Emerging Sector Trends

In what has been a turbulent 12 months for all sectors, there is an emergence of new and upcoming trends in the global shopfitting and design sector, here James Hay, Managing Director of global retail design agency Barrows, discusses a selection of these and what they can offer the industry and the companies within it.

The first stores can be traced back to 800 BC in Ancient Greece when merchants began selling their wares on market stalls - probably no shopfitters, but stall design will undoubtedly have been important! Since then, retail has evolved at an increasingly rapid pace, from the rise of family-owned mom and pop's (1700-1800s) to the birth of the department store in the mid-1800s (Harrods opened in 1849, debuting England's first escalator in 1898, although it was considered a turbulent experience so visitors were supposedly given brandy to calm their nerves!). The shopping mall followed in the 1950s with big-box retail changing the game in the 60s.

Despite its many articulations, the role of the store remained unquestioned. It was a sales-channel, with cash exchanged for goods.

Fast forward to the present day and rising e-commerce penetration, new technologies and changing consumer attitudes - all accelerated by the Coronavirus pandemic - are forcing retailers to ask questions about the role of their physical estate. For many, it will be the first time they acknowledge the disconnect between what their brand stands for and the experiences they actually deliver.

These shifts have far-reaching implications for the shopfitting and design sector and in this article, we explore some of the key trends, including omni-channel ("How do I activate across channels?"), sustainability ("How do I align the store with my brand values?") and modularity ("How can my store become a multipurpose space?").

OMNI-CHANNEL

Taken literally, omni-channel implies the creation of one channel but at its best, it exploits the advantages of individual channels, maximising the synergies to improve the customer experience.

In the past year, Walmart has implemented a truly omni-channel strategy, leveraging its greatest competitive asset - its physical stores (approximately 90 per cent of the US population lives within ten miles of a Walmart) - to drive e-commerce growth and vice-versa. Last month (November), the retailer announced they had begun fulfilling orders directly from stores,

providing super-fast, same-day delivery. Walmart is also in the process of rolling out a new store format to 200 US stores by the end of the year. The new experience is powered by an app, which aids navigation and facilitates payment at checkout. In addition, the format introduces curbside pick-up for online orders - driving closer integration of physical and digital - removing friction from the customer journey.

Additionally, leading health and wellness brand Holland & Barrett have launched a new format concept, with the first store opening in Chelmsford, Essex earlier this year. The new format introduces click & collect lockers, QR codes linked to educational content and digital screens displaying dynamic localised messages.

SUSTAINABILITY

In a recent article for The Financial Times, John Sauven, Executive Director of Greenpeace UK, said: "This is a golden age for greenwash… any company that wants to gain the public's trust and be a genuine green leader needs to put in the hard work first and put up the billboards later." Too often in the shopfitting sector, there's a gap between the materials and the messaging, with a brand proclaiming to be a green leader whilst engaging in unsustainable shopfitting practices.

With retailers increasingly committing to serious sustainability goals - Sainsbury's has pledged to spend £1bn to become Carbon Neutral by 2040 - we expect to see this become one of the defining trends of the future, despite the inevitable question of cost that will loom during the economic downturn caused by the pandemic.

MODULARITY

In 2018, I visited Story in New York for the first time. It felt less like a retail space and more like a gallery, with brightly coloured balloons and Instagrammable installations adorning the walls. Whilst the jury is still not out on its integration into Macy's (in Feb 2020, the department store closed almost half of the 36 Story locations it set up just a year earlier), the thinking behind the concept was right.

Story attempted to create a location that remained fresh by changing its core concept regularly to keep customers coming back. As it becomes harder to match e-commerce on price and convenience, it's more important than ever for retailers to give customers a reason to visit and return to their bricks-and-mortar stores, creating experiences that shoppers are willing to pay a margin for.

Modular design is critical to enable this agile approach, making it faster and cheaper for retailers to turn-on concepts and trial new designs. Modularity also helps facilitate the shift towards offering in-store services; with Lululemon's in-store yoga classes a notable example.

CONCLUSION

In conclusion, rising e-commerce penetration, new technologies and changing consumer attitudes are forcing retailers to ask big questions about the role of their stores. By focusing on the areas outlined in this article, shopfitters and retail design agencies can create experiences that go beyond fulfilment, helping retailers finally close the gap between their values and the experience they deliver.