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BIG INTERVIEW/ANGELA AHRENDTS

# Core strength

The world's biggest brand believes bricks-and-mortar retail is the future – and, used well, can fix our isolation. We sit down with the executive who's creating new 'town squares' where we can all come together and, of course, buy something along the way.

By *Matt Alagiah*  
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Angela Ahrendts strides down the broad stone staircase inside Apple's newly redesigned store on London's Regent Street. A ripple of recognition spreads out over the room and across the faces of the staff members milling among the 10m-tall Ficus Ali trees that cover the shop floor with a green canopy. In no time Ahrendts is at the centre of a tight scrum, as the London store staff approach her, beaming, to say hello, give her a hug and thank her for everything she has done.

Ahrendts is Apple's senior vice president of retail and thus oversees more than 500 Apple stores and roughly 65,000 employees worldwide, not to mention the brand's online sales. The former CEO of Burberry has spent most of her career in fashion and, along with designer Christopher Bailey, is widely credited with turning around the once-ailing British brand; during her seven years in charge she tripled the company's market value. But in 2013, she was approached by Apple CEO Tim Cook and asked to join his executive team in Cupertino, California as head of retail.

Since then, the 57-year-old executive has set about quietly revolutionising the way Apple uses its spaces around the globe, which constitute the public face of the world's most valuable brand. For much of her tenure, the changes she has implemented have been more behind the scenes, focused on instilling a new culture within her vast global team. After all, she came from fashion and, by her own admission, isn't much of a techie.

"This is business and it happens to be the business of technology," she tells MONOCLE in the boardroom above the

Regent Street store. "But more than anything, we're in the people business. And so therefore maybe it's about leadership and building a great culture and connecting everyone and inspiring. Maybe those things are sector-less."

Apple's retail team certainly needed a dose of inspiration before Ahrendts arrived. In 2012, Cook hired John Browett, a British retail executive, to expand Apple worldwide. Many criticised the move from the start, sensing Browett – who had previously run mass-market, low-margin chains – was a bad fit. The doubters were proved right. The relationship quickly broke down; Cook fired Browett after just 10 months in the job and thereafter the head-of-retail role remained vacant for a year and a half.

Ahrendts' first actions in the job were therefore concentrated on rebuilding morale. She immediately went on a worldwide tour of over 100 stores to meet and talk to staff and she improved employee benefits across the board. She sends all retail employees a weekly video from wherever she is in the world, sharing three discrete messages in three minutes. Every time she visits a store, as here in London, she still sets aside time for chatting to the on-the-ground team, displaying her much-lauded people skills through near-unblinking eye contact, sincere nodding and warm laughter.

Judging by the response of the shop staff in London, spirits are high in the world of Apple retail. Navy-clad staff continue to come over to meet Ahrendts, waiting eagerly for their turn, looking up into her face (she stands at more than six foot with heels on) and posing for selfies

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#### Apple's global retail

First Apple store opened: <b>2001</b>
Stores worldwide: <b>501</b>
Employees: <b>65,000</b>
Number of people who visit stores annually: <b>Around 500 million</b>
First new-generation store: <b>Union Square, San Francisco (opened May 2016)</b>
Most recent store opening: <b>Kärntner Strasse, Vienna (opened February 2018)</b>

together. Clearly, she has galvanised the team. As she puts it: “Isn’t it groups of people that unite together and feel and believe and trust – and then you all move things forward in an incredible way?” This is closer to the lexicon of spirituality than sales.

Indeed, this is not as outlandish an analogy as it would seem, as Ahrendts pursues her other major goal at Apple: revamping old stores and launching new ones, making these properties more than mere points of sale for technology devices and steering them towards a higher purpose. She refers to the stores as “gathering places” and sees one of her team’s central roles as “enriching lives”.

This new strategy can be seen most clearly in the introduction of Today at Apple, a series of free events and training sessions for the local community, held within Apple stores and designed to “educate” and “enrich lives”. These sessions focus on more creative endeavours, from photography to art and music (using Apple products).

Ahrendts and her team were also behind a move to start referring to the stores themselves as “town squares”, with areas labelled Genius Grove, The Avenue and The Plaza. More than simple vehicles for making sales, these spaces are for people to gather in and to connect meaningfully with the brand.

Apple’s store in Union Square, San Francisco was the first to feature this new design direction and Today at Apple when it opened its doors in May 2016. Since then, Ahrendts has been rolling these elements out across existing stores, such as Regent Street, and hugely ambitious new flagships worldwide.

Upcoming launches reveal how Apple’s new retail strategy is influencing the kinds of properties it opts for, too. In the coming months the brand will open a vast subterranean store under Milan’s Piazza Liberty; another shop is planned for Stockholm’s Kungsträdgården public park (both designed by Apple’s long-term associates Foster and Partners). These stores are embedded in civic spaces on the borders of real town squares. As Ahrendts’ master plan begins to bear fruit, Apple is ushering in a new age of retail. — (M)



Ahrendts on Steve Jobs  
“He said it’s not just technology; it’s technology when married with liberal arts that impacts humanity”

Ahrendts on her employees  
“They’re hired for their empathy and their leadership so you feel it when you walk into an Apple store”

Ahrendts on store experience  
“It’s got to be more than just entertaining. It has to be impactful, it has to enrich their lives and educate”

**MONOCLE:** When you first came onboard at Apple, how important was that recognition that Apple stores aren’t simply about making money?

**ANGELA AHRENDTS:** When I came in I realised that they already made two to three times more money than the average store on a per-square-foot basis. When you come into somewhere new, you say, “How do I make it better?” I didn’t have to focus necessarily on the financial side. So how do you take these incredible locations and resources and do something bigger? Retail is a third of the global GDP and I’m tired of everyone talking about the demise of physical retail. I felt Apple, because of the strong financial position and this incredible group of people and locations, had the opportunity. When the first [store’s] doors were opened 17 years ago, Steve [Jobs] told the employees, “Your job is not to sell – your job is to educate, your job is to enrich their lives.”

**M:** Where did that lead you?

**AA:** We reached out to all employees and I said, “You’ve been here a long time and you know. Your voice and what you feel should also form whatever this experience becomes.”

So we put a platform together and started crowdsourcing to 65,000 people. We also reached out to a couple of consulting firms and said, “If we’re going to sign 10-, 15- or 20-year leases, then help us. What are the issues now?” What they talk a lot about is isolation, about the world of automation and what industries are going to be impacted. What’s really interesting is that the answer is in the arts: unlocking creative thinking in an [artificial-intelligence] world, inspiring the next generation to learn things and skills they don’t think they’re going to need. Up front we said these are not really stores, they’re more than that. That’s when we said that it’s more like a town square – people come, they want to be there and they want to feel that energy. So we started using that analogy. We want to be for everybody in the community, not just an individual. So if isolation is going to be a challenge for the world, why don’t we lean into human connection? In a world of automation or AI, how do we help unlock creative thinking? This was when we launched Today at Apple.

**M: It's been reported that protestors in France were recently removed from your stores. Where is the line for you, where the openness stops?**

**AA:** I think it comes down to respect. Even in a town square, if you want to protest you have to get permits. We're not taking over city space. It's space that we're paying for and I think that's the difference. So when we say everyone is welcome, everyone's welcome to experience the best of Apple. Everyone's not welcome to just do whatever they want there. It's all centred around enriching lives and education, and if anyone has a great idea to bring into the store, to do that, then we'd have a hard time not welcoming them.

**M: Apple has some important store openings coming up – in Milan and Stockholm, for example. What do you think these spaces say about the direction of Apple retail?**

**AA:** Apple already had 300-odd stores when I started. So where do you focus investment? There are very few things I took from my past but in luxury you focus more on cities than countries. So I said, "Rank everything by city for me. Tell me the top 100 cities in the world." We're making these leases that are 10 to 20 years so you want to go where the markets are moving. We knew a couple in China were there now but how many cities in China are going to be there by 2025? It goes from two to 20. That impacts your investment. But then there are cities that don't move, like Tokyo – it is number one [on our list] today and it'll still be number one in 10 years' time – 33,000 different data points tell us that. So it's not just about more stores; it's about putting them in the right places that impact the city but also impact all of Apple.

**M: Are cities seeing the importance of retail again?**

**AA:** Yes and in the case of Apple, absolutely. They're big investments. They'll lure a lot of people. In London more people visit the Apple stores than typically visit the top five tourist attractions combined. Hopefully you've read about Apple Michigan Avenue [in Chicago]. These [stores] take three to five years once the conversation starts. We asked the mayor's



Ahrendts on her upbringing  
"I'm from a tiny town in the middle of America. Tiny. I don't think you should ever forget where you come from"

Ahrendts on leadership  
"I always say that good leadership is know what you know and know what you don't know"

Ahrendts on retailers  
"I'd love to think that the mission itself would inspire people and inspire other companies to follow"

office very early on, "If you had a choice of where Apple would invest, where in the city is it going?" They shared early on that they would love to lure more people down to the river. That impacts design, that impacts everything.

**M: Speaking of store design, what's the relationship between you, the design team and the architects at Foster + Partners, who designed Apple Park in Cupertino and develop your stores around the world?**

**AA:** When I started, I had a couple of meetings with Sir Jony Ive. One of [my] first questions was, "How are we supposed to work? I have tremendous respect for everything you're doing [on the product-design side] and, as a shareholder, I'd love you to focus over there because that's really big!" When you're building a pure company you want a pure vision all the way down to every customer, you shouldn't redesign. We made a decision early on that we would try not to redo anything in the stores, material-wise; that we would pull everything from Apple Park. I don't want to say it made it easier but Fosters designed the architecture and the hardware but a lot of the internal we just pulled from Apple Park.

**M: Where do you get your personal inspiration from?**

**AA:** So much of it comes from the customer. And you're the customer, I'm the customer. Every time I walk through the doors, I won't look at it as the head of Apple retail – I want to feel what a customer feels like. What do I see, what do I hear and how accessible are things? We used to wear lanyards for a number of years and I found myself at the stores looking at their chests and shaking hands. That's not human connection. So we made a deal: you don't have to wear your lanyards but you do have to reach out your hand, look someone in the eye for 30 seconds, repeat your name so they know who you are, make sure you've had that connection. That's just basic. That's how we connect with our children, our partners, our family and friends. Why should it be any different in business? Why should it be any different in a physical space?