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Research in Retail Design: Methodological Considerations for an Emerging Discipline

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Abstract: The design of retail stores has been the subject of considerable research in disciplines such as marketing and consumer behavior. But in many instances their output failed to reach or appeal retail - and interior designers. Their holistic approach seems to place little value in the results of research on the influence of isolated environmental stimuli on customer behavior, studied while exposing customers to modes of representation, other than the actual 3D - retail environment.

Research in retail design, based on methodologies and a vocabulary closer to the realm of designers, may bridge this gap. This paper wants to frame this phenomenon by focusing on three relevant concepts: 'holism', 'research in design' and 'tacit knowledge'. The paper argues that research in retail design in a 'designerly fashion' and taking into account the discussed concepts, can contribute to the development of the discipline's own body of theory.

Key words: *Retail design, emerging discipline, holism, research in design, revealing tacit knowledge.*

1. Introduction

Competing in today's global market is becoming increasingly difficult. In the current experience economy, consumers often perceive products and services as homogeneous. Directing a store's retail design towards the creation of memorable customer experiences by appealing to customers' senses, emotions and values may therefore seem a valuable approach for differentiating oneself from competitors [1]. As a research niche, retail design has gained in status in retail management, but it still is an emerging discipline in the field of interior design. It would therefore seem that interior design may well benefit from valuable input of background disciplines such as psychology and marketing, which have already focused on studying the relationship between the environment (space, lighting, furniture, etc.) and human behavior [2-4]. However, the theoretical and empirical research methods employed in marketing and psychology, seem not to appeal to most interior and retail designers. As a consequence, designers do little effort to gain access to already available scholarly knowledge concerning retail settings and customer behavior in the settings they and their colleagues design(ed). It would therefore seem that there is a challenge for retail design research to attract the attention of their design peers.

As the discipline of interior design is seeking for a stronger body of theory [5], this paper wants to add another fragment to that quest by firstly introducing what retail design essentially is, and secondly, by introducing three concepts that need to be taken into account when doing research in retail design. The final section illustrates the

theoretical section by explaining the research approach, followed for working out a research project on retail design and customer experiences. It argues that retail design research, taking into account the discussed concepts, can contribute to the development of the retail design discipline in a way that appeals to the most important target group involved in the development of this discipline – the designers.

2. What is retail design?

Retail design encompasses an understanding of what will work aesthetically in a retail environment, including tangible (i.e. fixed, material) as well as intangible (i.e. immaterial or atmospheric) design elements [6]. Next, retail design requires a designer to fully understand all aspects related to the concrete development of a store concept, including how the store will perform functionally and commercially.

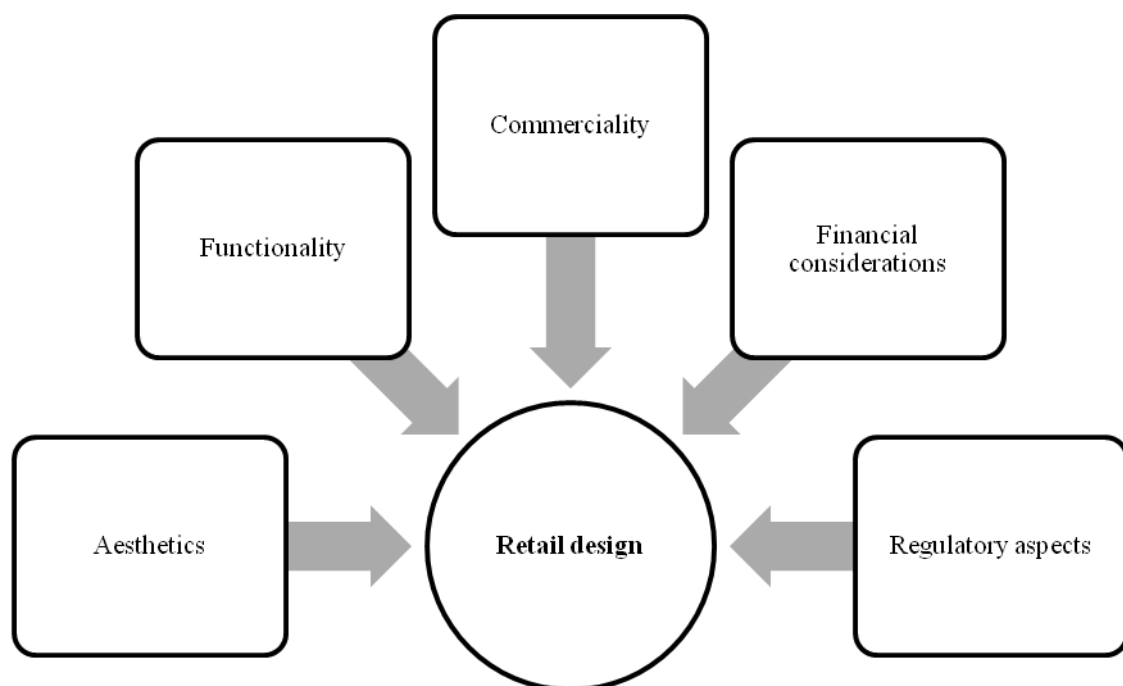


Figure 1: what is retail design

Evidently, a retail store's design needs to be build to the stipulated budget and should meet all relevant regulations concerning the use of a public space [7]. In broader terms, retail design concerns the translation of the concerned retail brand(ing) into an appealing retail store environment, whereby the designer needs to take into account the specific societal and temporal conditions [8, 9]. When consumers visit a retail store, they immediately make an association between the products sold in the store, their price, the store's 'tone of voice' and ambience and the retailer's presence and identity. Combining this tendency with the widespread homogenization in the retail landscape, forces retailers to look out for differentiation strategies.

Since Underhill [10] stated that it is being accepted that a physical retail environment can have as much effect upon the consumer's perceptions as the quality of the product(s) itself, design has gained in status in retail management. Increasingly retailers acknowledge the importance of being on the same wavelength as their customers, thus understanding not only what appeals functionally to the target group, but also emotionally. Getting to know the store's customers, their needs and wants and observing their actual shopping behavior can

help retailers and store managers in developing a proper brand strategy for the retail store, but it will equally help architects to design retail stores in such a way that shoppers are at ease with their surroundings and want to keep coming back.

3. Research in retail design

Studying retail environments can be done from multiple angles; the research question of the involved study can give the researcher direction to the most appropriate research method. Possible research methods range from case study analysis of a particular retail project [11], over in-depth qualitative research with a small group of (new or existing) customers [12], to questionnaire guided research with larger groups of actual customers inside actual stores [13].

In addition to these rather established methods, it may be valuable to introduce two more designerly orientated approaches. We will do so after arguing their relevance, due to the holistic character of shop interiors.

3.1 Holism

Over the last forty years, researchers from related disciplines, such as marketing and consumer behavior, have conducted empirical research on the effects of store environmental stimuli on customer behavior. Literature in the stream of ‘atmospherics’ [14] for instance, has tried to comprehend consumer behavior by testing the influence of isolated environmental or atmospheric stimuli, such as music [15], color [16] or lighting [17] (for an overview, see [4]). Although these individual atmospheric variables are important in the development of customer behavior, their final effects may be dependent upon the consumer’s affective evaluation of the *total* environment [18, 12, 19, 1]. In retail practice, multiple stimuli interact and influence the customer experience [12]. Besides different in-store elements impacting on consumer responses and behaviors, consumers also bring expectations, personal preferences and (good and bad) past experiences with products and services with them. Hence, the importance of taking the potential moderating effects of such variables into account when trying to understand how consumers process the entire atmosphere in a retail store environment [20, 12, 21].

As consumers’ holistic attitudes about a certain store can influence their overall preference for that store [22], there is an increased interest for developing a so-called ‘holistic theory’, able to explain how consumers process the entire in-store atmosphere [12, 19]. The term ‘holism’, referring to the Greek word *ὅλος* (*holos*) and meaning *all, entire, total*, is the idea that all the properties of a given system (biological, social, economic, architectural, etc.) cannot be determined or explained by the sum of its constituent parts.

How can one harmonize this with a tradition of marketing research on isolated stimuli? Can a research method, based on design-parameters, contribute to this methodological gap? Given that holistic practitioners, such as architects and interior architects [23], place little value in the microscopic analysis of isolated variables, the application of this holistic research attitude appeals more to design practitioners and can stimulate the transfer of scholarly research knowledge to design practice [24, 5].

Given that ‘holism’ has been used as a catchword in different contexts, examples of this perspective can be found throughout human history and in different scientific disciplines (ranging from philosophy, biology and medicine,

anthropology to sociology). However, from all disciplines where holistic thinking has penetrated throughout time, phenomenology and Gestalt psychology offer holistic perspectives which help us understand the dynamic relations between designers, their creations and those who use them [25]. Indeed, applied to architecture and interior architecture, design is often argued to be a holistic enterprise [23], where different qualities interact and determine an environment's character and as such, shape the place's essence. Christian Norberg-Schulz has been an important figure in architecture theory in this respect. He considered a place as a totality, a whole where various elements interact and create a 'Gestalt' environment, which is experienced as more than the sum of its constituent parts [26]. Thinking about environments as 'Gestalt' environments is also inherent and evident for retail and interior designers: spaces, and thus for instance also retail stores, which need to be designed or studied, need to be approached as holistic totalities. The experience of the 'total' environment will determine how a person feels (and behaves) in a space.

3.2 Design Research

On the basis of this growing level of contextualization and integration of design knowledge, Horvath [24] has identified three framing methodologies to support the development of design research, and to '*make the research activities more systematic, structured, consistent, reproducible, and assessable*' (p.4). The framing methodologies he distinguishes are: (i) research in design context (ii) design inclusive research and (iii) practice-based design research. While the third methodology extracts knowledge from concrete design processes and artefacts by promoting working in a reflexive manner, the second methodology states that a designerly inquiry should combine concrete design initiatives with foundational disciplinary research. To contribute to the development of research in the emerging retail design discipline, Horvath's 'Research In Design' methodology seems highly valuable. Research in this framework aims to explore, describe and explain design related phenomena, while relying mainly on the knowledge of relevant background disciplines. By using the research methods of these disciplines, it strives to add to design knowledge.

3.3 Revealing tacit knowledge of different stakeholders

Doing research within a holistic framework implies that retail design researchers are not only interested in studying the opinions, experiences and behavior of customers, but also in thoughts, feelings and experiences of other stakeholders, involved in the store's design and its daily working. In that way, retail design researchers aim to understand why certain decisions have been made concerning for instance the location and spatial organization of the store, the colors and materials used in the retail store's design, its furniture, lighting etc. By involving different stakeholders in retail design research, researchers aspire to reveal this 'locked in' or 'tacit' knowledge [27, 28]. In doing so, retail design researchers aim to attract the stakeholders' attention to research, and trigger them to contribute to the development of the discipline's own body of theory.

Following the lines of thought of Rogers' theory of 'adoption of innovations' [29], we can expect that within a reasonable time span, elements, making up successful and innovative experiential retail environments, will infiltrate to other retail stores' designs. Rogers' theory on the diffusion of innovations states that five categories of adopters, all different in their rates of adoption for a new product, idea or technology, can be distinguished: first, there need to be *innovators*, people willing to take risks, who also are very social and have a lot of contacts

with other innovators. Next, Rogers describes ‘*early adopters*’, the second fastest category of individuals who adopt an innovation. These individuals have the highest degree of opinion leadership among the remaining adopter categories. Next to both groups, Rogers [29] discusses the ‘early majority’, ‘late majority’ and ‘laggards’.

Applying Rogers’ theory to *designers* implies that also in the design discipline, first innovators have to come to the fore. For instance, the Prada flagship store in New York, a project by Rem Koolhaas (OMA), clearly was an example of innovative retail architecture at the moment it opened in 2001. At that time, the Prada company was millions of dollars in debt and really needed a fresh start. Opening this flagship store thus clearly was an attention-getting initiative. Today, we can state that Koolhaas’ innovative design for the store has succeeded. Prada currently still is an internationally well-known and strong brand and following Koolhaas’ initiative for the New York store, the company has continued to opt for innovative retail architecture (e.g. Herzog and de Meuron’s store for Prada in Tokyo and Koolhaas’ design for the Prada Transformer in Seoul). Koolhaas’ innovative work for Prada later on has inspired other designers, or, to speak in Rogers’ terms, so-called ‘early adopters’, who first wait and see if the innovative design concept is successful, and when it does, follow suit.

Thus, in order to find out how a design process results in an ultimate design concept, next to being very interesting it also is very relevant for retail design researchers to actually talk to designers, and to discover in that way how they think, reflect, struggle and work on the development of a certain retail concept before they finally present their ultimate concept to their client. Revealing this kind of tacit knowledge is an important task for retail design researchers.

A similar approach is also valuable for a second group of people involved in the development of a retail project, namely *retailers and / or owners*. Retail design researchers can ask themselves the question why certain retailers, at a particular moment in time, decide to contact a certain designer to ask him or her to develop a new concept for their store or brand at a particular location. Why do they for instance at a certain moment in time are convinced that switching a retail store’s design is necessary? Literature shows that the lifespan of a retail store’s design is becoming increasingly shorter [30]. But there are also ‘authentic’ retail stores, dating back to, for example, the beginning of the 20th century, which still are very successful today. Just as was the case for designers, talking to retailers and / or owners can be very revealing for retail design researchers. To the authors’ knowledge, only limited research has been done on this topic [31, 32], while revealing this kind of tacit knowledge could offer added value for the retail design discipline.

Given that ultimately, *customers* are the most important target group to decide on the effective success or failure of a certain retail store [33, 21], retail design researchers cannot neglect to focus on revealing knowledge from these stakeholders. Research on the human behavior – environment relationship in the background disciplines mainly has focused on experimental consumer research (e.g. [4]). Instead of studying *actual* customer behavior in an *existing* retail environment, behavioral *intentions* and approach – avoidance behavior have been studied in *questionnaires*, while exposing the customer to modes of representation, other than the actual 3D-retail environment. As a consequence, designers generally do not rely much on knowledge from this kind of experimental consumer research because of a perceived lack of credibility and relevance. According to Healy et

al. ([12], p.774), leaving the study of customer behavior at the ‘*questioning level can lead to inaccurate findings, predominantly due to a lack of comparison against what consumers actually do inside the store.*’

Given the ability of an environment to change consumer emotions and thereby affecting consumer responses [3, 33], retail design research not only needs to focus on trying to understand actual customers' in-store behavior, but also on attempting to capture or understand the mediating role of emotions on consumer responses in the retail store. In other words, to complete customers' understanding of a retail environment, retail design researchers not only need to focus on revealing how customers interpret an actual retail environment but also which emotions they experience in this particular environment. Moreover, when customers visit stores, they bring certain expectations and beliefs with them about particular products/ brands, are in a certain mood, are alone or in the company of others when visiting the store, live in a certain socio-economic context, ... [20, 33, 12, 21]. These all are parameters, contributing to and possibly affecting a customer's in-store experience. To fully understand customers in-store experience, researchers need to take as many of these parameters into account to gain a kind of insider's look into the customer's in-store experience.

4. Illustration of research in retail design

This section will illustrate the concepts, discussed in this paper, with a concrete research project on retail design and customer experiences.

In today's experience economy, retailers and manufacturers agree that whether selling to individual customers or corporations, offering goods and services is no longer satisfying; customers now want to be immersed in memorable ‘experiences’ [20, 34]. Directing the retail store's design towards the creation of memorable customer experiences by appealing to customers' senses, emotions and values can contribute to the creation of a personal, intuitive relationship between company and client. Despite the growing recognition of the importance of customer experiences in retail practice, scholarly literature focusing on this topic often lacks definitions of central concepts and empirical support. Our research project on retail design and the experience economy aims to fill in this gap and as such, contribute to the development of retail design research, firstly by conceptualizing customer experiences in retail settings, and secondly by making a first attempt in trying to empirically understand an actual customer's experience.

Before any phenomenon can be thoroughly studied and understood, it must be clearly conceptualized. The novelty of the matter, in combination with the scarcity of academic knowledge in the field of retail design, has prompted the authors to start with an extensive literature review on the experience construct. Although writing on experience can be found in a wide range of scientific disciplines (eg. consumer research and marketing, but also philosophy, cognitive science and management practice) to the authors' knowledge, only a limited number of academic studies has explored the concept of ‘customer experiences’ in depth (eg. [35, 33, 21]). As a result, while building on the insights of the existing literature on important aspects of customer experience, the authors have developed a definition of this concept.

After having developed this definition, a next step in our analysis was to immerse ourselves into actual retail

stores with different levels of attention for triggering customer experiences. A qualitative research method was used for studying the involved researcher-respondent's customer experiences in retail stores (i.e. subjective personal introspection), as this method's potential lies in '*providing fresh, novel insights for emergent theory building*' ([36], p. 721). After having finished analyzing the results, contacts with different stakeholders, involved in the development and daily practice of a number of the stores, visited by the involved researcher, were set up. In the meantime, different architects and interior designers have been interviewed, whereby we focus on revealing their knowledge on the experience construct and how they translate this knowledge into design practice. In the following months, also interviews with retailers / owners and customers, who actually have visited these stores, are planned. In this way, we strive to find out if the definition of customer experience, which has resulted from an extensive review of literature and which for instance has particular attention for the inextricable bond between customer experiences and emotions, is supported by the involved stakeholders' viewpoints on the concept of experience.

5. Conclusion

This paper aimed to firstly present an insight into what retail design essentially is, and secondly, to introduce particular concepts that need to be taken into account when doing research in retail design.

As retail design is an emerging discipline, background disciplines certainly can offer inspiration for theoretical and methodic research approaches. However, given that retail design researchers aim to do research in a way that appeals to retail and interior designers, the authors highlighted three aspects, important to take into consideration when doing research in this discipline. Firstly, given that designers function as 'holistic practitioners', research in retail design should be approached accordingly. As a consequence, retail stores need to be approached and studied as holistic totalities, where multiple stimuli interact and influence the customer experience. Secondly, concerning the use of research methodologies, it is evident that the research question of concrete retail design studies directs the involved researcher to the most appropriate research method. A wide range of methods seems appropriate for retail design research, ranging from case study analysis over in-depth qualitative research with a small group of customers to questionnaire guided research projects with large groups of customers, visiting actual retail stores. Once again, given designers' holistic framework, the authors would like to stress that it is indispensable for retail design researchers to study actual 3D - retail environments. Thirdly, different stakeholders need to be involved in retail design research. In this way, researchers should aim to reveal tacit knowledge from these parties, involved in the design and functioning of a concrete retail store.

Next to highlighting different aspects, important for the development of research in the emerging retail design discipline, this paper also aimed to present a concrete illustration of retail design research, implementing the discussed viewpoints into research practice.

The authors are convinced that the future for research in retail design is challenging. Multiple subjects concerning retail store's designing and functioning call for the development of retail design's own body of theory. An important challenge for the future seems to be to involve design practitioners in this process of contributing to the scientific development of the discipline.

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