



## Experts Ponder Impact of Economy on Retail Store Design

*As published in OIA WebNews 6/24/2009*

What does it mean when entrepreneurs can use Twitter to steer hundreds of consumers toward or away from your store based on its business practices? How do brick-and-mortar stores become more relevant to a generation accustomed to communicating, learning, socializing and shopping online? How will stores evolve in coming years to address a more frugal and environmentally conscious Generation Y?

You can hear two leading retail designers weigh in on these topics at [the OIA Rendezvous](#) in San Diego this fall. Maureen Boyer, a senior associate of the global design and architecture firm Gensler and Jim Megerson, a VP with the engineering firm Larson Binkley Inc., will discuss "Meeting the Needs of the New Consumer in the New Economy: Out of the Box Ideas for Retail, Office and Work Place Environments" on the second day of the three-day event, which runs September 29 through October 1.

Gensler designed REI's LEED-certified prototype stores in Boulder, Colorado, and Round Rock, Texas, and the "webfronts" built by apparel start-up Nau before the apparel brand was acquired by Horny Toad. The firm also designed [prAna's trade show exhibit](#), which won Best of Show at Outdoor Retailer in 2006. These days, Boyer and Megerson are spending a lot of their time pondering how the bursting of the credit bubble is affecting how Americans shop.

"This is kind of a tipping point and people are asking, 'What's the new normal?'" Boyer said of brick-and-mortar retail sales performance. "There are a couple of things we know. In-store sales in a lot of stores are going down and consumer spending is down by a lot. Online shopping, meanwhile, is on the rise. So we know that the new normal is going to involve retailers better integrating their online channels with their bricks-and mortar stores."

Year-to-date through April, outdoor specialty and chain store sales are down 7% and 4% respectively, while Internet/catalogue sales are up 6%, according to the most recent [OIA Outdoor Topline Report](#).

Boyer said many of Gensler's clients are now focusing on "[precision retailing](#)," or using copious data captured from online customers to fine tune in-store merchandising.

"Like never before there is a need to understand the needs of your specific customer and a need to target them as specifically as you can using the information you get through their online purchasing," she said. "Retailers who are not connecting the dots between what people are buying online and what they are buying in the store are missing the boat."

One women's fashion retailer, for instance, hired Gensler to design a store with a wine bar and lunch restaurant after research showed its target customers wanted a place where they could shop and socialize with their friends. The stores Gensler designed for REI in Boulder and [Round Rock](#) are organized around a central, elevated space where customers can browse books and maps and community groups can hold meetings, listen to speakers or view films.

Megerson said one of the most fascinating trends in retailing today is how Generation Y is harnessing Web 2.0 to change the balance of power between retailers and consumers yet again. Entrepreneurs are using social networking sites to organize consumer buying groups that extract discounts from local retailers.

[Carrotmob.com](#) promises it will drive hundreds of consumers to business that pledges to spend the highest percentage of the incremental sales it generates to reducing its environmental impact.

"I know of a store on Michigan Avenue where a customer told the retailer they will never shop in their store again because they left their doors wide open with the air conditioners on," said Megerson. "People are twittering from the store: 'They have their doors wide open! Don't go there.'"

The empowerment of socially and environmentally motivated consumers and tax incentives are sustaining interest in LEED certification, said Megerson, an expert in green building and sustainable design, who is an avid trail runner. Larson Binkley expects to get 30 Kohl department stores LEED certified by the end of the summer. The firm worked with Gensler on the Nau project and sees retail as a major growth opportunity.

The good news is that the outdoor industry has long been catering to environmentally conscious consumers. The challenge moving forward will be for specialty retailers to harness technology to sustain their own business in the face of changing demographics and rising online sales.