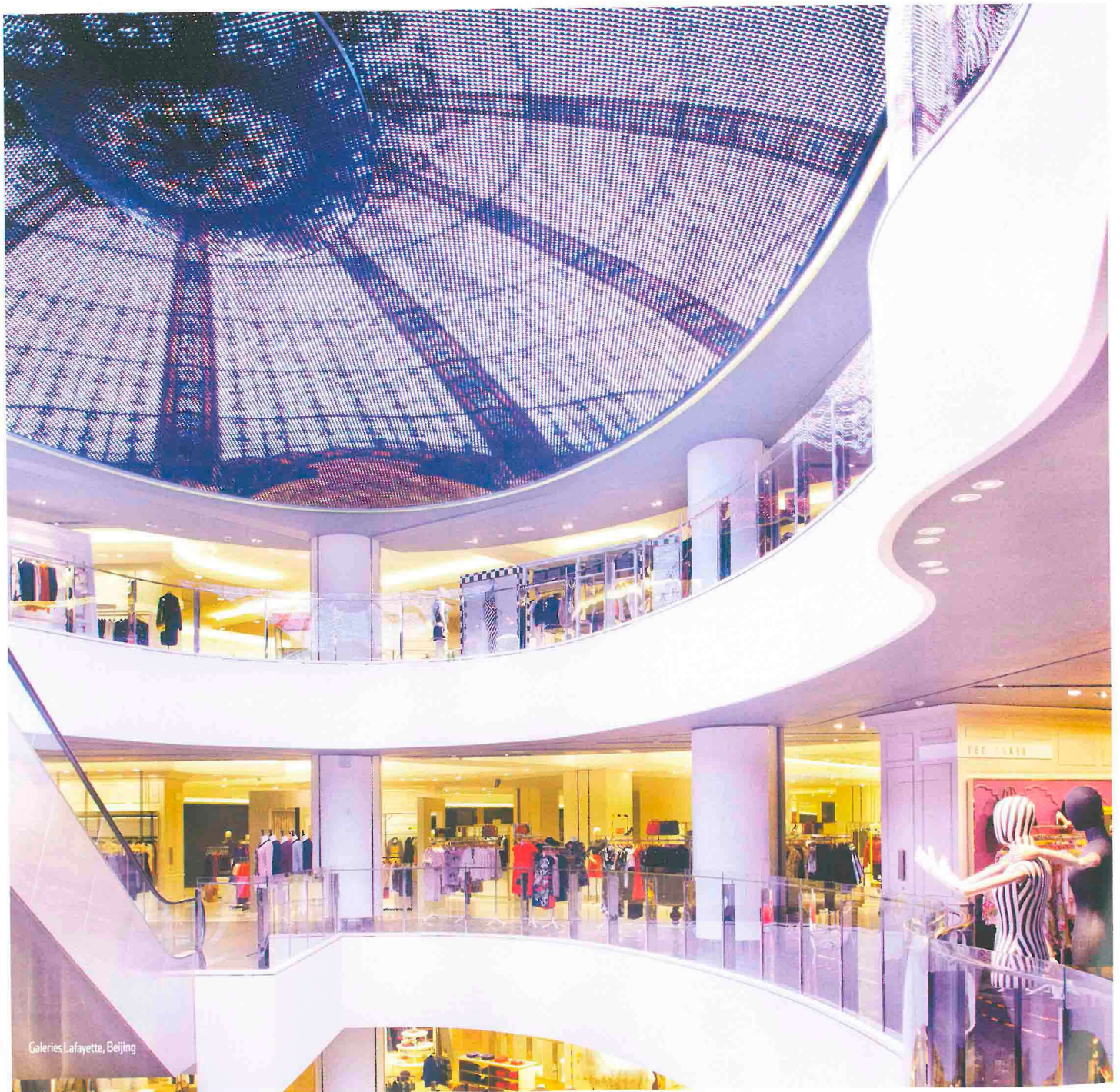


CHAPTER TWO

STORES: THE CONSUMER PERSPECTIVE



Galleries Lafayette, Beijing

- More than half of shoppers say they demand more from store designs than they did five years ago
- 32% of shoppers say the high street is the preferred location for shopping
- 12% of consumers rank John Lewis as their favourite retailer for store design
- Creative and unusual store design and appearance are more of a priority in fashion store design
- Navigation, layout and lighting are consumer priorities in supermarket store design
- 59.8% of consumers who placed Apple in their top three retail store designs praise its use of in-store technology

2.1 DEPARTMENT STORES/GENERAL MERCHANDISE/SPECIALIST RETAILERS

% of consumers voting for the below as their first choice



BASE: ALL CONSUMER RESPONDENTS

2.2 SUPERMARKETS

% of consumers voting for the below as their first choice



BASE: ALL CONSUMER RESPONDENTS

2.3 FASHION RETAILERS

% of consumers voting for the below as their first choice



BASE: ALL CONSUMER RESPONDENTS

The modern-day shopper is ever-more demanding – be it around price, product, online offer, online delivery and, of course, store design. In the multichannel world, shoppers, more than ever, need very good reasons to even enter a store let alone spend in it. More than half of 1,000 consumers in a survey conducted by *Retail Week* say they demand more from the look and design of retail stores than they did five years ago (see chart 2.5). And as shown in chapter 1, 84% of retailers believe shopper expectations are continuing to rise.

PREFERRED LOCATION

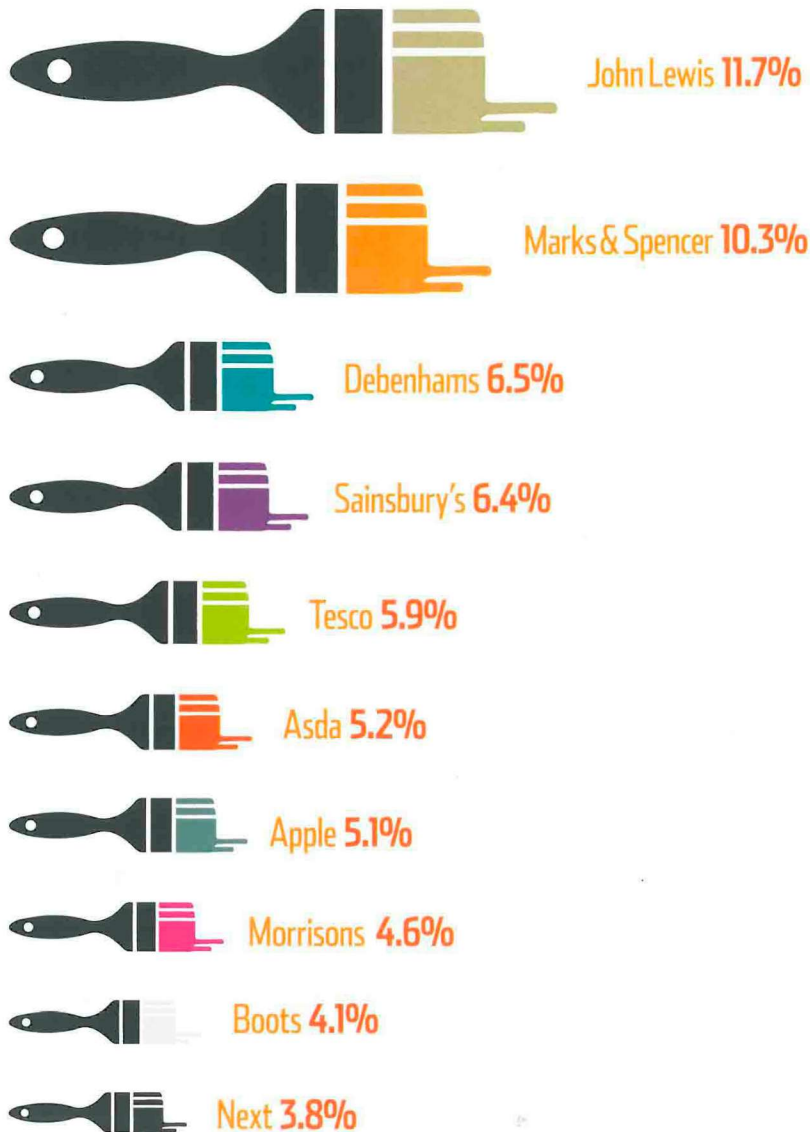
In spite of the emergence of regional supermalls that many fear would impact on high street footfall, our consumer survey found that shoppers still prefer high streets. Nearly 32% of shoppers say that the high street is their preferred location for shopping. Meanwhile, more than a quarter say they do not have a preference about where they shop, perhaps an indication of the extent to which many shoppers view it as a functional, needs-based activity. Only 18% of those surveyed feel that they would prefer to head for an edge-of-town retail park, with the convenience and free parking that it offers (see chapter 3).

TOP STORE DESIGNS

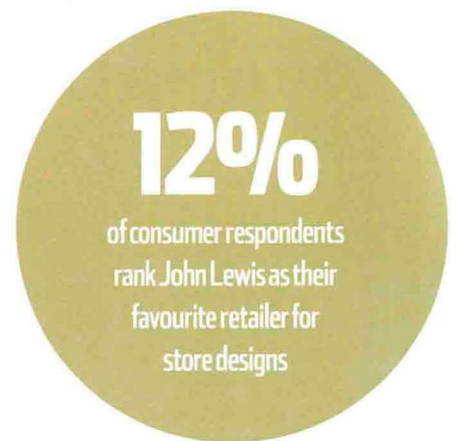
When asked about which retailers' store designs they admire, the big players topped the lists of consumers' favoured brands. Nearly 12% of respondents rank John Lewis as their favourite for store designs. Marks & Spencer is the second most popular, with 10.3% of the votes, and Debenhams next with 6.5%.

Frustratingly, many consumers – 65% – are unable to single out any retailers that have improved their store designs in recent years (see chart 5.1, chapter 5). However, the research still underscored the importance of design in the shopping experience. And the basics of what work from a store design perspective are the same whether you are the consumer or the creative force behind it. When comparing retailers' most

2.4 CONSUMERS' FIRST CHOICE FOR STORE DESIGN OVERALL



BASE: ALL CONSUMER RESPONDENTS



admired store designs (see chapter 1) and those of the 1,000 consumers, there are several retailers that crop up in both groups' top 10 – John Lewis, Marks & Spencer, Apple and Next (see chart 1.4, chapter 1). Topshop and Zara are also singled out by consumers and retailers alike, with 3.3% and 4.6% placing the latter in their top three favourite retailers for store designs respectively.

The reasons cited by those consumers who chose John Lewis as their favourite store design are simple; good store layout (74.4%), ease of navigation (45.5%) and good displays and store windows (54.9%). It is the same story for Marks & Spencer; good store layout (69.9%), ease of navigation

(53.4%) and good display and store windows (44.9%). The same three priorities apply to Debenhams, which comes third in consumers' favourite store designs. Good store layout (71.8%), ease of navigation (34.5%) and good displays and store windows (49.7%).

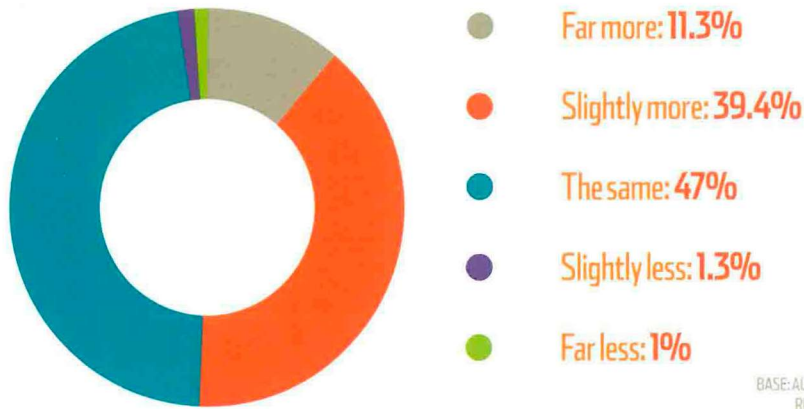
So are consumers' requirements from bricks-and-mortar stores as practical and straightforward as they may appear? Much depends, of course, on the demographic of the shopper and the nature of the retailer. Of those who chose Topshop in their top three retail store designs, you can see how the priorities shift; 39.4% of these shoppers say they value Topshop's displays and

store windows, followed by well-designed fitting rooms (another 39.4%), and the creative and unusual store design and appearance (36.4%).

Apple is another interesting retailer to analyse; 59.8% of consumers who place Apple in their top three favourite retail store designs say it is because of the retailer's use of in-store technology. And 40.2% commend its creative and unusual store design and appearance, while 55.3% praise its good store layout.

It depends very much on the needs of the shopper, the type of shopper, the shopping mission and the type of retailer, but the results of this consumer survey show how consumers notice

2.5 COMPARED WITH FIVE YEARS AGO WITH REGARDS TO STORE LOOK AND DESIGN, DO YOU DEMAND:



BASE: ALL CONSUMER RESPONDENTS

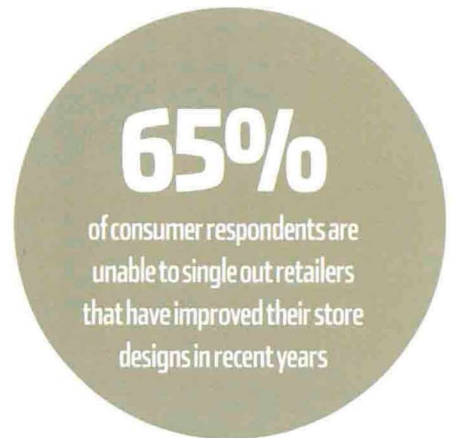
and value far more than just the simple basics of navigation and layout.

Supermarkets also feature prominently in consumers' top 10. Arguably, this is partly because visiting a supermarket is something that the overwhelming majority of UK shoppers will do on a regular basis, whereas visits to other retailers are likely to be undertaken on a more sporadic basis. An opinion on how they look and feel will therefore be top of mind. However across all of the grocers, consumers showed how much they value navigation, layout and lighting – which was the third most commonly chosen reason for all of the big four.

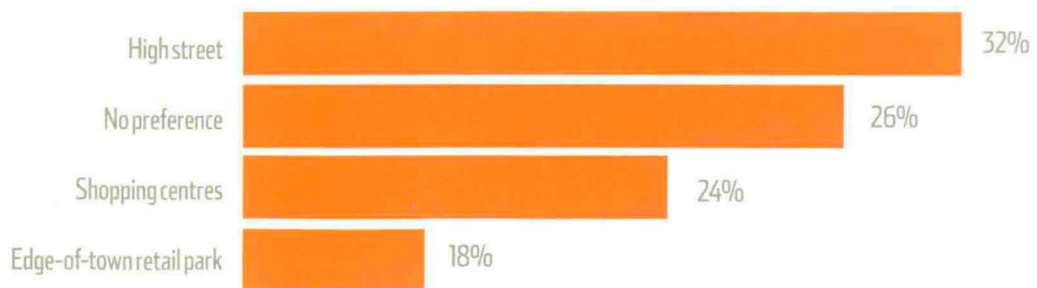
The research also draws attention to the success of the value fashion merchants. Ever since Primark unveiled its revamped store design at the Marble Arch flagship, this has been a retailer that

is associated with in-store design, as well as affordable fashion. Globally, H&M has been quick off the blocks to keep changing its in-store appearance and to provide shoppers with reasons for coming back, and lately New Look has been revamping a large portion of its estate. All three retailers showed in the research how they are pleasing consumers not just with the popular basics, such as layout and navigation, but with the use of colour and materials in store and well-designed fitting rooms.

Store design matters. The intricacies of it – be they functional or creative – might not always be specifically noted by shoppers, but the overall look and feel affects their view of the broader customer experience. A relevant and good-looking store interior is, unquestionably, an integral part of a retailer's overall success.



2.6 WHICH LOCATION DO YOU PREFER WHEN SHOPPING?



BASE: ALL CONSUMER RESPONDENTS