAT WE DID

We conducted a series of client roundtables across five cities—Los Angeles, New York, San Francisco, Shanghai, and Washington, DC—to explore the meaning of experiential design (ExD) through the perspective of our clients and to examine how we might better measure and track its business impact. Client participants included senior executives representing a wide range of lifestyle enterprises that focus on experience, such as retail, real estate, hospitality, entertainment, transportation, and technology companies.

The first two roundtables, in New York and Los Angeles, hosted expert panel discussions with thought leaders at the edges of experiential design: two futurists, a robot designer, a trend analyst, and a food and sensory experience artist participated. Other roundtables used gamification, facilitated conversations, and one-on-one interviews to gather insights. These were intentionally open conversations meant to spark ideas, reflect the spirit of the cities they were held in, and cast a wide net across multiple industries to capture any and all ideas around what makes a great experience.

At the completion of the roundtables, we analyzed the conversations and grouped the key themes into six broad categories.

Experiential ROI

Can we measure the investment return on customer experience?

Increasingly sophisticated consumers are forcing an alignment of business and store design goals, with customer experience rising to the forefront as the key differentiator for retailers.

WHAT WE DID

We conducted an investigation into the connection between store design, customer experience, and retailer success. Our goal was to develop a framework and metrics that go beyond traditional store design elements to consider the customer experience more fully, and to draw direct connections between environmental design and business outcomes.

To begin, we reviewed existing research on store design and consumer behavior in the retail setting, and conducted interviews with industry experts, designers, and innovators. We then explored existing theoretical frameworks specific to customer experience and store design. This knowledge helped us develop deeper insights into how consumers perceive value in the retail context, as well as a theoretical construct for understanding and designing for optimal customer experience.

THE CONTEXT

Retail is an industry that is heavily dependent on me[illegible] Design—though appreciated viscerally and indirect[illegible] in business outcomes—lacks robust business-focuse[illegible] metrics as well as a framework to better assess its va[illegible] **While quantifying the value of design is notoriously difficult, the importance of design to retail success has never been greater.** In an increasingly compet[illegible] market of online, offline, and multichannel operators it is a strategic imperative to design a store experien[illegible] that is compelling and differentiating.

The need to maximize experience dovetails with an ongoing evolution of how, and where, retailers con[illegible] with their customers. The 1980s saw the emergence of a customer-focused mindset in marketing and sto[illegible] design—and a parallel focus on market segmenta[illegible] and measuring customer satisfaction. Store desig[illegible] at this time became more expressive of brands, bu[illegible] the customer relationship was primarily single-chan[illegible] In the 1990s, the Internet gave rise to e-commerce disrupting the industry and calling into question the need for physical locations.

At the turn of the century, traditional retailers were scrambling to stay relevant. Though e-commerce di[illegible] replace physical retail, as some expected, it did crea[illegible] a fundamental shift in how consumers perceive val[illegible] **In recent years, it has become clear that customers are going to stores less for purely utilitarian needs and more for hedonic or experiential needs such as social connection or entertainment.** As a resu[illegible] the basis of competition is shifting from products an[illegible] services to broader customer experiences.

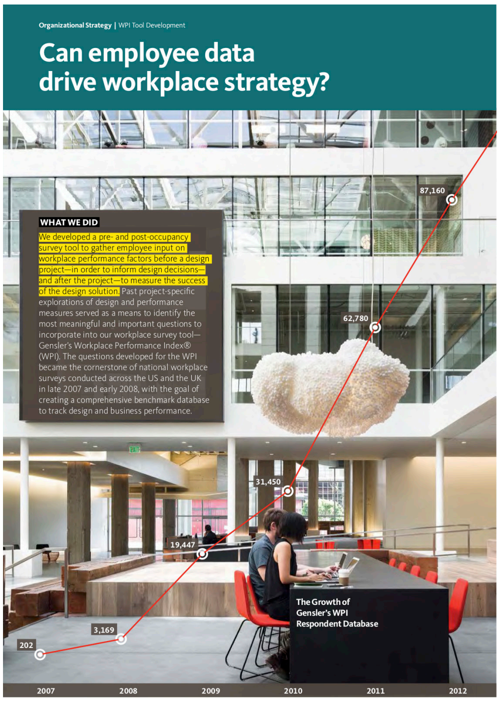
162 Customer Experience I Experiential ROI

Gensler research papers 2017

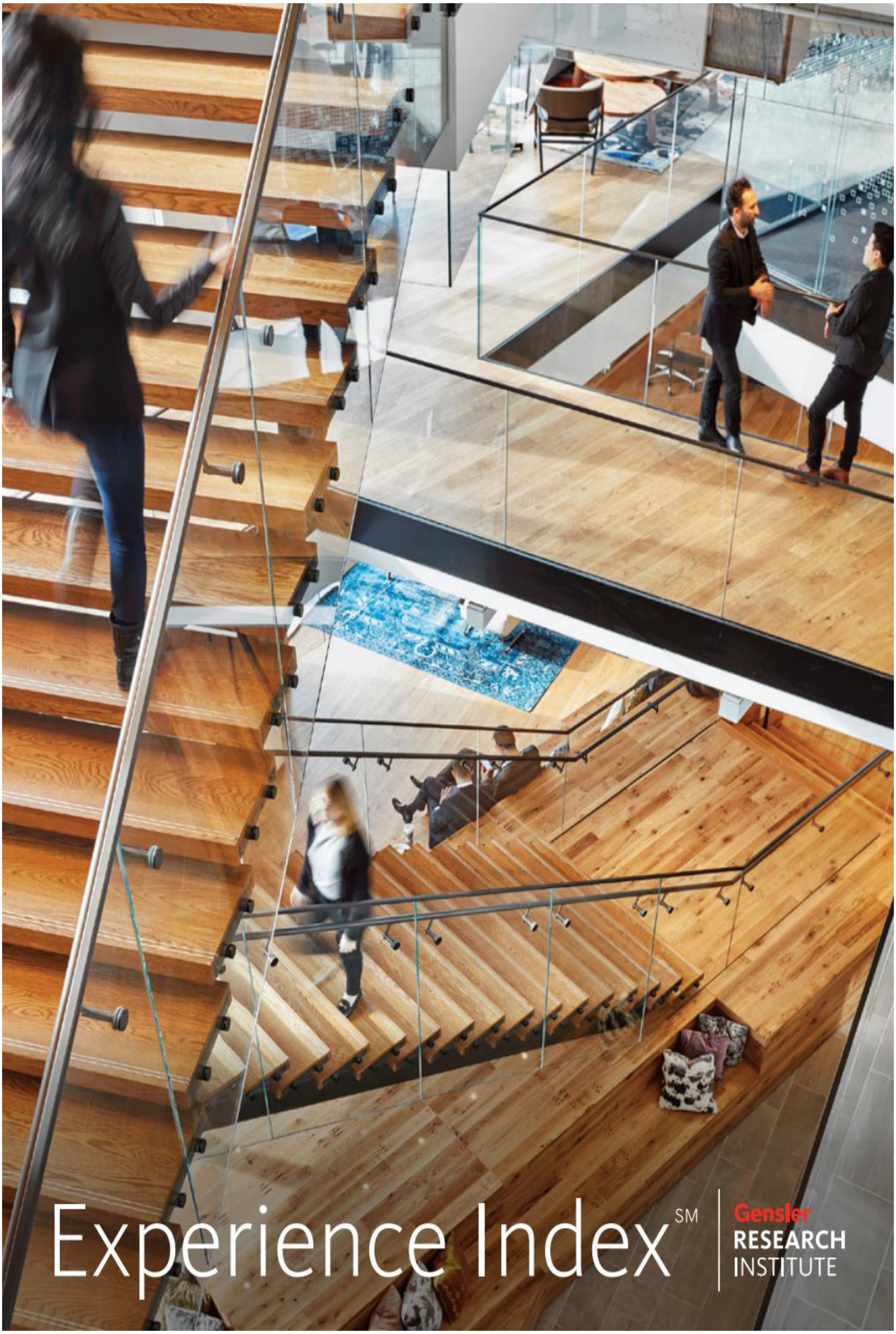
Gensler WPI

The earlier development of the Workplace Performance Index, WPI, became the template. It was decided by the firm to initiate work to define and create an Experience Index, ExI.

The Gensler Experience Index was the result of a rigorous, mixed-methods research investigation that combined qualitative, ethnographic research (30 two-hour observations and interviews with people in five markets across the US to gather insights about experience) with quantitative research that included a nationwide, panel-based survey of 4,000+ US respondents. In addition, incidence and pilot surveys were conducted to prepare for the ethnographic and survey work. This mixed-methods approach allowed the capture of stories and contextual insights that speak to user emotions, or the 'soft' side of experience, while the analytics allowed confirmation and enhancement of insights through quantitative, statistical methods.



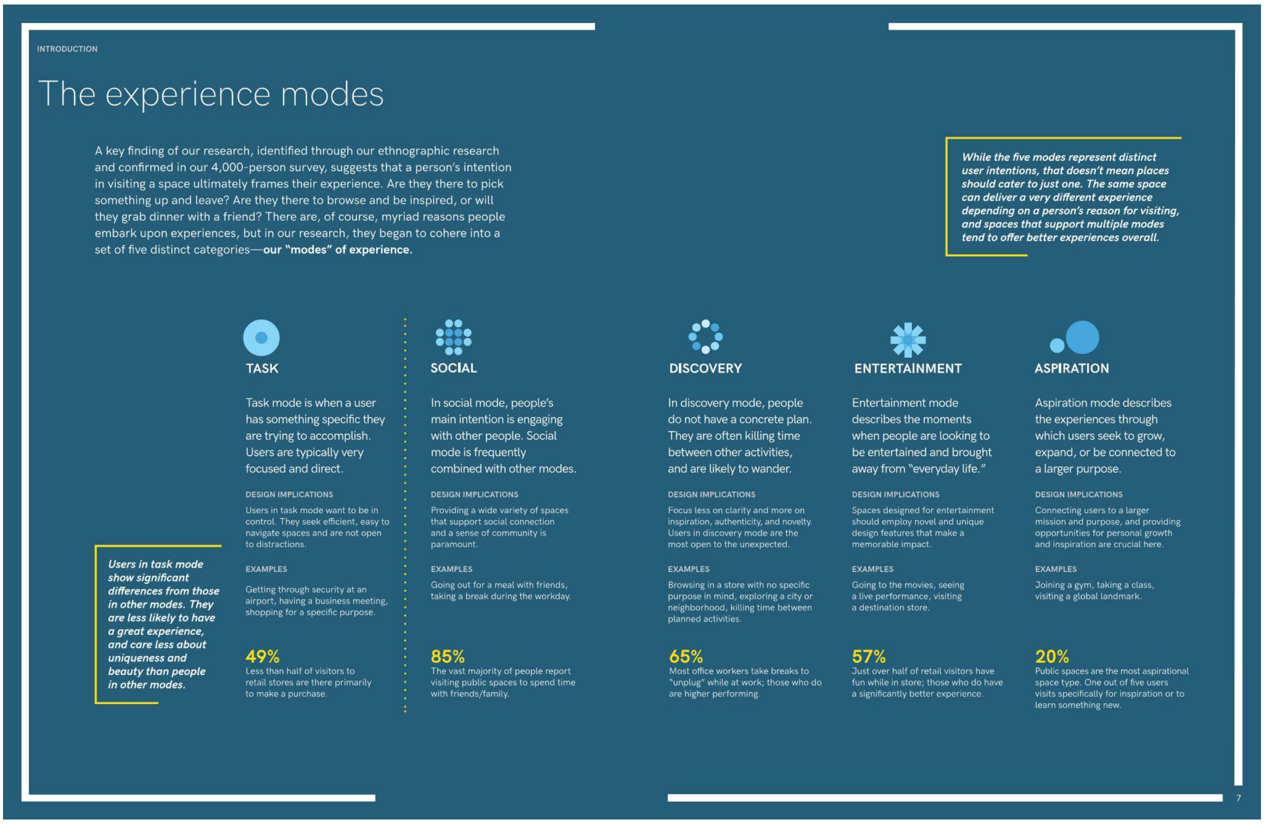
Gensler WPI


Experience Index SM
Gensler
RESEARCH
INSTITUTE

This uncovered 5 intentions that frame expectations and experiences: task, social, entertainment, discovery and aspiration.

The ExI is a unique tool to provide a consistent process and terminology enabling measurable results to be used for specific projects, and to build a database of information for clients to utilise and benchmark against. The process has been shared widely through conferences and publications and has been utilised on many projects within the firm.

In 2018, this approach to experience became more granular as the research was disseminated across different and specific Lifestyle practice areas, including Retail.


INTRODUCTION

The experience modes

A key finding of our research, identified through our ethnographic research and confirmed in our 4,000-person survey, suggests that a person's intention in visiting a space ultimately frames their experience. Are they there to pick something up and leave? Are they there to browse and be inspired, or will they grab dinner with a friend? There are, of course, myriad reasons people embark upon experiences, but in our research, they began to cohere into a set of five distinct categories—**our "modes" of experience.**

While the five modes represent distinct user intentions, that doesn't mean places should cater to just one. The same space can deliver a very different experience depending on a person's reason for visiting, and spaces that support multiple modes tend to offer better experiences overall.

Users in task mode show significant differences from those in other modes. They are less likely to have a great experience, and care less about uniqueness and beauty than people in other modes.

TASK

Task mode is when a user has something specific they are trying to accomplish. Users are typically very focused and direct.

DESIGN IMPLICATIONS

Users in task mode want to be in control. They seek efficient, easy to navigate spaces and are not open to distractions.

EXAMPLES

Getting through security at an airport, having a business meeting, shopping for a specific purpose.

49%

Less than half of visitors to retail stores are there primarily to make a purchase.

SOCIAL

In social mode, people's main intention is engaging with other people. Social mode is frequently combined with other modes.

DESIGN IMPLICATIONS

Providing a wide variety of spaces that support social connection and a sense of community is paramount.

EXAMPLES

Going out for a meal with friends, taking a break during the workday.

85%

The vast majority of people report visiting public spaces to spend time with friends/family.

DISCOVERY

In discovery mode, people do not have a concrete plan. They are often killing time between other activities, and are likely to wander.

DESIGN IMPLICATIONS

Focus less on clarity and more on inspiration, authenticity, and novelty. Users in discovery mode are the most open to the unexpected.

EXAMPLES

Browsing in a store with no specific purpose in mind, exploring a city or neighborhood, killing time between planned activities.

65%

Most office workers take breaks to "unplug" while at work; those who do are higher performing.

ENTERTAINMENT

Entertainment mode describes the moments when people are looking to be entertained and brought away from "everyday life."

DESIGN IMPLICATIONS

Spaces designed for entertainment should employ novel and unique design features that make a memorable impact.

EXAMPLES

Going to the movies, seeing a live performance, visiting a destination store.

57%

Just over half of retail visitors have fun while in store; those who do have a significantly better experience.

ASPIRATION

Aspiration mode describes the experiences through which users seek to grow, expand, or be connected to a larger purpose.

DESIGN IMPLICATIONS

Connecting users to a larger mission and purpose, and providing opportunities for personal growth and inspiration are crucial here.

EXAMPLES

Joining a gym, taking a class, visiting a global landmark.

20%

Public spaces are the most aspirational space type. One out of five users visits specifically for inspiration or to learn something new.

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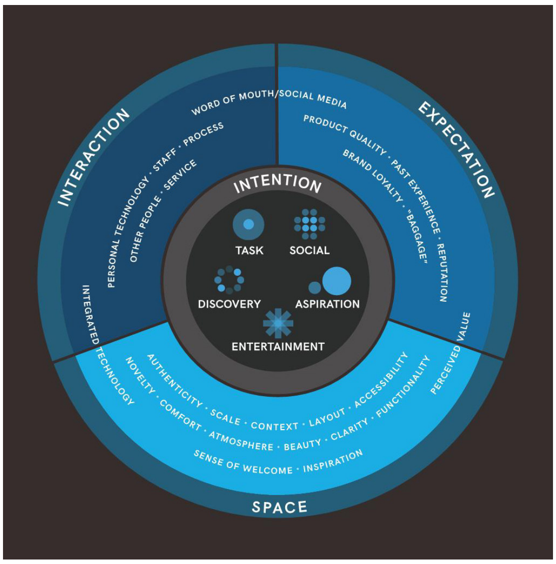

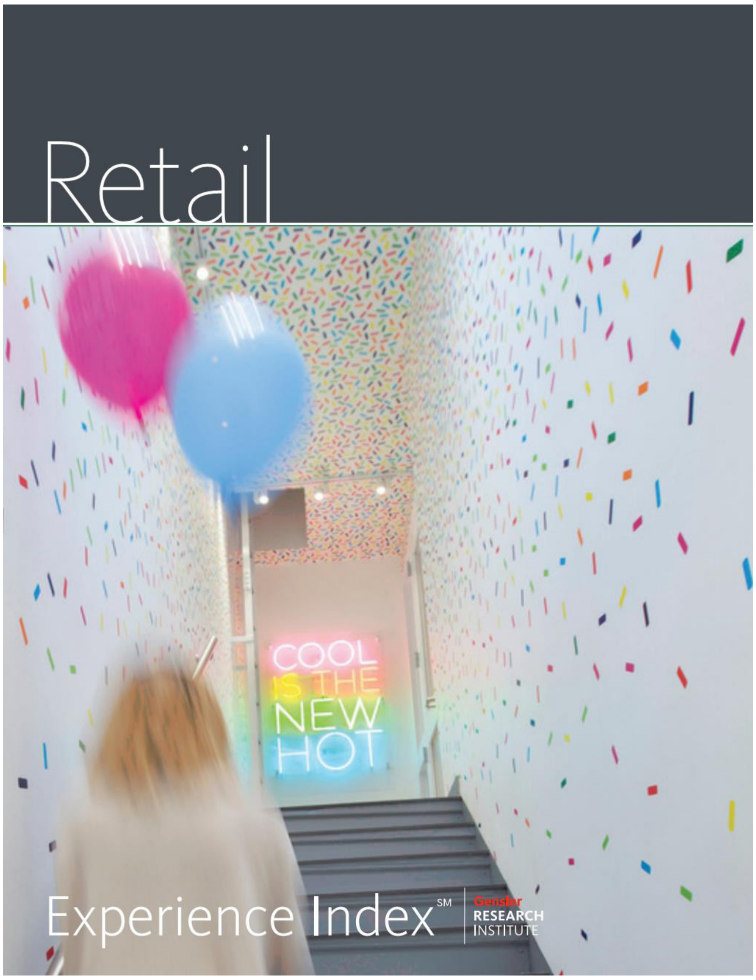

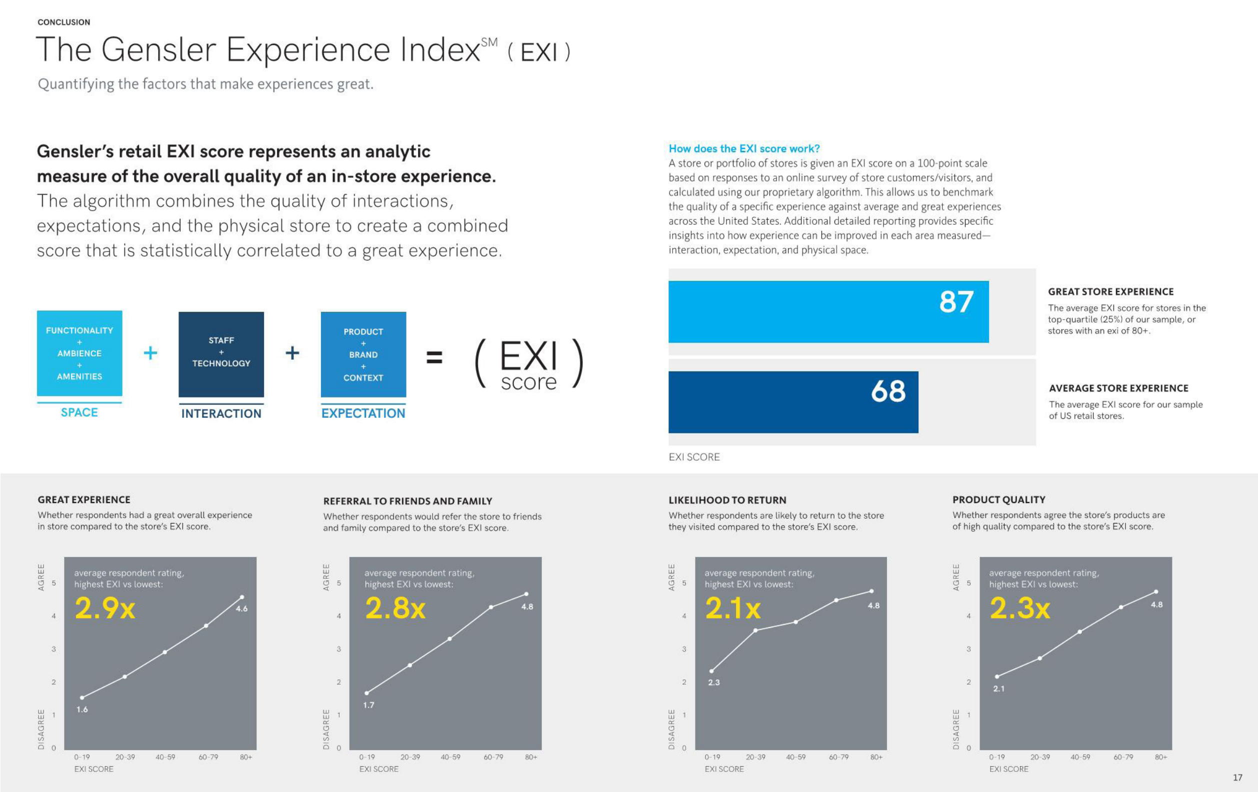

CONCLUSION

The Gensler Experience Index℠ (EXI)

Quantifying the factors that make experiences great.

Gensler's retail EXI score represents an analytic measure of the overall quality of an in-store experience. The algorithm combines the quality of interactions, expectations, and the physical store to create a combined score that is statistically correlated to a great experience.

How does the EXI score work?
A store or portfolio of stores is given an EXI score on a 100-point scale based on responses to an online survey of store customers/visitors, and calculated using our proprietary algorithm. This allows us to benchmark the quality of a specific experience against average and great experiences across the United States. Additional detailed reporting provides specific insights into how experience can be improved in each area measured—interaction, expectation, and physical space.

GREAT STORE EXPERIENCE
The average EXI score for stores in the top-quartile (25%) of our sample, or stores with an exi of 80+.

AVERAGE STORE EXPERIENCE
The average EXI score for our sample of US retail stores.

GREAT EXPERIENCE
Whether respondents had a great overall experience in store compared to the store's EXI score.

REFERRAL TO FRIENDS AND FAMILY
Whether respondents would refer the store to friends and family compared to the store's EXI score.

LIKELIHOOD TO RETURN
Whether respondents are likely to return to the store they visited compared to the store's EXI score.

PRODUCT QUALITY
Whether respondents agree the store's products are of high quality compared to the store's EXI score.

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The future

In the subsequent years the retail industry has continued to be volatile. Brands who have failed to understand their customers' changing mentality and shopping habits have suffered, closing stores or even ceasing to trade. The increase in internet shopping has certainly seen the benefit of efficiency and immediacy, but the role of the physical environment has continued to be questioned and to evolve. The need is now greater for the physical environment to be a place that people choose to be, to physically engage with products, to try out, personalise, compare and select even if they purchase elsewhere. 'Showrooming' is combined with community, socialising, entertainment, creativity and learning.

A brand must unify its internal departments to be holistic and consistent across channels with a clear message and to engage with customers continually at an emotional level. This will require data collection at a more immediate and responsive level, utilising multiple methods of information exchange, social media, tracking and surveys, interpreted through machine learning to enable environments to be responsive as working prototypes. They need to be adaptive to customers' requirements to remain relevant in a dynamic partnership.

Comcast Studio Xfinity, Washington DC

The retail industry remains in an unprecedented state of flux.

Stories of store closures seem to be near constant, and calls for "the death of retail" or "the end of malls" seem to happen every day. At the same time, a new wave of retailers—often with their roots in e-commerce—are investing in physical presence as their businesses expand and evolve. What's becoming clear is that retail is far from dead. **We are instead in the midst of a dramatic reimagining of the retail industry and a shift in both the purpose and the form of physical stores.**

KEY FINDINGS OVERVIEW

The impact a store makes
Transactions can happen online, but emotional connection and engagement are best built in person. Brick-and-mortar stores offer an opportunity to humanize brands and create community, while also promoting and highlighting product quality and value in a way online retail still cannot.

It's all about the journey
Understanding and designing for the whole journey, and creating memorable moments that inspire and engage, are the foundation of great customer engagement. A unified and seamless customer journey is imperative—customer touchpoints should be additive and aligned.

Every move counts
Consumers are armed with more information than ever today, and their expectations have never been higher. They expect in-store content, products, and technology to be fresh—and their experience suffers if they think it's stale. For optional items like curated content or interactive technology, if you cannot keep it up to date, it's probably not worth having.

Embrace the blur
Retail spaces today are accommodating a wider and wider range of activities—and those that do are the most likely to offer a great experience. Stores can take lessons from great public spaces in this regard, which currently support the widest range of activities and offer the most highly rated experiences.

Experience at any age
A focus on Millennials may be sacrificing the experiences of older generations. Shifts toward more nuanced forms of customer profiling and engagement, and exploring new ways to save customers' time and effort, can improve experiences for everyone.

Shopping is still shopping
Ultimately, great experiences and "wow" moments only work if customers' basic needs are met: intuitive navigation, easy checkout, lighting and product display, and great staff are all baseline. Unfortunately, many stores today are still missing the mark.

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