



Driving the Future of Retail

Through Experience per Square Foot

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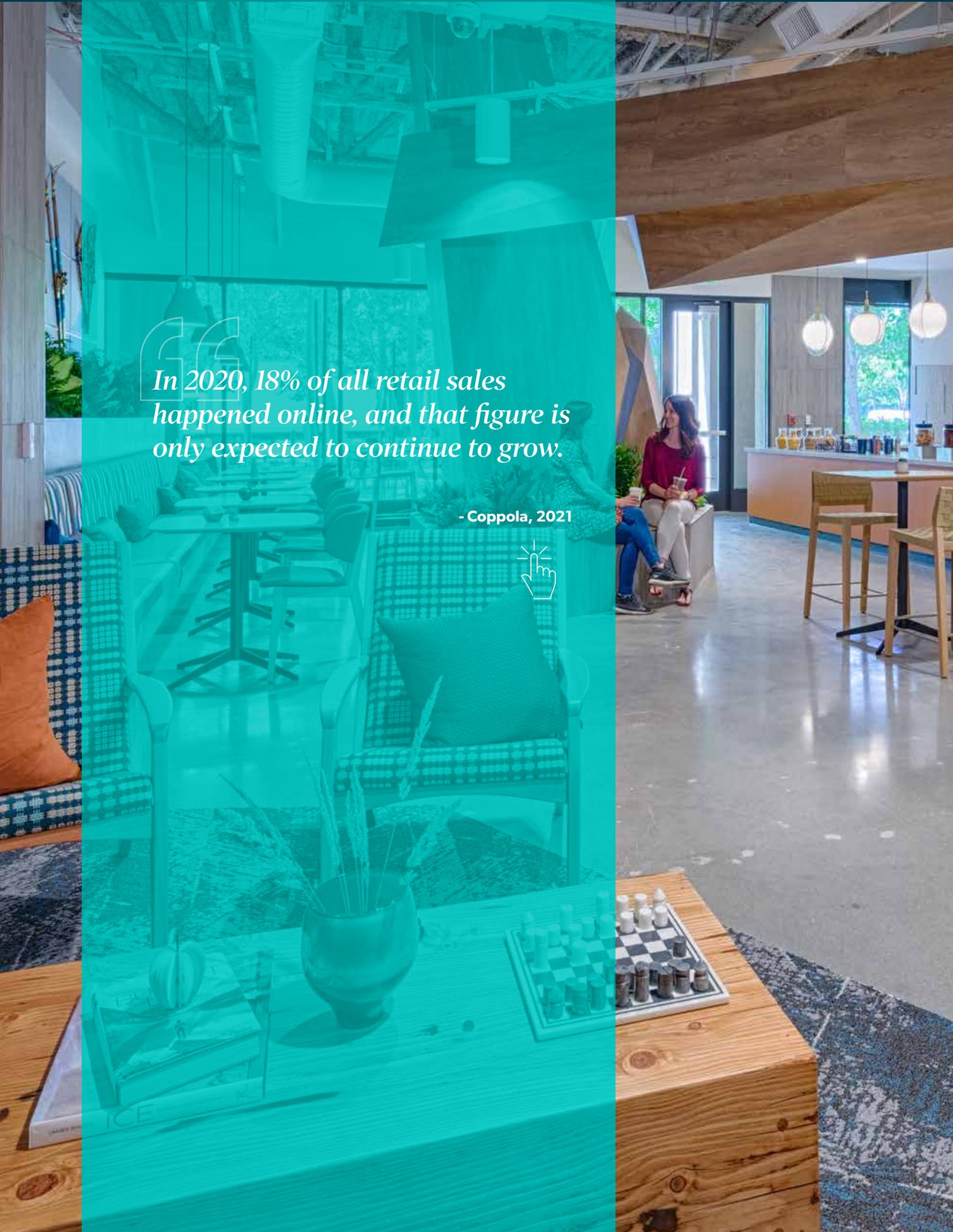
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In 2020, 18% of all retail sales happened online, and that figure is only expected to continue to grow.

- Coppola, 2021



Introduction

In 2020, 18% of all retail sales happened online, and that figure is only expected to continue to grow (Coppola, 2021). As distribution infrastructure catches up with the demand for goods shipped directly to doorsteps, and an increasing number of consumers become comfortable with the idea of buying online, do we even need physical stores anymore? The short answer is, yes.

Brick-and-mortar retail stores provide experiences — tangible, tactile experiences — that cannot be replicated in an online exchange. And while actual purchases can be made perhaps more simply and expediently online, the human element of community created by interactions made possible in an in-store environment exist only in small ways on the internet.

In its simplest form, the retail store is a venue for buying and selling goods — a function that the online shopping platform also satisfies. However, viewed through a more analytical lens, the retail store is a community-building, social endeavor that not only connects people to products, but also to a brand's purpose in the physical space. And at times, that experience, through intentional design, can even become a key self-care tactic. When the senses are engaged and human encounters occur, there is a noted psychological benefit. Connectivity and trust develop through the vulnerability and openness that inevitably exist in shared spaces and experiences. And it is within the power of a thoughtful retailer to leverage these benefits to capitalize on physical, tangible experiences.



While the store may decline as the key point of sale, it can still drive trust, engagement, and a positive emotional response.



Generational Drivers

COVID-19 and the widespread shutdown that ensued provided a unique opportunity for retailers to reset and re-evaluate the ways in which they are measuring success. Inevitably, branding and marketing budgets were scrutinized, and attention shifted to perfecting the online — or mostly online — shopping experience. But while COVID may have accelerated the willingness to make purchases online, it does not necessarily imply the end of the in-person experience. We can turn to a generational analysis to provide evidence for this case.

Consider that currently Millennials, followed closely by Gen Z, have a large and growing share of the buying power. Now also consider some of the values, and oftentimes demands, these generations make of the companies with which they choose to interact. For them, trust in the brand is paramount as they seek products that define them and reflect their values. These generations expect, at a base level, social and environmental consciousness, operational transparency, and authenticity. Their eventual decision to purchase relies heavily on whether or not they feel they can identify with a brand's image and purpose. They also value opportunities to influence or be influenced by people they trust, and even co-create product offerings and social encounters (Ordon, 2015. Finneman et al, 2017). While they live a great deal of their lives online, they crave opportunities to share with those communities, but also to have unique, physical experiences that engage them on a multi-sensory level — engagement that can only fully happen offline in a physical environment.



*So how do we design
with this “experience”
in mind?*



Optimizing for Experience per Square Foot

Based on our research, we propose that “experience per square foot” is how the future success of retail will be defined. While the exact formula will fluctuate per segment, per brand, and a number of other factors, the basic formula is this:





01

Engaging All Senses

When the senses are engaged, place attachment forms. Place attachment is the cognitive emotional bond formed with a place, typically after an individual experiences long and intense memories in a specific place (Scannell, L. & Gifford, R. ,2014). It can develop on multiple levels, including psychological — familiarity, or perhaps a community/cultural tie; and emotional — having experienced intense or many feelings and brings with it many established benefits (Scannell, L. & Gifford, R. ,2014). The most important of those benefits in the context of retail design is memory. Places within which people form positive memories can serve almost as a time machine, allowing individuals to revisit good times when they return to that space. Additional key benefits include a sense of belonging and feelings of comfort or ease. On top of benefiting consumers, these positive traits can also prove valuable to retailers in the sense that patrons may be more inclined to visit their brick-and-mortar spaces, compelled by the positive implications of place attachment. Sensory-immersive experiences, when tactfully executed, may lead to more time spent in a space, translating to heightened place attachment opportunities and subsequently benefitting brand recognition and brand loyalty.

Executing on this knowledge of place attachment and sensory-immersive experiences can range widely, but as designers, we are striving to establish a “personal sense

of place,” one with a more stable bond, rather than a “superficial sense of place,” where positive feelings rest solely on aesthetic or entertaining features. Each person brings a set of their own conscious and subconscious memories to the physical experience that contributes to the creation of their new memory of that place. While some memories are individual and unique, some are collective and communal.

Utilizing sensory and biophilic design principles and evoking a more universal response can create retail environments that lead to a shared and stable bond. Other concrete tactics might include filtering a signature scent into your space (especially one that has an undertone of a recognizably universal positive association), incorporating a range of textures through material selection and merchandising design particularly in high touchpoint locations, or even creating full-on ecosystems (think Canada Goose’s cold room for coat testing and [Glossier’s life-sized Pacific Northwest terrarium](#)). If relevant to your brand, these multi-sensory elements or sensory immersion opportunities can have a lasting impression on visitors, alluring them back in at times. And if carried out in a particularly compelling way, may encourage online and word-of-mouth advocacy, which leads to our next piece of the equation...



02

Brand Integration and Placemaking

While sensory experiences are important, they must also be relevant to the brand and the values upon which a brand is built. If combined carefully, these multi-sensory “moments” can provide an opportunity to create transparency through immersive storytelling, all of which will advance trust (which as we learned above is critical to maintaining a strong relationship with Millennials and Gen Z). As a next-level tactic, brands can also consider leveraging their physical spaces as targeted maker spaces. By opening the doors to co-creation, not only does the in-store experience become innately multi-sensory, but also visiting consumers have an even more

concrete reason to feel invested in the product and the brand as they had a clear part in investing in the brand’s DNA. Design elements that engage a participatory action by the consumer or even educational merchandising strategies that communicate and connect core values between the brand and the consumer will further develop the stable bonds needed for place attachment.



03

Making Wellness a Priority

Finally, but perhaps most importantly, retail environments of the future (starting now) must prioritize wellness. The global pandemic has brought to light the importance of wellness on many levels and paired with a (Millennial and Gen Z) consumer base who innately prioritize wellness, the need for this in brick-and-mortar spaces of all kinds is critical. Tackling wellness spans many categories but includes — in a big way — sustainability. The sensory experience mentioned above should be mindful of opportunities to apply biophilic design principles, the innate biological connection between people and nature, or as Biologist Edward O. Wilson defines it “the urge to affiliate with other forms of life (Browning, W. and Ryan, C., 2020).” Biophilic design presents us with a lens for crafting bespoke multi-sensory customer experiences. Designing with the 14 patterns of biophilia, from daylight and natural materials, or materials that use patterns from nature, to even sounds and sight lines of nature have all been proven to create positive effects on human well-being and which reinforce place attachment (Browning, W., Ryan, C., and Clancy, J. 2014).

Additionally, creative reuse of materials can be a sustainable and engaging way to connect with consumers while subsequently preserving resources. Inspiration for this type of repurposing and re-use can be found in brands like [Pangaia](#) and featured in publications such as [Visual Merchandising News](#).

In Conclusion

The future of retail is starting now. And while this paper sums up the directional shift of the in-store environment in a neat little formula, it is hardly as simple as this discussion might indicate. Optimizing the experience per square foot requires a deeper understanding and application of sensory psychology to create cognitive, emotional bonds and place attachment that keep people coming back to your space.

Our study on this front will continue to deepen and aims to explore the notion of experience per square foot as it pertains to wellness (“retail therapy” if you will). In the meantime, consider these tactics as entry-level opportunities for beginning to improve upon and optimize your in-store experience as soon as today.



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