Architecture
Atmosphere
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Disposition
Domestic terrain
Experimental practices

Interactivity
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"Only sustainable design applied globally to products and processes will enable us to evolve towards an integral sustainability"

Rut Martín obtained her degree in Architecture at the Higher School of Architecture (ESARQ) in Barcelona and went on to obtain a Master's in Retail Design at Elisava. She has also trained in marketing and in the application of new technologies to the field of business. As well as private and building projects, she has participated in 'The Future of Retail' research project, in collaboration with Universitat Pompeu Fabra. Martín is currently a teacher of the Masters in Design of Commercial Space: Retail Design at Elisava, and at her studio designs and promotes projects based on experiences with her clients and new retail formats.

Towards a New Retail Model.
Integral Design as an Articulating Element

The present article is based on the project 'The Future of Retail' developed by a group of students of the Retail Design Masters course at Elisava, directed by Carmen Malvar, and Ubiquitous Computing Applications Lab (UbiCA Lab) research group at Universitat Pompeu Fabra, coordinated by Rafael Pous Andrés, and on subsequent independent research carried out by Mercè Esteve, Natalia Alonso and Rut Martín. It reveals new retail business models and trends produced by the integration of technology in our lives and by the changes in values of new generations in the social, economic and environmental fields.

Buying MORE or Buying BETTER?

> *Re-examine the links between consumption and 'quality of life'.* [1]

The undeniable need for change in today's model of consumption leads us to think of a new retail concept able to respond to the problems and deficiencies in a society forced to alter its habits of consumption, basing them on more sustainable and conscious criteria that can respond to today's needs.

The growth of consumption in recent years has had a strong impact on climate change, the carbon footprint and social inequality: "Endless populational, economic and industrial growth isn't sustainable on a planet with limited resources".[2] The role of companies in their relationship with the planet, the environment, their customers and workers must adopt a new perspective. As well as focusing on economics, companies must aim their efforts at other areas in order to adapt to the changes demanded by society today and thus be able to sustain its business model.

Companies must of course make a profit and be financially successful, but they will only succeed if they adapt to today's needs that demand the creation of shared value for society as a whole.[3] So a company's performance must now be measured in three dimensions, and when assessing its results we should add environmental and social factors to the economic element.

The triple bottom line[4] is an alternative for restructuring the concept of development that ensures agreement between economic growth, natural

1 Nick Robins, 'Making Sustainability Bite: Transforming Global Consumption Patterns,' *The Journal of Sustainable Product Design*, 10 (1999)

2 Donella H. Meadows, Dennis L. Meadows, JørgenRanders and William W. Behrens, *The Limits to Growth*, Signet Books, New York, 1972. Donella H. Meadows, Dennis L. Meadows and JørgenRanders, *The Limits to Growth. The 30-year Update,* Chelsea Green Publishing Company, Vermont, 2004.

3 Robert G. Eccles, Kathleen Miller Perkins and George Serafeim, 'How to Become a Sustainable Company,' *MIT Sloan Management Review*, 2012.

4 John Elkington, *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, Capstone, Oxford, 1997.

resources and society. Economic growth and the use of natural resources are considered from the point of view of public interest, bearing very much in mind global environmental and social aspects so that neither life on earth nor the quality of life of the human species are compromised or significantly eroded.

One of the great challenges posed is learning how to introduce these values into a system that has traditionally only addressed economic benefit; how to evolve towards a strategy in which companies create value shared with their surroundings and their community. This is called CSV (Creating Shared Value), a concept developed by Porter and Kramer: 'When looked at strategically, corporate social responsibility can become a source of tremendous social progress, as the business applies its considerable resources, expertise and insights to activities that benefit society.'[5] CSV transcends corporate philanthropy, social responsibility, even sustainability, placing social issues at the heart of companies.[6]

The question that arises is this: Can we design a new retail model capable of responding to the present situation? Can we think of a present and a future in which we are able to replace 'buying more' with 'buying better'? New generations of consumers are looking for worthy, quality and durable products, and want to feel they are a part of brands that transmit social values and favour conscious purchasing.[7]

Chains such as Wholefoods supermarkets implement sustainability policies upholding that healthy products must be originally wholesome, organically cultivated, respectful of all forms of life and mindful of the right to education and public participation.[8]

Another example is the case of Hiut Denim. After the closing down of a denim factory that had been in operation for decades giving employment to ten per cent of the Welsh population of Cardigan, founders Clare and David Hieatt thought it a good idea to make the most of workers' skills and know-how by offering them a job at Hiut Denim. Their intention wasn't to produce the greatest number of jeans, as had been done in previous years, but the best jeans possible. Today every pair of Hiuts has a History Tag with its own identification number and allows users to register and share photos on their websites.[9]

Here we have an opportunity to create, through innovation, new forms of business, besides products and strategies that help us design this new more sustainable model in which we shall be able to replace quantity with quality.

Players, Goods, Space & Experience

When we speak of retail we are referring to the direct sale of goods or services to customers. This is the setting that brings together all the parts that play a role in the purchase process. In this situation we could say that the main elements that intervene in retail are the players, the goods and space.

The conceptualisation helps us understand retail more clearly: the players are all those who take part in the purchase process; the goods are those products and services acquired by consumers. In retail, interaction is always produced in a specific context or space, physical and/or virtual, creating a new dimension—the Players-Goods-Space experience—that makes it possible for all elements to come together and interact.

5 Michael E. Porter and Mark R. Kramer, 'Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility,' *Harvard Business Review*, vol. 84, no. 12 (2006).

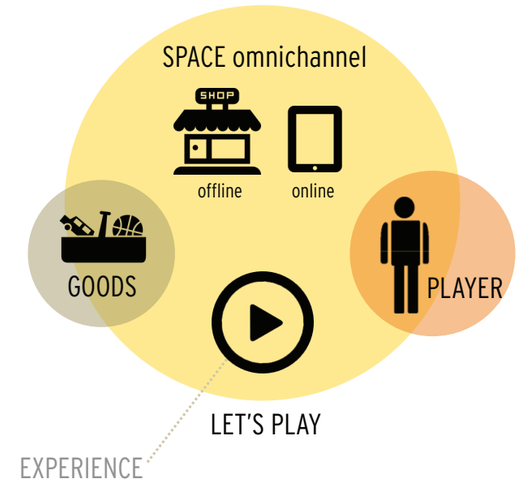
6 *Innovative Approaches to Create Value for Business and Society* [online]. TBL Triple Bottom-Line. [Accessed: April 2014]. Available at: http://www.tbl.com.pk/innovative-approaches-to-create-value-for-business-and-society.

7 Barkley, American Millennials: *Deciphering the Enigma Generation* [on line]. Barclay, Kansas City, 2013 [Accessed: September 2014]. Available at: http://barkley.s3.amazonaws.com/barkleyus/AmericanMillennials.pdf.

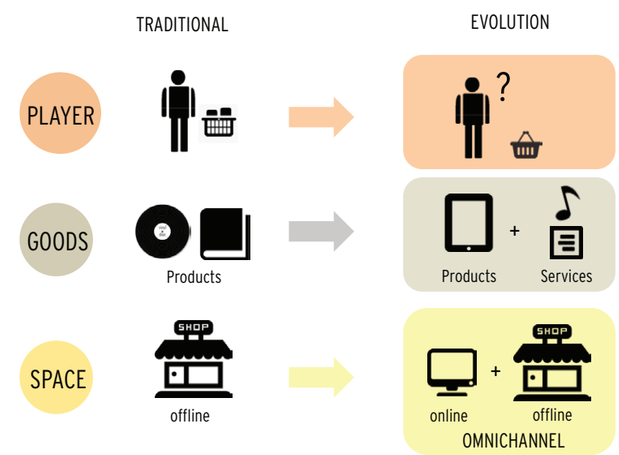
8 *Sustainability and Our Future* [on line]. [Accessed: September 2014]. Available at: http://www.wholefoodsmarket.com/mission-values/core-values/sustainability-and-our-future

9 Hiut Denim Co. [on line]. [Accessed: September 2014]. Available at: http://hiutdenim.co.uk/

10 https://onetwine.recyclebank.com/



▲ Retail experience and its elements. Infographics: Rut Martín.



▲ Evolution of retail elements

In recent years, all these elements have evolved as a consequence of social, economic, technological and cultural changes. Consumers of today and tomorrow belong to generations that have grown up in contact with technology, most of whom have university degrees and have witnessed the excessive consumption of recent decades and its repercussions. They request information on the origin of what they consume and the consequences entailed by their choice of products.

Technology has also exerted a great influence on the changes suffered by goods. The purchase of objects is increasingly being replaced by the hiring of services, as a result of which the bond of possession as something physical, long-lasting, transmissible and symbolic is lost, to be replaced by a customised access that gives us an untransferable use for a limited amount of time. The value of property changes, and this has an effect on consumption habits.

Sales outlets have also changed: technological advances such as online trade or the growing number of brands offering the same product have gradually transformed traditional retail outlets, which have gone from being mere warehouses selling products to communication platforms. Brands such as Recyclebank use technology as a tool for connecting their online and offline sales outlets in new commercial formats, establishing links between what goes on inside and outside the physical retail space. Recyclebank rewards the participation of its customers in environmentally friendly actions with points exchangeable for discounts and special offers in local or national businesses. Through its online shop One Twine,[10] accumulated points can be used to buy their goods (selected products that respect the environment) and at the same time learn about environmental sustainability and recycling thanks to the information they share on their website.

Online – Offline

Technological development and the appearance of the Internet as a tool of social connection have been significant driving forces of change in the retail sector. E-commerce and social networks are creating new commercial and community formats. In this context, social interaction is understood as a tool for learning and foreseeing the repercussion of commerce on citizens.

Online-offline retail experiences coexist in people's lives in an increasingly natural way, integrated in our daily routines. Users today do not choose between the two channels as consumers, but have 'omnichannel' retail experiences in which both are present, turning to one or the other according to the needs of each moment or even both at once thanks to mobile devices.

The introduction of technology in traditional shops evolves parallel to online shops, thereby affirming the latter as new and yet consolidated functional spaces. This means that users' shopping experiences need a coherent parallel design of physical and virtual retail outlets, which are communication platforms both separately and together.

One example of online-offline trade is offered by Sears department store, that has introduced a customer service in their mobile device application to connect members via short message texts. Thus, users of the Sears Shop Your Way program can browse through different departments, see the profiles of available members and connect directly with staff via text messages or phone to learn more about the products on offer both online and in the shop. Via iPads and in real time, members of staff answer shop-related queries and send links informing customers where they can buy the items in question on the website. This application closes the circle, enabling online shopping from the physical retail outlet.[11]

At the same time, e-commerce brands are opening their first brick-and-mortar shops, such as the Japanese clothes firm Oki-ni. Or Birchbox, that has opened its first physical cosmetic retail outlet in New York's SoHo, a space that reproduces the online experience through iPads, offering customised advice. Their products can be tested, as customers can choose the samples they would like to receive by post, or else sign up for free appointments to receive cosmetic lessons and hairdressing or make-up sessions.

'Conversations among and between our fellow customers and sales personnel provide social and informational exchange to support material exchange in retail settings.'[12]

In recent years, social networks have brought together users with similar profiles, values and concerns.

Shopping is a social activity that creates communities of people who create profiles based on the products they consume, the clothes they wear or the music they listen to. Shops, both physical and online, become meeting points for these communities, places for acting, generating empathy and exchanging experiences and information between users.

Traditional shops are looking to physical social networks in order to create increasingly customised 'spaces' for those who visit them, and need to provide an added value in which players can identify with the standards of the brand or retail outlet. Spaces must offer social and human values, be shared and enjoyed with other customers. Retail spaces can be used to communicate correctly and as learning platforms, which in turn can help citizens obtain more and better information at the sales outlet, information that will enable them to make a good shopping decision, more aware, ethical and sustainable. The objective isn't only achieving greater economic sustainability through better shopping decisions, but creating greater awareness at all levels that will be reflected in common and individual benefits. A good example is the case of Design Taco, a pop-up store sponsored by the team at The Design Gym. This ephemeral shop that brought together inspiration, coaching and food, intended to produce a more relaxed and social atmosphere for organising creative workshops during the New York NYCxDesign event.

This 'new' definition of retail space that combines online and offline activity, in which customers can find, try, see and feel products and even interact with them, is undergoing continuous transformation. Other similar projects have also emerged, such as miLES (Made in Lower East Side), an organisation that gives disused sales outlets a new opportunity, recycling their shop fronts, using them as co-working spaces or short-term lets. Thanks to Kickstarter transportable furniture sets, these spaces can be efficiently operative in a relatively short period of time.

Experience

> *Customers want much more than products, they want the total experience.*[13]

Experience emerges from the interaction between players-goods-space, and its end objective is to bring an added value to the fact of purchasing a product or service. The experience consists of all the stimuli, actions, sensations and emotions that users perceive and assimilate globally and they will indivisibly associate with the product, the space and the brand, which will therefore have a decisive influence on their shopping decision. This is where design assumes a special relevance; designing experience entails strategically designing the elements that shape it, being able to grant them the values, attributes, characteristics, emotions and sensations that players hope to encounter.

One example is the pop-up installation that Nike used to advertise their Nike Free Hyperfeel shoes. A group of publicists designed an experience in which participants' feet were transformed into receivers. Using a sensor of brain waves connected to a mobile device, guests entered a series of rooms with unique atmospheres. As they walked over different materials, the signals of their brain waves were transformed into sounds they could listen to through headphones. The objective of this experience was to highlight the connection between our feet and the stimuli we receive from our contact with the ground we tread on and show the influence that the perception of our surroundings has on us.

"Online-offline retail experiences coexist in people's lives in an increasingly natural way, integrated in our daily routines"

The experience evolves as a result of changes in the elements that shape it, and the relationship between them produces further 'sub-elements'.

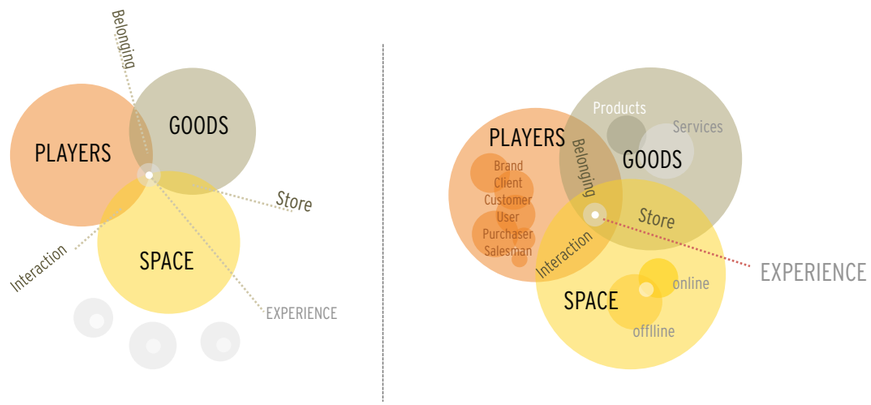
The point at which they all converge represents the experience. Their respective evolutions and the appearance of the new elements increase the complexity of the ensemble and the importance of the experience in the process of purchasing a product.

This new diagram enables us to examine the interrelationship between the various elements during the experience, and use design as a tool for coming up with solutions that help adapt the process and the retail outlet to a new model to meet the needs of users in the twenty-first century.

11 http://www.psfk.com/2013/11/multichannel-service-examples-future-retail.html#!bmUxc6

12 Kim Harris, Barry J. Davies and Steve Baron, 'Conversations During Purchase Consideration: Sales Assistants and Customers,' *The International Review of Retail Distribution and Consumer Research,* vol. 7, no. 3 (1997), Routledge, pp. 173-190.

13 Marcus Field,'Shopping as a Way of Life,' *Blueprint,* no. 135 (1997), pp. 28-30.



▲ Experience in retail and its evolution.

Sustainability through integral design

> *Sustainable consumption ought to be the easiest choice for consumers.* [14]

It is very important to define the values called for by new generations of consumers in order to introduce them into the design of products, spaces and experiences in an integral way. These values should link retail to a change of model in accordance with the needs and concerns of users, and could be used to lay the new foundations from which traditional models used in sales outlets might evolve.

Eighty per cent of new products fail in the first few months after their launching. This entails a high cost not only for the company in question but also in terms of energy, material and wasted resources, a very high cost in terms of environmental sustainability. Learning the reasons why a customer chooses between several options has become a research objective thanks to the gathering of data that can enable designers and industries to create more effective products and shops, as their design is focused on the actual consumer.

Social sustainability has become a motive for change in the sector. A number of Km 0 and Slow

"Learning the reasons why a customer chooses between several options has become a research objective thanks to the gathering of data"

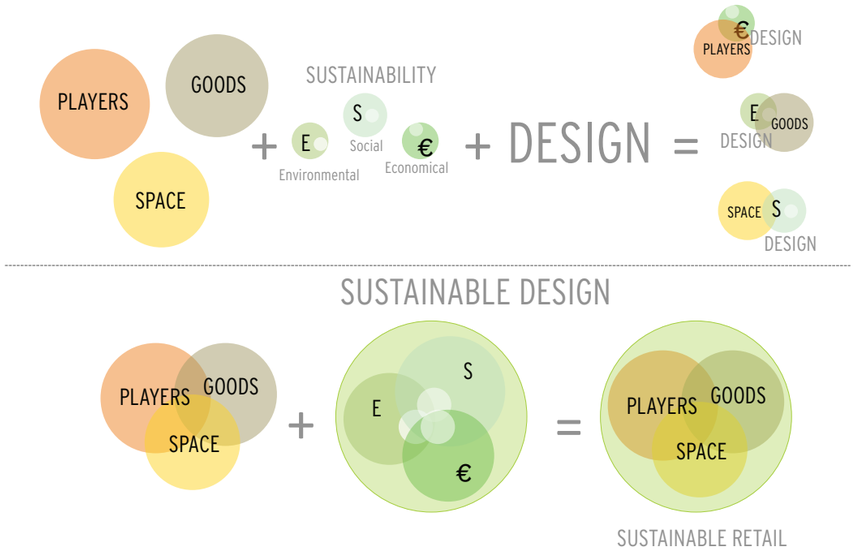
Food movements have emerged, greatly increasing the value of local produce, markets and shops. These do not only strengthen the economic value of the environment but have a direct effect on the well-being of the population, as they create jobs in the community and improve local economies and the environment.

We need to evolve towards a more sustainable model based on knowledge and innovation, a model that will help preserve social cohesion, avoid attacks on the environment and adapt better to the values of the new generations of consumers.

Sustainability in retail should be understood as a concept that embraces social, environmental and economic aspects.

Although we should bear in mind that the objective of a business is to obtain economic profit, a long-term vision proves that this is unfeasible un-

14 Rasmus Kjeldahl, Executive Director of The Danish Consumer Council, during the closure of the European Day of the Consumer, Copenhagen, 2012.



▲ Integral design as a tool for a more sustainable model.

less natural resources and society are protected. Only sustainable design applied globally to products and processes will enable us to evolve towards an integral sustainability. This is no longer an option but the only feasible way of conceiving the future.

The key to a new more sustainable retail model lies in an integral design, capable of generating qualitative rather than quantitative profit. Sales outlets must be able to offer better shopping choices and a better interaction, without overlooking that this sustainability must be present from the beginning of the chain—both in the manufacturing process of products and services and in their distribution—to the end.

What if the search for sustainability weren't a common objective but a way of meeting the challenges of today's situation? To consider sustainability as a solution is to propose new foundations for a new model, one that doesn't seek to solve small parts but understands the model as a global system.