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Stores must 'master the experience' of shopping to ultimately succeed, retail experts say

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Photo by Chris Ehrmann

Felix McCarthy works at the coffee bar in the Will Leather Goods store in Midtown. Coffee bars are among the amenities retailers are offering to give customers another reason to linger in their stores.

The phrase "retail is dead" may ring true for some metro Detroiters after witnessing the closing of malls such as **Northland Center** in Southfield and the **Summit Place Mall** in Waterford Township — now vacant symbols of times when more families would spend a day at the mall.

Yet experts would argue that retail store shopping is not dying but changing quickly and dramatically. For instance, many consumers — and 72 percent of millennials, according to the ongoing Cassandra Report of generational insights — now begin the shopping

process before they even step foot inside a store, using the internet to become more price savvy and more willing to shop for a better deal. They also know more about the retailer — from where they source their ingredients in products to the history of the brand. All this gives the consumer more power.

"Shopping has changed as (society has) moved to being more inquisitive and less acquisitive (a term defined as an interest in acquiring material things)," said Ken Nisch, chairman of **JGA**, a brand strategy and retail design firm in Southfield.

And it's clear, at least anecdotally, that brick-and-mortar stores are relevant today. Witness the weekend crowds at the upscale **Somerset Collection** in Troy and the **Great Lakes Crossing Outlets** in Auburn Hills, plus there's a palpable buzz surrounding new retail coming to Woodward Avenue in downtown Detroit.



Ken Nisch

And research backs up the observations. A 2014 study by the global management consulting firm **A.T. Kearney Inc.**, which has an office in Southfield, said that 95 percent of all retail sales are captured by retailers within a brick-and-mortar presence. The study also found that stores play a crucial presence in online sales, as two-thirds of customers purchasing online use a store before or after the transaction, and 55 percent of consumers prefer to use both stores and online throughout the shopping experience.

'Master the experience'



Photo by Chris Ehrmann

Carhartt's Midtown store has interactive kiosks and touch screens, offering customers the opportunity to view product details like other styles and colors.

But for brick-and-mortar retailers to ultimately succeed, Nisch argues, they must "truly master the experience," which is both a science and an art. The experience must appeal to the brand's customers — whether it's men or women, millennials or baby boomers, and whether the store sells apparel, groceries or electronics. And retailers now must create a frictionless journey between the website and the store, said Greg Iszler, executive vice president of strategy and insights at **The Mars Agency**, a Southfield-based shopper marketing agency.

Essentials to the experience are having in stock the products customers viewed online, making sure prices are consistent between online and the store and ordering out-of-stock products for shoppers and shipping them to their doorsteps for free.

Who demands a seamless experience? Mostly millennials, said Ken Dalto, founder and owner of Farmington Hills-based business consulting firm **Kenneth J. Dalto & Associates**.

"Baby boomers buy less, although have more purchasing power," Dalto said. "The key to all selling right now is millennials." He said the key to capturing millennial dollars is to combine online retail and brick-and-mortar stores.

A brand that's melding the two spaces is Dearborn-based workwear brand **Carhartt**. Carhartt, established in 1889, is known for a loyal customer base that often works in the construction and manufacturing sectors and has been purchasing a specific product for years.

Yet, at the brand's Midtown flagship store — an industrial space with cement floors, wood accents and photos of people working outdoors in Carhartt gear — there's hardly a printed sign in sight. Instead, the store is dotted with interactive kiosks and touch screens, offering customers the opportunity to view product details and other styles and colors that may not be available in stores.

Mark Kastner, director of retail store operations at Carhartt, said the goal of the brand's stores is to create a welcoming environment for all customers. The core consumer, who's been shopping at Carhartt consistently over the years, may not need to view new products with the touch screen, but as the brand has directed some of its marketing campaigns toward the younger generations, the stores need to also cater to them. With an engaged customer base walking into their stores, the touch screens are one way to appeal to that audience.

Tell, don't sell

Retailers also strive to appeal to shoppers' emotions — those who are looking for inspiration and stimulation from the shopping process, something that can't happen as easily online. They do that through storytelling, said Nisch.

Take, for example, the **Whole Foods Market** in Midtown. The organic and natural food store, a project of Nisch's, uses recycled materials from scrap yards in Detroit for store signs, and a collage made by a local artist designates the deli. Painted on the wall

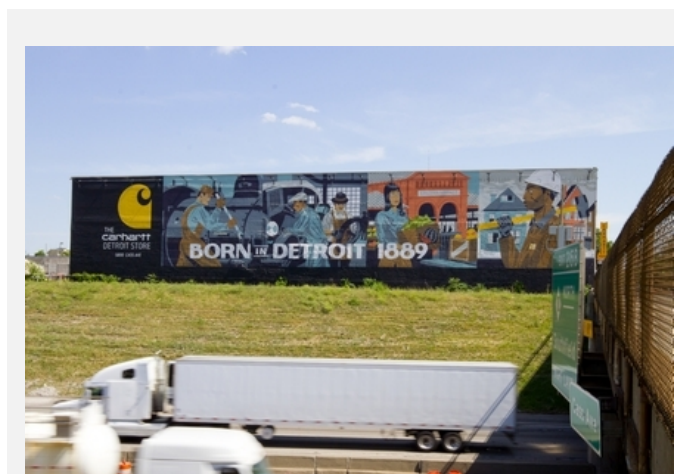


Photo by Chris Ehrmann
Carhartt's sign advertises its longtime connection to Detroit.

above the dairy section are the words "Detroit Proud to be Here," while another wall features a painted grid of the city of Detroit.

Nisch said the goal was to create a city grocery store that emphasizes local signature icons in both the offerings and space.

Whole Food Market's efforts to connect with the Detroit community is a theme common with such national retail stores attempting to emulate the "support local retail movement," said Jeff Stoltman, an associate professor of marketing at **Wayne State University**.

He said local grocery stores sometimes can't afford signage, so they use chalkboards instead to list products and specials. National retailers emulate local grocers with chalkboard signs, as well as featuring more natural materials like wood in their stores and using more earth tones in the design.



Alexandra Clark

Carhartt, in an effort to make its metro Detroit connection known to shoppers at its Midtown storefront, has decorated the store's exterior with photos of Michigan residents (not models) wearing its apparel.

While retailers strive to tell the story of their brand to connect with shoppers, consumers expect the story to be genuine.

"Consumers expect a seed of authenticity and reality," Nisch said. "They are savvy and don't want to be lied to."

That's why Alexandra Clark, founder of the chocolate shop **Bon Bon Bon**, with locations in downtown Detroit and Hamtramck, has customers taste a new ingredient she's working with in the chocolates, even if she's not sure she likes it herself.

"It says 'Hey, we make this and we're not always right,' " said Clark. "You don't have to always be right. And you don't have to like everything that we make. We don't like everything that we make. So then it leads to this more honest conversation, which only helps us."

Battle of the sexes

While it seems men and women (especially millennials) universally expect an authentic, experience-driven shopping trip, men and women differ greatly in the way they shop, said Nisch, basing the statement on research by Paco Underhill, author of *Why We Buy: The Science of Shopping*.

For example, at **Destination XL** (DXL) in Troy (one of Nisch's clients), the store is designed with the knowledge that big and tall men of any age and income level could walk in. The store is grouped by clothing type such as athletic wear, casual brands popular with teenagers and suits, among others.

Many of the items are available in several colors and are grouped so that customers can easily pick up several colors of the same shirt or pant. The dressing rooms are intentionally located in the center of the store, because men are likely to bring a significant other to shop with them, and centrally located dressing rooms make it easier for that person to hand them clothes to try on.

Contrast this with the **Anthropologie** store at the Somerset Collection, a Philadelphia-based retailer offering women's clothing, accessories and home décor, which is designed to replicate a flea market, with candles placed next to doorknobs, which are next to dresses. The store is colorful with a large amount of merchandise on display.

"Anthropologie is designed like more of a discovery trail," Nisch said. "The store is driven by color, and (takes the shopper on) a geographic excursion around the world."

Women like to pick up products more than once and don't move in a straight path around stores, which is why Anthropologie is designed to look like organized chaos, he said.

Both DXL and Anthropologie are designed for their core customer, but both try to create an experience that makes their average customer feel comfortable and engaged.

Beyond a transaction

Just as how malls once offered a day's worth of entertainment for a family, retailers are now offering in-store entertainment and asides like coffee to keep people in the stores longer and make the experience more vibrant.

"Increasingly important are retailer atmospherics such as ambiance, music, pace and tonality," Stoltman said. "Very little is left to gut intuition."

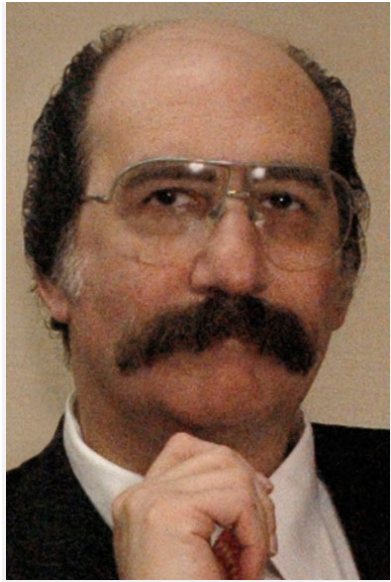
Bon Bon Bon's Clark unintentionally realized how important the music was to the experience when she was using Spotify to play music at the storefront in Hamtramck, and a Califone record player at the Detroit shop.



Jeff Stoltman

"People (in Detroit) would complain about the music, but people here (in Hamtramck) never would," Clark said. "I think that's the expectation of the customer. If they can't tell where (the music is) coming from, then (they think), 'They're doing this for me.'?"

The record player also creates a point of conversation for customers, she added.



Ken Dalto

Experiences can also come in the form of a restaurant, hair salon or coffee shop, which retailers are increasingly adding to their stores while simultaneously carrying less inventory, Dalto said.

Locally, leather accessories stores **Shinola** and **Will Leather Goods**, both with storefronts in Midtown, have coffee shops in their stores, which is a way to enhance the experience and get customers to stay in their stores longer, Dalto suggested.

Rob Rivenburgh, CEO of The Mars Agency, North America, said the overall positive experience retailers create through loyalty programs, a painless checkout and sales associates who can provide guidance will ultimately be the reason why consumers want to step into a brick-and-mortar store.

For many, there's a certain excitement that comes with holding and examining a product, as well as sharing the shopping experience with friends and family. Online retail and social media have yet to find a way to mimic that experience.