

Retail Therapy:

The Art of Store Design

2024

Trancript of Retail Therapy Episode 14

Nicola	Hello and welcome to our Retail Therapy podcast. I'm Nicola Conway and I'm a Senior Associate in Bird & Bird's R&C team.
Deeba	<p>And I'm Deeba Moqani, I'm a Solicitor Apprentice also at Bird & Bird.</p> <p>In today's episode: We're going to discuss some data-driven studies, research, and statistics that guide what retailers could do to create an irresistible in-store experience for their customers – importantly – to increase sales and to improve customer experience.</p> <p>There are quite a few different areas and facets that we can focus on, but shall we start with store layout?</p>
Nicola	<p>Yes, ok let's start at the doors of the store. There's something called the Primacy and Recency Effect which basically means that how the customer enters and exits the store really matters and the customer will tend to remember what they encounter at those peak moments more than other areas of the store.</p> <p>So on entry - it matters what the customer sees first. Let's think of a grocery store first - a study conducted by the University of South Carolina found that placing fresh produce like fruits and vegetables near the entrance increased sales of that produce by 15%. I don't know how long they carried on this study or how reliable it was but it's an interesting thought all the same. And I think it makes sense that you could quite safely put your essentials like milk and bread further towards the back of the store, because the essentials are the items that customers are almost certainly going to seek out anyway, so you don't need to have those at the front.</p> <p>Now looking at exiting the store – the study shows that the point of sale should be nearer to the exit so that customers don't get frustrated trying to leave the store after having paid so ideally if you have a two story or more story store, you point of sale should be on the ground floor near the exit. This apparently increases the feeling of purchasing satisfaction because you can just pay and leave without feeling any purchasing regret.</p>
Deeba	Yeah, that makes sense, and sticking with point of sales for a second. We also found that if you sell minis or travel sizes, or more affordable goodies like lip

	<p>balms, you should put these near the point of sale because impulse purchasing is increased at that point when you've already decided to spend some money.</p>
Nicola	<p>100% true for me! But yeah, that's right and actually stats show that you should actually try and slow down your queue just a little bit so that consumers have a chance to look at those minis or point of sale offers. But not so long that people become impatient of course – there's a sweet spot in the wait time.</p>
Deeba	<p>Yeah, I agree, when I make those impulse purchases, it's often because I'm bored in the queue, and I just look around at what they have and end up picking up extra bits that I didn't even need!</p> <p>But, outside of entry and exit - what about the product displays inside, what does the research show on that?</p>
Nicola	<p>Yes, super important too. The arrangement of products often influences what and how much we buy. Retailers should be looking to create a logical flow from one zone to another. Zoning can be quite tricky and how to go about that really depends on what you're selling.</p> <p>So if we think about a beauty store, you <i>could</i> zone the store in terms categories of products so one section for hair one for makeup one for fragrance one for skincare. Or if you're a multi-brand store you could actually zone by brand if each brand has some multi-category offerings.</p> <p>Or if we think of a technology store – you'll usually find all of the cameras together and all of the laptops together and that's because when you go into a tech store, you're usually looking for a specific thing and it's important to be able to compare products within the same category.</p>
Deeba	<p>When you speak about multi-brand stores, do you think there's a limit on the number of brands a store like let's say Sephora or Boots Beauty should stock?</p>
Nicola	<p>Yes, I do, everything we've been reading and hearing is that there's a fine line between giving the customer enough options so that they feel that they have the power of comparison and choice in their purchasing decision, versus completely overwhelming them with 50 different brands and giving them decision fatigue so that they end up buying none.</p>
Deeba	<p>I can definitely resonate with that. I've had that experience many times actually, it's like there's so many options that you just end up thinking, I don't want to make a decision, I'll think about it later!</p> <p>What about groceries? What are the tips on zoning there?</p>
Nicola	<p>Groceries stores kind of like technology stores are most efficiently organised by product category. You won't do well if you have a frozen pizza next to a pint of milk next to a chocolate bar. What's a bit different for grocery store is that they use a lot more high-level shelving or stacking presentation and that's quite important to think about. Obviously, people notice whatever is at their eye level first so that will get primacy of attention.</p>
Deeba	<p>That's actually why they put the premium brands at eye level, and you'll often find the own brand products lower or higher because that is not where your eye goes to immediately. So, maybe that's a life hack if your grocery shopping next time.</p> <p>Do you think the same rules apply in fashion?</p>

Nicola	Well of course you'll usually find men's separately from women's separately from children's. But how those departments are displayed or zoned is not as cut and dry as the other types of stores we've touched on so far. When we think of a larger fashion store, there can be value in separating clothes in one section, and all of the shoes and bags in another. But clothing can be harder because there is some conflicting research that shows that there is also benefit in grouping different product categories altogether into outfits so that the customer can see all of the components of a full look. That seems to increase spending quite a bit.
Deeba	That makes sense for fashion – you'll quite often see a mannequin wearing a complete outfit and then all of the components of that outfit set out on the surrounding rails like the dress, bag and shoes all together and that can bring people in when they are window shopping.
Nicola	<p>Definitely, its useful for a lot of people to see that completed look put together because I personally find it quite fun to put a look together, but we take that for granted. A lot of people don't, and shopping can be quite stressful, and it just makes the shopping experience easier to have everything in one place. And you make a good point there about surrounding the mannequin with rails. Another interesting observation for stores - across the board not just in the fashion space - is that customers find empty spaces a bit unnerving. I think it can make us feel a bit exposed if we walk into a store and we're just moving through empty space, and we can feel the staff just watching us. So it's always worth when designing a store set up to think about the spatial element for the customer.</p> <p>So enough of spacing and zoning, I think, what else did you come across in your research?</p>
Deeba	<p>Well I also found some interesting information on how to <i>visualise</i> the store, so this goes a bit deeper than zoning.</p> <p>First let's talk about lighting. Careful and intentional lighting is crucial. In a grocery store, bright and well-distributed lighting is said to improve customer experience, and I think this is because customers want to properly inspect produce and read ingredient labels.</p> <p>But if you look instead at beauty or fashion retail, a little less bright and a little warmer light is preferable. And the research shows that that's because it's shown to make customers feel more comfortable and more relaxed and the result of that is that you linger and browse longer in a store.</p>
Nicola	That makes sense I think with clothing in particular, when you try it on you want to imagine yourself wearing that in your real life so when there's a really bright unnatural overhead light it can be a bit jarring. So other than the colour of the <i>lighting</i> , is colour palette within a store more broadly just as important?
Deeba	Yes, the palette is quite important because different colour schemes purportedly evoke different emotions. So in a car showroom or a tech store you might use vibrant colours to energise and get people feeling a bit excited. Whereas in a cosmetics store you might opt for warm tones like rose gold or soft pastels that can create a calming atmosphere, and basically make you feel a little bit pampered as though you're in a spa. And in a grocery store you'll want to use whites and greens and blues because we subconsciously associate those colours with cleanliness and hygiene. Even like red and orange makes you hungry, it stimulates the appetite so that's why a lot of fast-food chains have those colours because as I said, it stimulates the appetite

	and makes you hungry and go in for a snack or some food. And the packaging of your products really matters for the same reason.
Nicola	Totally agree and I was wondering, is there any interesting data on temperature or atmosphere more generally?
Deeba	<p>Yes, both actually.</p> <p>Temperature is quite influential. It kind of goes without saying but the ideal is simply just a comfortable temperature because if it's too warm people feel uncomfortable and step outside for air, they just leave, and if it's too cold people rush their shopping and don't stay to browse as long.</p> <p>And looking more generally at the atmosphere, lots of studies show that the background music you play in a store can sway mood and that affects purchasing decisions. In a recent study published in the Journal of Retailing, researchers discovered that slower-tempo music led to increased sales of wine, while faster-tempo music boosted sales of convenience items like snacks and soft drinks. Even classical music is said to increase sales in luxury items which is interesting to think about as well.</p>
Nicola	<p>I think that's so interesting and especially the bit you say about wine, like the slower tempo is going to make you feel more relaxed, that's exactly why a lot of people like to have a glass of wine at the end of the day isn't it? You just want to relax, its already putting you into the mood that you kind of want to achieve with the thing that you're buying. I think the smell or the scent or a store can be important too which is a tricky terrain to navigate because scents are notoriously polarising. You'll find that some customers will love and be drawn into a store that has a really strong perfumed scent, I'm thinking Lush or Abercrombie, whereas others will steer clear.</p> <p>But there are some general findings that are interesting. In a grocery store, the smells of breads and cakes can be helpful because they invoke hunger, and we all know when we shop when we're hungry we spend more. In a beauty store, spraying a perfume that you actually sell can lead to direct sales, so that's smart. And in a pharmacy or other health store, it can be useful to have a very clean smell – not necessarily like a sterile hospital smell which can actually be a bit triggering of negative emotions for some people – but more like a nice lemon or tea tree or mint smell.</p> <p>There's quite a lot of social psychology in the whole design isn't there.</p>
Deeba	Yeah, I definitely agree with the smell of the Lush store. You can sort of smell it from a mile away in Westfield and it's kind of known for its smell of all the bath bombs and it entices people to go in there and try different scents
Nicola	I love it but I know some people find it a bit overwhelming as it's quite a personal thing, isn't it?
Deeba	I like walking past it, but I don't think I could spend more than 5-10 minutes inside.
Nicola	Really? I could live in there!
Deeba	No, for me it's too much! I just get overwhelmed with how much there is, but they've made that their brand, like what is what they are known for so I think that works in their favour because you expect that smell when you go in there whereas for some other stores, if you don't expect that, like you said it can be quite polarising.

	<p>And on that point - a prudent retailer would consider different generational categories of shoppers when thinking about social psychology because generationally people actually seem to like different things. So, for example, data shows that older generations of shoppers respond really favourably to friendly and knowledgeable staff actively approaching them to offer help. Whereas younger generations seem to prefer to be left alone a bit more and to be more self-sufficient, so you'll want to offer services like self-checkout or click-and-collect options for those younger shoppers. I know I'm like that, I definitely like to have no pressure around me and people coming to me asking if I need help, I'm like, I'm fine thank you.</p>
Nicola	<p>I feel the same as you, I feel like I want to browse on my own and I feel confident enough to ask a question if I have a question, but I do always feel a bit, not uncomfortable, but badgered if someone's coming over to me saying what are you looking for? I'm like I don't know, I'm just looking.</p>
Deeba	<p>Yeah, I also feel pressured to buy something then if I've got somebody helping me through that process like at a beauty counter or when you're trying perfumes, I feel this slight pressure that maybe I should buy this perfume, you know, they've put in all this effort into showing me all these different samples so sometimes doing it by yourself gives you that time to make those decisions and not feel like you have to buy something.</p>
Nicola	<p>That's a good point. I guess that when you look at who your key demographic is that can steer a retailer to hire more or less staff to make sure that ratio is right in-store.</p>
Deeba	<p>It is definitely worth thinking about. And if you know that your demographic is a Gen Z or younger, you should also be thinking about building in more interactive aspects to your store like AI mirrors, interactive displays or QR codes for sharing in-store content directly onto social media. These are things that will improve your customer engagement.</p>
Nicola	<p>But what if your demographic is kind of everyone? I'm thinking about with a big multi-brand offering like a department store for example. Or again like a grocery store.</p>
Deeba	<p>Yeh that's hard. I think the retailer needs to try and cater for everyone without alienating any customer groups. It's not easy and there's a lot to keep in mind but the best approach is trial and error, and try and gather data and feedback from your customers where you can because ultimately, you'll be in a better position if you hear preferences directly from your own shoppers. Also maybe keeping an eye on trends that come on social media and being responsive I think to those and not being stuck in your ways.</p> <p>In an attempt to kind of tie a bow around all of the elements at play that we've talked about today – let me ask you Nicola - have you had a really good in-store experience recently?</p>
Nicola	<p>I actually have. I talked about it on a recent podcast episode, but I recently visited the Mejuri store in Covent Garden and I really like the set up there, I had a really positive experience actually, and I noticed after the fact that I had ended up spending more and buying more than I intended to. So they're obviously getting something right!</p>
Deeba	<p>What do you think made you feel that way?</p>
Nicola	<p>Oh gosh I mean I could probably list quite a few things.</p>

	<p>The space is quite small, but it's not overcrowded, they actually have a security man on the door who only lets a certain number of people inside at one time, so you don't feel like you're getting jostled around or battle browsing. If I feel like I can't look at the things I want to look at or I feel very squeezed, it's kind of a deal breaker for me, I will just leave and as you say, try again another day or maybe just go online and look instead because I really just find it unenjoyable.</p>
Deeba	<p>And you feel really rushed as well.</p>
	<p>Yeah, you do, and you feel a bit in the way. They also have a really cool layout where they set out their full product offering more than once. It's quite hard to explain without pictures but...if you imagine you walk in and on the right-hand wall they have their whole product offering – so rings, bracelets, necklaces, everything all lined up kind of like a full store. But then they have the exact same lineup of products against the back wall and then the exact same lineup of products again against the left-hand wall. And I really like that because you can kind of have you own little moment with the full collection and also if someone is looking at or trying on something that you're interested in on one wall you can just go to another wall and try the same thing on. You don't have to wait</p>
Deeba	<p>That sounds like a similar set up to Charlotte Tilbury store also in Covent Garden where they also have the same product selection but repeated around the store. So you know as we have just said, if someone else is browsing that product, you have the chance to look at it on the opposite side.</p>
Nicola	<p>Yes, that's another great example of the same thing.</p> <ul style="list-style-type: none"> - I guess I didn't notice it at the time too, but thinking about some other elements that we've discussed now – the lighting and the temperature and all of that was really comfortable too. They've got huge floor to ceiling windows if I'm remembering properly at the front of the store so it's beautifully light and bright, but it's not one of those glaring sort of sterile overhead lighting. So, when you are trying on things like jewellery you can imagine it in the real world. Looking back, I can see now that they must have spent time thinking about that quite carefully. - And finally the staff are really nice. They're really knowledgeable about the products and they're also really patient I mean they must have helped me find different sizing's in several items and I didn't get the feeling that I was bothering them which sadly you do sometimes feel in other stores and especially when they are dealing with a lot of customers all at the same time but it was staffed appropriately so that one person was helping me without sort of making me feel like I had to rush <p>What about you Deeba, have you had a positive or even a negative store experience recently that sticks in your mind?</p>
Deeba	<p>So I actually love shopping in store way more than I like shopping online, which isn't actually a thing recently, I think people now prefer to shop online but I like to see the products in store. So, I went to Diesel store recently in Carnaby Street and I loved it because I could see all the products that I've seen online that have gone viral, in store and actually see them in person, like the bags and their iconic heels and I love it because it has my initial over everything so that's kind of one of my favourite parts! Aside from seeing everything in person which I did enjoy, I did find it a bit unnerving because it felt like a museum almost. You know some of the elements that we discussed, there was just a lot of space, and the staff were watching you and because</p>

	<p>everything was sort of folded really nicely and neatly and not sort of hung up where you can just have a look through, it felt like you couldn't touch anything, like you can't just mess up things that are already so perfectly displayed and you didn't want to kind of mess anything up. So, because of that sort of museum element for me, I didn't really feel inclined to buy anything, but I still did enjoy going in and seeing everything in person, it wasn't my favourite experience, but it was definitely still worth going to.</p>
Nicola	<p>So interesting, I feel the same way as you when its like jeans are folded and I sort of hold them against myself and then I feel the need to fold them perfectly and put them back exactly as it was.</p>
Deeba	<p>And you never can because they do it so well and then as soon as I've messed up the sort of spacing, I'm like oh no, I'm just creating more work for people, I feel so bad!</p>
Nicola	<p>I know what you mean, that's interesting feedback! Did you notice anything about the lighting in there? To be honest, I can't remember going in a Diesel store for a while, but my vague recollection is that it was quite dark.</p>
Deeba	<p>It was actually quite bright, I think that is also what made it feel like a museum, it wasn't sort of moody and like dark lighting, I think that might have been a bit nicer, but I remember it was quite bright inside.</p>
Nicola	<p>Did you notice any music in there?</p>
Deeba	<p>I don't remember, I actually don't remember. Yeah, I didn't pick up on that. I think a lot of the time I don't really notice music when I'm in a store and I was with my friends at the time, and we were talking quite a bit so that probably could have been why.</p>
Nicola	<p>I think that's quite influential as well. I feel like when I'm shopping with other people, I buy less because I also don't want to sort of linger too long and make other people wait while I try things on. Whenever I go shopping by myself, I tend to spend a lot more, its lime a danger zone!</p>
Deeba	<p>Also, my friends we sort of encourage each other. So we're like – 'should I get this?' and my friend will be like 'yeah, get this, it will look good with this thing' and we kind of make a day out of it and we encourage each other to get things so it's like a fun experience but I get what you mean, when I'm by myself I tend to impulse purchase a lot more than actually having someone to talk through the purchase with.</p>
Nicola	<p>Yeah, well, I think I need to repay a visit to Carnaby Street soon, I haven't been in much too long. Its lovely, it's a lovely shopping street.</p> <p>Well it's about that time, let's close the episode with a fun, light little question – Deeba, what's something that you purchased or were gifted recently and loved?</p>
Deeba	<p>So I'm actually on a no-buy 2024, which is so strange for me. I love spending and buying new things and trying new things, but I think, I don't know if you have seen recently the trend on TikTok of overconsumption, that's definitely what's influenced me. I think I got to a point where I was sick of overconsuming, I just had so many products, so many clothes that I was like, I really don't need anymore. So I've stopped buying things recently but what that's actually shown me is what products I do love. So there is a product that I have been repurchasing because my rule is – don't get things until you've completely run out of it. So until I need something, that's when I'll go and get it.</p>

	<p>And the thing that I have actually purchased twice in the last couple of months is the La Roche-Posay Cicaplast Baume B5. And I love it because it's such an inclusive product in the sense that it works for a lot of skin types it also it's an all-in-one product. So, it's a moisturiser, it's a serum, it's a repair balm and it can be a primer all at the same time. So instead of needing different steps you can just use one product and get all of the same effects, and I love that because I like to be a bit lower maintenance in a way where it doesn't take me as long to do things but still get the same effect as you know, everything that I want for my skin. So I really love that product.</p>
Nicola	I love everything La Roche-Posay. Have you tried their sunscreens?
Deeba	I have yeah, it's so good!
Nicola	They're so comfortable, aren't they?
Deeba	Yeah! I can't feel it on my skin which is so good
Nicola	I think it's important to feel that way as well. As you say, multi-use products, I quite often use the SPF as sort of a primer as well.
Deeba	Yeah, anything two-in-one or does both jobs I love that because it makes me feel like I'm saving time, and you are in a way. So when a product can do multiple things for me at once, I'm like – yes!
Nicola	Mine is actually a re-purchase so we have accidentally aligned! I've re-purchased the ILIO fragrance from Diptyque. And I will definitely re-purchase it again once this one is finished. It's a really beautiful summer holiday scent. It says on the Diptyque website that some of the key notes are Prickly pear, Bergamot, Jasmine, and Iris. I think the Iris is the most detectable of all of those for me. It actually makes me think a little bit of Palma violets you know the little purple sweets?
Deeba	No, I've never heard of those.
Nicola	Ohh, they're very tasty. Do you remember fizzers?
Deeba	Yeah, I have heard of that.
Nicola	So, they're like fizzers but they're all purple and they're very sweet, so actually maybe it's a bit misleading this fragrance is a much fresher version, its not an overly sweet scent but something about this scent makes me have a nostalgia memory of those sweets, we always used to get them in party bags after a little birthday.
Deeba	Aww I love that! That's so sweet, that must be such a nice memory to look back on and remember when you're spraying it.
Nicola	Yeah, I do wonder if that's sort of what's drawn me to it, there's something very nostalgic about it but also it is just a really light fragrance, really good for this sort of hot weather were having at the moment but this one will definitely be coming on holiday with me as well.
Deeba	Oh I love that; you're making me want to try that!
Nicola	I'll bring it in!

Deeba	Yeah, I think I need to smell it first and if it's reminding me of sweets then definitely, why not!
Nicola	I'll bring some sweets and the fragrance, we'll take notes.
Deeba	I love that!
Nicola	Alright that's the end of our episode – thanks for joining us!
Deeba	Don't forget to subscribe or follow wherever you listen to your podcasts so that you're notified when the next episode goes live. We also have a new email address so if you want to get in touch about this episode or any other you can reach us at retailtherapy@twobirds.com - Bye for now!

Thank you

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