Interior Design of a physical retail spaces in the digital age: To what extent physical retail spaces are still relevant in the digital age and what makes them successful?

Contents

List of figures

Figure 7. Nacasa & Partners Inc. (2018) *The Lounge*. Available at: https://wonder-

wall.com/project/359/(Accessed: 20 December 2020).

Figure 8. Nacasa & Partners Inc. (2018) *The Lounge*. Available at: https://wonder-

wall.com/project/359/(Accessed: 20 December 2020).

Introduction

Consumption is a crucial part of today's society; in fact, it has been for a long time, since it originates in the 17th century, and was later on accelerated by the rise of industrial revolution. Nowadays consumerism continues to gain momentum in the society. In the traditional understanding, places of consumption would be described as a physical space with a seller. Consumers would be limited to many factors associated with such retailer. Starting from location to opening times, and availability of the product on the high street. However, recent years presented society with a digital age, that has affected all aspects of life, especially shopping. With the emergence of online retail, people are no longer attached to the physical selling points, they don't have to leave their house to make a purchase. In addition, the process of shopping became never-ending, one can browse through products on their phones while commuting, standing in traffic, watching TV at home, and even at the workplace. Unlike in the past, where physical retail space was the only catalogue of the product, consumers received an unlimited access to shopping. Nowadays, people don't have to come to the physical store to search for what they need. Coronavirus pandemic has reassured society that real-life shopping is not essential. Everything can be ordered online, from the newest sneakers to groceries. Customers got unlimited access to infinite numbers of retailers, that has simplified their life. Such contemporary context puts the whole concept of physical retail spaces at the question. Online shopping is taking over day by day. With technological advancement, shopping at the high street might seem as a less appealing, and time consuming leisure activity. This social change has completely reshaped attitude towards retail stores. They are no longer a necessity. Nevertheless, despite the given facts, shops still populate city centres. For instance, Oxford street continues to be one of the busiest streets in London. Moreover, current events, such as global pandemic of coronavirus, demonstrated that real-life shopping is still important for many, as they were faced with restricted access to the high street. BBC News report "Long queues outside shops after lockdown" (BBC,2020). This situation illustrates that people are still in need of physical retail,

suggesting that debate against or in favour of the physical store is not over yet. The faith of offline is not yet decided, making it an interesting issue to discuss, and question the notion of contemporary retail environment. With people being able to buy all their essentials online, it is now clear that the retail stores lost their value as points of distribution. Retail and commercial spaces is one of the areas presenting work and creative opportunities for interior designers. Since consumption is an important aspect of life, it also represents social changes. Architects and designers are professionals employed by society, subsequently, their work is going to reflect these changes.

This dissertation will aim to investigate the relevance and importance of physical retail spaces during the digital age and discover what interior design qualities they are expected to have, to be successful. The question will be approached from the perspective of branding, concentrating on branded retail spaces. Although branding, and especially consumerism has existed for a very long time contemporary issue in the face of the digital age, is going to present it in the new light. Exploration of this topic will answer other related question, that will be useful for interior design practitioners. Would physical retail spaces disappear? Has the function of retail stores changed, and will that influence design decisions? How can designers prepare to face the new challenge?

The methodology of this dissertation will be presented in the form of secondary sources, as well as a variety of case studies and visual sources that will be critically accessed and used in the development of an argument. The first chapter will begin by introducing the seven-factor theory of leisure retail proposed by Trianttafillidou and Siomkos (2017) in their article: *The effects of retail store characteristics on the in-store leisure shopping experience*. Which eventually leads to an argument that in order to be successful physical retail spaces should go beyond the sole purpose of retail. It will also support the point, that consumers themselves are still in need of real physical retail, to satisfy their cognitive desires. A case study of Zhongshu Bookstore in China was chosen to support these arguments.

With the emergence of online retail, it becomes more and more difficult for businesses to compete. To gain a competitive advantage, and stand out in the high street, a company needs to establish a recognisable brand. The second chapter will introduce the reader to the concept of branding proposed by Tongeren and Shields (2013) in their book *One to One the essence of retail branding and design*. This section of work will prove that the design of retail spaces can create an experience similar to online shopping to appeal more to their clients. As well as being an attention grabber to reach a wider audience.

The final section of the work is intended as an illustration to show that in a modern world branded spaces, don't have to incorporate a retail element. In fact, they can be solely used to promote the brand's values. Subsequently, interior design can be used to shape the perception of the brand. This argument will be grounded in the *Theory of Enabling Spaces,* proposed by Sonnenburg and Baker (2013).

Chapter 1: Beyond selling

Contemporary social context dictates new guidelines in all areas of life. The emergence of technologies and society entering the digital age is one of the key changes in today's world. In order to stay relevant with ever-expanding online industries, organisations have to reflect on these social changes. This is especially evident in businesses and other profit organisations, such as retail. Retail just like any other business strive to maximise their profits; this means in order to stay relevant emerging rules implemented by digital age must be followed. It has been established that physical shopping is no longer a necessity. Nowadays, shopping process never stops since customers get unlimited access to online stores, with no need to step out of the house. Anything can be delivered to the door. However, flagship stores still populate city centres, and crowds of people walk down high streets to queue outside the shops waiting to get in. This shows that as a concept, retail stores are not dead, but how have they changed since introduction of online shopping?

The first chapter will introduce a concept of contemporary retail space, that sets it apart from retail interior designs of the past. The feature that is highly practised in the industry in recent years is the concept of experiential design. From the research and observations, it was derived that experiential design appears when space incorporates activities around the product that allows the customer to experience the product and the brand even before making a purchase. Although with the emergence of the digital age a business has an option to transfer completely online, one important element that yet cannot be offered online to the same extent, is real-life interaction with a product. Moreover, the success of such interiors can be explained by spaces being both, activity and visually engaging to their audience. This is believed to be an important aspect of space in the age of social media, as people might be seeking something interesting to depict on the photographs and share with their followers. Subsequently, the thoughtful work of a designer can act as a marketing tool, attracting more visitors to experience the space and the product. Eventually turning them into consumers. All these lead to the first argument of this research work: In order for a seller to run a

successful physical store, the function of the interior has to extend beyond the sole purpose of selling, as this can be provided by online retailers. Design of the space has to incorporate engaging experience for the customers.

The investigation will begin by looking at the Zhongshu Bookstore, located in Suzhou, Jiangsu, China. It was designed in 2017 by Wutopia Lab, the lead designer of the project is a founder of the studio- Yu Ting. The area of the store is 1380 square meters and is divided into four main zones and several sub-zones. Each zone has its own purpose and is complemented by a unique vibrant design. "The Sanctuary of Crystal for new books, The Cave of Fireflies for recommendations, The Xanadu of Rainbows for reading, and The Castle of Innocence for children books" (MacFarlane, 2018 p.230). This example has been chosen, to illustrate an argument because books fall into the category of non-essential goods. Moreover, unlike with the purchase of apparel, it is not essential for consumers to experience a product to touch or check the fit. Subsequently, they can be purchased online with no hesitation. What makes this case even more interesting to investigate is that printed books are losing their popularity, as more and more people switch to eBooks. Context of the product itself in combination with changed social behaviour puts the whole idea of a necessity of physical retail space at the question. Hence, it can be extracted that customers visit the store due to it's other qualities than just a product. As a result, looking at a store that did not originate out of necessity will help to minimize errors in the evaluation of design decisions.

The purpose of interior design is to provide the users with a functional and aesthetically appealing environment. Since consumer and the whole concept of consumption are at the core of retail, designing a successful space without knowledge about consumer and their behaviour is impossible. This definition leads to a first theory by Trianttafillidou and Siomkos (2012,2014), which will serve as a foundation for building an argument about the importance of experiential design.

"Trianttafillidou and Siomkos (2012,2014) propose seven-factor structure. The dimension includes hedonic, flow, escapism, challenge, learning, socialising and communitas, functional, ambient, design and social. Having a broad range of factors allows to create a more precise concept of leisure retail." (Trianttafillidou and Siomkos 2017, p.1033)

As it can be noticed above, the structure concerns leisure retail. In their work authors make a clear distinction between utilitarian and leisure shopping. "In utilitarian experiences consumers act as rational problem solvers and view shopping as a task that wants to accomplish in an efficient way". (Babin 1994, quoted in Trianttafillidou and Siomkos, 2017, p. 1036). "On the other hand, leisure shopping is being viewed as entertainment". (Carù and Cova, 2007 quoted in Trianttafillidou and Siomkos, 2017, p. 1036). From the definition, it can be concluded that in-store leisure experiences are the ones that should be complemented by additional features as customers will be seeking amusement in the process. In this chapter, the interior design of the Zhongshu Bookstore and in-store experience created through design will be assessed as a mean of entertainment, since reading can often be considered a leisure activity. Design strategies behind these will be explored, as the argument is being built upon Trianttafillidou and Siomkos theory.
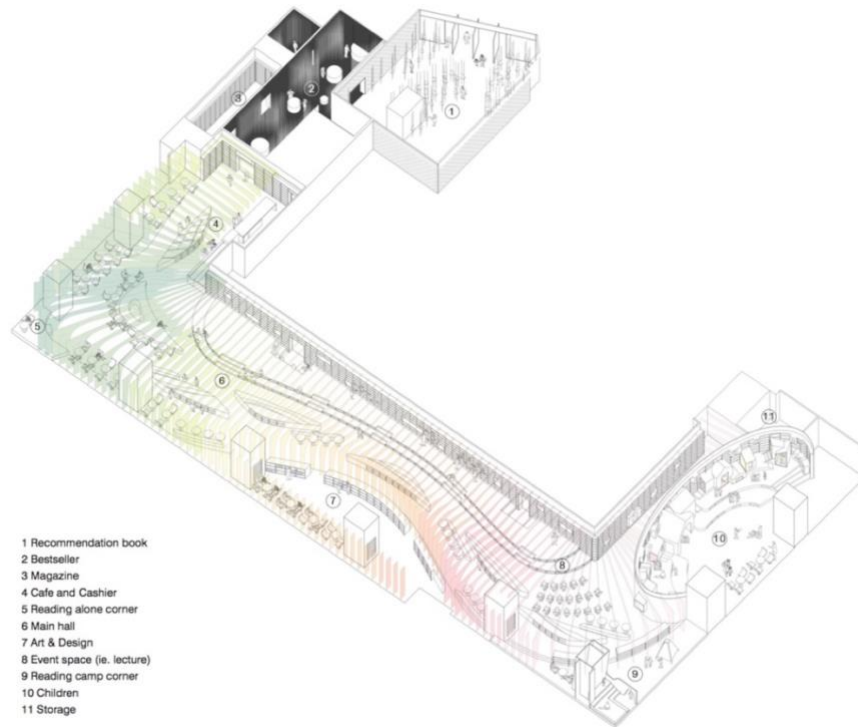
Figure 1. Wutopia Lab (2017) *Axonometric of Zhongshu Bookstore*

Figure 2. CreatAR Images. (2017) *The Sanctuary of Crystal*

Customer's journey starts at the Sanctuary of Crystal (Fig 2). New books are presented on acrylic

shelves, floating above the floor. The white colour scheme is achieved with the use of glass bricks,

acrylic and bright lighting which overall create a luminous effect. Subsequently encouraging visitors

to learn about new books and authors. Here designer provides an opportunity for learning about the

product, according to Trianttafillidou and Siomkos theory (2017), learning is a necessary part of

leisure shopping experience. "Shopping is a learning activity through which customers explore new

products or services in the marketplace, get new ideas about what to purchase and find out about

the latest trends and fashions" (Trianttafillidou and Siomkos, 2017, p.1037).

Fig 3. Hu, Y. (2017) *The Cave of Fireflies*.

Next room is The Cave of Fireflies (Fig 3), displaying recommendations. Optical fibres hanging from

the ceiling in patches are the only source of light. Resembling fireflies, they lure consumers further

down the space. Evoking curiosity and creating a challenging environment for a book search. From

this it can be seen how designers transport the visitors to another world, gradually isolating them

from the reality outside the store. This design decision could be linked back to the seven-factor

theory, in fact, to the three elements of the in-store experience. A flow, challenge and escapism. As

mentioned earlier, "flow is a feeling of heightened attention, focus, and total absorption where the

consumer loses track of time" (Trianttafillidou and Siomkos, 2017, p.1040). In the current example,

this is achieved by lighting conditions in the space. The dark surroundings of the room only allow

customers to focus on the product, and as said before, relatively poor lighting makes the shopping process challenging. "The search process that often accompanies in-store experiences is seen by many consumers as a challenging opportunity both to practice and master their shopping and bargaining skills and show off their competence to others" (Trianttafillidou and Siomkos, 2017, p.1038). The Cave of Fireflies could be interpreted as to be purposely recreating the challenging environment to satisfy the needs of customers that seek adventure in their shopping. Challenging experiences can be induced by store attributes such as ease of navigation, mild scents and pleasant colours, convenient store facilities, and great customer service. (Trianttafillidou and Siomkos, 2017, p.1038). As can be seen from the floor plan of the space (fig.1), navigation is dictated by the arrangement of book displays and zones for different activities and uses. Such complex floor plan layout contributes to the creation of a challenging environment. It has been noted that interior has a rich and vibrant colour scheme, it begins right at the start of the retail space and continues throughout, creating an opportunity for the visitors to escape reality in the store.

Escapism is another important element of the seven-factor structure. "Experiences are where consumers create their own special world, play different roles, and fantasise about being in a different time and place "(Trianttafillidou and Siomkos, 2017, p.1037).
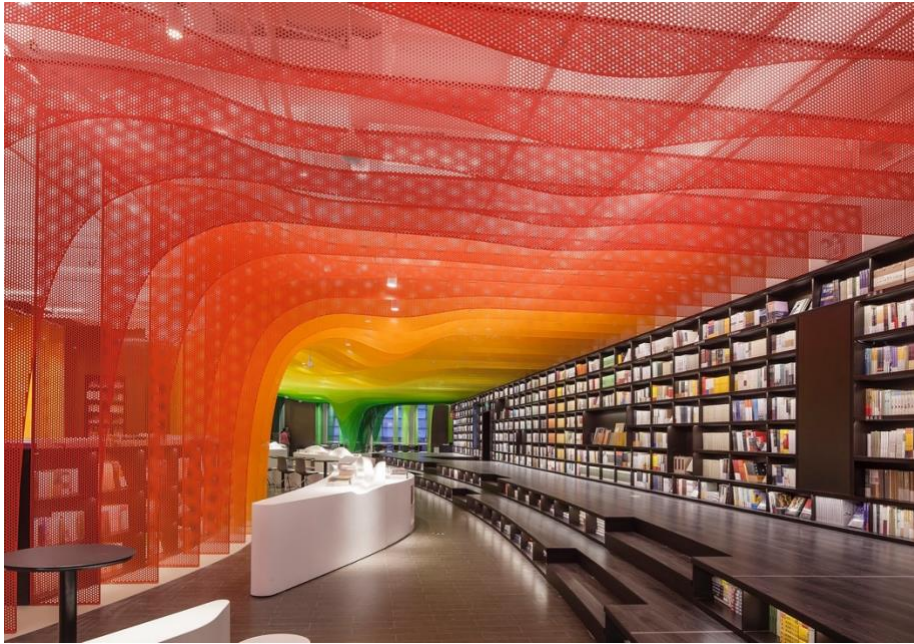
Fig 4. Hu, Y. (2017) *Metal Rainbow*

Wutopia Lab, successfully created a setting for customers to escape reality, which can be interpreted as metaphorical reference to the product sold by a store. As reading book allows to escape the real world. When visitors' step into the reading hall, they see the most prominent feature of the interior-Metal Rainbow suspended from the ceiling. The structure is constructed from perforated aluminium plates in the vibrant colour scheme. As learned from the exploration of the studios' projects, one common element present in their work is a reference to the clouds. In this case, it justifies a choice of the rainbow and cloud-shaped book displays. In addition, such use of rainbow could be perceived as another metaphor, luring people from the streets into the shop. Wutopia Lab is a cutting-edge studio located in Shanghai. Zhongshu Bookstore project won three awards: ADmagazine.fr- 5 librairise a l'architecture futuriste en chine1, Interior Design -2017 Best of Year Award- Bookstore, and Award of Architectural Society of China. (Wutopia Lab, 2017) This is how ASC refers to a project "The bookstore is no longer a functional place for retailing books. It has a powerful spiritual effect. In the busy urban rhythm, it provides a spiritual temple for the people of the city" (The Architectural Society of China, 2019). This acknowledgement by the contemporary design body proves that the interior space is successful, due to the incorporation of experiential elements in the project. It catered for psychological shopping needs of consumers, as it went beyond the sole purpose of retail.

Designers created a separate world where the consumer fully emerges into the product with no distractions. The designer doesn't only create the experiential environment by using visual elements supporting idea of escapism, in addition the space accommodates other uses, so that the scheme is reversed.

In their theory, Trianttafillidou and Siomkos (2017) also place an emphasis on socialising and community aspect of shopping. According to Kang and Park-Poaps (2011)," most of the studies that identify the social value of shopping have only considered a single dimension of social shopping, that of interacting with friends and family" (Trianttafillidou and Siomkos 2017, p.1038). However, these studies have ignored the social value derived by shoppers when they visit stores in order to interact with other customers besides family and friends. (Trianttafillidou and Siomkos 2017, p.1038). In short, the theory suggests that interaction between customers that are not acquainted is another motivation for shopping. In the case of bookshop customers already have a common ground in the face of reading, creating an opportunity to meet people with the same hobby. To complement the reading the designer incorporated zones with activities that would be favoured by the readers. This technique allows keeping customers in the shop for longer. Potentially turning them into consumers. Displays with the books are scattered across the elongated interior of the shop. As customers move, they are able to make stops and enrich their shopping experience with other activities, such as listening to the lecture in the event space (Fig 1.) or get a coffee as they read in any of many seating areas. Such real-life activities and interaction with a product are the main things that are impossible to offer online. This leads to the conclusion that even with the ever-expanding digital age, physical spaces wouldn't disappear as customers are in need of experiences.

Designer Yu Ting successfully responds to this desire, by providing a lot of sitting areas, creating an in-store library. As well as a spacious layout of the store that creates more opportunities for people to meet. This is also evident in the kid's area of the store, situated right at the end of the space. This

zone is called The Castle of Innocence (Fig 5.) and consists of an enlarged version of a dollhouse. Such design encourages interactions of children with each other, and with books. Designers provide an opportunity for knowledge creation in children through play.

Fig 5. Hu, Y. (2017) *The Castle of innocence*

After looking at the case of Zhongshu Bookstore, it is evident how designers created a whole new experience around the product, that might not even be in need of physical retail space. The store can be explored on two levels, emotional and physical. Physical experience is promoted through installations and zones, where people can interact with each other and with the product. This is something that online is unable to offer to the same extent. As a result interior design settings will evoke emotional response in customers that they are seeking from shopping.

As this dissertation discusses, such physical experiences can be designed in mind with the seven-factor structure. If the theory is correct, designers can manipulate the customer's perception of the environment, to the advantage of the seller. "According to the theory, the total of all the interactions with a store's design, atmosphere, and personnel that can produce emotional, physical, cognitive, and spiritual experiences in shoppers (Trianttafillidou and Siomkos 2017, p. 1039). As a

result, the design strategy of the physical space can be created in accordance with cognitive desires of the target audience of the product. All these factors demonstrate that in the digital age physical retail spaces are needed, however, those set for success will be the ones who can cater to emotional needs of the consumers, besides buying.

While following the seven-factor theory, it is important to take into consideration that society is a very complex mechanism that cannot be generalised. Hence, there is no universal recipe for creating an in-store experiences that will be favoured by everyone. However, in hobby-related stores, this risk is minimised, as in the process of shopping, a customer is playing the role of a reader. While in normal life a person can occupy different social roles, such as an employee, a parent etc. Having triggered seven factors of a person's cognition makes a physical retail space successful. Resulting in customers, favouring in-store shopping to online, because they want the experience that surrounds the product.

Chapter 2. Role of a branded retail interior in the digital age

In the first chapter, visual and activity-based experiences created by designers evoked different emotions in response to cognitive desires of consumers. The experiential design was situated around product-related activities, navigating consumers around the space. In the second chapter, another approach to the interior design of retail spaces will be explored. In the consumption-driven society, and shopping points being scattered around cities, it is believed that the first impression of the brick-and-mortar shop can make it stand out from the others on the high-street. The first impression would first originate from the visual identity. Creation of visual identity can be achieved through the means of distinctive design; this process is called branding. Unlike marketing, branding is a slow process. It is used with the intention to create a strong image of the product or a company in the minds of consumers so that when a customer will come across the product in their daily life, it will spark associations in their mind. This allows a business to stand out in a saturated market and win over a bigger share of consumers. However, in the digital age, it becomes more and more difficult to do so. Retailers don't only have to compete with the neighbouring shops of the Highstreet, but also with an infinite number of online sellers, who are not limited to location or opening times, allowing customers unlimited access to shopping. In this instance, if the product has a strong brand, it is more likely to be remembered by customers when they come to making a purchase.

Brand helps consumers to navigate among uncountable retailers and help them to make choices. When the thought of branding it would typically be imagined as a form of logos and images. However, where does branding come in relation to retail shops? The answer to this is that interiors can be branded too. Moreover, despite the initial thoughts, it is not just commercial or public spaces that require branding. " In fact, any space becomes branded when the meaning is added to it. The brand is the vessel of meaning" (Tongeren and Shields, 2013. p. 133). Branding can translate to an interior, and that a space designed with a brand embedded into it can help in promoting the product

during consumer in-store experience. This chapter will argue in favour of physical retail spaces and talk about their importance in the digital age, as it can serve as a powerful branding tool. The main theory that will be used to test this argument is the one proposed by Michel van Tongeren and Shields. In their book *'One to one: The Essence of Retail Branding and Design'*. The author suggests that 'one-to-one customer contact is in the essence of retail (Tongeren and Shields, 2013. p.38). This interaction lays the foundation of the brand perception, as the shop owner would promote the values of his business and qualities of the product.

After the Industrial revolution seller-buyer connection has disappeared, manufacturers possessed all the knowledge about the product, and consumers would only know what manufacturers tell them through advertisement. But the essence of retail, personal interaction between the consumer and the owner of the product was gone. "With, mass production selling of the products had to become more efficient, resulting in one-to-one exchange disappearing" (Tongeren and Shields, 2013. p. 33). "To replace the supplier in this non-personal connection came advertising" (Tongeren and Shields, 2013. p.33). Manufacturers did not strive to establish a personal relationship with consumers, the advertisement was aimed at masses, and consumers couldn't communicate back. However, with the emergence of internet and e-commerce, a power shift happened. The power captured in product knowledge was now in the hands of consumers allowing them to choose between various sellers and producers.

With the ever-expanding retail sector, the company had to employ branding to make their product stand out. A brand incorporated values and meaning of the business. Branding came around to make up for the lost interpersonal communication. It allowed producers to reach out to consumers on a more personal level, then through advertisement. In short, it replaced the shop owner, that is an integral part of Michel van Tongeren theory. The theory evolves beyond the concept and illustrates how it can be translated into physical space.

"Ultimately in-store communication replaces the long-lost shopkeeper, who knew exactly what this specific customer wanted and provided information, personalized offers and ingenious presentation. What is needed here is a translation of the mass- media language into a more personal style of communication" (Tongeren and Shields, 2013, p.186).

Figure 6. Glossier. (2019) *Glossier pop-up in Seattle*.

Deriving from this quotations, in-store communication is crucial, branding is a tool enabling this communication. To test this theory, this section of work will introduce another concept of retail, a pop-up store. Unlike a flagship store, the pop-up is only meant to last for a limited amount of time. As an example, it was chosen to look at the Glossier pop-up store in Seattle (Fig.6). To create the space Glossier in-house team collaborated with landscape design studio of Lily Kwong. The reason

this project deserves attention is that the company originated online in 2014, expanding to offline, not until 2018. In the previous example of a bookshop, products were not a necessity and could have been purchased online, nevertheless, the retail still benefited from a physical space. Glossier is a skincare and makeup brand, and unlike with books, people might want to test the product before making a purchase. Hence the decision of having a physical retail space is justified. However, the company existed for four years entirely online and has only expanded offline once it became successful. Unlike many high-street brands, that make a transition to online. Just the fact, that a successful company finds it relevant, to operate offline, proves to a design industry that physical retail spaces are not disappearing yet, meaning they still hold opportunities for the design practice.

Glossier is a skincare and makeup brand highly popular among millennials. The space occupies 102 square meters on the ground floor, the key feature of the store is an installation, populated with a variety of plant and flower species from the local area. Which could be interpreted as an attempt to relate to the local customers. As Lily Kwong states the list includes Argyranthemum, Phlox, Fiber optic grass, Heather, Mexican feather grass. (Kwong, 2019) White displays are scattered throughout the space exhibiting the product, pedestals made out of wooden boxes covered with Corian surfaces (McKnight, 2021). The top of pedestals is in corrugated shape, just like in other physical stores of the brand, acting as another recognisable feature of the branded interior. The design has originated from the narrow-elongated shape of make-up products such as famous mascara and brow gel, allowing them to fit perfectly on the displays. Another recognisable feature of the space is the pastel-pink colour palette, derived from the companies branding of the product. Although greenery and natural wooden flooring seem to dominate the pallet of the pop-up, bright and pink flower arrangements fill that gap. Despite such a natural theme of the space, the company doesn't neglect contemporary. The background for the installation is a minimalistic space, displaying the insides of the building, such as ventilation pipes. This design outcome is also rooted in the company's approach to creating their product, Glossier values technological advancement to produce an

innovative product that never existed before. "For example, their famous Milky Jelly cleanser combining make up remover and face wash all in one bottle" (Danziger, 2021).

Another reason this example was chosen, is because it incorporates an important aspect of the circular economy, which is the biggest trend in contemporary design practice. It is interesting to see how designers use these techniques in branded spaces. The circular economy is evident in glossies' pop-up. The design is very flexible and can be moved around easily with no demolition. Lily Kwong states that there are 1300 potted plants in the space (Kwong, 2019), suggesting that it is possible to repurpose them. As well as modular pedestals which can be exploited in other pop-ups or be moved to the flagship store**.**

When developing a brand, one has to think of the company values and key features that make it distinctive. The next step will be creating a visual identity that will communicate these elements to the potential consumer. Visual identity can be manipulated in the form of associations that consumer experiences in the process of interacting with a product. These rules would later apply to anything the brand communicates to their existing and potential client group. From the graphic layout of the website to product and design of the store. "Glossier celebrates its customers' natural beauty, not the artificial painted-on kind" (Danziger, 2021).

In this instance, greenery of an installation can strikes an association of celebrating ones' natural appearance. And scattered flowers of different colours, represent a big colour range of the makeup products available. Moss installation, placed in the modern space resulted in nature meeting technology in cohesive tandem, showing to the consumer that the brand promotes embracing natural beauty as well as placing great importance on the innovation. The ethos of the company clearly translates into the space, linking back to the Tongeren's and Shields's theory, it can be

derived that current interior space is branded. This approach could be critiqued, if the installation is interpreted as a mean to appear eco-friendly, in light of recent sustainability trend.

However, according to Glossier, the decision is much more straight forward. As Glossier's president and CFO, Henry Davis says: "Everything we do including physical retail will always be to drive a conversation online" (Danziger, 2021). This suggests that a visually engaging branded space could act as a tool to reach out to a wider audience, and familiarise more people with a product, by providing them with an opportunity of real-life interaction with a product. In this scenario, a physical space doesn't necessarily have to demonstrate high sales. A shop with exciting interior will get customers to talk about it more "What people say to Glossier or, even better, about Glossier to others is more important than what Glossier says to them" (Danziger, 2021). The brand has multiple communications channels on various social media platforms producing content to the audience, which is crucial in the digital age. However, physical spaces can be used to produce more content for the customers, just like in e-commerce.

From this example, a new argument can be derived. The companies can use branded spaces to win a greater market share. In the contemporary environment, just having a touchpoint with a product is not sufficient. The beauty industry is enormous and competitive; thus, the interior design of the space will enable the brand to stand out among endless makeup boutiques. In addition, as it was established in the previous chapter, consumer behaviour is not always rational, and cannot be predicted precisely. However, if the brand will keep making appearances and be in sight of a potential customer, like with the case of pop-up there is a higher chance of them making a purchase.

As was stated before, shopping is a learning activity where customers discover new products and trends. These learning dimensions are present in any retail space, however, it is more prominent in the pop-up, as the whole purpose of it is to educate about the product and gain new customers.

The most important take away from this chapter is that branding became a compound of the essence of retail. It represents the brand owner in the crucial one-to-one interaction with a customer. Branding assists consumers in making choices and allows them to establish a relationship with a product. Interior branding incorporates all these elements, hence it is important even in the digital age, as it elevates the chances of the company to gain popularity. As a result, companies will continue to invest in physical spaces, to enhance brand experiences for their consumers. Although more and more people prefer to shop online, there are still some products that customers might want to test before the purchase. In this instance having a physical retail store will be of assistance to a brand. To familiarise customers with a product, and potentially turning them into consumers. Interior branding plays a crucial role, as it allows to distinguish the retail from competitors, and allows the consumer to develop a personal connection with a brand.

This chapter demonstrates how contemporary retailers can efficiently respond to the new rules imposed by the digital age. The reason why online shopping is so popular is that it continually keeps its audience engaged by producing new content. As well as giving them constant access to shopping. In this scenario, if a physical space incorporates the same strategies their chances of being successful will rise. Branded pop-up space fits these criteria, as it translates company values in the visually engaging way, promoting the product. In addition, it can appear in any space regardless of the site context, providing more opportunities for potential consumers to come across the product, just like they will do online.

Chapter 3 Interior space as an educational platform

The future of the retail industry is already here. Physical spaces are no longer necessary unless they are experiential, or contemporary and fast-phased like pop-up stores. The previous chapter explained the importance of interior branding in relation to retail store as a mean to set it apart from neighbouring sellers on the Highstreet. This section of work will aim to demonstrate that in a modern world, overtaken by online, branded spaces can still exist. However, now they don't have to incorporate a selling element at all, as the purchase can be realised online. This leads to the final argument of this research work: retail spaces can be used solely to promote brand values of the company, in the process of users interacting with the space. Suggesting that the focal point in the retail interior shifted from being the place of the transaction to something else. The argument will be grounded in the theory of Dr Stephan Sonnenburg and Dr Laura Baker. This is the final core reading for this research. At the beginning authors introduce their understanding of branded spaces in the formula:

> "Branded Space= Place (Branding, Perceiving) +Space (Spacing, Synthesising, Interpreting)" (Sonnenburg and Baker, 2013, p. 16)

To get a fuller understanding of this formula, let's define its components. Spacing means that an agent or a group of agents position themselves in the branded place so that 'their' branded space can emerge' (Sonnenburg and Baker, 2013, p. 17). Synthesising is a process of agents connecting the positionings respectively their perceived atmosphere, to create meaning out of their story (Sonnenburg and Baker, 2013, p.17). This definition can be used to build upon the theory of branding, discussed in the previous chapter. Where this dissertation aimed to establish the correlation between branding and spaces. Theory of Sonnenburg and Baker elaborates on this understanding further by looking at the topic from the perspective of spaces. Hence points made in

the previous chapter can be additionally tested against the research of others. Before beginning this investigation, it is important to understand the authors' perception of branding.

> "Branding" is not so much about manipulating the user's knowledge with brute force, such as exposing him/her to repetitive slogans, logos, ads, etc.: rather branding is about taking him or her on a joint journey of co-creation involving the user(s), the brand itself (as a process), network, peers as well as implicitly the brand(co-)designers. During such a journey the user cultivates his or her latent knowledge and the brand acts as an enabler for this process of activation. (Sonnenburg and Baker, 2013, p.264)

As can be noted, the above description takes the theory of branding by Michel van Tongeren, discussed in the previous chapter, further. Tongeren's theory discussed that the branding replaced the shop owner, in one-to-one communication. In this instance, the claim is similar, branding is perceived as a direct tool, in creating knowledge about the brand. In the branded space, designers take their audience on a joint journey. The brand acts as a trigger for knowledge creation. This leads to the final theory used in this research work. In their book, Sonnenburg and Baker combine the research of other authors, one of them is looking at *Branding as Enabling Knowledge Creation: The Role of Space and Cognition in the branding process* by Peschl Fundneider (Sonnenburg and Baker, 2013, p.24). In essence, "branding involves generating some kind of new knowledge in the perceiver, the key is to enable knowledge creation" (Sonnenburg, and Baker, 2013, p.25). Suggesting that the theory argues that surroundings can shape mental state, interiors that incorporate this concept, are referred to as Enabling Spaces.

Interior design is a discipline that focuses on the environment. Subsequently, if the theory is correct, it is in the hands of designers to create the desired state of mind, in the users of the space. The theory will be discussed in relation to the Lexus clubhouse in New York, to prove an argument that in contemporary world physical retail spaces transformed from being a selling point into a showroom of brand values. INTERSECT BY LEXUS was designer by a Japanese studio Wonderwall in 2018 in New York. The principal designer of the practice Masamichi Katayama and the project designer Yohei Sakamaki created a "permanent space in select global cities where people can experience the ethos of the Lexus lifestyle without getting behind the steering wheel of one of the cars" (Lexus, 2020). Unlike the previous two examples, this space doesn't sell the product in the common understanding of the retail environment. In fact, it is solely dedicated to promoting brand values through interior design and experience created for visitors. The concept of the brand evolves around the manifestation of Omotenashi, a Lexus core value characterized by an unwavering commitment to exceptional hospitality. (Lexus, 2020).
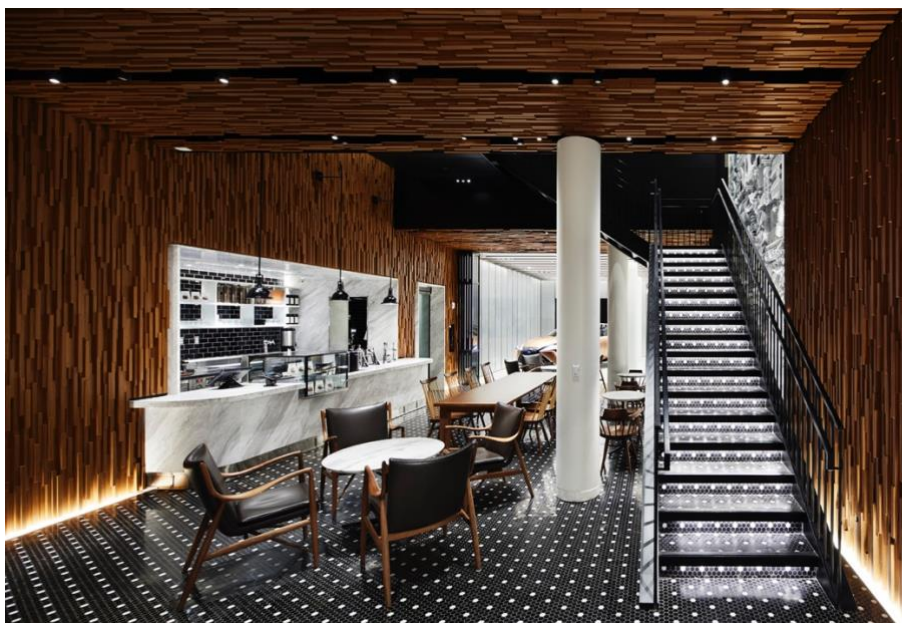

Figure 7. NACÁSA & PARTNERS INC. (2018) *The Lounge*.

The scheme incorporates three main zones. The first space is the lounge (Fig.1), from where the entire ground floor is visible. The first thing that is noted is a luxurious and harmonious material pallet, with a garage-like installation at the back, displaying the product. Choice of materiality is supposed to strike immediate association with a brand, by resembling material pallet of the car. Wood, marble, leather, metal, black tiles, are expensive natural materials that are pointing at the high price range of the brand. Carefully crafted spotlight and the illumination of the wall enhances the atmosphere and materiality even more. Especially, since it is known that dimmed lights enhance the senses, enriching the in-house experiences. Close interaction with materials provides tangible, thus more immersive experiences. All these factors in combination, allow the consumer to build a connection of the space to a product. By experiencing activities and materiality of the space, customers are given a 'preview' into the luxurious lifestyle that can be experienced with the purchase of the product. As the theory states "it is this delicate balance between controlling the process of knowledge creation and letting them follow their own flow which represents the quality of a well-designed Enabling Space.

Figure 8. NACÁSA & PARTNERS INC. (2018) *The Lounge*.

As visitors relax in the sitting area, they can observe a decorative wall behind the staircase,

displaying parts of the vehicle. The wall is brightly illuminated, making it a focal point of the space.

Engine detailing on the wall could convey a message that the brand has nothing to hide and they can

establish a closer connection with their consumers. Such an approach can be described as "journey

telling". Customers are increasingly demanding transparency from the brands they love, and they

want to be invited into the process of making the goods that they sell (Embey and Embey, 2013,

p.55). This can be linked to the historical context described in chapter 1. With the emergence of the

digital age, a power shift happened, suggesting that consumers can make a more precise judgment

of the product, as they possess more knowledge than ever before.

In the case with Lexus, it can be seen that every step of the consumer's journey is taken care of, from the moment they enter the space, the brand keeps them engaged. This approach can be described as "journey telling". Customers are increasingly demanding transparency from the brands they love, and they want to be invited into the process of making the goods that they sell (Embey and Embey, 2013, p.55). It is in the hands of interior designers to demonstrate everything about the brand, from insights of the development to a final product.

The way in which Enabling spaces can be created is also described in the theory. "The strategy is to provide a framework of enabling constraints that allows and facilitates the emergence of knowledge process 'from within'" (Sonnenburg, and Baker, 2013, 264). This saying is very important as it states two crucial elements. Branding does not promote the creation of new knowledge, in fact, it brings parts of information that is 'dormant' in the consumer's mind, to the surface, by striking association. The second step towards the creation of enabling space is providing guidance throughout the space, that will evoke the intended perception of the brand. According to the theory, only through the social interpretation of space, can agents construct meaning which is prerequisite for action or interaction (Sonnenburg and Baker, 2013, p.15). Customers might have some pre-existing knowledge about luxury cars, the job of the designer is to evoke associations in their mind with visual stimuli. By imposing such constraints, the designer can manipulate the emergence of desired knowledge. This can be seen in the example of INTERSECT BY LEXUS, and their materiality, limited to the brand image. Society can be interpreted through cognitive desires of individuals, as proposed in the theory of seven-factor structure, discussed in chapter one. Designers can base their decision on the cognition of the visitors, to extract necessarily knowledge from them. However, the theory of enabling spaces can be critiqued as It is not guaranteed that a branded space will be read as intended by the owner since customers might have a different perception, as their background knowledge is different.

As it was done in the preceding chapters, evaluation of design decisions cannot be accurate without the context of the company. Lexus is undeniably a high-end product, which could imply that potential target consumer group might be expecting to get more in return for their money. Thus, having a physical space, such as a clubhouse can be interpreted as an extra step taken by the brand to improve personal communication with the consumer of a premium product. What is also important to consider is that in the interior space, the process of knowledge emergence is initiated through dynamic social interactions. Such a process cannot be offered by online retail to the same extent. Social interaction is one of the reasons why people shop according to the seven-factor structure introduced in chapter one. As a result, physical branded space can act as an attraction for those wanting to interact with those sharing the same tastes and visions. A brand is trying to build a community of loyal customers around them by providing a place where they can come together and share experiences. Just like with the bookshop, where the space was treated as a point for people to come together and experience a hobby, they all share. Eventually, it encourages consumers to spent on products by the brand, other than the vehicles. Such as food and beverages in the restaurant. By including other uses in the retail branded space, designers have an opportunity to divert consumer from just buying, to other paid leisure activities. In the example of INTERSECT BY LESUX, it is fine dining. Thus, resulting in the company generating more revenue.

Conclusion

It can be concluded that retail spaces lost their value as a sole place of consumption, and product distribution. However, they are still existing as one of the means to familiarise potential consumer with a product. Moreover, it is a job of the designer to create an experience that will enable learning experience. This can be approached with reliance on the theory that people seek satisfaction of their cognitive desires through shopping. Understanding these social motives will enable designers to orchestrate necessarily settings. Subsequently, responding to these desires is crucial in developing contemporary retail scheme.

 Engaging the customers, providing activities for them promotes greater engagement with a product in a real-life, as this is an experience that cannot be offered by online to the same extent. Digital age has forever changed shopping landscape, however it presented design industry with new creative challenges and opportunities. It has already inspired collaborations of big brands and designers, resulting in unique interiors. This research demonstrates that brands themselves are in need of a professionally though through interior designs. Engaging and experiential interior design can help the brand to gain competitive advantage and increase revenue.

Another reason why retail spaces are still present is that they serve as another communication channel for a brand to promote their values, and offer a real-life interaction with a product, allowing consumers to test them before making a purchase. In addition, it doesn't even have to generate the main profit. However, once consumer became familiar with a brand, they might start purchasing regardless of the place, online or offline. In this instance a role of an interior designer is to translate values of the brand into the space, so that it "speaks" to potential consumer. Interior branding can be used by a business, to create an opportunity for shop visitors to establish connection with a brand, as they could do with a shop owner. If this is the case, there are different means for a

designer to strike associations in the minds of the consumers, from materiality of the space, to

lighting, and additional experience. Interior designers create an opportunity for the visitors to get

the feel of how it is to be using this product before purchasing it. Given the contemporary context,

designers would have to possess qualities of a good communicator, to best translate ethos of the

brand in their projects. As well as be considerate of an entertaining aspect of retail space.

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