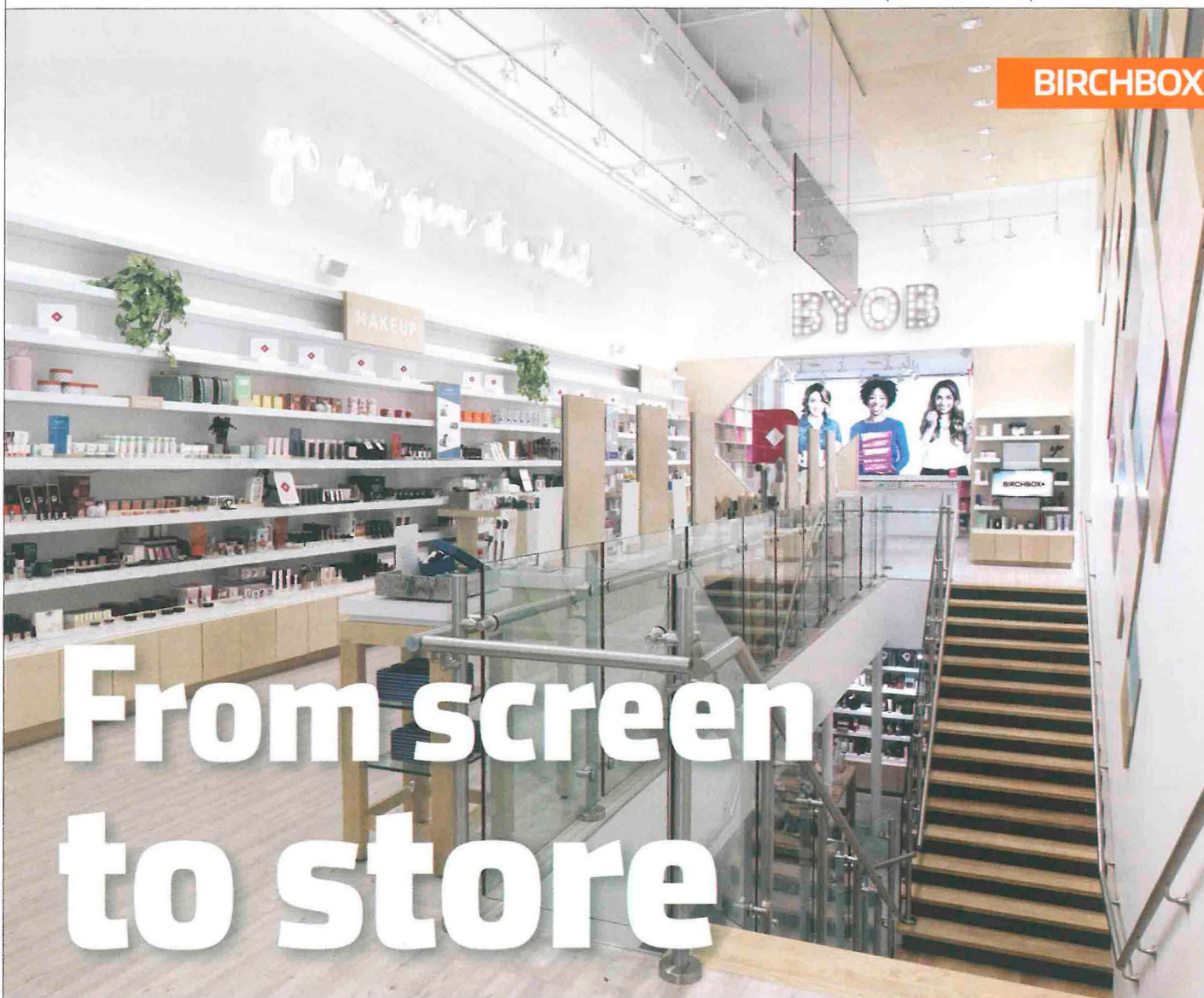


BIRCHBOX



From screen to store

As pure-plays from Made.com to Birchbox open physical retail space, what can traditional retailers learn from those new to the store scene? **Mark Faithfull** reports



We wanted it to be a physical way of representing the spirit of Birchbox

HAYLEY BARNA, BIRCHBOX

Ever since some of the more successful multichannel retailers began to espouse the value of multiple channels to market, so an assumption has grown that many pure-players will, sooner or later, be enticed by the prospect of opening stores. The attraction could be for showcasing, to physically embody the brand, or even to create local distribution points as delivery becomes an increasingly fierce battleground.

Manufacturers with a defined brand ethos, such as Dyson and Apple, have entered the real-estate space. Microsoft is to join them with flagships in New York and Sydney, and online behemoths such as Amazon are constantly linked with snapping up ailing store estates, most recently RadioShack's.

Last year Amazon sparked speculation that it would open a physical store when it leased a 470,000 sq ft building near Macy's in the heart of Manhattan, but the retailer said the property would be "primarily" used for office space. In February the company opened a staffed pick-up and returns store at Purdue

University in Indiana and opened a second campus store this summer, with more to follow.

However, where this assumption of inevitability falls down is that those very same players will view the shop as the same entity as a traditional retailer. And it is in the gentrified SoHo area of New York City that two pure-player stores might just offer pointers as to the way new retailers view new retail.

Online inspiration

Online beauty products retailer Birchbox says that it took inspiration from its own website rather than traditional retail stores when it opened its debut shop in SoHo, New York.

Founder Hayley Barna admits that opening a store "was not in the original business plan", but says that the company's experience with events and pop-up stores convinced her that there was a role for a shop in a high-traffic area of Manhattan.

"We wanted it to be a physical way of representing the spirit of Birchbox and also we were aware that it might attract ↘



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DAVE GILBOA, WARBY PARKER

new customers,” she says. Barna adds that she had previously viewed the company’s boxes – supplied for a set monthly fee to subscribers – as “a mini-store” but that in opening its first outlet, Birchbox had brought the ethos of communication, education and testing to the physical environment.

More recently Birchbox has opened shop-in-shops within the stores of fashion retailer Gap. “This has enabled us to bring Birchbox to locations where we are not ready to open a store,” says Barna. “But we have tried to keep the elements of fun such as ‘Build Your Own Box’ even within the smaller spaces.”

A little over two years ago, online eyewear retailer Warby Parker also opened its first retail store in SoHo, with what it admits were fairly low expectations.

“Initially, we only had plans to open one, maybe two stores,” says co-founder Dave Gilboa. “We were just blown away by the response that we received from customers.”

Warby Parker now has 12 retail locations across the US, with plans to open seven more before the end of this year, and Gilboa says each store opening “dramatically increases” the growth rate in the city in which it’s located.

Before choosing a site, Warby Parker looks at



online orders, website traffic and demographic data to determine where it will open its next store. That forensic analysis of CRM comes naturally to online-first retailers.

“Warby Parker is fabulously successful, both online and in its growing number of physical stores, for a good reason,” says Kate Ancketill, boss and founder of retail trends and design intelligence agency GDR Creative Intelligence.

She adds: “Its specs are cheap and stylish, its stores are like the hippest hotel lobbies and its associates are bright and motivated, and transact on the spot, Apple-style.

“It makes most opticians look like fuddy-duddy funeral parlours. The store in New York’s Meatpacking district has inexpensive second-hand books for sale on its lower shelves. But not just any books – every one is a classic literary masterpiece – generating a nod of approval from those in the literary know. It is a class act at every possible touchpoint.”

Physical draw

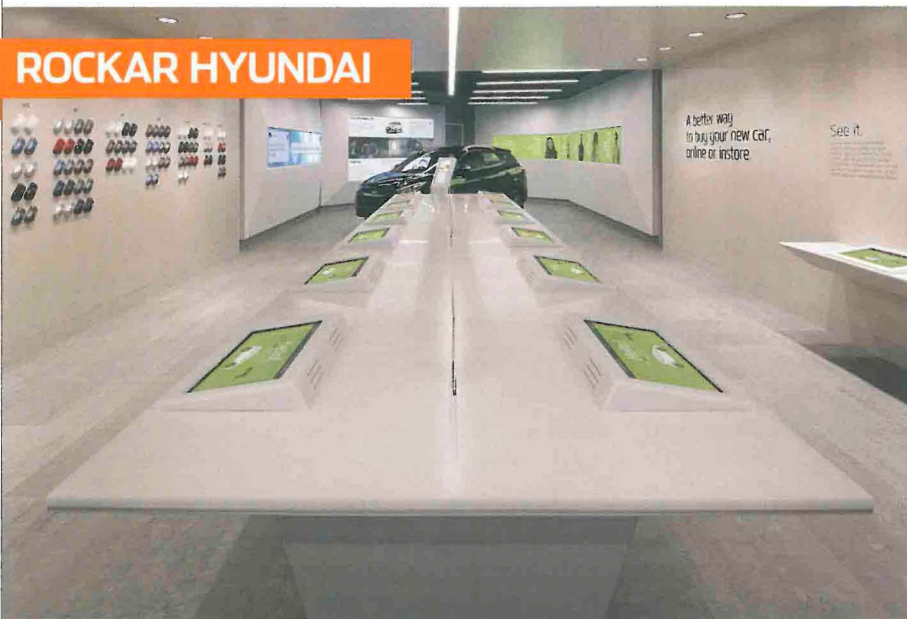
UK online homewares retailer Made.com is another to have dabbled with real estate, having initially planned to remain online only.

Annabel Kilner, head of UK at the retailer, says that, although the company has opened two showrooms, it might well look to develop these in alternative buildings rather than stores, as pop-ups and also as concessions, “in order to stay lean”.

Aaron Shields, strategy director for EMEA at design agency Fitch, reflects: “People only get off their bums to visit stores like this for two reasons: to touch something or to speak to someone. The Made Charing Cross showroom does not set a foot wrong and equally creates no waves. It follows norms with room sets and does a nice job of giving customers the feeling that this is a thoughtfully curated and well-loved environment.

“It also has helpful staff who can support customers’ choices. In addition they offer a few nice treats, projecting catalogue items near to displayed physical products, and ↘

ROCKAR HYUNDAI



PRO-DIRECT



offers up its endless aisle on tablets.” Shields also cites US fashion retailer Bonobos Guidesshops for doing “an excellent job of delivering a seamless customer journey from online to in store”.

He adds: “One thing you will notice when walking into a Bonobos Guidesshop is that there’s no clutter, either with merchandise or with people. Booking fittings in advance online means only two or three customers are in store at one time, making the service feel exclusive and tailored to you.

“Just like the fresh, clean lines of its website, the Guidesshop doesn’t spoil you with choice but does spoil you with experience. Here the aim is to allow the customer and the brand to interact.”

Similarly, Rockar Hyundai in Bluewater has reinvented car sales by presenting the car in a fast-paced boutique in the high-traffic mall,

which opens the brand up to a new audience with a whole new approach to the sector.

“The use of digital content in Rockar has been an integral part of the design and forms a core part of the experience,” says Ross Phillips, associate design director, digital, at design agency Dalziel & Pow, which worked on the store. “By immersing the customer in a full digital wrap, we are able to communicate an entirely new shopping journey in engaging components which are then easily updated as confidence grows.”

Online sports retailer Pro-Direct has integrated its physical store with the use of digital technology and campaigns that cover anything from product histories through to the latest breaking news, such as transfers or moments from key football matches.

Pro-Direct focuses on finding educational



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ROSS PHILLIPS, DALZIEL & POW

content and also provides information such as which players will be wearing what boots and which items make up the collection, using interactive podiums where the staff guide customers through the content.

“The Pro-Direct store serves as a party space, brand launch platform and digital playground,” says GDR’s Ancketill. “It’s brilliant for socially connected young football fans who are hungry for detail: which boot scored which goal, what tournaments are taking place. Its dark, theatrical interior and digital mannequins allow for ultimate flexibility and it can shape-shift to fulfil all the different functions of physical retail.”

What all the stores share is a brand-first approach, which ensures that the physical space meets the digitally created expectation. Add to that a ruthless analysis of data and a penchant for drama and theatricality, and the next-generation stores from pure-plays show every sign of breaking plenty more rules.

AMAZON

