# More-than-store: Expanding the Experience of Retail Phenomenon

Maryam Abhari Spring 2014

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We certify that we have read this Doctorate Project and that, in our opinion, it is satisfactory in scope and quality in partial fulfillment for the degree of Doctor of Architecture in the School of Architecture, University of Hawai'i at Mānoa.

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#### **Abstract**

Architecture is an important part of modern retail environments. Architectural design affect customers' experiences, feelings, memories, and ultimately their decisions. This research focuses on retail design in order to understand the connection between architecture, customer experience, and brand identity. The intention is to explore how architecture affects our experience of retail spaces. The first phase of this study was to understand the Apple Phenomenon, which refers to a paradigm shift, occurred in contemporary retail stores' design. Apple Phenomenon was used as a point of departure to formulate a new design-thinking approach that can transform the traditional approach to retailing. The research results revealed that rather than focusing on offered products or services in a retail environment, retailers with the help of architects can focus on customers' experiential desires (i.e. Sense, Feel, Think, Act, and Relate) and program-driven environmental experience formation and value co-creation. In the light of Apple phenomenon, the concept of 'more-than-store' was introduced as an alternative approach to retail design and then three alternative designs were proposed to exemplify this concept. This design thinking approach addresses key concerns in retail planning and design in order to (a) overcome commoditization problems, (b) improve differentiation strategies, and (c) narrow the gaps between conventional retail planning and real customer desires.

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## **CHAPTER 1: RETAIL CRISIS**

In the last decades, the retailing strategy has been gradually transformed due to changes in the business landscape. In this new landscape, retailers can no longer compete solely on providing value through their core products, but rather by creating long-term emotional bonds with their customers through offering unique brand experience. Thus, retail designers joined marketers to differentiate the brands by offering memorable retail experiences and engaging activities in immersive environments. Architecture plays a key role in facilitating this transformation. Architecture as the mother of all arts has a long history in differentiating places, establishing authentic identity, transforming human experience, and establishing emotional attachment. Therefore, architects have a great potential to contribute to the modern retail business.

The quality of designed environments can be evaluated based on the ability of that environment in constructing and maintaining an engaging, memorable, convincing, and relevant users' experiences. Architecture is thus responsible for adding experiential values to the built environment. Experiential values are those values that users actively co-create in interaction with different elements of built environments. A built environment with experiential values is easily differentiated through creating a sense of pleasure and/or arousal among the users. This environmental experience can positively shape overall users' experience and their perception on offered products and services in that environment. Given that, designer's responsibility is to connect human experiential desire to the environmental settings in order to affect their feelings and engage them in a higher rational and emotional level like immersion and absorption. Therefore, it is necessary to define a

new line of design thinking to address modern user's experiential desires in modern spaces.

This approach to design not only creates sensorial connection with users but also provides emotional, cognitive, social, and behavioral connection with them.

Recent reports by ShopperTrak show that the number of customers shopping at brick-and-mortar stores has been on a steady decline. This fact makes us think of the role of retail stores in the future of retailing. In modern retail industry, market competition is not only on offered products but also on offered experiences. In a world where online purchasing is becoming the top choice among shoppers, both for price comparison and convenience, physical retailers need to offer more-than-store to attract more customers and create memorable customer experiences. This study sheds light on the role of architecture as a catalyst to differentiate physical retail environments.

## 1.1 Today's Retail Design

Emerging of the experience economy, as a new business paradigm, at the end of 20<sup>th</sup> century has caused a paradigm shift in many business-related practices and influenced other disciplines like architecture.<sup>3</sup> The crux of this paradigm is phenomenological (experiential) value co-creation.<sup>4</sup> This perspective suggests that experience or experience co-creation opportunity by itself is a business offering that can help businesses stay

<sup>&</sup>lt;sup>1</sup> Shelly Banjo and Drew Fitzgerald, "Stores Confront New World of Reduced Shopper Traffic," 2014, accessed February 14, 2014, http://online.wsj.com/news/articles/SB10001424052702304419104579325100372435802.

<sup>&</sup>lt;sup>2</sup> Brian K. Walker, "Retail In Crisis: These Are The Changes Brick-And-Mortar Stores Must Make," 2014, accessed February 24, 2014, http://www.forbes.com/sites/jeremybogaisky/2014/02/12/retail-in-crisis-these-are-the-changes-brick-and-mortar-stores-must-make/.

<sup>&</sup>lt;sup>3</sup> B Joseph Pine and James H Gilmore, *The Experience Economy: Work Is Theatre & Every Business a Stage* (Harvard Business Press, 1999).

<sup>&</sup>lt;sup>4</sup> Stephen L Vargo and Robert F Lusch, "Service-Dominant Logic: Continuing the Evolution," *Journal of the Academy of Marketing Science* 36, no. 1 (2008): 1–10.

competitive. <sup>5</sup> Environmental experience in retail spaces is an example of experience offering. Anna Klingmann called this approach the 'perfection of the object' to the 'transformation of the subject.' <sup>6</sup> In experiential architecture, individuals' expectations of a retail environment go beyond its aesthetic and functionality. <sup>7</sup> In retail environments, users consciously and unconsciously are seeking elements and activities that trigger their emotion and engage their cognition. In other words, they are looking for experience.<sup>8</sup>

However, the importance of environmental experience has well addressed in marketing literature, it has received less attention in architectural research. Recently, architects like Jon Jerde, Rem Koolhaas, and Peter Zumthor have developed the concept of experiential architecture and designed a few places based on this paradigm. For example, Horton Plaza in San Diego, Universal CityWalk in Los Angles, and Canal City Hakata in Fukuoka, Japan are designed by Jon Jerde, PRADA epicenter store in New York designed by Rem Koolhaas, and Swiss Pavilion in Hanover designed by Peter Zumthor. Despite these successful practices, architectural literature rarely addresses the theoretical background of experience-based retail design and suggest any guiding parameter of this approach.

<sup>&</sup>lt;sup>5</sup> Coimbatore K Prahalad and Venkat Ramaswamy, "Co-Creation Experiences: The next Practice in Value Creation," *Journal of Interactive Marketing* 18, no. 3 (2004): 5–14.

<sup>&</sup>lt;sup>6</sup> Anna Klingmann, Brandscapes: Architecture in the Experience Economy (Mit Press, 2010).

<sup>&</sup>lt;sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Michael Benedikt, "Reality and Authenticity in the Experience Economy," *Architectural Record* 189, no. 11 (2001): 84–87.



Figure 1-1 Horton Plaza in San Diego



Figure 1-2 Universal CityWalk in Los Angles



Figure 1-3 Swiss Pavilion in Hanover



Figure 1-4 PRADA epicenter store



Figure 1-5 Canal City Hakata in Fukuoka

Retail spaces are rarely designed by renowned architects, who strive to design enduring masterpieces like libraries and skyscrapers. <sup>10</sup> Rem Koolhaas is among the most influential architects who believe retail architecture can be as valuable as other types of architecture. <sup>11</sup> Koolhaas directed various researches on shopping and retail design at Harvard Graduate School of Design with a team of his graduate students for several years. His research team concentrated their studies on the phenomenon of shopping as a primary mode of urban life. The outcome of their research is published as 'Harvard Design School

<sup>&</sup>lt;sup>10</sup> Catherine Dupree, "WELCOME TO THE JUNKSPACE: Designed to Shop," 2002, accessed March 2013, http://harvardmagazine.com/2002/07/designed-to-shop.html.

<sup>&</sup>lt;sup>11</sup> Ibid.

Guide to Shopping' in 2001, which explores the evolution of retail and how it shapes people's culture and transforms the cities and lives.<sup>12</sup>

## 1.2 Changing the Paradigm

The majority of physical retail stores have experienced less traffic in recent years. Only a few retailers are attracting more traffic compared with the past in today's competitive market. This fact raises the question of what makes some retailers distinguishable from the others.

This study argues how architecture affects customers' experiences of retail stores. Architecture can create and differentiate brand identity for retail stores in this competitive market. The goal is to understand what retailers need to offer besides their core products to attract more customers, encourage them to stay longer and have them return. The primary focus of the study is thus not on the architecture as an object but as a subject with the power of creating affirmative spaces that promote memories, discoveries, and desires. The first phase of the study is to understand the phenomenon of the modern retail store design and its comparison with conventional design of a retail environment. The study initially explores two successful retail design strategies within their contexts, Apple, and PRADA stores. Apple Store experience is used as a point of departure to understand a new design-thinking paradigm in retail architecture. To verify this insight, the case of PRADA store was reviewed, then compared and contrast with the case of Apple stores.

The first phase of the study shows that how architecture can change the design paradigm in retail spaces from producing static objects with authenticity to generation of

<sup>&</sup>lt;sup>12</sup> Sze Tsung Leong Chuihua Judy Chung, Jeffrey Inaba, Rem Koolhaas, *The Harvard Design School Guide to Shopping / Harvard Design School Project on the City 2* (Taschen, 2001).

an immersive environment with an identity. This phase then concludes some directions for modern architectural design strategies in the retail industry. The retail design principles proposed in the phase one will be used in the second phase of the study to come up with some exemplary retail design alternatives for a department store in Hawaii, on the Island of Oahu. The design alternatives provides opportunities for a variety of programs such as education and entertainment in addition to shopping. The second phase will provide site analysis, design concept development, programming, and design solutions for the department store's building, interior and landscape.

#### 1.3 Alternative Approach to Design

This research emphasizes on a design thinking process in retail design in which customers' experiential needs are prioritized. This approach goes beyond the application of sensorial elements in the design by addressing the entire functional, emotional, behavioral, social, and symbolic concerns in architecture and interior design of a retail environment. This design paradigm can direct users' experience in the sense of an enjoyable process in pleasurable environments. The study can serve as an inspiration for architects to expand the notion of architecture from forms and function to experience and attachment. Retailers can turn ordinary shopping experiences to memorable experiences that create an emotional bond by offering an engaging environment, and addressing all functional, emotional, and symbolic users' desires.

The practical contributions would go beyond the retailing as it offers a behavioralbased environmental programming model in designing modern spaces in various settings range from commercial spaces to residential buildings. Additionally, the results would be considered as a business solution, especially as a marketing tool, for the cases, which are highly depended on the design, for example, hotels and retail spaces.

## **CHAPTER 2: RETAIL ARCHITECTURE IN**

### **EXPERIENCE ECONOMY**

In this chapter, retail design and its transformation are initially discussed. The discussion is followed by evaluating the modern retail phenomenon from experience economy perspective. The insights from this section help review the relationship between retailing strategies – mainly branding – and environmental design elements. The literature is reviewed to understand the role of architecture, not only from an artistic viewpoint but also from a pragmatic standpoint, as an integral part of a larger productive system integrated with economic developments, and social changes.

## 2.1 Modern Retail Landscape

The retail environment is constantly evolving. In the modern retailing landscape, there is substitute increase in consumer bargaining power. Larger number of low-cost, high-quality suppliers leads to the greater number of choices for customers and subsequently results in commoditization of several services and products. <sup>13</sup> Commoditization is a motivation to think about a novel solution to sustain competitive advantages. <sup>14</sup> Therefore, there is an increasing interest to upgrade ordinary shopping experience to engaging experiences that deliver not only core values, but also supplementary experiential benefits in a co-created manner. <sup>15</sup> When core offerings turn into

<sup>&</sup>lt;sup>13</sup> B J Pine and J H Gilmore, "Welcome to the Experience Economy.," *Harvard Business Review* 76, no. 4 (1998): 97–105.

<sup>&</sup>lt;sup>14</sup> C.K. Prahalad and Venkat Ramaswamy, "Co-Creation Experiences: The next Practice in Value Creation," *Journal of Interactive Marketing* 18, no. 3 (January 2004): 5–14, doi:10.1002/dir.20015.

<sup>&</sup>lt;sup>15</sup> M. a. Gross and M. Pullman, "Playing Their Roles: Experiential Design Concepts Applied in Complex Services," *Journal of Management Inquiry* 21, no. 1 (January 13, 2011): 43–59. and Madeleine E Pullman and Michael A Gross, "Ability of Experience Design Elements to Elicit Emotions and Loyalty Behaviors," *Decision Sciences* 35, no. 3 (2004): 551–78.

commodities in a mature business offering, experience-based approach aids to escape from commoditization trap. <sup>16</sup> Same concept has been also adapted in retail business as experiential retailing to enhance marketing outcomes. <sup>17</sup>

## 2.2 Modern Retail Design

Modern retail design refers to various aspects of designing the interior and exterior of commercial spaces and addresses how a store will work commercially through a functional and aesthetical environment. Architecture can have a significant role in encouraging people participation in economic and/or cultural practices, by triggering their cognition and emotion. Retail designers intend to construct the society around the product and in particular the identity and the lifestyle that a brand or a group of brands offers. <sup>18</sup> One way to achieve this materialization goal is utilizing architecture at the selling point. <sup>19</sup>

Therefore, retail designers started to employ the architectural solutions, especially for flagship stores, as an additional marketing tool.<sup>20</sup> They try to represent the product's cultural domain and brand identity in the built environments. The new approach is to invite current and potential customers to experience contextual notions of lifestyle and identity embedded within the store's physical boundaries.<sup>21</sup> In this process, flagship stores become

<sup>16</sup> Pine and Gilmore, *The Experience Economy: Work Is Theatre & Every Business a Stage*.

<sup>&</sup>lt;sup>17</sup> Youn Kyung Kim, "Experiential Retailing: An Interdisciplinary Approach to Success in Domestic and International Retailing," *Journal of Retailing and Consumer Services* 8, no. 5 (2001): 287–89.

<sup>&</sup>lt;sup>18</sup> Tony Kent, "2D23D: Management and Design Perspectives on Retail Branding," *International Journal of Retail & Distribution Management* 31, no. 3 (2003): 131–42.

<sup>&</sup>lt;sup>19</sup> Ibid.

 <sup>&</sup>lt;sup>20</sup> Garyfalia Palaiologou and Alan Penn, "The Branded Experience: Decoding the Spatial Configuration of Flagship Stores," in *Branded Spaces* (Springer, 2013), 135–56.
 <sup>21</sup> Ibid.

products themselves. They are designed not just for selling products but identities and experiences of imaginary lives.<sup>22</sup>

Understanding customer behavior and desire – beyond the feature and benefits – in relation to tangible (material) and intangible (atmospheric) design elements is the crux of modern retails design approaches. While form and functions remain important, experiential values of design have become crucial in the assessment of architectural value. <sup>23</sup> To provide these values, retail designers pay a careful attention to customers' lifestyle, identity, and growth. <sup>24</sup>

#### 2.3 Retail Experience in Experience Economy

The concept of *customer experience* was introduce to the literature in the early 1980s by Holbrook and Hirschman. They defined a new approach to understanding consumer behavior based on consumers' experiential desires. Later, in 1998 Pine and Gilmore re-introduced the concept to marketing discipline by publishing a book, titled the Experience Economy. They describe the contemporary market culture as an experience economy. In their book, the notion of experience was defined as a new economic paradigm, which emerges as the next step after an economy of commodities, goods, and services. They pointed commoditization as a motive of emerging experience economy and put it as a new way of adding experiential value to economic offerings. Therefore, an offering is as much as enriched by experiential values that turns into rich experiences instead of pure services. Before Pine and Gilmore, Fisk had described modern servicescape in the same

<sup>22</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> Anna Klingmann, Brandscapes: Architecture in the Experience Economy (MIT Press, 2007).

<sup>&</sup>lt;sup>24</sup> Ibid.

way. Fisk portrayed servicescape as theatrical stages consist of setting, actors, audience, and performance.<sup>25</sup>

Experience economy is summed up in: (1) staging services and goods in a personal way (2) participation or connection with the environment (3) designing experiences (4) tools to stage experience (harmonizing impressions, eliminating negative cues, engaging with theme and memorabilia).

A few architects like Rem Koolhaas discussed the importance of designing retail stores for experiences in the current experience economy. They explain how to design appealingly for experience and how customers perceive these retail environments. <sup>26</sup> The existing literature on retail stores' design mainly discusses the impact of store design elements like lighting on customer behavior. Experiential design elements, however, do not work in this way. They function as a holistic mechanism helping customers to co-create their own desirable experience. <sup>27</sup> Customer experience, in fact, originates from the interplay between a (a) personal, (b) social and (c) physical context of an environment as explained below:<sup>28</sup>

 Personal context refers to the personal, emotional, cognitive and sociodemographic characteristics, attitudes, norms, lifestyle, and socio-personal values of the individual customer.

<sup>&</sup>lt;sup>25</sup> Risto Moisio and Eric J Arnould, "Extending the Dramaturgical Framework in Marketing: Drama Structure, Drama Interaction and Drama Content in Shopping Experiences," *Journal of Consumer Behaviour* 4, no. 4 (2005): 246–56.

<sup>&</sup>lt;sup>26</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2010.

<sup>&</sup>lt;sup>27</sup> Bernd Schmitt and María del Carmen Torrente Martínez, Experiential Marketing (Deusto, 2000).

<sup>&</sup>lt;sup>28</sup> John John Howard Falk and Lynn Diane Dierking, *The Museum Experience* (Howells House, 1992).

- Social context refers to customer interaction and social exchange with employees and other customers in the store. It also includes the presence and behavior of the in-store personnel.
- Physical context refers to architecture and design, the layout of the environment, the feelings that the environment invokes and the objects and activities presented within the physical environment.

These three contexts jointly influence the individual customer. In other words, experience is formed during customer's interactions with the combination of the above elements.<sup>29</sup> What customers gain (e.g. knowledge, perception, and memory) from each context and test (e.g. program and activities) results in customer experiences. Therefore, customer experiences are always personal and subjective because of different cultural, social, and personal backgrounds helping in interpreting the in-store stimuli.<sup>30</sup> Individual customer subjectively comprehends, organizes, and interprets in-store passive interaction (e.g. information, event, presence) and active interaction (e.g. involving in educational or entertaining programs) in unique personal way. This viewpoint help designers in understanding the experiential values in retails environments as discussed in the next section.

Experience can be branded as well. For example, retail space with branded setting can be a source of branded experience for people. To reflect this meaning, scholars define "brandscape" as an environmental setting that furnishes its users with experience that is

<sup>&</sup>lt;sup>29</sup> Diana Lasalle and Terry Britton, *Priceless: Turning Ordinary Products into Extraordinary Experiences* (Harvard Business Press, 2003).

<sup>&</sup>lt;sup>30</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2007.

clearly and exclusively addressed the brand concerns.<sup>31</sup> Marketers try to have a branded environment with a unique and distinctive setting. In the retail context, brand experience can be generated by unique interaction with service elements, employees, and the environment or unique involvement with events and programs.<sup>32</sup> It is necessary to note that the term of customer experience in this research refers to who visits a retail environment regardless he or she is a buyer or not.

#### 2.4 Retail Theater

Retail Theater is an example of modern retail design. The phrase of *theater* first used by Grove and Fisk in 1992 as a metaphor of the service environment.<sup>33</sup> In 1999 Pine and Gilmore in their work on the *experience economy* used *retail theater* not as a metaphor but as an actual representation of retail business setting.<sup>34</sup> The concept suggests differentiating shopping experiences with increasing opportunity for consumers to interact and participate. In this viewpoint, shopping environment is a theatrical stage involving a setting, actors, an audience and the performance with a high level of humanic interactions.<sup>35</sup> Retail Theater is a place of experience not sale. It is all about involving customer than merchandise and merchandising.<sup>36</sup> In this new setting, retailers stage a series of experiences to engage customers, and connect with them in a personable and memorable way.<sup>37</sup>

<sup>&</sup>lt;sup>31</sup> Sharon Ponsonby Mccabe and Emily Boyle, "Understanding Brands as Experiential Spaces: Axiological Implications for Marketing Strategists," *Journal of Strategic Marketing* 14, no. 2 (2006): 175–89.

<sup>&</sup>lt;sup>32</sup> Mary Jo Bitner, Amy L Ostrom, and Felicia N Morgan, "Service Blueprinting: A Practical Technique for Service Innovation," *California Management Review* 50, no. 3 (2008): 66–95.

<sup>&</sup>lt;sup>33</sup> Stephen J Grove and Raymond P Fisk, "The Service Experience as Theater," Advances in Consumer Research 19 (1992): 455–61.

<sup>&</sup>lt;sup>34</sup> Pine and Gilmore, *The Experience Economy: Work Is Theatre & Every Business a Stage*.

<sup>&</sup>lt;sup>35</sup> Moisio and Arnould, "Extending the Dramaturgical Framework in Marketing: Drama Structure, Drama Interaction and Drama Content in Shopping Experiences."

<sup>&</sup>lt;sup>36</sup> Franco Angeli, *Places & Themes of Interiors. Contemporary Research Worldwide*, 2008.

<sup>&</sup>lt;sup>37</sup> Pine and Gilmore, *The Experience Economy: Work Is Theatre & Every Business a Stage*.

Retailers incorporate elements of theater into store design and merchandise presentation, and then provide opportunities for audience participation and interaction.<sup>38</sup> The result of this practice can easily be found in the successful retail brands, where customers identify store brands not just because of the products but also because of the staged environments that they offer. This approach to retailing is also based on the thematic design and emphasis on particular lifestyle profiles. Along with retailers, service providers like hotels, hospitals, and restaurants increasingly adopt the same concept to stage experience with integrating more art, theme, and entertainment. Designed by GRAFT, KU65 – a children's dental clinic – in Berlin is an example of this approach to a service environment design.

## 2.5 The Notion of Experiential Values

In accordance with information-processing model, scholars traditionally assumed that customers' minds are dominantly rational decision-maker.<sup>39</sup> Holbrook and Hirschman criticized this belief because of neglecting the subjective aspects of evaluation.<sup>40</sup> They are pioneers of introducing experiential values, and they characterized the concept by multisensory, fantasy and emotive dimensions of experiencing a particular offering or setting.

Marshall McLuhan noted that "...it is experience, rather than understanding, that influences behavior." Experience is more than rational evaluation so that it goes beyond 'understanding.' Dewey defines experience as the result of human and environment

<sup>38</sup> Steve Baron, Kim Harris, and Richard Harris, "Retail Theater The 'Intended Effect' of the Performance," *Journal of Service Research* 4, no. 2 (2001): 102–17.

<sup>39</sup> John W Payne, James R Bettman, and Eric J Johnson, *The Adaptive Decision Maker* (Cambridge University Press, 1993).

<sup>40</sup> Morris B Holbrook and Elizabeth C Hirschman, "The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun," *Journal of Consumer Research*, 1982, 132–40.

<sup>41</sup> Marshall McLuhan, quoted in Anna Klingmann, *Brandscapes: Architectute in the Experience Economy* (Mit Press, 2007).

intertwining. <sup>42</sup> He emphasizes that the outcomes of this interaction could be communication between people and environment or people and people. <sup>43</sup> This definition is an underpinning to understand the concept of experience.

Accordingly, the notion of experience is twofold: environment and interaction. However, the interaction between people and environment itself does not create experience but it shapes an experience only if it leads to a cognitive process and/ or emotional acquisition. For example, during shopping, experience is shaped by elements such as environment, process, time, and marketing actions. On the other hand, the manner of users' participation, immersion, or connection can be regarded as the results of a positive experience. For instance, appropriate level of involvement, interaction, and environmental connection can engage users into the consumption or purchasing process and create a significant and unforgettable experience. Therefore, the interaction or any stimuli that trigger or create a positive experience has experiential values.

In environmental psychology literature, experience is always shaped or triggered by a group of stimuli in an environment. Those stimuli can create experiences if they generate value, either cognitive or emotive. 46 Thereby, environmental settings propose values in the form of some cues and ultimately form a series of experiences. However, these experiences are sometimes different between individuals due to different cognitive and emotive processes. In another word, individual environmental experience is

<sup>&</sup>lt;sup>42</sup> John Dewey, Experience and Nature, Dover Books on Western Philosophy (Dover Publications, 1958).

<sup>&</sup>lt;sup>43</sup> John Dewey, *Art as Experience* (Perigee Trade, 2005).

<sup>&</sup>lt;sup>44</sup> Dewey, *Experience and Nature*.

<sup>&</sup>lt;sup>45</sup> Pine and Gilmore, "Welcome to the Experience Economy."

<sup>&</sup>lt;sup>46</sup> Leonard L Berry, Lewis P Carbone, and Stephan H Haeckel, "Managing the Total Customer Experience," MIT Sloan Management Review 43, no. 3 (2002): 85–89.

phenomenologically co-created during individual interactions with the environment and subjective evaluation of environmental cues. Therefore, phenomenology of perception is another key concept to understand the relationships between the built environment and people's perception driving their behavior.

Values in experience context are explained in the light of experiential values. These kinds of values can be added to enrich user's routine experience at any spaces. Carbone defines experience as the spot of creating value for customers.<sup>47</sup> If it is assumed experience is shaped or triggered by a group of stimuli, these cues are the same origin for the cognitive and emotive values.<sup>48</sup> Thereby, there is a relationship between the 'proposed values' in retail spaces and 'environmental settings' in creating a series of experience. Values in retail spaces are associated with both contact-part (both inanimate environments and contact personnel), and non-contact-part.<sup>49</sup> Both contact points – besides the functional benefits – shape the people perception toward the retail brand characteristics like quality, trust, reputation, and so on.

#### 2.6 Experiential Values in Retail Environment

Physical settings – regardless they perfectly designed or not – play a part in forming the customer environmental experience. <sup>50</sup> Designing a built environment is not to control experience formation but directing experience co-creation. This paradigm suggests

<sup>&</sup>lt;sup>47</sup> Lewis Carbone, Clued in: How to Keep Customers Coming Back Again and Again (FT Press, 2010).

<sup>&</sup>lt;sup>48</sup> Berry, Carbone, and Haeckel, "Managing the Total Customer Experience." And Leonard L Berry, Eileen A Wall, and Lewis P Carbone, "Service Clues and Customer Assessment of the Service Experience: Lessons from Marketing.," *The Academy of Management Perspectives* 20, no. 2 (2006): 43–57.

<sup>&</sup>lt;sup>49</sup> Mitchell M Tseng, Ma Qinhai, and Chuan-Jun Su, "Mapping Customers' Service Experience for Operations Improvement," *Business Process Management Journal* 5, no. 1 (1999): 50–64.

<sup>&</sup>lt;sup>50</sup> Berry, Wall, and Carbone, "Service Clues and Customer Assessment of the Service Experience: Lessons from Marketing." And Mary Jo Bitner, "Servicescapes: The Impact of Physical Surroundings on Customers and Employees," *The Journal of Marketing*, 1992, 57–71.

providing potential for experience co-creation in the built environments and considering individuals as active co-creators of experience. <sup>51</sup> Although experience formation is subjective and contextual, environmental psychology emphasizes on a set of principles for objective experience creation. Therefore, this study assumes that experiential design elements are external stimuli that create experiential objective cues that may lead to a relatively same subjective interpretation in individual's mind.

Anna Klingmann noted, "Experiential environments show rather than tell, delight rather than instruct. The effects are immediate, perceptual, and emotional." Architectural design formation is based on various elements and many of fundamental design variables are not tangible. Among them, space, order, sense of place, time, and relationships are essentially invisible. However, architects and designers are able to make these variables visible by translating those into forms prudently. Tangible design elements are products of transformation of intangibles. <sup>53</sup> To do so, the experiential design elements provide a framework as a guide for this translation.

General experience modules can characterize environmental experience, as one type of experience. The similar model for customer experience can be adopted from marketing literature to balance and coordinate the experiential elements in a designed environment along with customer's experiential desires. Therefore, experience is categorized in the following experiential modules:<sup>54</sup>

<sup>&</sup>lt;sup>51</sup> Dewey, Art as Experience.

<sup>&</sup>lt;sup>52</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2010.

<sup>&</sup>lt;sup>53</sup> Rapoport Amos, On "The Invisible in Architecture": An Environment-Behavior Studies Perspective," in The invisible in architecture, edited by Bouman, Ole, and Roemer Van Toorn. Academy Editions, 1994.

<sup>&</sup>lt;sup>54</sup> Joško Brakus, Bernd H Schmitt, and Lia Zarantonello, "Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?," *Journal of Marketing* 73, no. 3 (May 2009): 52–68.

- Sensorial experiences (sensory perception);
- Emotional experiences (affective and subjective feeling);
- Cognitive experiences (creative and cognitive reasoning);
- Social experiences (e.g. facilitating social exchange);
- Pragmatic experiences (e.g. affecting behavior, actions or lifestyle)

### 2.6.1 Sensory Experience

Sensorial Experience at an environment is the result of engaging users in five senses. <sup>55</sup> Sensorial experience comes from multiple sensory phenomena including tastes, sounds, scents, tactile impressions, and visual images. Positive sensorial experiences (from sight, hearing, touch, taste, and smell) result in pleasure, excitement, and sense of beauty. <sup>56</sup> Sense experiences can differentiate retail brand, attract attention, and motivate customers to purchase. <sup>57</sup> Chromatic colors, enlivening sounds, and embroidered textiles are examples of the source of sensorial experience.

The sensory stimulants can shape, enhance, or enrich the brand theme.<sup>58</sup> Distinctive sensorial cues turn a routine experience into a memorable one. The values associated with the sensorial components have a longer effect in compare with relational components.<sup>59</sup> In retail space, engaging in five senses is usually associated with environmental stimuli,

<sup>58</sup> Pine and Gilmore, "Welcome to the Experience Economy."

<sup>&</sup>lt;sup>55</sup> Joško Brakus, Bernd H Schmitt, and Lia Zarantonello, "Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?," *Journal of Marketing* 73, no. 3 (May 2009): 52–68.

<sup>&</sup>lt;sup>56</sup> Elizabeth C Hirschman and Morris B Holbrook, "Hedonic Consumption: Emerging Concepts, Methods and Propositions," *The Journal of Marketing*, 1982, 92–101. And Bernd Schmitt, "Experiential Marketing," *Journal of Marketing Management* 15, no. 1–3 (1999): 53–67.

<sup>&</sup>lt;sup>57</sup> Ibid.

<sup>&</sup>lt;sup>59</sup> Chiara Gentile, Nicola Spiller, and Giuliano Noci, "How to Sustain the Customer Experience:: An Overview of Experience Components That Co-Create Value With the Customer," *European Management Journal* 25, no. 5 (2007): 395–410.

which influence on customer's thoughts, feelings, and perceptions.<sup>60</sup> Paying attention to people's sensorial needs leads to the implementation of more experientially designed environment and consequently more engaged customers. Tasteful design through sensorial elements can lead to pleasure, and extraordinary design with five senses stimulation can create arousal among the users. The most common instances for the source of sensory experience in architectural design can be visual cues like lighting or any tangible elements like textiles.<sup>61</sup>

#### 2.6.2 Emotional Experience

Emotional (Affective) Experience at a designed retail space meets or exceeds customer emotional desires.<sup>62</sup> Izard and Buechler suggest that emotions are established by motivational and neuro-physiological phenomena besides experiential components (e.g. prestige).<sup>63</sup> In researches on hedonic offerings like fashion, emotion plays a key role in shaping overall experience.<sup>64</sup> Emotional experience refers to the customer inner feeling, which is triggered by emotional design elements and leads to a positive mood (e.g. strong emotion of joy and pride).<sup>65</sup> It forms based on the subjective internal judgment, which is affected by stimulated emotions in the environment.<sup>66</sup> To have this kind of experience,

<sup>&</sup>lt;sup>60</sup> Bitner, "Servicescapes: The Impact of Physical Surroundings on Customers and Employees." And Brakus, Schmitt, and Zarantonello, "Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?."

<sup>&</sup>lt;sup>61</sup> Ponsonby Mccabe and Boyle, "Understanding Brands as Experiential Spaces: Axiological Implications for Marketing Strategists." And F Ian Stuart, "Designing and Executing Memorable Service Experiences: Lights, Camera, Experiment, Integrate, Action!," Business Horizons 49, no. 2 (2006): 149–159.

<sup>&</sup>lt;sup>62</sup> Gentile, Spiller, and Noci, "How to Sustain the Customer Experience:: An Overview of Experience Components That Co-Create Value With the Customer." And Brakus, Schmitt, and Zarantonello, "Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?".

<sup>&</sup>lt;sup>63</sup> Hirschman and Holbrook, "Hedonic Consumption: Emerging Concepts, Methods and Propositions."

<sup>64</sup> Ibid.

<sup>&</sup>lt;sup>65</sup> Bernd H Schmitt, Customer Experience Management: A Revolutionary Approach to Connecting with Your Customers (Wiley, 2010).

<sup>&</sup>lt;sup>66</sup> Josko Brakus, "A Theory of Consumer Experiences" (Columbia University NY, 2001).

designers employ various approaches like proposing emotional theme, valuing fantasy, and creating escapist story.

Emotional experience knowingly or instinctively affects attitudes. It is also the most significant driver for pleasure, arousal, and dominance. Emotional experiences satisfy mental tendencies, expectations, and wishes through appeal, appraisal, aspiration, and stimulus.<sup>67</sup> Pleasure and arousal can be two key drivers of positive emotions in customer behavior.<sup>68</sup> Otto and Ritchie put emphasis on hedonic facets of service such as excitement, enjoyment, and memorability.<sup>69</sup> These viewpoints confirm earlier studies by Holbrook & Hirschman on the experiential aspects of consumption.<sup>70</sup>

The emotional stimuli in a designed retail space shape an emotional branded experience, which can refer to feelings like surprise, immersion, and participation. <sup>71</sup> Immersion is the integration of consumers and experiences. <sup>72</sup> Immersion is a complete involvement, when customers enjoy the purchasing and forget the time. <sup>73</sup> It makes customers love the shopping process instead of what they buy. It is similar to the pleasure in a study by Holbrook and Batra. <sup>74</sup> Stimulation in form of arousal – for example, by

<sup>&</sup>lt;sup>67</sup> Sharon Morrison and Frederick G Crane, "Building the Service Brand by Creating and Managing an Emotional Brand Experience," *Journal of Brand Management* 14, no. 5 (2007): 410–21.

<sup>&</sup>lt;sup>68</sup> Marsha L Richins, "Measuring Emotions in the Consumption Experience," *Journal of Consumer Research* 24, no. 2 (1997): 127–46.

<sup>&</sup>lt;sup>69</sup> Julie E Otto and J R Ritchie, "The Service Experience in Tourism," *Tourism Management* 17, no. 3 (1996): 165–74.

<sup>&</sup>lt;sup>70</sup> Holbrook and Hirschman, "The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun."

<sup>&</sup>lt;sup>71</sup> Yie-Fang Kao, Li-Shia Huang, and Ming-Hsien Yang, "Effects of Experiential Elements on Experiential Satisfaction and Loyalty Intentions: A Case Study of the Super Basketball League in Taiwan," *International Journal of Revenue Management* 1, no. 1 (2007): 79–96.

<sup>&</sup>lt;sup>72</sup> Pine and Gilmore, "Welcome to the Experience Economy."

<sup>&</sup>lt;sup>73</sup> Kao, Huang, and Yang, "Effects of Experiential Elements on Experiential Satisfaction and Loyalty Intentions: A Case Study of the Super Basketball League in Taiwan."

<sup>&</sup>lt;sup>74</sup> Morris B Holbrook and Rajeev Batra, "Assessing the Role of Emotions as Mediators of Consumer Responses to Advertising," *Journal of Consumer Research*, 1987, 404–20.

informing and challenging – can enhance brand experience as well.<sup>75</sup> In addition, emotion is stimulated by entertainment, recreation, or excitement like the concept of entertainment in the experience economy.<sup>76</sup> Therefore, the key results of emotional experience can be the sense of pleasure and arousal, and consequently emotional bond to the brand.

In addition, best practices put forward 'emotional connection' as one of the design cornerstone. Apple store design as an example emphasizes on a friendly environment – for instance – by avoiding unnecessary design elements or valuing kids section. As another evidence, at Starbucks, positive feeling is created with experiencing the pleasant atmosphere, relaxed environment, and attentive interaction. Starbucks creates its own theme, contemporary bohemian context, which furnished by bistro, round tables, comfortable furniture, and work areas with excellent interior design and relaxing characteristics.<sup>77</sup> This approach and concept satisfy customer's feelings in terms of trust, repose, tranquility, and relief. Recent study by GCEM<sup>78</sup> shows that Starbucks design concept, in countries like China, evokes a sense of prestige and favorable regard!

#### 2.6.3 Cognitive Experience

The importance of emotive stimuli does not mean to neglect the significance of cognitively engaging environment. Gentile et al. empirically indicated that the cognitive

<sup>&</sup>lt;sup>75</sup> Ibid. and Otto and Ritchie, "The Service Experience in Tourism."

<sup>&</sup>lt;sup>76</sup> Ponsonby Mccabe and Boyle, "Understanding Brands as Experiential Spaces: Axiological Implications for Marketing Strategists." And Morrison and Crane, "Building the Service Brand by Creating and Managing an Emotional Brand Experience."

<sup>&</sup>lt;sup>77</sup> Berry, Wall, and Carbone, "Service Clues and Customer Assessment of the Service Experience: Lessons from Marketing."

<sup>&</sup>lt;sup>78</sup> GCEM. *Global Starbucks In-store Experience Survey Report*. Shanghai: GCEM and CustomerThink, 2008.

values have the same credibility as emotional values. <sup>79</sup> The literature also repeatedly put emphasis on functional clues to address rational aspects of experience. In retail design, cognitive experience refers to an experience that can engage customers' creativity in problem solving and elaboration or in active thinking. <sup>80</sup> Cognitive experience is also about rational interest into a design or design concept.

Customers initially evaluate offerings based on internal judgment.<sup>81</sup> This rational judgment is the second level of experience acquisition in Brakus outlook as cognitive knowledge obtaining. <sup>82</sup> As a result, self-evaluation plays a chief role in directing purchasing behavior and enhancing customer confidence at a retail space. <sup>83</sup> Retail customers would find the environmental experience rational when the variety of perceptual inputs leads to engaging customers' intellect in reason-based assessments. It corresponds with thinking process to change the earlier assumption. On the other hand, think experience is associated with engaging customers' creatively in evaluating the designed spaces.

There are several examples for providing intellectual experience. Intuitive layout design and flexibility in a retail environment make experiences memorable. Informative clues generate intellectual experience in a similar way. In modern retails like Niketown, novelty is vital to stimulating customers' mind and differentiating the experience. A pleasant and creative layout, which forces customers to think, is another simple example.

<sup>&</sup>lt;sup>79</sup> Gentile, Spiller, and Noci, "How to Sustain the Customer Experience: An Overview of Experience Components That Co-Create Value With the Customer."

<sup>&</sup>lt;sup>80</sup> Ibid. and Brakus, Schmitt, and Zarantonello, "Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?."

<sup>&</sup>lt;sup>81</sup> Hirschman and Holbrook, "Hedonic Consumption: Emerging Concepts, Methods and Propositions."

<sup>82</sup> Brakus, "A Theory of Consumer Experiences."

<sup>83</sup> Calvin P Duncan and Richard W Olshavsky, "External Search: The Role of Consumer Beliefs," *Journal of Marketing Research*, 1982, 32–43.

Similarly, using a specific design that helps customers to easily and creatively compare products is an intellectual experience as well.

## **2.6.4** Social Experience

Social experience is also significant for retailers because customers desire to discriminate themselves by particular social identity through the brands. This desire has root in customer relational needs. Firms seriously have to direct service experiences in form of enjoyable social events – for example, desire to social involvement and social activity in a pleasurable environment.<sup>84</sup> Social interaction or interactive experience is another face of relate experience.<sup>85</sup> Meeting people, being part of the process, involving in brand community, and having choice are samples of an interactive experience.<sup>86</sup>

On-site purchasing or consuming is considered as a social phenomenon and many relationships are formed through that.<sup>87</sup> If a design provides a suitable theme and attributes that facilitate the social interaction, then, it can be claimed that the design enhances social experiences. On the other hand, distinctive concept and theme can also address relation experience, because customers typically like to differentiate themselves through consuming a special brand and a particular social identity. For example, Apple stores intensify the social relationship by designing a friendly environment for kids and adult customers (Genius Bar).

<sup>&</sup>lt;sup>84</sup> Kim Harris, Steve Baron, and Cathy Parker, "Understanding the Consumer Experience: It's' Good to Talk'," *Journal of Marketing Management* 16, no. 1–3 (2000): 111–27. And Schmitt, "Experiential Marketing."

<sup>&</sup>lt;sup>85</sup> Otto and Ritchie, "The Service Experience in Tourism." And Harris, Baron, and Parker, "Understanding the Consumer Experience: It's' Good to Talk."

<sup>86</sup> Susan Fournier, "Consumers and Their Brands: Developing Relationship Theory in Consumer Research," Journal of Consumer Research 24, no. 4 (1998): 343–53.

<sup>&</sup>lt;sup>87</sup> Harris, Baron, and Parker, "Understanding the Consumer Experience: It's' Good to Talk'."

Moreover, relational experience refers to the social exchange between customer-customer and customer-employee. The environment that facilitates relationship-building process makes shopping experience more enjoyable and consequently memorable. Such experiences help customers to identify and differ themselves in the brand community. Relational community can work as a promotional tool within and beyond the community. Relational components meaningfully can link to the lifestyle in terms of the social identity and they can alter the social life. Hard Rock Café is a result of this approach to design. This form of social experience is formed by symbolization (e.g., Hard Rock Café decors) and representation of specific lifestyle (e.g., Hard Rock fan).

Apple retail space is another good example that expresses Apple products as part of a brand lifestyle. Retail environment needs to provide the social factors with concern of their impact on buying behavior. Therefore, considering social needs can be helpful in engaging customers more successfully during a buying process in the retail environment.

<sup>88</sup> Ibid.

<sup>&</sup>lt;sup>89</sup> Gentile, Spiller, and Noci, "How to Sustain the Customer Experience:: An Overview of Experience Components That Co-Create Value With the Customer."

<sup>90</sup> Sharon Schembri, "Reframing Brand Experience: The Experiential Meaning of Harley–Davidson," Journal of Business Research 62, no. 12 (2009): 1299–1310.

<sup>&</sup>lt;sup>91</sup> Harris, Baron, and Parker, "Understanding the Consumer Experience: It's' Good to Talk'."

<sup>&</sup>lt;sup>92</sup> Ian Clarke et al., "Thinking the Thoughts They Do: Symbolism and Meaning in the Consumer Experience of the 'British Pub," *Qualitative Market Research: An International Journal* 1, no. 3 (1998): 132–44.

#### 2.6.5 Pragmatic Experience

Pragmatic (Act) Experience refers to putting customers in action (e.g. co-creating experience, controlling experience)<sup>93</sup> or recommending a particular action (lifestyle).<sup>94</sup> This type of experience encourages customers to involve in creating an experience,<sup>95</sup> which is interpreted as act experience, pragmatic experience, behavioral experience, or bodily experience. Pragmatic experience comes from a set of action-oriented stimuli, includes the concept of usability.<sup>96</sup> Schmitt suggests the act experience to alter customer behavior and habits in favor of a specific offering.<sup>97</sup> In general, the sources of act experience in design address three specific categories: (1) physical body experience (e.g. co-creating experience), (2) lifestyle (e.g. appeal norm), and (3) interact (e.g. interaction facilities).

For instance, Apple store design puts a strong emphasis on designing user interaction parts like the Genius Bar, the Theatre, and Solution Centre to ease the act experience of visitors. The merchandises display in Apple solution zones is designed by concerning hands-on and real-world use. The Studio bar is another evidence of providing act experience in Apple retail store. The kids' area is also updated with kids' desirable experience (e.g. innovative low-seating and kid-type software). Next example is Nike Town, which is a brilliant idea of developing act experience in a retail space. Nike puts a mix of store, museum, and interactive play zone in the concept of retail store design to

<sup>&</sup>lt;sup>93</sup> Prahalad and Ramaswamy, "Co-Creation Experiences: The next Practice in Value Creation," January 2004. And Coimbatore Krishnarao Prahalad and Venkatram Ramaswamy, "Co-Opting Customer Competence," *Harvard Business Review* 78, no. 1 (2000): 79–90.

<sup>&</sup>lt;sup>94</sup> Clarke et al., "Thinking the Thoughts They Do: Symbolism and Meaning in the Consumer Experience of the 'British Pub."

<sup>&</sup>lt;sup>95</sup> Alistair Williams, "Tourism and Hospitality Marketing: Fantasy, Feeling and Fun," *International Journal of Contemporary Hospitality Management* 18, no. 6 (2006): 482–95.

<sup>&</sup>lt;sup>96</sup> Gentile, Spiller, and Noci, "How to Sustain the Customer Experience:: An Overview of Experience Components That Co-Create Value With the Customer."

<sup>97</sup> Schmitt, "Experiential Marketing."

engage visitors with actions. Nike iD Studio is also one of the successful design ideas in Nike's retail store.





Figure 2-1 NIKEID STUDIO, London

Figure 2-2 Niketown, London

The relationship between the lifestyle and symbolic meaning of design can generate act experience. It relates to the affirmation of particular values in adoption of a lifestyle and behaviors. Besides, pragmatic components can be referred to the human-object's interaction, which was concluded from the studies on the user experience. Pragmatic face of purchasing creates self-identities and develops co-creation. Pragmatic experience can engage customers by physical involvement or sense of control or dominance. The context of the co-creating experience is originated from the importance of control and dominance in the shopping process.

Branded experience creates experiential values to alter lifestyle (e.g. pattern of living, role model, and appeal norm). Lifestyles can be modified by motivational, inspirational, and emotional experiences and lead to a sense of pleasure. This form of pragmatic experience creates supplementary values, which worth not less than the core value.

<sup>&</sup>lt;sup>98</sup> Prahalad and Ramaswamy, "Co-Opting Customer Competence." and Prahalad and Ramaswamy, "Co-Creation Experiences: The next Practice in Value Creation," January 2004.

<sup>&</sup>lt;sup>99</sup> Michael K Hui and John E G Bateson, "Perceived Control and the Effects of Crowding and Consumer Choice on the Service Experience," *Journal of Consumer Research*, 1991, 174–84.
<sup>100</sup>Ibid.

### 2.7 Experiential Architecture

Since 1970s, postmodernist and late-modernist architects like Jon Jerde and Frank Gehry have joined in the business of entertaining with their buildings and providing pleasurable – sometimes extraordinary – experiences. Given architecture's long history of experience creation, Peter Zumthor defines architecture as an experience. He believes that the images that we have kept in our mind from different environments are associated with what we have experienced over time. <sup>101</sup> Thus, architectural experience is an inevitable experience, which may happen consciously or unconsciously. In experiential architecture, the environmental experience is pre-designed and planned in the way that users involve in the process of experience co-creation.

Similar to the way Le Corbusier, articulated the cultural and economic changes of the twentieth century and revolutionized architecture both in function and aesthetic, Anna Klingmann explored the potential of experiential values as a means of transforming how people perceive and experience architecture today. 102 Experiential Architecture aims to integrate functional values with experiential values — sensory, emotional, cognitive, behavioral, and relational values. 103 As experiences become increasingly commoditized due to the same global view to differentiation and marketing recipes, architects need to create authentic experiences and relevant transformations. 104 That does not mean that architects can fully control the user experience. As Pine and Gilmore noted, unlike function and program, an experience can never be fully controlled but it can be triggered and

<sup>&</sup>lt;sup>101</sup> Peter Zumthor et al., *Thinking Architecture* (Birkhäuser, 2006).

<sup>&</sup>lt;sup>102</sup> Anna Klingmann, "EYES WHICH DO NOT SEE: LINERS, AUTOMOBILES, AIRPLANES," 2004, 1–20.

<sup>&</sup>lt;sup>103</sup> Schmitt, "Experiential Marketing."

<sup>&</sup>lt;sup>104</sup> Anna Klingmann, "BRANDISM," 2006, 1–6.

architecture is the catalyst. <sup>105</sup> Anna Klingmann argued that the experience-based architecture is a shift from 'how it is designed' to 'how it feels' – Just as Calvin Klein changed the paradigm in fashion from 'what I wear' to 'how I look.' Experiential view of architecture considers users as active parts of the design. The user plays a key role in defining the environmental experience, the enjoyment that architecture can offer, the pleasure that a design can evoke, and the sensation he can have from the environment. <sup>106</sup>

Architecture in an experience economy has evolved from "what it has" (the object), and "what it does" (function and program), to "what you feel" and to "who you are" (experience and identity). <sup>107</sup> Experiential architects thus pay attention to the environmental effects on the subject rather than sole attention to authenticity of the object and place. For example, the basic idea of Swiss Pavilion by Peter Zumthor, for the 2000 Hanover Expo, was not designing an exhibition but offering something concrete to Expo visitors, who were tired from visiting other typical pavilions. The design provides a welcoming experience with a place to rest and relax,

Experience economy suggests a shift from a paradigm characterized by the relationship of form, function, and program to a paradigm of experience and identification. Architect in this paradigm is an experience designer and architecture is a key vehicle for environmental experience that shapes perception toward a built environment and what associated with it (e.g. brand, community, ideology). The role of

<sup>&</sup>lt;sup>105</sup> Pine and Gilmore, *The Experience Economy: Work Is Theatre & Every Business a Stage*.

<sup>&</sup>lt;sup>106</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2010.

<sup>&</sup>lt;sup>107</sup> Ibid.

<sup>&</sup>lt;sup>108</sup> Ibid.

architecture has also changed in this paradigm to drive user behavior associated with those environmental functions.



Figure 2-3 Experiential Design Diagram

The perceptual and experiential attributes of space influence its user's behavior and create a memorable experience of the space. Experience formation is not a similar process among people, and it depends on individual's perception and interpretation of the environment. Therefore, a design has a potential to evoke different experiences but it should be in line with the functionality and identity of the place.

### 2.7.1 Cross-programming in Experiential Architecture

The key role of experiential architecture is to design experience stimuli. Cross-programming is a common approach to designing experience and architects play a key role in implementing this approach. Cross-programming is a response to what Jerde refers to missing components of traditional architectural design."<sup>109</sup>

However, Jerde no longer regards cross-programming as confined to architecture

29

quoted from Jon Jerde, in 'Jerde Partnership: Reinventing the Communal Experience, a Problem of Place,' Process: Architecture, issue 101, 1992, pg. 4

but suggests it as a part of place making and experiential design. Accordingly, experiential architecture design is no longer limited to object making, urban design, planning, or landscape design, but integrates different functions of these disciplines to create a unique experience. Jerde argued that built environment by itself is not sufficient to create an engaging experience. Therefore, in order to turn architecture into an experience and achieve the project's desired impact, the details of user's experience and the temporal dimension of activities, such as length of stay, opening hours, visitors' movement, and client behavior need to be addressed in the design. <sup>110</sup>

Jon Jerde's ambition was to turn architecture from a passive object of contemplation into programmable stage. Similarly, Tschumi suggests that architecture needs to play an active role in provoking experience by utilizing environment as a platform for actions. In contrary with Luis Sallivan's famous quote – "forms follows function" – Bernard Tschumi argued that neither form follows function nor function follows form, but they act together. Tschumi argued, "There is no space without event, no architecture without program." Unlike the past, architecture should think about the event that would take place in a space rather than the space per se.

Program is the key theme of modern architectural design involving 'an act to edit function and human activities' in a built environment. Architecture is thus a combination of programs and spaces. <sup>112</sup> Cross-programming is a form of this combination introducing unexpected functions in room programs, such as running tracks in skyscrapers, theme parks in children hospitals and cafés in bookstores. Cross-programmed environments operate

110 This

<sup>&</sup>lt;sup>111</sup> Bernard Tschumi, Architecture & Disjunction (The MIT Press, 1996).

<sup>112</sup> Ibid.

with programs, for which they were not originally designed. According to Tschumi, the role of architects is to make a new event possible in these environments. Rem Koolhaas's approach to cross-programming is offering a variety of programs in his designs for generating memorable experiences.

Cruise Lines like Disney Cruise Line is an example of cross- and transprogramming. The Disney Cruise Line with a well-defined theme recognizes the need of families so that it has moved from transportation vehicle to crafted leisure platforms exemplified by highly differentiated environments. Liners, in this respect, are no longer perceived as functional devices, but a group of programs delivers on the promise of emotional and sensory stimulation. It expands the idea of travel to include the offering of a mid-size city with several programs such as casinos, lounges, movie theatres, and nightclubs seamlessly combined with educational programs, which include churches, libraries, lecture rooms, conference facilities, and offices. However, the diversity of program is not what makes these cruises competitive, but their provision of a customized experience.



Figure 2-4 Disney Cruise Line's Atrium Lobby



Figure 2-5 Disney Cruise Line



Figure 2-6 Disney Cruise Line's Oceaneer Club



Figure 2-7 Disney Cruise Line's Rockin' Bar D

BMW World in Munich is another example of cross-programming. Designed by Coop Himmelb(l)au, it encourages customer to test-drive the latest models of BMW or alternatively pick up their own car. In addition to the core function of vehicle delivery, customers are provided with all-round, in-depth support services. Customer support programs are combined with a variety of special events, and entertaining program, open to non-customer. BMW World as a tourist attraction effectively links its brand to the good design and high cultural values through its unique architectural expression.



Figure 2-8 BMW Welt's Building



Figure 2-10 BMW Welt's Interior



Figure 2-9 BMW Welt's Interior



Figure 2-11 BMW Welt's Exterior

### 2.8 The Outcomes of Experiential Architecture

Branding and architecture in recent decades developed an intimate relationship in which they feed off one another. For example, Apple, PRADA, and other leading brands progressively employ architecture as a central part of a larger marketing strategy. Experiential architecture in retailing can transform brand experience and consequently can improve the business outcomes. Pine and Gilmore argue that customer choice, and thereby economic value, are increasingly based on the quality of customer experience. 113 They define retail environment as a stage, where a good sensation or emotional response to the event is the desired result of the brand experience. Brand experience in a retail environment is the main reason for purchasing a particular brand. 114 Brand experience is conceptualized as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, presentation, and environments. 115 The brand experience that created by architecture has the potential to shape a global culture and people's perceptions and hopes. 116 Architecture can create interactive settings where consumers can experience a brand with all their senses and consequently build emotional connections through values and experiences.

On the other hand, experiential architecture is responsive to the particularities of brand and its identity. Architecture has potentials to work as a medium to create an identity

<sup>&</sup>lt;sup>113</sup> Pine and Gilmore, "Welcome to the Experience Economy."

<sup>114</sup> Kevin Lane Keller and Donald R Lehmann, "How Do Brands Create Value?," *Marketing Management* 12, no. 3 (2003): 26–31.

<sup>&</sup>lt;sup>115</sup> Brakus, Schmitt, and Zarantonello, "Brand Experience: What Is It? How Is It Measured? Does It Affect Loyalty?".

<sup>&</sup>lt;sup>116</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2010.

for people. In the retail setting, architecture provides a persuasive lifestyle platform to express brand identity. 117

#### 2.9 **Summary**

The physical, psychological, cultural, social, and functional elements of a retail environment are as important as the retailing itself. Hence, architecture is not only judged on a conceptual level of retail design but on how it is experienced. In this respect, architects need to consider three sceneries of future spaces of sale: 1) co-creation experience 2) differentiating the purchase experience 3) Emotional connection. 118

Converting inherently generic spaces into branded experiences, modern retailers demonstrate the importance of experiential values to enhance the customer's emotional bond with their brands. As we progress toward an economy that thrives on personal experience, experiential architecture can support retailing strategies by stimulating different experiences at different points of contact. Therefore, architecture can no longer be reduced to "the play of masses in light," as Le Corbusier once noted. It is now about the art of "transformation of the subject" in space. 119

<sup>&</sup>lt;sup>118</sup> F P S Basso Peressut, Places & Themes of Interiors. Contemporary Research Worldwide, Serie Di Architettura E Design. Strumenti (Franco Angeli, 2008).

<sup>119</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2010.

### **CHAPTER 3: THE APPLE PHENOMENON**

### 3.1 Introduction

This chapter addresses the analysis of experiential design elements in selected retail environments in order to evaluate their influence on triggering customer experience. Apple and PRADA stores are selected among those that have had a remarkable impact in reinventing shopping experience. The study starts with the analysis of three Apple stores located in London, New York, and Honolulu and follows by the analysis of two PRADA stores located in New York and Honolulu. The results provide a profound understanding into different approaches in retail environment programming and design that prioritizes selling 'experience' rather than selling product or service. The insights from this preliminary study guide the next phase of this project, which studies three design alternatives for a department store in Oahu.

### 3.2 Apple Store

In this study, the new trend in retail design and retailing strategy represents as *Apple Phenomenon* – the lucrative retailing strategy that later adopted by its competitors like Microsoft, Dell, and HP. NY Times noted recently, "the Apple Store is the undisputed king, a retail phenomenon renowned for impeccable design, deft service and spectacular revenues."<sup>120</sup>

In 2000, Ron Johnson took over as vice-president of Apple's Retail team and revitalized apple retail environments with a significant investment. He focused on Apple's

David Segal, "Apple's Retail Army, Long on Loyalty but Short on Pay," New York Times, last modified June 23, 2012, accessed February 18, 2013, http://www.nytimes.com/2012/06/24/business/apple-store-workers-loyal-but-short-on-pay.html?pagewanted=all&\_r=0

35

brand identity and lifestyle, and utilized an exhibition-like open-plan layout to display ready to use products. The products' minimal and high-tech design was then adopted in the new interior design of Apple's retail environments. In the new setting, Johnson went beyond 'hands-in-use' concept and emphasized on developing in-store relationships and providing exceptional services within the retail environment. Apple have been gradually integrating other programs like Genius Bars, Apple theatres, educational programs, and kids section to improve the customer experience.

### 3.2.1 The Company Background

Apple Inc. was founded in 1976 and continued to sell its products through other retailers until 2000 when Steve Jobs, the CEO of Apple, decided to renew their retail strategy. He brought together a team of architects and retail consultants to design retail stores that offer a unique experience to customers. The process of designing an Apple store was like designing other Apple products.

Apple opened its first store in 2001, in the United States. By 2012, Apple opened 269 stores nationwide and 125 stores in the United Kingdom, Japan, Canada, Italy, Australia, China, Switzerland, Germany, France, Spain, Hong Kong, Netherlands, and Sweden. Bohlin Cywinski Jackson, Eckersley O'Callaghan, Eight Inc., Gensler, and ISP Design, Inc. together with Apple's in-house design team contributed in the design of the Apple stores.

Although building retail stores for Apple seemed a risky decision in 2001, it is now considered as one of the successful retailers in the recent decade. Figures 3-1 and 3-2 show this success in numbers. Apple by far is the best retailer in terms of sales per square foot and sales per number of stores. Apple's dramatic success in recent decades happened when

it shifted its retail design strategy toward experience formation. This success is also attributed to excellent representations of the brand identity that spread out around the world. Apple now is one of the best retailers in creating engaging customer experiences that can serve as a framework for other retailers.

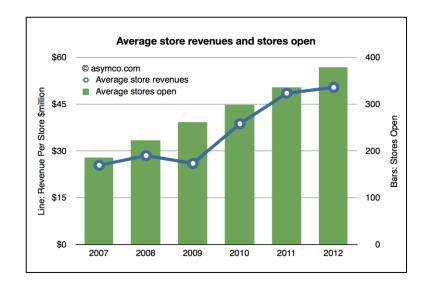


Figure 3-1 Average store revenue and stores open from 2007 to 2012

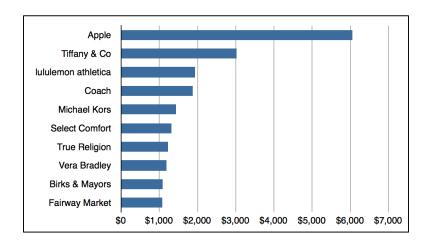


Figure 3-2 Top 10 us retailer sales per square foot 2012

37

<sup>&</sup>lt;sup>121</sup> "Apple's Beautiful Retail Stores," *Home Designing*, last modified November 18, 2011, accessed February 15, 2013, http://www.home-designing.com/2011/11/apples-beautiful-retail-stores

### 3.2.2 Apple Store Analysis

In this study, Apple Store experience is used as a point of departure to formulate a new design-thinking paradigm adding experiential values to architectural design. In this section of the study, the role of architecture in creating such environments is evaluated by analyzing two Apple flagship stores in London and New York, and one Apple's typical inmall store in Honolulu. The analysis of the stores focuses on five parameters: 1) layout and spatial configuration, 2) visibility, 3) movement flow, 4) people's presence, and 5) programming. The analysis also includes monitoring the series of experiences happening in the store environment and mapping those experiences. The methodological approach was based on collecting evidences from various sources such as publications, observations, video clips, photographs, and archival data and then analyzing the evidences through categorizing and systematic mapping. The data collected from all three stores are based on regular weekday hours and not considering rush hours and the times when a new product is launched. The goal is to bring to the fore the ways architectural space can shape users' experiences and influence their perception towards a brand.

### 3.2.3 Apple Store, Regent Street, London

Apple Store Regent Street is located in West End, a major shopping district in London. The store, designed by Bohlin Cywinski Jackson, opened in 2004 as the first European store. Apple used a historic 1898 Edwardian building with large arches, ornate stonework and colorful mosaics exterior. There is not a strong boundary between the store's exterior and the interior despite the contrast between the exterior and the modern interior.

It is a two-story store with the area of 23,500 square-foot. 122 The store's interior is highly accessible from the outside through a large entrance area. The vertical circulation in store is through a large glass staircase and a glass elevator. The entrance on the ground level is facing directly to the central glass staircase, which leads to the upper level. A glass bridge on the upper level connects two sections on either sides of the staircase. Major materials used in interior include glass, stainless steel, stone, and wood. Wooden display tables and shelves are arranged symmetrically on both sides parallel and along the sidewalls. The second floor offers a mini theater at the back, kid's zone at the center, genius bars on the sides, seminar, mini workshop, training tables parallel to the sidewalls, in addition to other products display tables and shelves.

Figures 3-12 through 3-15 represent the different store's design elements that influence customer experience formation including layout and spatial configuration, instore's visibility, movement flow, people's presence, and programming.

Illustrated in Figure 3-14 the store visibility is high from both the exterior and the point of entrance. The application of glass for facade and open-plan spatial configuration for interior spaces come together to present high visibility level with minimum barriers. These visibilities along with the spatial configuration of spaces allow multiple routes selection by customers entering the store and increase the probabilities for encounters and co-presence (Figure 3-12 and 3-13). The layout also supports the emergence of the formation of a small brand community of users.

<sup>122 &</sup>quot;Apple Store, Regent Street," Bohlin Cywinski Jackson, accessed March 12, 2013, http://www.bcj.com/public/projects/project/55.html







Figure 3-4 Apple Store, Regent Street, London

'Program'<sup>123</sup> is one of the key components in Apple store design. Applying the idea of cross-programming and trans-programming defined by Bernard Tschumi (see, 2.6.1), the retail environment offers different activities (programs) at the same time and the same space. Customers can interact with different types of products while educational activities are also offered, for example, in Apple Theater and Genius Bar. Although there is no physical boundary between the spaces offering different activities, customers are aware of the offered services. Staff members are presented at every spot of the store to assist customers and answer their questions. They also participate in all activities performed inside the store. Their presence and active participation in store's programs create a close and informal relationship with customers and turn the store into a familiar and friendly environment.

We can classify the major in-store programs into five categories: shopping, entertainment, hands-on experience, education, customer service, and theater. Figure 3-15

<sup>&</sup>lt;sup>123</sup> Program is defined as the activities going on in a building besides it overall function.

shows where these programs overlap with each other and where only one specific activity is happening.



Figure 3-5 Apple Store Regent Street, London



Figure 3-6 Apple Store Regent Street's Theater



Figure 3-7 Apple Store Regent Street's Genius Bar



Figure 3-8 Apple Store Regent Street's workshops

### 3.2.4 Apple Store, Upper West Side, Manhattan, New York

This New York's Apple store located among high-rises in Upper West side, Manhattan. The entire store is designed by Bohlin Cywinski Jackson and opened in 2009. It is a two-story retail environment with the area of 9150 square-feet and forty-foot high glass facades. The spiral glass staircase connects ground level to the basement level.<sup>124</sup>

41

<sup>124 &</sup>quot;Apple Store Upper West Side," Bohlin Cywinski Jackson, accessed March 15, 2013, http://www.bcj.com/public/projects/project/115.html



Figure 3-9 Apple Store, Upper West Side,

Manhattan, NY



Figure 3-10 Apple Store, Upper West Side's Glass
Storefront

Products display tables along with a number of service tables are in the ground level while the kids zone, genius bar, and studio tables are located in the basement level. Same as the Apple store in Regent Street, the main interior materials are glass, stainless steel, stone, and wood. The programs offered in the store include shopping, entertainment, education, hands-on experience, and customer service.

The boundary between the exterior and interior of the store is weak due to the high transparency of the facade. Interior's open-plan with minimum barriers provides a clutter-free look and a high level of visibility from the point of entrance. Staff are available all the time and they move among customers to answer their questions and assist them in different services they demand. Figures 3-16 to 3-19 demonstrate store's interior layout and spatial configuration, visibility, movement flow, people's presence, and programming.

### 3.2.5 Apple Store, Ala Moana, Honolulu

The third selected store is located in the Ala Moana shopping center, in Honolulu. The store opened in 2003 and remodeled in 2011. The store features a clear glass storefront. The interior of the store follows Apple's open-plan arrangement with rectangular wooden display and service tables arranged in lines in the middle of the store extending from the storefront to the back of the store and Genius bar at the back. Kid's tables are located at

the back between service tables and the Genius bar. Other display shelves are along the sidewalls.



Figure 3-11 Apple Store, Ala Moana Center, Honolulu

Figures 3-20 to 3-23 illustrate the interior layout and spatial configuration, in-store visibility, movement flow, people's presence, and programming based on my personal observation of the store's environment and in-store activities. The major programs at this store can be classified into four groups: shopping, entertainment, education, hands-on experience, and customer service.

#### **Apple Store** Regent Street, London PDS Open Plan PDS Symmetrical PDS PDS Minimum Barrier Co-presence KT KT Simplicity Easy movement decision making ✓ No forced behavior by spatial configuration Sense of predictability Product theme Brand presence Representation of Product Identity in the environment PD PD Enhance brand Identity by PD design First Floor PD Entrance Major Route Minor Route PD Product Display KT Kid's Table **Ground Floor** GB Genius Bar PDS Product Display/ Service Table

Figure 3-12 Store's Layout and Customer's In-store Flow, Apple Store, Regent Street, London

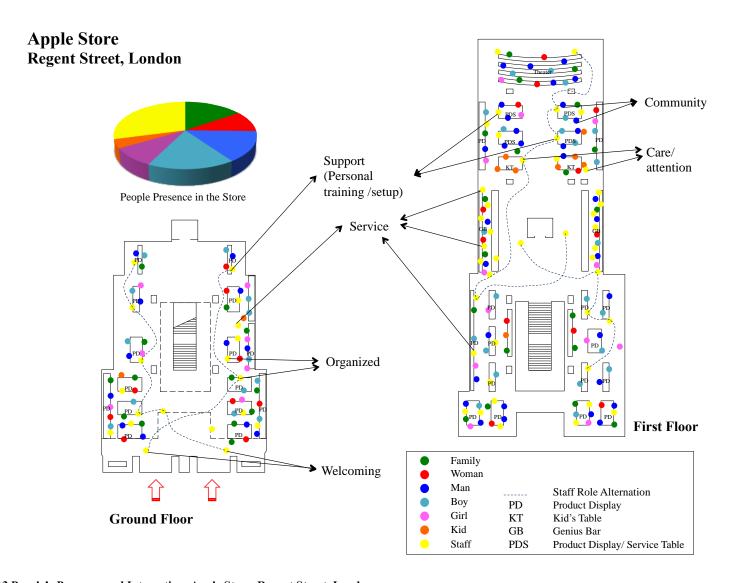


Figure 3-13 People's Presence and Interaction, Apple Store, Regent Street, London

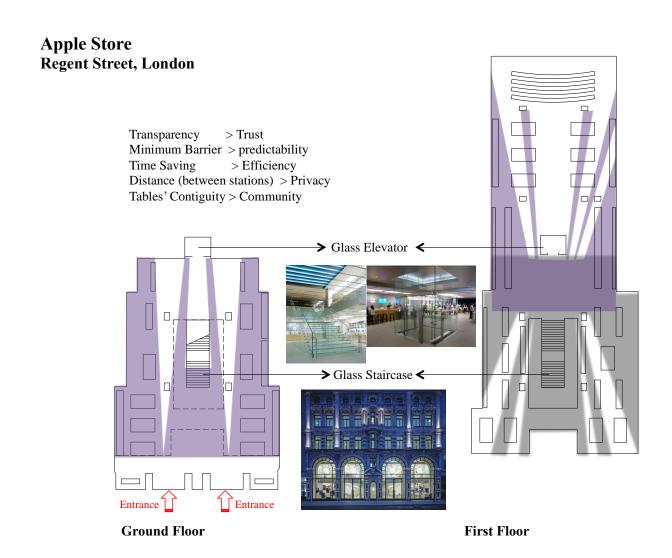
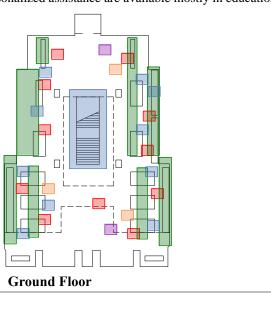
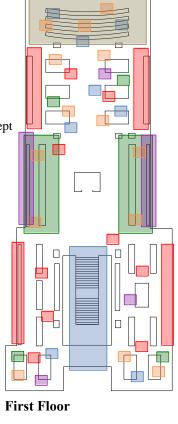


Figure 3-14 In-store Visibility Level from the Enterance, Apple Store, Regent Street, London

# **Apple Store Regent Street, London**

- ✓ Cross-programming (juxtaposition of different programs)
- ✓ Shopping can happen everywhere in store. (e.g. mobile payment)
- ✓ Education can happen everywhere in store (gaining knowledge through hands on experience, workshops and seminars, well-trained employees, and interaction with other customers
- ✓ Hands on experience can be gained in every products display zones except accessories and software shelves
- ✓ Personalized assistance are available mostly in educational zones





 Programs:

 Shopping
 Education
 Hands-on experience

 Entertainment
 Customer Service
 Theater

Figure 3-15 Cross-Programming in Apple Store Regent Street, London

### **Apple Store** Upper West Side, Manhattan, New York Open Plan Symmetrical Minimum Barrier Co-presence 0000000000000 Simplicity Easy movement decision making No forced behavior by PD PD spatial configuration Sense of predictability PD О КТ О О КТ О О Product theme Brand presence Representation of Product Identity in the environment Entrance ✓ Enhance brand Identity by **Lower Level** design **Ground Floor** Major Route Minor Route

Figure 3-16 Store's Layout and Customer's In-store Flow, Apple Store, Upper West Side, New York

PD

ΚT

GB

**PDS** 

Product Display

Product Display & Service Table

Kid's Table

Genius Bar

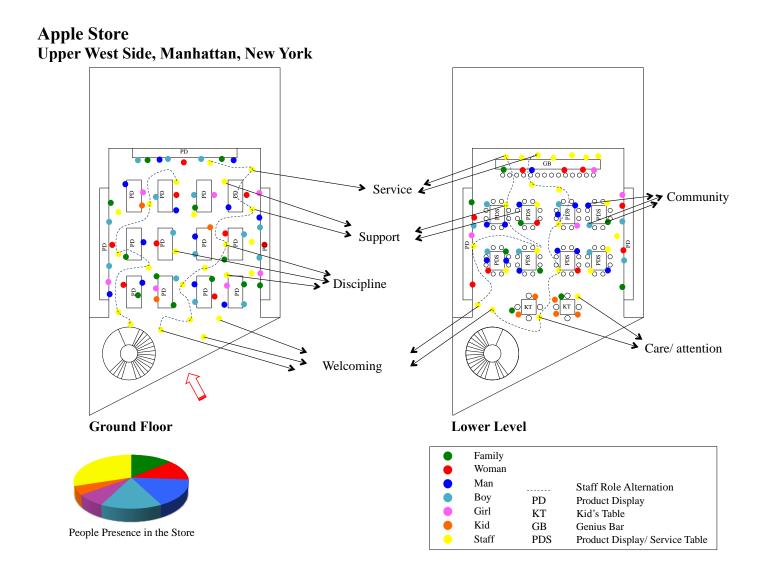


Figure 3-17 People's Presence and Interaction, Apple Store, Upper West Side, New York

## Apple Store Upper West Side, Manhattan, New York

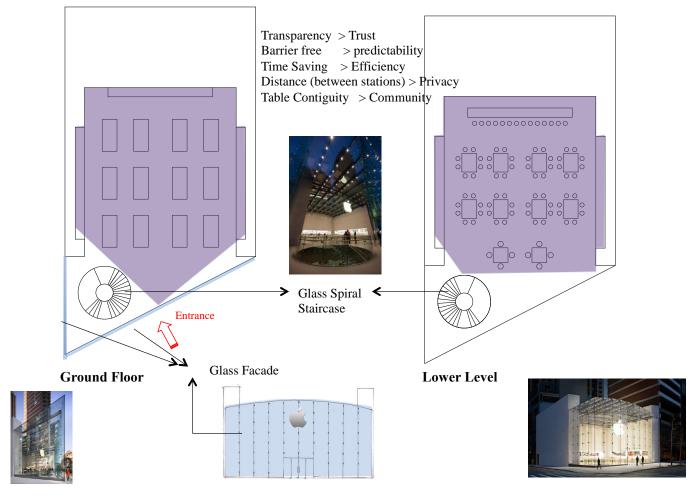
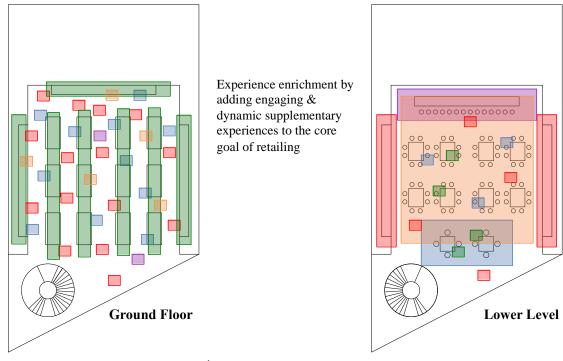


Figure 3-18 In-store Visibility Level from the Enterance, Apple Store, Upper West Side, New York

### Apple Store Upper West Side, Manhattan, New York



- Programs:
  Shopping
  Entertainment
  Education
  Customer Service
  Hands-on experience
- ✓ Cross-programming (juxtaposition of different programs)
- ✓ Shopping can happen everywhere in store. (e.g. mobile payment)
- ✓ Education can happen everywhere in store (gaining knowledge through hands on experience, workshops and seminars, well-trained employees, and interaction with other customers
- ✓ Hands on experience can be gained in every products display zones except accessories and software shelves
- ✓ Personalized assistance are available mostly in educational zones

Figure 3-19 Cross-Programming in Apple Store Upper West Side, New York

### Apple Store Ala Moana Center, Honolulu

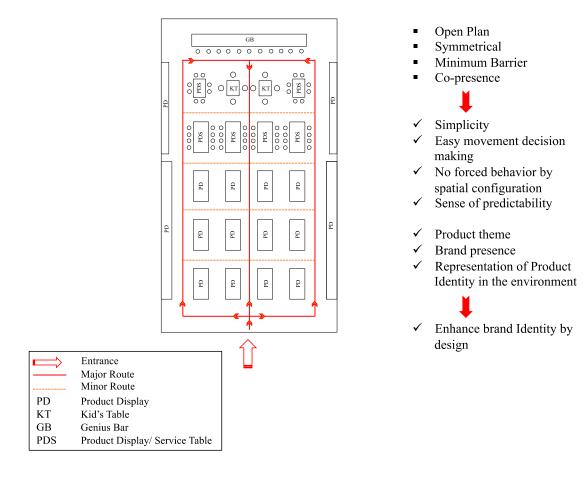


Figure 3-20 Store's Layout and Customer's In-store Flow, Apple Store, Ala Moana, Honolulu

# Apple Store Ala Moana Center, Honolulu

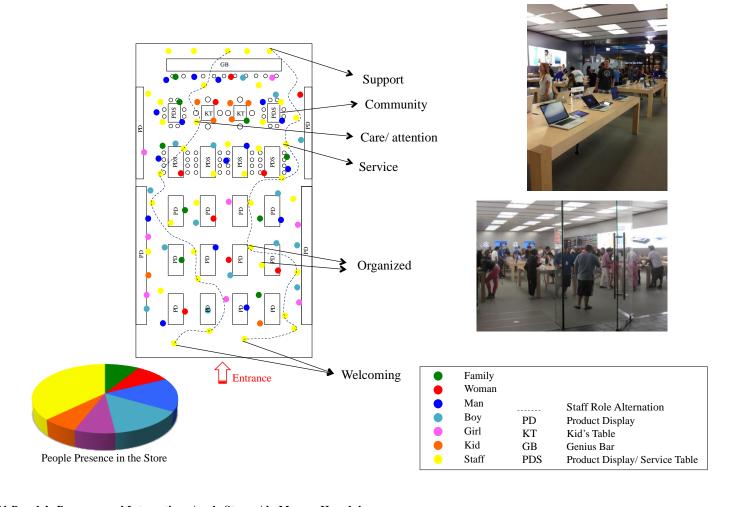


Figure 3-21 People's Presence and Interaction, Apple Store, Ala Moana, Honolulu

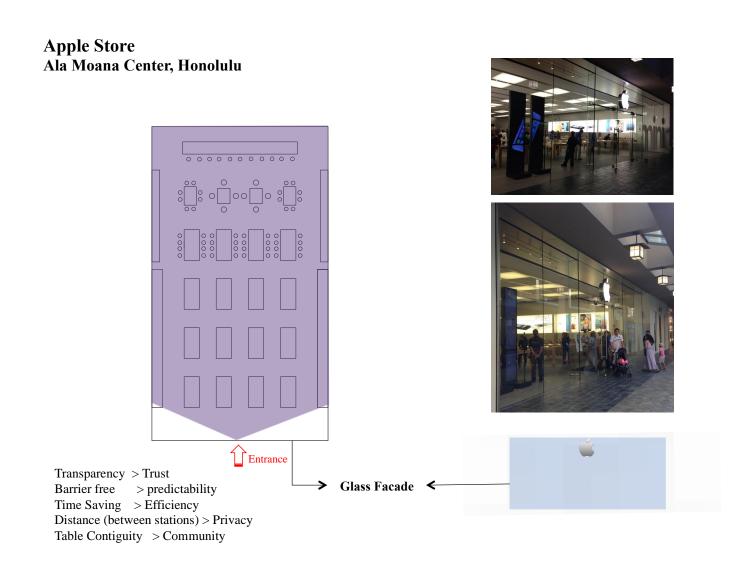


Figure 3-22 In-store Visibility Level from the Enterance, Apple Store, Ala Moana, Honolulu

### Apple Store Ala Moana Center, Honolulu

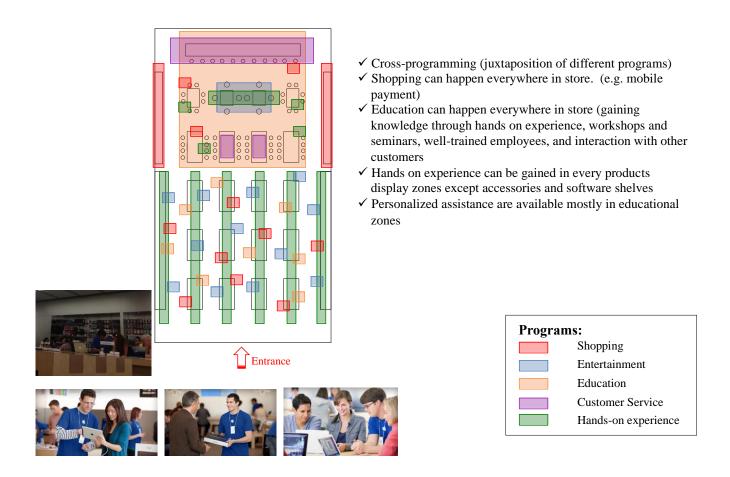


Figure 3-23 Cross-Programming in Apple Store Ala Moana, Honolulu

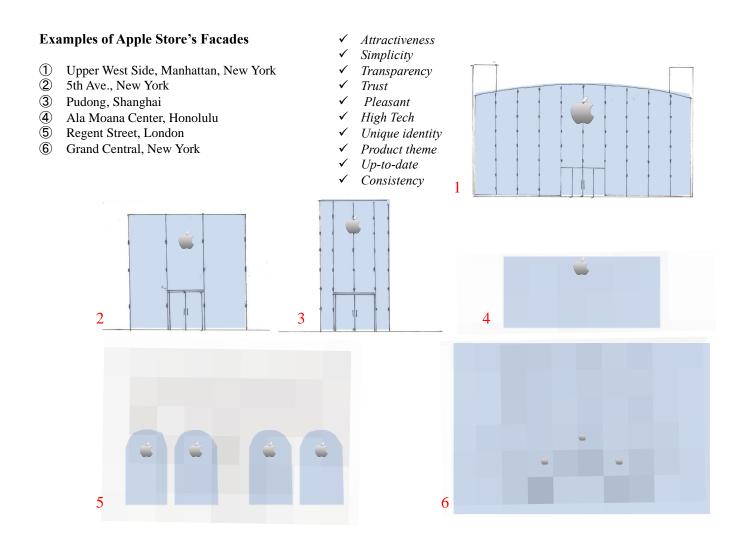


Figure 3-24 Brand Identity through Architecture: Examples of Apple Stores Front Elevations in New York, London, Shanghai, and Honolulu

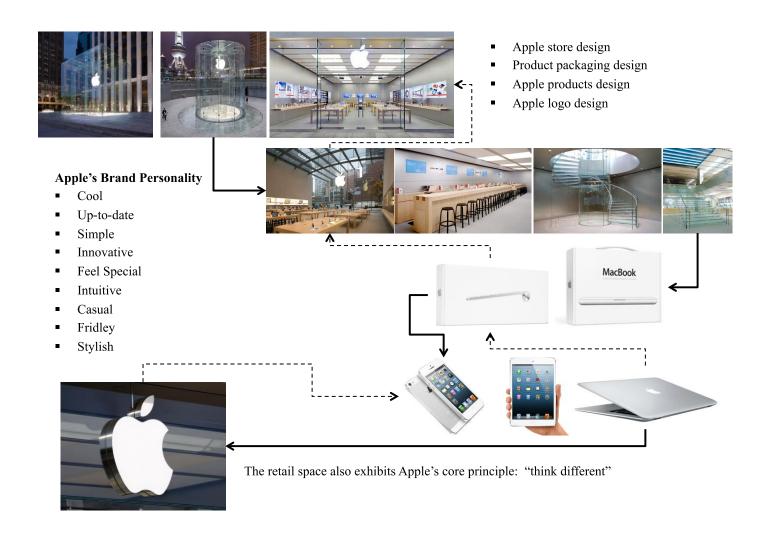


Figure 3-25 Apple brand personality representation, consistent across store design, packaging, product, and logo

#### 3.2.6 Summary of Apple Store's Analysis

Analyzing three different Apple store in London, New York, and Honolulu reveals evidences on Apple's success story of retail experience. Apple aims not to build a store but a more-than-store. Its primary goal was to build a distinctive brand experience. As Gallo, the author of *The Apple Experience*, stated, "The apple store does not sell product. It enriches lives." <sup>125</sup> The store design and function perfectly reflects Steve Jobs's opinion that store could be more than four walls used to store and distribute products.

The storefronts draw many customers' attention. The clear glass storefront in most stores (e.g. Upper West side's store and Ala Moana store) makes the interior bigger and lighter. Although some stores' facades are not following the same design elements depending on their location (e.g. Regent street's store), Apple maintained a consistent and uniform design of interior spaces for its retail stores. Every store follows an open plan with a clutter-free look, which makes the movement easy, enjoyable, and flexible around the store. Minimal wooden rectangular display tables arranged in lines parallel to the walls running from the front to the back of the store, cantilevered display counters along the sidewalls, studio area, and a service table called Genius bar. The Genius Bar is an area for problem solving, where customers can receive technical advice or set up service and repair for their products. There is no product selling in this area but service.

<sup>&</sup>lt;sup>125</sup> Carmine Gallo, *The Apple Experience: Secrets to Building Insanely Great Customer Loyalty* (McGraw-Hill, 2012).

Products arrangement in the store is based on their context of use, unlike the conventional methods in retail stores by which products stacked by their category. There is no cashier desk in Apple stores. This conventional element of store design is simply omitted here while customers are able to pay or return wherever in the store they want through digital cash registers hanging from staffs' hips. These mobile checkout counters work very well at this context first by making the shopping process much easier, faster, and second by not giving a feeling of purchase obligation to customers.

When entering an Apple store, it feels more like being in a museum rather than a store. It seems that the entire experience from the first step you walk into the store to check out is preplanned. Every single element in the store from its friendly employees to its clean design and layout engage you in a way that customers forget everything else. Customers may not even being aware of how much time they are spending in the store and how much they are immersed.

The entire servicescape meticulously designed to offer on-site opportunities to experience and learn. Not only products are intriguing, the store's design itself is a great representation of the brand. Walking to the store is like walking inside the Apple products. Apple follows the same minimal and clean-cut concept of its products in the store design. This consistency in design visibly connects the store to the products and to the brand.

Apple's brand bridges the psychological gap between Apple products and customer with experience. Apple products in store are converted to a catalyst that enhances the perceived value of users by endowing them with a particular identity and by triggering a particular brand experience. From the architectural perspective, Apple store is a

progression from materiality to sensibility, from object to experience and form presentation to transformation.

#### 3.3 PRADA Store

Recently PRADA has established a strong brand image, through its flagship stores in New York, Los Angles, and Tokyo. These stores were designed to provide a new shopping experience for customers by emphasizing space in their stores, using cross-programming, and drawing on cultural influences in the decor. Prada was pioneer in establishing *epicenter* and programming store to reinvent retail experience. Prominent architects and designers like Rem Koolhaas, Kazuyo Sejimaand and Pierre de Meuron contributed to the establishment of "Prada Universe," a space in which shopping and culture come together for transformation of the brand identity.

#### 3.3.1 The Company Background

The PRADA label was established in 1913 by Mario Prada and started with two boutiques in Milan. The main line of business was shoes, leather handbags, and trunks. In 1983, the Prada family opened another store in the prestigious Via della Spiga in Milan. The new store was transformed the brand image by blending traditional elements with modern architectural setting. The store was one of the benchmarks for luxury retail in 1980s. Since 1986, new stores were opened in New York and Madrid, followed by London, Paris and Tokyo. 127 Since then, PRADA's epicenter stores became a key part of retailing strategy.

Mamta Badkar, "Prada: The Incredible Growth Story Of The Luxurious Fashion Icon," *Business Insider*, last modified June 9, 2011, accessed March 7, 2013, http://www.businessinsider.com/pradasgrowth-story-2011-6?op=1#ixzz2RbkvVUgt

<sup>&</sup>lt;sup>127</sup> Prada Group, accessed March 6, 2013, http://www.pradagroup.com/en/group/history

#### 3.3.2 PRADA Store Analysis

In this section, two PRADA Stores are compared and contrasted with Apple Store. The first case is PRADA flagship store in Soho Avenue, New York City, and the second case is a generic PRADA store in Honolulu, Hawaii. The analysis of the stores focuses on five parameters: 1) layout and spatial configuration, 2) visibility, 3) movement flow, 4) people's presence, and 5) programming. The analysis also includes monitoring the series of experiences happening in the store environment and formulating those experiences. The methodological approach includes collecting evidences from various sources such as publications, observations, video clips, photographs, archival data and then analyzing the evidences based on examining, categorizing and formulating them systematically through diagrams and mappings.

### 3.3.3 PRADA Store, Soho Ave, New York

The PRADA epicenter in New York was designed by Rem Koolhaas in 2001. The store designed in two levels with the area of 23,000 square feet. The store's main design component is the half pipe-like wooden curve that connects the two floors visually.



Figure 3-26 PRADA Epicenter Broadway



Figure 3-27 PRADA Epicenter Broadway

Koolhaas's PRADA store in New York is located in a space that was previously occupied by Guggenheim Museum. The round elevator, near the front entrance, only serves

with the purpose of slowly moving shoppers to the lower floor. The oversized stair made of zebrawood serves as an informal display space, where people can try on shoes, simply sit down and rest or socialize. The other side of the same platform serves as an event platform turning the store into an auditorium for performances, film projections, and lectures. The store's interiors visibility is low from the point of entrance that makes the store mysterious. The entire store utilizes technology in an innovative way suited for a retail environment (e.g. fitting rooms' glass sliding doors become opaque by pushing a button). The store besides shopping offers entertaining and educational activities as well as hands-on experiences. Figure 3-32 shows the store analysis of people's in-store activities and movement. The store's functions and in-store programs go beyond typical retailing activities. In addition to shopping, the store offers a place to hang out and chill out. PRADA brand experience is intensified by a series of experiential and service-oriented features such as a plasma screen invisibly built into a large mirror surface in fitting rooms that allows customers to see themselves both from the front and the back at the same time. The doors are made of Priva-Lite glass that allows customer switch from transparent to translucent.



Figure 3-28 Staff's Digital Devices, PRADA Epicenter Broadway, New York



Figure 3-29 Fitting Room, PRADA Epicenter Broadway, New York

Like Apple, PRADA's in-store staff has no fix position and role. They move around with customers if they need assistance. The staffs can pick up a digital device, distributed in the store, to scan products and find out about a product's availability in the database. PRADA also uses self-service technology to enhance customer experience, for example, in fitting rooms. This optimum blend of employee- and technology-based service systems produces positive experiences. The design perfectly accommodates all these technologies in a seamless way to engage both active and passive groups of customers.

### 3.3.4 PRADA Store, Ala Moana Center, Honolulu

The second PRADA store is a generic in-mall PRADA store located in Ala Moana shopping center in Honolulu, Hawaii. The store works as the brand exhibit and offers a shopping environment as its main program. Figures 3-33 to 3-36 represent the store's analysis of the interior layout and configuration, visibility from the point of entrance, people's presence and movement flow.



Figure 3-30 PRADA Store, Ala Moana, Honolulu



Figure 3-31 PRADA Store, Ala Moana, Honolulu

### 3.3.5 Summary of PRADA Stores Analysis

Koolhaas's Prada Store is, in fact, a brand interface. The shopping program in this store is not the primary focus. Koolhass believes, "shopping is the last remaining form of

public activity." Therefore, he has tried to make the best use of this activity for creating engaging communal spaces. Koolhass has enriched brand experience with social experience by facilitating social exchange in the store. PRADA store is also a successful example of combining concept, function, and technology to reshape retail experience. By using Architecture as a tool for marketing, Koolhaas effectively creates a space that closes gap between architecture as "art" and architecture as "business."

PRADA design is similar to Apple in terms of the minimalistic approach. While minimalism is a part of Apple product identity, Koolhaas used this approach to represent the ultimate luxury. By emphasizing on 'focus and clarity,' Koolhaas adopted the concept of museum in his design. He argued, "Museums are popular, not for their content, but for their lack of content: you go, you look, and you leave. No decisions, no pressure." He implemented the same idea in the PRADA epicenters. He tried to capture customer and non-customer attention instead of selling products in order to change shopping experience from impoverishment to enrichment. <sup>128</sup>

PRADA flagship store in New York delivers more engaging experience than the typical PRADA store like the one in Ala Moana Center, in Honolulu. Comparing two PRADA store reveals differential elements of store design that turn Koolhaas store to an experiential environment, which is not a store anymore, and keep the store in Ala Moana center as a conventional store, which exhibits the brand and encourages purchasing.

128 Rem Koolhaas et al., "Projects for Prada Part 1," Fondazione Prada, 2001.

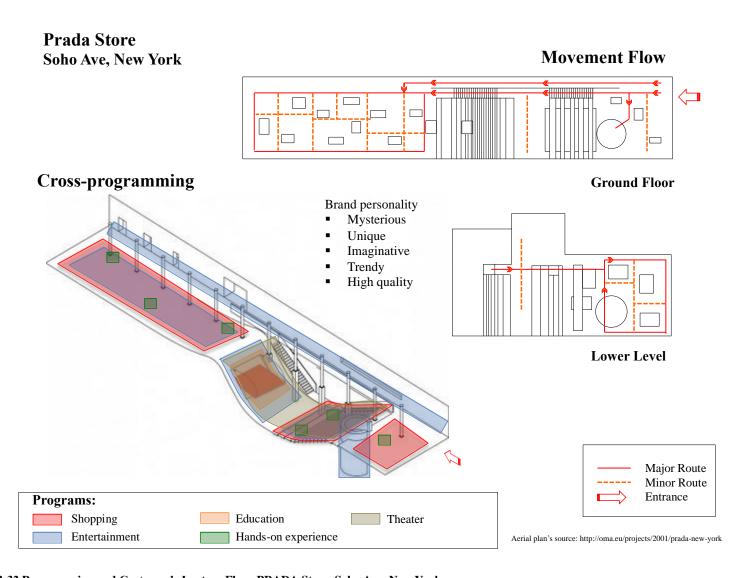


Figure 3-32 Programming and Customer's In-store Flow, PRADA Store, Soho Ave, New York

# Prada Store Ala Moana Center, Honolulu

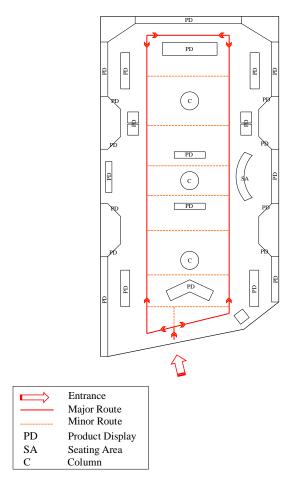


Figure 3-33 Customer's In-store Flow, PRADA Store, Ala Moana, Honolulu

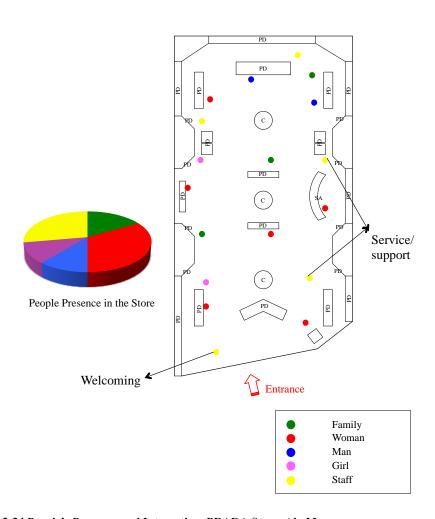
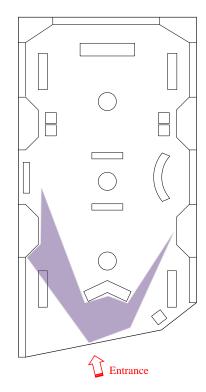


Figure 3-34 People's Presence and Interaction, PRADA Store, Ala Moana

# Prada Store Ala Moana Center, Honolulu



PRADA

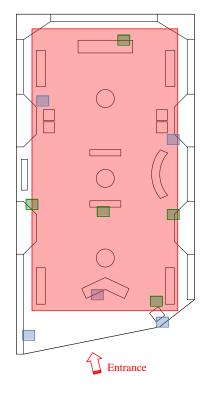


Barriers > Unpredictable/ mysterious

Low visibility > Exclusive

Figure 3-35 In-store Visibility Level from the Enterance, PRADA Store, Ala Moana, Honolulu

# **Prada Store** Ala Moana Center, Honolulu









- ✓ The focus of programming is on brand presentation
  ✓ Shopping can happen in allocations
  ✓ Hands on experience can be gained only in specific products

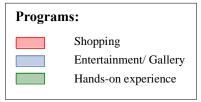


Figure 3-36 Programming in PRADA Store, Ala Moana, Honolulu

### 3.4 Store vs. more-than-store

Apple and PRADA stores are 'experience' not a store. Analyzing Apple store and Koolhaas PRADA store raises the question of "are they really store?" 'Store' according to Oxford Dictionaries defined as 'a retail establishment selling goods to the public.' However, there is no doubt that the stores we examined in this study do not aim to sell goods to their customers but experiences and lifestyles.

PRADA and Apple both reached the point that the best customers are those who are emotionally attached to the brand – because they are not only loyal but also brand advocate. They try to establish this bond with positive brand experience. However, the ultimate goal is profit, but both brands have formulated strategies to generate profits through emotional bond with the customers, not by facilitating shopping experience and direct- marketing. To do so, both Apple and PRADA reinvented the retail strategy and applying cutting-edge architectural design was a major part of their strategy. They employed architectural design to represents their brand identity and enrich their customer's experience.

Apple brand is associated with Simplicity, uniqueness, innovation, imagination, high-tech, and high quality that thoroughly visible in its products, packaging, and store design. PRADA brand is associated with uniqueness, innovation, trendiness, and high quality, which are reflected perfectly through Koolhaas design of New York store. They both support the creation of spatial bonds between customers and brand identity.

The Apple stores link the brand identity to the brand community by offering a unique lifestyle. The stores' aesthetic design mirrors the product and brand identity to intensify this lifestyle. Apple reinvented the brand image presentation by simplicity, open-

plan, high visibility, multiple route choices, and spatial awareness. In addition to aesthetic spatial design, Apple stores utilize different programs in unique event-spaces to turn the stores from conventional retail spaces into a comprehensive brand experience. Examples are the Genius Bar, and Apple Theater, which provide innovative customer service enriched with educational experiences.

Apple and PRADA cases show that the architectural design can transform a brick and mortar store into a public hub where customers can gather, socialize, and communicate. In this kind of settings, architecture as a hardware needs to be carefully combined with software (in-store program) and human-ware (in-store employees). Unique programming of the space heavily relays on service and human interactions. In fact, architecture would be irrelevant, if the programs, service, and human interactions are not perfectly tailored to the brand experience.

The concept of the retail store was also transformed in these stores and reoriented to a gallery and exhibition. The shopping process is not bold and noticeable and as Tsung put it, "Not only is shopping melting to everything, but everything is melting into shopping." The PRADA flagship stores also offer a variety of trendy experiential themes, such as a *clinic*, *archive*, *trading floor*, *library*, and *street*. It is a great example of implementing the concept of cross-programming defined by Bernard Tschumi. Clinic refers to an environment with specialized personnel providing care and service. Archive is a digital inventory of current and past collections. Trading floor is associated with the application of new technology and e-commerce in design. Library is a zone of information

<sup>&</sup>lt;sup>129</sup> Sze Tsung Leong, "And There Was Shopping," *Harvard Design School Guide to Shopping*., 2001, 129–55.

on fashion and its evolution. Finally, street is a public space for multiple activities including socialization.

The design also addresses both active and passive customer participation to generate both senses of absorption and immersion. Both Apple and PRADA stores' visitors, therefore, experience the optimum level of engagement based on the level of participation. For example, customers can actively participate and be engaged in educational programs or one-to-one training. Alternatively, the design and programs allow passive participation with a high level of immersion in the store atmosphere. Combining inherently passive forms of amusement with active participation allows customers to switch to different modes depending on their energy level and desire.

PRADA and Apples stores' designers have recognized that engaging experience necessitates not only a perfect platform, but also a careful implementation of the human factor. Therefore, they paid careful attention to entailing the personalized interaction of well-trained and motivated employees. In this setting, the employees are no longer service providers, but well-trained hosts who can be a trainer, friend, entertainer, and consultant at the same time.

Although, the products and services offered by Apple and PRADA are not comparable, the Koolhaas's design addresses the similar strategy as Apple, which is selling experience as opposing to selling products or services. They both transformed the idea of the store to 'more-than-store' by integrating various activities happening in a space that enhance customer experiences. PRADA store in Ala Moana, despite its visual attractiveness, is considered as an old style retail store, which is only a place for brand exhibit to sell products and not to sell experiences.

In sum, construction of carefully designed atmospheres along with well-formulated programs defines a holistic experience for the consumer. These brands' services, activities, and architecture together create unique stories, built on the complex structures representing and reinforcing their brand identities. Apple and PRADA brand images manifest themselves in the detailed thematic environments as well as in the unique programs. The employees' behavior (e.g. communication style) and appearance also closely corresponds to the brand identity. Architecture successfully facilitates the process of turning these brand identities into brand equity. Brand equity refers to the value of having a well-known brand name.

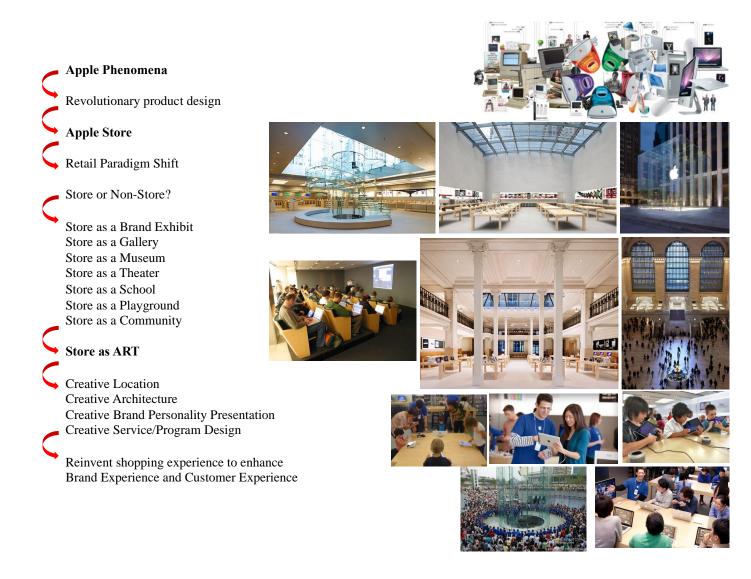


Figure 3-37 Apple Phenomena, Analysis of Store vs. More-than-store



Figure 3-38 Apple Phenomena, Analysis of Store vs. More-than-store

## 3.5 Apple Phenomenon

Anna Klingmann believes that retailer should start strategically employing architecture as a catalyst for initiating a meaningful transformation. <sup>130</sup> In addition to spatial and functional needs, architects should address retail customers' desires, for example, by effectively employing architecture to entertain, arouse, inspire, and motivate them. They should also convey the retail brand promises, and provide a universal understanding of the brand identity. Through integrating the spirit of the brand into architecture, retail environments can turn into physical expressions of the brand and its cultural domain. The profound store experience is not about its products and objects but relationships and interactions between current and potential customers, and brand associates. Architects should consider that people who are visiting a retail store are not necessarily there to buy a product but experience the brand and connect to the brand's world. Retail store is not a store but a brandscape, in which customer experience the brand promises and values, and share their consumption experience.

Architects should be consistent in delivering a brand message by integrating the brand image in every design elements and matching the spatial configuration with the programs offered in the store. Successful thematic design is clear, focused and minimal; however, it is not enough. Architecture, in the new retail paradigm, is in the place of a storyteller. The engaging story is not only consistent with brand promises, brand image, products design, product packaging, services, and even logo but also consistent with a desirable lifestyle that customers hope to have.

<sup>&</sup>lt;sup>130</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2010.

One of the major characteristics that distinguishes successful retailers from other conventional stores is the integration of several programs in one environment. Crossprogramming is a powerful tool in retail design that suggests co-creating diverse experiences for higher level of engagement (e.g. a genius bar in a clothing store, a baking studio in a local café, nutritionist in a local market). According to Tschumi, architecture is more about the activities happening in a space rather than the space itself. Following Tschumi and Koolhaas, retail architects should emphasize on interchangeability and juxtaposition of various functions in the spaces they design. Architects need to imagine the possibility of accommodating various functions at the same time in the same space without overwhelming the users. Different spaces and programs can be seamlessly blended to transform shopping experience in typical stores to engaging experiences in more-than-store environments enhancing customer experiences. To allow experience co-creation, spatial configuration should be flexible and interchangeable allowing customers to form their own desirable experience. Retail store needs to be a brand exhibit and brand community, but also a gallery, a theater, a school, and a playground to respectively create aesthetic, escapist, educational, and entertaining experiences.

A modern retail store should be a brand hub. The role of architecture is to establish a community and sense of attachment for customers to build a relationship with them and intensify their emotional bond with the brand. Therefore, retail architects should design an environment inviting everyone to experience contextual notions of lifestyle and identity within the store's physical boundaries. The design solutions should focus on the dynamics of spaces to redefine the retail spaces for events and activities, something that customers want to explore, experience, and re-experience.

In this study, the entire process of re-thinking and reinventing retail design strategy refers to 'Apple Phenomenon.' Apple phenomenon is the progression from materiality to sensibility, from product & service to experience and from presentation to transformation. The results of this review help formulate design approaches to develop an architectural solution for improving customer experience in retail environments. The insight from this phase is used for conceptualizing three experiential retail environment schemes for a department store in Hawaii on the Island of Oahu.

## **CHAPTER 4: TRANSFORMING RETAIL EXPERIENCE**

## 4.1 From 'Object' to 'Subject'

In today's competitive environment, where online retailing is growing rapidly, retailers need to reinvent their retail strategies to succeed. Online shopping is set to become the top choice for many shoppers all around the world and especially in the U.S. <sup>131</sup> In order to be competitive, brick and mortar stores need to focus on creating in-store experiences that customers cannot find on the Web. Although in-store experience could never be fully controlled, they could be triggered and architecture is the catalyst. <sup>132</sup> Apple phenomenon elaborated by this study in Chapter 3 is a manifestation of this possibility. Apple phenomenon is a paradigm shift in retail design and planning that helps conceptualize the notion of 'more-than-store' in this study.

This study proposes Experiential Architecture as a possible approach to address this paradigm shift in retail design. As discussed in the earlier chapters, experiential architecture is a shift in design-thinking from a paradigm characterized by the relationship between form, function, and program to a paradigm of enriched experiences and identification. Experiential architecture is defined by this study as an alternative approach that turns architecture from a passive object of contemplation into a programmable stage to be experienced by users during their journey to the environment. Therefore, programmable stage is the crux of experiential architecture.

<sup>131</sup>Katie Holliday, "New Top Choice for Shoppers: Online Overtakes Brick-and-Mortar," 2013, accessed January 12, 2014, http://www.cnbc.com/id/101205503.

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<sup>132</sup> Klingmann, Brandscapes: Architecture in the Experience Economy, 2010.

Concerning the concept of experiential architecture and the Apple phenomenon, this chapter discusses three design alternatives for a department store in an urban context in Honolulu, Hawaii. The goal of this chapter is to present a 'more-than-store' retail environment creating memorable experiences and strong identity. This goal is achieved by offering multiple branded programs and engaging customers in a series of meaningful activities besides shopping. Each design concept as an example is selected and developed to offer a programmable stage enriching user experience. This chapter starts with a brief overview of customer journey mapping, typical retail store's spatial design, and proposed business's attributes. Following that, three design alternatives of store as a park, store as a village, and store as a museum are introduced and then the customer journey and their interactions within the physical spaces are discussed.

## 4.2 Customer Journey

As discussed earlier, retailers and architects cannot fully control experiences, since customers have a different perception, expectation, emotion, and behavior. However architecture as a catalyst can trigger experiences by providing experiential clues in a retail setting. For designing experiences in a built environment, designers need to plan for the worst while aiming for the ideal. Understanding current, as well as ideal customer journey is thus the point of departure in retail planning.

While designing a retail environment, understanding the journey that customers take throughout their visit to a retail store is the fundamental piece of knowledge that designers need to start with. Mapping customer journey is a useful tool to understand and improve customer experience. Customer journey demonstrates customers' experiences

from their perspective and their interactions during their visit of a retail space.<sup>133</sup> The entire journey in general includes customer's engagement with the store, purchasing a product or receiving a service, sharing the shopping experience with others and then finishing the journey. Customers may repeat the journey with the same store or re-start the journey with another store.

In this study, the customer journey mapping is used to understand typical customer experience through their journey in order to support the alternative design development. The complexity of customer journey diagram depends on the number of designed touchpoints. For this study, the following seven key stages have been identified along the way of customer journey in typical retail stores:

#### 1. ATTRACT

We are all aware of how important first impression is. As with any introduction – to people, places, or products – first impressions are critical. There are several design elements to consider in retail stores' design in order to make the right first impression. Making a positive first impression with building design is the first key stage of the customer's journey to a retail space creating positive pre-shopping experience for customers. For example, an exciting building form that makes the retail store distinguishable from other businesses attracts more potential customers. Other elements include but not limited to attractive landscape design (e.g. outdoor sitting area, water feature). attractive storefront design (e.g. lighting, window display with seasonal/contextual theme), socially and culturally responsive design, environmentally

<sup>&</sup>lt;sup>133</sup> Adam Richardson, "Using Customer Journey Maps to Improve Customer Experience," *Harvard Business Review*, 2010, accessed January 12, 2014, http://blogs.hbr.org/2010/11/using-customer-journey-maps-to/.

responsive design (e.g. sustainable design elements and materials), accessible building design (ADA compliance), and parking lot design (e.g. easy flow/guide, clear entrance).

#### 2. INVITE

When visitors are attracted to a store's building, they need to find it inviting and welcoming in order to make the final decision to enter the brandscape. A well-designed retail space invite visitors in meaningful ways. There are a number of features that can turn an ordinary entrance experience to a memorable one. Welcoming entrance design (e.g. theme, form, and accessibility), transition zone design (e.g. lobby area), and meaningful welcome tools (e.g. information/technology that helps visitors to find their target space/activity/information) are a few examples. This second stage of pre-shopping experience is the starting point of the actual visiting or shopping process throughout the store.

#### 3. DISCOVER

At this stage, customers continue their journey by experiencing in-store components. The space planning and configuration is one of the key design elements emphasized by this study, in which provides an exciting discovery around the brandscape. Designing clues that allow visitors to browse easily is another key element to consider for space planning (e.g. interactive discovery technology). Customers mainly seek a clear pathway to facilitate their discovery of the favorite spot and explore different opportunities.

#### 4. EXPLORE

Retail space exploration by customers goes beyond finding immediate needs. The goal of retail design is to encourage customers to explore the brandscape by walking around, communicating with other customers and employees, learning more about the

environment, products, services offered, and brand, and staying longer in order to increase purchase potential. Adding complementary programs to the core retail business in addition to spatial design, dynamic elements, creative presentations, and interaction opportunities can raise the exploration behavior among the retail store visitors.

#### 5. ENGAGE

The store's design should be engaging for customers, while they are discovering and exploring the available opportunities. Many different components work together in order to engage customers and lead them to the next stage of their journey. For example, brand and product staging, innovative signage design, and appropriate interior lighting. Moreover, providing spaces for activities, social interactions, and performances as a part of programming help engage customers along the way of their shopping and help establishing the brand community.

#### 6. ACT

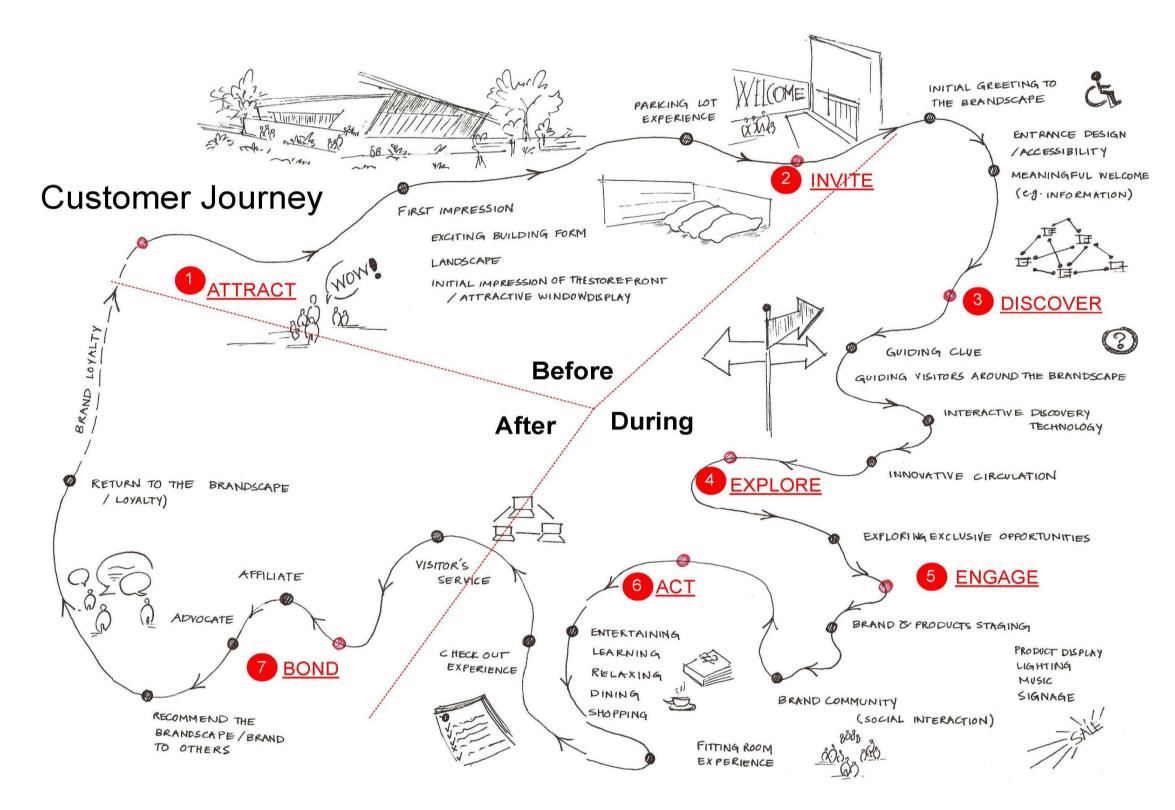
Once customers find the store environment engaging, they move to the next step of the journey by taking an action. They action can be either shopping or receiving a service from the store. In addition, action may refer to the active engagement when customer actively participate or immerse in store's offered programs. Act is usually associated with core-shopping-experience. This stage is the starting point of the post-purchase experience. It is the critical point of the customer journey because customer decision at the moment of purchase or receiving a service is the key to business success.

#### 7. BOND

What customers experience after the engage or act stage shapes their post-purchase opinion for every subsequent decision concerning the brand. Creating an emotional bond

with customers brings them back to the business and makes them brand advocates. The bond is usually established with brand identity and measured by customer loyalty whether in terms of retention or word-of-month. Therefore, the customer journey is an ongoing cycle.

The following diagram illustrate the customer journey throughout a retail space. The journey starts when customers are attracted to the store or brand, follows by exploring the store – with or without purchasing a product or receiving a service –, and ends with sharing the in-store experience with others. The customer journey could be an ongoing cycle, when customers repeat the journey with the same store and turn to loyal customers.



**Figure 4-1 Customer Journey Mapping** 

## 4.3 Typical Department Store's Layout and Design

This section defines four types of store layout and configuration for a typical department store: Grid layout, loop layout, spine layout, and free-flow layout. It also illustrates how the traffic flow is in each store layout. This review helps understand current spatial configurations and their limitation for incorporating programs. The findings are then used to reformulating the typical layouts for alternative design proposals. Figure 4-2, A-D respectively shows the circulation pattern for grid, loop, spine, and free-flow layout.

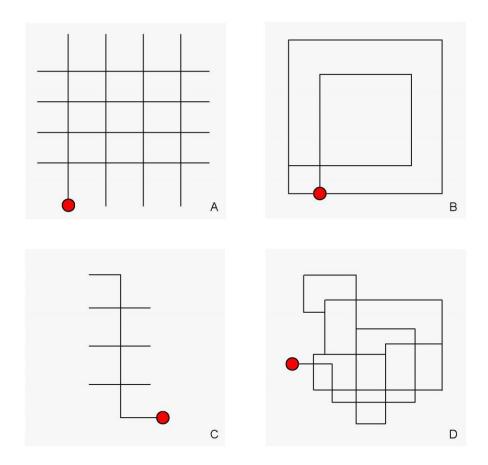


Figure 4-2 Traffic flow in A: Grid, B: Loop, C: Spine and D: Free-flow layouts at department stores

Figure 4-3, A-D respectively illustrates the spaces design and configuration for grid, loop, spine, and free-flow store design.

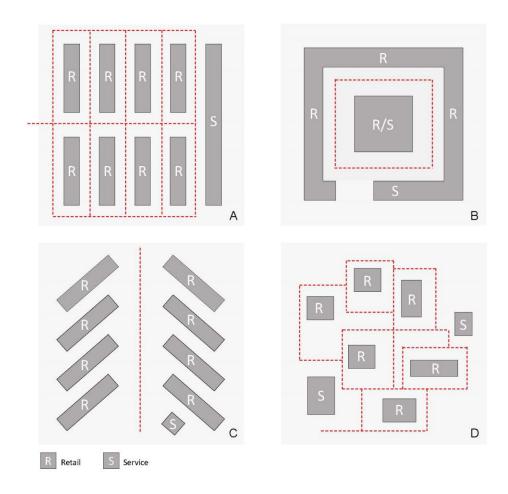


Figure 4-3 Store's spatial configuration and circulation in A: Grid, B: Loop, C: Spine and D: Free-flow layouts

The first three types of layout –grid, loop and spine- encourage a fixed circulation throughout the store, while the free-flow layout is more flexible by giving customers the opportunity of navigating through desired directions. In all cases the starting and ending point of exploring spaces are pre-defined, which is a limitation by itself. Although grid layout is the most economical store design, it limits browsing and provides a plain and uninteresting circulation routes. This type of layout encourages customers to have a rushed shopping behavior. Loop layout forces customers to browse through a particular path and force them to return to their starting point at the end. The spine layout is less confusing and provides more visibility. However, each side of the spine has its own grid layout which

again encourages rushed shopping behavior. As illustrated in the figures 4-2 and 4-3, all these layouts have relative limitation for incorporating programs and they give limited control to the customer over their journey.

## 4.4 Business Attributes

Although the design concepts that are discussed in this chapter can be applied to any type of business, this study focuses on a flagship store for a department store in an urban context. The proposed department store would sell a variety of clothing, cosmetics and fashion products for women, men, and kids. The business category of the retail store would be similar to the department stores such as JCPenney, Macys, Nordstrom, and Neiman Marcus in the United States. However, the scale of business would be smaller and includes only the clothing and beauty departments.



Figure 4-4 JCPenney typical store



Figure 4-5 Neiman Marcus typical store



Figure 4-6 Nordstrom typical store



Figure 4-7 Macys typical store





Figure 4-8 Product Catalog for the proposed department store

Referring to Apple phenomenon, smart site selection for a retail store is the first key to design. Also, as discussed earlier, attracting customers is significant in order to establish the starting point of a journey through a retail store. Therefore, selecting an appropriate site to locate a retail environment, which offers more-than-store services, is the key step of the design. The more the strategic location, the more the visitors or potential customers. Therefore, the proposed department store would be located within a modern urban area surrounded by buildings, streets, sidewalks, and utility infrastructure to attract more visitors.

The following sections bring to fore three design concepts as potential alternatives for designing a modern department store. While each design concept highlights specific characteristics that make it distinguishable from the other, they all follow the Apple phenomenon characteristics. The goal is to offer more-than-store spaces that focus on enhancing customer experiences by addressing layout design limitations while seamlessly incorporating programs.

## 4.5 Design Alternative 1: Store as a Park

The first design concept to be used as an alternative to designing the department store is 'park.' The following sections define the concept and discuss how it can be implemented in a retail setting. The study of the concept follows by a discussion on instore experiences that could be created in such an environment.

### **4.5.1** Concept Definition

What is a park and why using as a design concept? *Park* as a noun is defined in Oxford dictionary as a "large public green area in a town, used for recreation." Parks are open spaces free of houses and other buildings that provide direct contact with nature, as well as opportunities for physical activities and social interactions.

Urban green spaces play a crucial role in the health of the community. Several studies have shown that parks have the ability to increase physical and psychological health of those who live around and use them. They also encourage social connections, benefit the environment and have positive impacts on the local economy. Green spaces can be a source of relaxation and recreation for people to escape from daily stress.



Figure 4-9 City Park in Kalispell, Montana (Photos courtesy of Digital Broadway LLC)

While designing a green space, understanding of how users experience these natural environment is the key. The concept of park is associated with the notion of *prospect* and *refuge*. Jay Appleton, an English geographer, proposed the prospect-refuge theory of human aesthetics in 1975. <sup>134</sup> *Prospect* refers to the opportunity to see, which is stimulating and exciting. *Refuge* refers to the opportunity to hide which gives the sense of safety and relaxation. <sup>135</sup> According to Appleton, humans are more attracted to the spaces that enable them to see without being seen, spaces with broad vistas and spaces for easy refuge. <sup>136</sup> Understanding these desires increases the esthetic pleasure experienced in natural environments and affects people's perception of safety in an environment. According to Wekerle and Egan, the perception of safety is necessary for feelings of enjoyment and comfort in urban open spaces. <sup>137</sup> Parks design depends on the region or culture of the

<sup>134</sup> Jay Appleton, *The Experience of Landscape* (Wiley, 1996).

<sup>&</sup>lt;sup>135</sup> Ibid.

<sup>136</sup> Ibid.

<sup>&</sup>lt;sup>137</sup> G. R Wekerle, "Planning Safer Parks for Women: A New Agenda for Toronto," *Landscape Architectural Review* 12, no. 3 (1991): 5–6; and J Egan, "Breaking through the Myth of Public Safety," *Landscape Architecture Review* 12, no. 3 (1991): 7–9.

region. No matter how they look, they are spaces of freedom. The park destination is depicted as a play-land or a garden rejuvenating of a humanity lost in the modern life.<sup>138</sup>

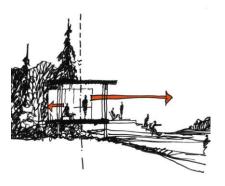


Figure 4-10 Prospect- Refuge diagram (Sketch by Alan Maskin at olsonkundig.com)

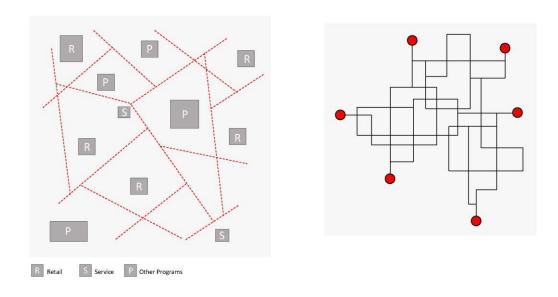
### 4.5.2 Store as a park

Modern customers' expectations from a retail environment go beyond its offered products and services. In a world that customers have everything at their fingertips through online shopping, retail spaces need to offer distinctive experiences such as prospect and refuge that could not be find online. Designing retail spaces within a natural setting is thus an alternative to the conventional store design. It gives customers the opportunity of experiencing an enchanted landscape while shopping. It provides spaces not only for shopping but also for recreational use, spaces to promote safety, stimulation, and excitement. This space promotes peace and permissiveness and provides spaces that could be explored at visitor's freedom. Hence, it offers more-than-store to its customers and serves as an open public space for people to escape relax and shop.

<sup>&</sup>lt;sup>138</sup> Joe Hermer, *Regulating Eden: The Nature of Order in North American Parks* (University of Toronto Press, 2002).

### 4.5.3 Design characteristics and design elements

There are several unique characteristics that are associated with the concept of the park to be used as a design concept for retail space. As Figure 4-11 shows, any point around the store can be picked as the point of entry to the brandscape. While entering the store, customers are free to select the desired path to discover and explore. During their journey to the store, customers can discover their favorite spots to shop, interact or relax. On one hand, they could find places to hide, or areas to escape—places with a clear view. Within this natural setting, playing with landform creates environments with unobstructed views (prospects) and areas of concealment and retreat (refuge).



 $Figure\ 4\text{-}11\ Store\ as\ a\ Park:\ traffic\ flow\ (right)\ and\ spatial\ configuration\ (left)$ 

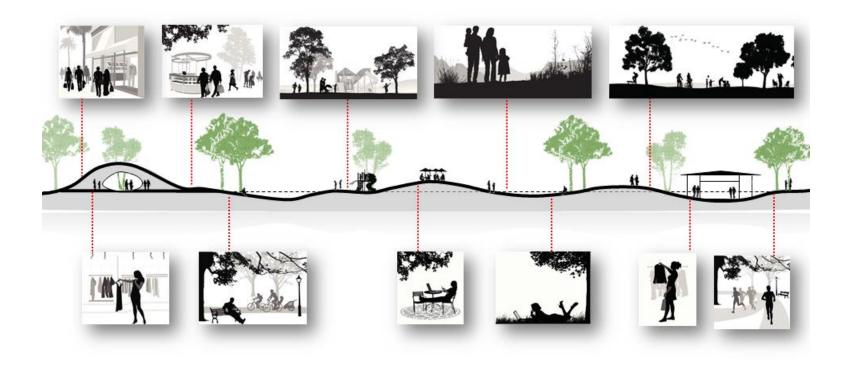
The entire department store environment acts as a recreation park providing the perfect sense of prospect and refuge for customers. It also provides an intimate and relaxing environment that facilitates shopping and browsing. The spaces are mysterious and unpredictable and gives customers the freedom in path selection and evoke their sense of

discovery. It offers safe, energetic and fun space for kids, adults and elderlies to navigate, experience nature, relax, participate in activities and buy what they need.

The store is designed with a free-flow layout with no defined traffic pattern. Likewise, there is no defined point of entry to and departure from the store as opposed to conventional free-flow layout in a retail space. This free form design invites movement and traffic flow to the retail store and encourages the customers to explore and increases sales.



Figure 4-12: Store as a Park: Samples of Design, Programs, and in-store Experiences



Store as a Park  $\_$  Section View

Figure 4-13: Section View of Store as a Park (not to scale) with Associated Activities

## 4.6 Design Alternative 2: Store as a Village

'Village' is the second alternative design concept proposed for department store in this study. The following sections define the concept and then discuss how it could be implemented in a retail setting in order to incorporate unique experiences.

## 4.6.1 Concept Definition

Village is defined by Oxford dictionary as "a group of houses and associated buildings, larger than a hamlet and smaller than a town, situated in a rural area. It refers to a clustered human settlement or community. Community sentiment that promotes the feeling of attachment is the very essence of village communities. For generations, communities played a significant role in offering togetherness and acting as a support system. Thus, it is important for all members of a village to feel they belong to a single community. People living in each cluster of the village actively participate in the neighborhood and have meaningful social interactions. Therefore, villages exhibit a strong sense of attachment and belongingness. The members of the village have a sense of dependence on the community for both physical and psychological satisfaction. Furthermore, villagers are simple and plain people and their life is tranquil, peaceful and transparent.

Sense of community is vital to the concept of village. McMillan and Chavis define 'sense of community' as: "Sense of community is a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members' needs will be met through their commitment to be together." They proposed four elements for orchestrating the sense of community among individuals: membership, influence, integration and fulfillment of needs, and shared emotional

connection. Membership is associated with the feeling of belonging, influence refers to a sense of participation and contribution, integration and fulfillment of needs address the members' needs, and shared emotional connection is associated with sharing common experiences with the members.<sup>139</sup> This study adopts these elements and translates them to the space planning to convey a sense of community.

## 4.6.2 Store as a Village

It becomes harder and harder for people to feel any sense of community in a society that moves toward detachment and isolation due to the dominant culture of individualism. A department store can be designed as spaces for socialization in which promotes a sense of community and attachment among its customers. Store as a village brings the brand community together. Store's departments are organized in clusters that link together through a central hub. The central hub works as a community center. It encourages social interactions among customers and gives them a sense of attachment and belonging to a community. All activities could be designed, and all program could be planned with an emphasis on active participation of the majority of customers.

### 4.6.3 Design Characteristics and Design Elements

Designing the department store following the concept of a village turns an ordinary store to more-than-store. It connects the retail space with the natural environment and provides both indoor and outdoor shopping opportunities for customers. Store as a village could be seamlessly merged with the neighborhood to strengthen the sense of community.

<sup>139</sup> David W. McMillan and David M. Chavis, "Sense of Community: A Definition and Theory," *Journal of Community Psychology* 14, no. 1 (January 1986): 6–23.

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Customers could take advantages of being in a community and as members of the community, they could socialize and share their experiences. In this environment, customers could participate in different activities and contribute to the well-being of the community.

The entire store consists of several transparent pavilions organized into clusters. The traffic pattern is free-flow among clusters. As Figure 4-14 (left) Shows, each cluster of pavilions is attached to its neighbor cluster through a certain path, and they all are directed to a common space. The communal space could be used as a place of socialization and sharing experiences, a place for activities and performances, and a place to escape and relax. This approach to the design would expose customers to the greatest possible amount of interaction opportunities while encouraging browsing and cross-shopping. There would be also a high level of transparency among departments that promote the sense of trust to the brandscape. The retail store as a village is peaceful and unified.

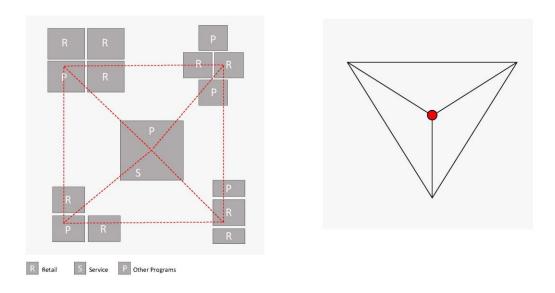
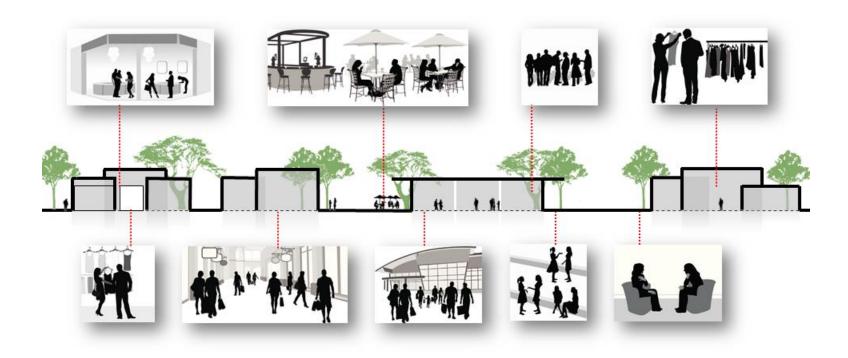


Figure 4-14 Store as a Village: traffic flow (right) and spatial configuration (left)



Figure 4-15 Store as a Village: Samples of Design, Programs, and in-store Experiences



Store as a Village\_ Section View

Figure 4-16 Section View of Store as a Village (not to scale) with Associated Activities

### 4.7 Design Alternative 3: Store as a Museum

'Museum' is the third design concept to be used as an alternative approach to designing the department store. The following sections define the concept and discuss how it could be adopted in retail design and planning. In-store experiences formation and promotion then are explained.

### 4.7.1 Concept Definition

Museum is defined by Oxford dictionary as "a building in which objects of historical, scientific, artistic, or cultural interest are stored and exhibited." Museums are places of transformation in which frequent changes are welcomed. Museums are storytellers. In museums, visiting spaces is in a sequence to convey stories. Circulation pattern and viewing sequence are vital to the cultural function of museums. Therefore, spatial layout in a museum shapes the ways in which visitors explore, engage, and understand the spaces and display objects. Understanding of how different spaces in a museum are organized helps constructing a hierarchy of messages. Spatial layouts in museums, unlike other spaces that present visitors with multiple movement choices, give a fewer movement options to the visitors. Therefore, there is less likely that certain spaces, or exhibits, will be visited more than others, or some spaces do not attract any visitor.

Museums are also spaces for education and learning. Educational messages in museums are designed through movement in spaces. How visitors perceive the spaces and exhibits depends on the ways in which they are encouraged to move through an exhibition. Movement patterns through the space of the exhibition, connections or separations among

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<sup>&</sup>lt;sup>140</sup> Josep Maria Montaner and Oliveras Jordi, *The Museums of the Last Generation* (Academy Editions, 1986).

spaces, sequencing and grouping of elements, form visitors' perceptions and shape their understanding.

#### 4.7.2 Store as a Museum

Andy Warhol once predicted, "all department stores will become museums, and all museums will become department stores." <sup>141</sup> Koolhaas, the architect of the PRADA flagship store in New York, is one of the architects that adopted the concept of museum in his design. He argued, "Museums are popular, not for their content, but for their lack of content: you go, you look, you leave. No decisions, no pressure." <sup>142</sup>

The store as a museum would be a storybook which engages customers within a story. It would be an educational environment in combination with a retail environment. Customers could shop while learning about each product's history. The proposed store would furnish customers with entertaining while informative experience by providing opportunities for flow experience and tapping into customer's emotion and curiosity at the same time. Store as a museum would work as an exhibition triggering customer's curiosity by using storytelling techniques. The right blend of educational materials and entreating programs could engage customers and motivate them to visit the entire store and repeat this experience again and again.

The store as a museum would be also a place of exploration. Exhibit sections are used as a mean to evoke customers' sense of exploration and motivate learning desire. It happens through the establishment of meaningful connection between the sense of curiosity

<sup>&</sup>lt;sup>141</sup> James B Twitchell, *Branded Nation: The Marketing of Megachurch, College Inc., and Museumworld* (Simon & Schuster, 2004).

<sup>&</sup>lt;sup>142</sup> Koolhaas et al., "Projects for Prada Part 1."

and storytelling objects. In addition, the museum design elements allow users to imagine and fantasize resulting in escapist experience.

### 4.7.3 Design Characteristics and Design Elements

The department store, which is designed with the concept of the museum could be a place of transformation. This store could be an environment with maximum flexibility inviting customers to a journey of discovery and learning. Store sections could be designed in a sequence and merchandise could be presented with information in a hierarchical manner promoting think experience and giving the intellectual control to the customers. This sense of control would allow customers to creatively and intelligently put together pieces of a particular story. In addition, arrangement of objects should be in a way to create visual links and aesthetic juxtapositions. In this department store navigation is through a defined path while unpredictable spaces are along the way (see Figure 4-17, left). The unpredictability of spaces would stimulate customer's curiosity and encourage them to explore.

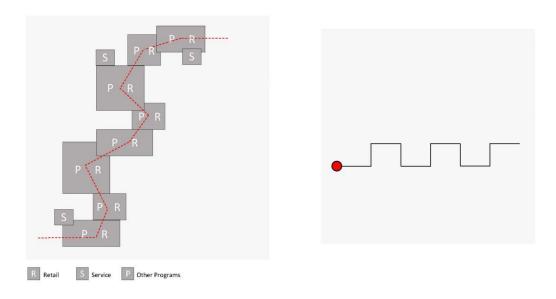
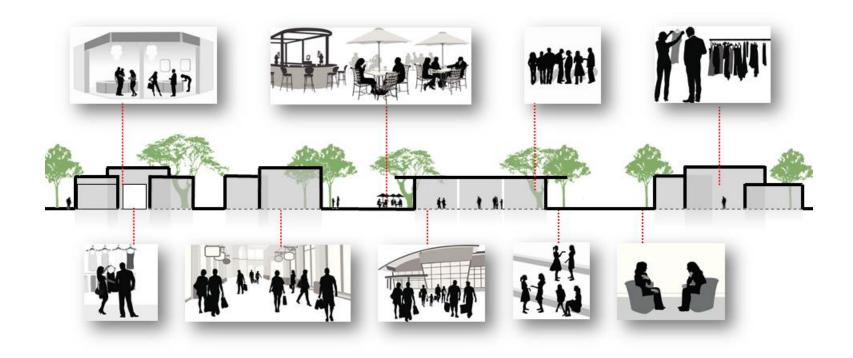


Figure 4-17 Store as a Museum: traffic flow (right) and spatial configuration (left)

Technology would be another important feature in this type of department store. Technology is an inseparable part of modern users' life and people seek it everywhere. Therefore, integrating technology into the store design enhances customer's experience. Installation of digital signage throughout the store and touch screens for browsing products' educational materials are examples of technology application could be used in this retail environment.



Figure 4-18 Store as a Museum: Samples of Design, Programs, and in-store Experiences



Store as a Village\_ Section View

Figure 4-19 Section View of Store as a Museum (not to scale) with Associated Activities

### **CHAPTER 5: BRIDGING THE GAP**

In a nutshell, this research sought to understand, theorize, and explore the concept of 'more-than-store.' This study brought to the fore the role of architecture in improving customer experience by initially reviewing two successful cases of Apple store and PRADA and then discussing the concept of Apple phenomenon. In the light of this phenomenon, the concept of 'more-than-store' was introduced as an alternative approach to retail design and then three design alternatives were proposed to exemplify this concept. This chapter discusses the theoretical and practical implication of this study. First, the concepts of Apple phenomenon, experiential architecture, and 'more-than-store' are discussed as the theoretical contribution of this study. Then, to summarize the practical implications, a series of recommendations for designing modern retail environments are discussed.

Retailing strategies have been changed in recent decades due to alteration in modern customer's desires and expectations. In today's competitive market, retailers can no longer rely solely on their core products to succeed. As Bitner et al. noted "they must move into the realm of customer experience management, creating long-term, emotional bonds with their customers through the co-creation of memorable experiences." 143 Currently, the majority of retail stores can satisfy customer's needs by offering desirable products and services, however, only a few physical stores can satisfy customers'

<sup>&</sup>lt;sup>143</sup> Bitner, Ostrom, and Morgan, "Service Blueprinting: A Practical Technique for Service Innovation."

experiential desires (i.e. Sense, Feel, Think, Act, and Relate). Given that, retailers should offer more than conventional retail stores in order to establish strong brand identity, strengthen the bond between customers and their brands, and enhance customer retention and acquisition processes. Modern retail spaces should be able to motivate customers to explore spaces, provide them with in-store engaging experiences, and encourage them to return to the store.

Recently, retail architects such as Koolhaas and Bohlin increasingly put emphasis on the experiential values created and conveyed by architecture and encourage businesses to glean more value out of managing customer experience creation in retail spaces. Since architecture, in essence, renders experience, managing customer experience using architecture is inclined toward a vital concern in retail planning and design to (a) overcome commoditization problems, (b) improve differentiation strategies, and (c) narrow the gaps between conventional retail planning and real customer desires.

'Experience' generally refers to what a customer feels, learns, and memorizes during interactions or involvement with an offering or its *context*. Experiential architecture as defined in this study, therefore, puts emphasis on the context of offering as a platform for engaging customers and staging programs. In other words, experiential architecture is a design approach to integrating functional values in retail spaces with experiential values. Therefore, managing or facilitating the process of experience co-creation (interaction between user and environment) through architectural design could be a feasible while effective design approach. Experiential architecture in retail stores, however, is not for managing internal experience formation, but rather the process of experience co-creation

in an integrated fashion with the aim of delivering experiential values. Apple phenomenon introduced by this study is the manifestation of this approach in designing retail spaces.

Following Steve Jobs' idea that a store can be more than store, Apple was the first company that re-designed its retail stores with the focus on experiential design. Therefore, this approach to retailing refers to Apple phenomenon in this study. Apple phenomenon suggests that the retail store's aesthetic and functionality are not the only tools to judge a space, but how the space is experienced. Apple phenomenon is the progression from 'how a retail space is designed' to 'how it is experienced.' Apple phenomenon is associated with the new retailing paradigm, in which experience is the core of business. Apple phenomenon represents the authentic transformation of retail architecture in the era of experience economy.

The definition of experience in Apple phenomenon is associated with orchestrating and differentiating the process of experience co-creation rather than the marketing the experience per se. This approach – conceptualized as designing 'more-than-store' in this study – recognizes retails' environment as a valuable source of experience that can satisfy customers' experiential needs in order to differentiate their brands. This approach is regarded as a new strategic approach to deal with some marketing dilemmas such as low customer lifetime values, high switching rate, and lack of emotional bond. The result of employing 'more-than-store' approach in practice would be stable customer impression, positive attitude, and purchase intention, as well as satisfaction, loyalty and fervent advocacy.

To demonstrate this approach, the concept of Apple phenomenon was used to develop three 'more-than-store' design alternatives for a modern department store in an

urban area. While each concept has its unique characteristics, they all follow the same approach as suggested by experiential architecture. The first design concept was 'park.' Store as a park is a free-flow environment which is entertaining, fun, relax and safe. The second design alternative was 'village.' Store as a village was designed with clusters of pavilions and transparent communal spaces for community gathering and social interaction in order to promote a sense of community and attachment. The third design concept was 'museum.' Store as a museum is a storyteller. It is a place of learning and discovery that takes customers on a journey of imagination and fantasy.

Based on the experience gained from these alternative design approaches, this study recommends the followings to implement the concept of 'more-than-store.' It should be noted that these recommendations are formulated as a way of design thinking, as a method for reinventing retail spaces, and as a set of formal potentials, built out of a number of basic concepts. These ideas could be a valuable contribution to the design of retail environments by providing designers with a better understanding of principles and some knowledge of systematic consequences of strategic design decisions.

- 1- To design a more-than-store, designers should initially review the customer journey and identify the customer touch-points (i.e. series of interactions throughout their visit to a retail space).
- 2- Then, customer experiential desires/ values that matter to customers should be identified to increase the effectiveness of the design, planning and programming.

- 3- For every design alternative, designers should consider customer as an active part of the design (design in a way to involve potential customers in the process of experience co-creation).
- 4- Designers should utilize environment as a platform to attract customers by addressing their experiential needs (i.e. Sense, Feel, Think, Act, and Relate) while not giving a feeling of purchase obligation to customers.
- 5- To enrich customer experience, content (program) and context (space) of retail environments can be designed by cross-programming (introducing unexpected functions) as a part of place-making.
- 6- Retail space planning and programming should address the temporal dimension of new introduced programs such as customers' exploration, involvement, and participation rather than the original purposes of retailing (browsing and purchasing).
- 7- Designers should consider that sensory, emotional, and cognitive experiences can be triggered by novelty, and originality in space design and planning. However, sustaining pragmatic and social experience depends more on the pragmatic values of offered programs rather than its originality.
- 8- For retailers, offering rich emotional experiences through well-designed touchpoints is much more important to drive marketing performance than another form of customer experience.
- 9- More-than-store design should be a complete package of inspiring lifestyle revolutionizing how consumers view brands and make purchasing choices.

- 10- More-than-store design should be able to provide a persuasive lifestyle platform to express brand identity and establish brand community.
- 11- Every single element in the store should be designed to create flow experience.

  Csikszentmihalyi defines *flow experience* as an optimum experience in which is associated with deep enjoyment, creativity, and a total involvement. During flow experience in retail spaces, customers are so involved in an activity that they may not even being aware of how much time they are spending in the store and how much they are immersed.
- 12-To provide an innovative and authentic design, architecture should be combined with branding. Incorporating brand spirit with design elements is an effective way to deliver a well-intended message to the customers and to create memorable experiences.
- 13-Retail environment should be also presented as an integral aspect of visitors' social life (e.g. perceived as a public environment) accommodating the act of shopping in a comfortable, attractive, and enjoyable while accessible brandscape.
- 14- Finally, municipalities could benefit from a well-designed more-than-store as a civic asset.

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<sup>&</sup>lt;sup>144</sup> Mihaly Csikszentmihalyi, Flow (HarperCollins, 2009).

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Figure 3 20: author

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Figure 3 22: author

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Bottom row: apple.com

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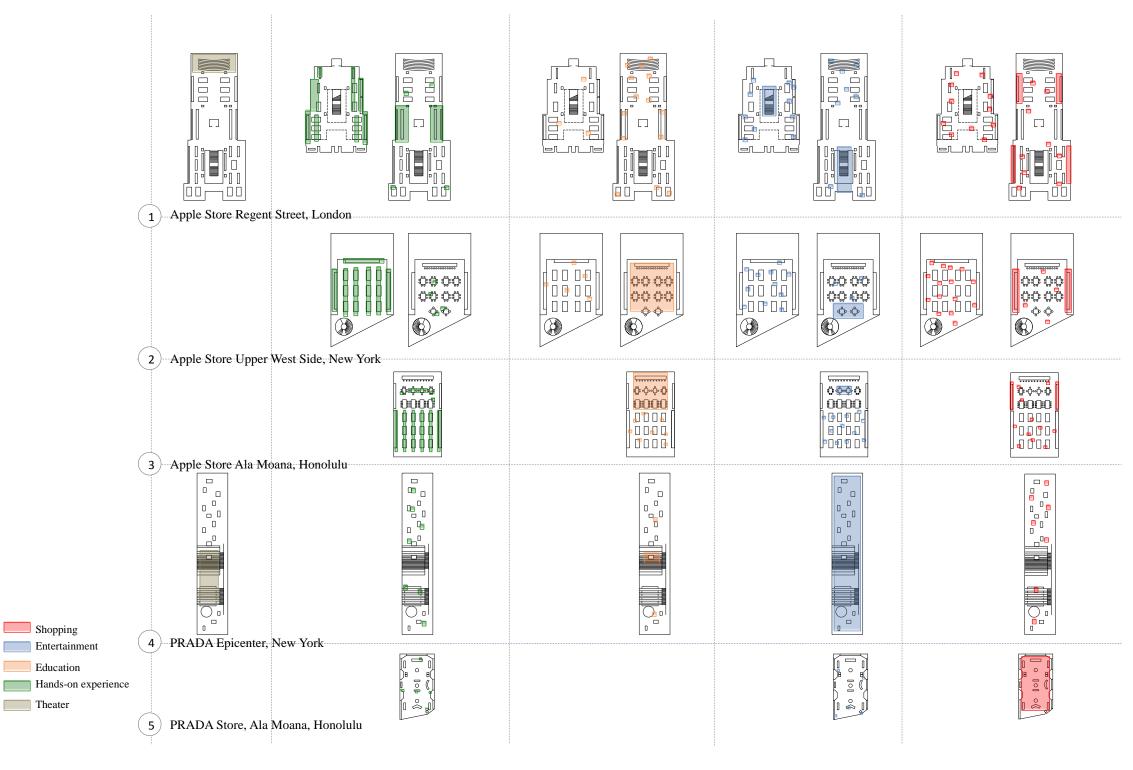
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Figure 4 19: Diagram: author, Images: http://www.gettyimages.com/

# Appendix A



**Programming:** Store Versus More-than-store