



Speaking of retail

The GlobalShop conference program passed knowledge and inspiration on to attendees

By Rachel Brown, Senior Editor, and Vilma Barr, New York Editor

The GlobalShop 2007 conference sessions, sponsored by Design Forum, gave attendees valuable information to take back to their businesses, covering topics from the importance of brand image to the rising power of millennials as a consumer group. Read on for overviews of several conference sessions.



Wendy Liebmann

Wendy Liebmann—5 Biggest Challenges for Retail in the Next 5 Years

"Five years seems like an awful long time to think about challenges," said Wendy Liebmann, founder and president of WSL Strategic Retail.

Starting out the session,

Liebmann pointed out that challenges and change are happening faster and faster today.

Highlighting some of retail's biggest shifts, Liebmann pointed out Wal-Mart's identity crisis (with some of its new strategies), Gap losing out to fast-fashion imports such as H&M and Zara, the union of Kmart and Sears, and the re-emergence of department stores—just to name a few.

"Staying on this swiftly spinning planet is the biggest challenge," Liebmann insisted, also mentioning a transforming society, new shopper mentality, retail expansion implosion and an expanding economic divide as some of the biggest hurdles facing retail today.

She emphasized the importance of putting shoppers first by catering the retail environment and brand message to fit their ever-changing needs. Other things to consider include international competition, thinking holistically, having a social health policy, ease of shopability and realizing that "stuff happens." She named some of her favorite retailers that are running successful businesses: Topshop, London; Nokia, Chicago; Three Minutes of Happiness, Tokyo; Dover Street Market, London; and Apple.

Patrick Hanlon—Primal Branding: Creating Zealots for Your Brand, Your Company and Your Future

"Why do some products mean something to us while others don't?" asked Patrick Hanlon, author of "Primal Branding" and CEO and founder of Thinktopia Inc. "Preference creates sales," he said, stressing that certain elements are necessary to create a believable brand.

Primal branding is based on belief systems, Hanlon iterated, naming seven specific components crucial to a successful brand: creation (how it got started); creed (set



of core principles); icons (i.e. Nike swoosh, taste of Starbucks' coffee); rituals (repeated interactions between product believers and the brand); sacred words (special vocabulary that defines those who believe); nonbelievers



Patrick Hanlon

(the competition and shoppers who favor the competition); and leaders (those responsible for pulling together the seven pieces of primal code.)

Once a belief system is created, Hanlon explained: "brand equals belief equals belonging," and in the end, belonging equals preference. Noting successful companies, Hanlon said, "nothing beats originality; that's why companies that start something are successful." He advised companies to do research on what their brand means to people. He also suggested that retailers keep in mind that "99 percent of all customers don't complain; they just walk away."

Cheryl Swanson—Consumer Trends: From Hype to Bionic Chic

Technology has become our daily sustenance. In 1986, Americans spent \$2 billion on computers and \$614 billion on food; 20 years later, we spent \$666 billion on computer-related items, and \$714 billion on food. The latest count of Americans with cell phones is approaching 203 million. Technology has bound us to

our jobs—63 percent of Americans work more than 40 hours per week. Job burnout has become a fast-expanding problem.

Retailers and brand marketers can help people cope by showing them how to slow down and get enjoyment from simple aspects of their day-to-day lifestyles. "People want face-to-face interaction," stressed Cheryl Swanson, principal of Toniq. "American Girl Place, with its in-store cafe, theater and personnel who quite seriously show they relate to each child's request, interact every step of the way with the young girls and their friends and family."



Cheryl Swanson

Authenticity in products is a companion trend to organic, Swanson explained. "Brands like Tazo tea are building loyalty with informative packaging and promotional messages that tell about its product's origins and describe the lure of the particular flavor of tea in the box," she said.

Bonding with a firm's clients was exemplified by Umpqua Bank, headquartered near Portland, Ore. This \$257 million bank with 131 offices on the West Coast allows employees 40 paid hours a year for volunteering. The spacious lobbies of some branches offer free Internet access and complimentary coffee—Umpqua's own blended roast. "They have made it a policy to show customers that they value their busi-

ness in ways that relate directly to their lifestyle, and that's one of the building blocks of a successful brand," Swanson emphasized.

Tristan Coopersmith—Millennials as Consumers



Tristan Coopersmith

Gen X and Y as consumers was the hot topic in this session, in which Tristan Coopersmith, director of marketing and research for The Intelligence Group, discussed the characteristics of these two groups.

Gen X, who grew up in the '80s and graduated in the '90s, matured in a time that presented them problems with no solutions, Coopersmith said, mentioning the emergence of gang violence, the Greenhouse Effect, AIDS and nuclear war as being the top concerns of this generation. As a result, Gen X consumers tend to be realistic/pessimistic, savvy/skeptical, independent, retro and nostalgic.

Gen Y, who top out at 28 years old, come from an era where children were protected, the young were empowered and computers were part of everyday life. As a result, this generation is realistic/optimistic, individual as a member of a group, empowered and hopeful, Coopersmith explained.

Millennials (Gen Y) have friends all over the world (thanks to Web sites like MySpace), want to do good for the environment and want edited living (Cliffs-Notes generation)—and are looking to (retail) brands to do this. They believe in action over contribution; "they don't want products with plastic wrap in a box," Coopersmith said. She also stressed that Gen Y are born shopaholics and very brand-focused. She reported that 14- to 24-year-olds have an average of \$105 a week from parents, allowances, gifts and part-time jobs. They spend their money on food, clothing and room furnishings—in that order. To win over this consumer, Coopersmith advised, ask them what they think, provide an effective store experience (they shop in groups), align brand with meaningful cause, stay fresh and trend-defining and offer a variety of customizable products.

George Whalin—Stop, Look, Touch & Buy: The Dynamics of Merchandising

Retail management consultant George Whalin is proud to admit that he is "a store guy." His two favorite building blocks for a great customer experience are inspired store design and innovative merchandising. "The agreed-upon goal for the merchant that has always been and is now more important than ever before is: Stop, Look, Touch and Buy," Whalin told his audience. He listed the tools of retail engagement as architecture, props, fixtures, color, signage and graphics, walls and lighting—and then, putting it all together.

Whalin emphasized that the right mix of lighting cre-

ates the kind of environment and mood that encourages a buying mindset to the customer. "After Von's Supermarket, part of the Safeway group, recently installed new lighting, business went up 20 percent," Whalin reported. Abercrombie & Fitch's signature technique of low-level ambient light gives it a nightclub feel. "Their theory is to sell quantities of moderate price merchandise in great-looking stores to a targeted age group," Whalin said. "Their customer gets involved with the environment."



George Whalin

Advertising, the long-utilized traditional traffic generator for retailers, is losing its drawing power, Whalin said. "Advertising isn't working anymore; it is not effectively generating traffic nor building and maintaining brand recognition," he observed. "The way to stand out in this economic environment is high-impact store design and merchandising. They are the most effective competitive tools. If the store isn't amazing and delighting its customers, it's probably boring them."

Among the techniques to enliven a retail setting that Whalin likes are props, such as Bass Pro Shops' use of vintage pick-up trucks as backdrops; colorful area rugs in women's and men's apparel sections of Neiman Marcus; and distinctive signage and graphics, exemplified by Vacco in Istanbul.

Lee Carpenter—Top Retail Brands: The Power of Visual, Social and Emotional Alignment



Lee Carpenter

"A brand's image isn't just about the product or service. New consumer buying trends and cultural shifts may have passed right by your brand," said Lee Carpenter, CEO of Design Forum and chairman and CEO, Interbrand North America. A brand's position, he said, has to be examined and updated regularly,

even as frequently as quarterly. "Evaluate aptness of the brand's promotional message as it reflects today's consumer profile," he said.

But, one size does not fit all, Lee cautioned. Today's consumer is likely to pay attention to a brand if it fulfills social, emotional and functional needs. In other words, it reflects their individuality, makes them happy and performs as promised.

J.C. Penney is one of the examples Carpenter cited as a company that has realigned its brand image as a response to today's evolving buying preferences. J.C. Penney Chairman and CEO Mike Ullman posed the

question: "What is needed to make us different?" Carpenter revealed that the new strategy was based on the response: "We need an emotional relationship with our customers." As a result, the retailer brought in Sephora and Ralph Lauren's American Living collection, he pointed out.

Panel—Scent Marketing: Turning Scents into Dollars

Harnessing the sales-stimulating power of scent is drawing increased interest from marketers looking to counter the drop in traditional forms of paid print and electronic media advertising. The Scent Marketing Institute in Scarsdale, N.Y., has been tracking scents and their effects in various commercial environments since 1990. Presenters for this session included moderator Harold H. Vogt, founder, Scent Marketing Institute; and panelists Dr. Rachel S. Herz, Brown University; Mark Peltier, Aromass; and Carmine Santandrea, ScentAndrea.



Harold H. Vogt

Brown University researcher Dr. Rachel S. Herz supported the claim that commercial applications of the effect of scents on people combines science, technology and sales psychology. "Our sense of smell is the strongest of all human senses, and the closest linked to memory and emotion," she pointed out. In one of Dr. Herz's studies, she examined the emotional and content qualities of subjects' memories evoked by a campfire, fresh-cut grass and popcorn, presented in olfactory, visual and auditory forms. She said that results revealed that memories recalled by odors were significantly more emotional and evocative than those recalled by the same cue presented visually or auditorily.

"A scent program allows the retailer to surround, engage and immerse the consumer," said panel member Carmine Santandrea, CEO of ScentAndrea. "It frees up ad budgets with a cost-effective system that reaches consumers, one nose at a time." Techniques available today can aim specific scents to reach off the shelf and grab the consumer, and encourage impulse purchases. However, interjecting scents into a store's HVAC system is not recommended.

Mark Peltier of Aromass emphasized that retailers and marketers have "a fantastic opportunity with a scientific basis to tap into the shopper's in-store buying decision-making process." With approximately 30,000 scents now available, he said, "it has gone far beyond the aromas in the cosmetic sections or the bakery area of the supermarket." Scents for sleepwear departments, gift stores, and leather scents for handbag and luggage departments have been employed. "Some large companies, such as Samsung, have their own scent," he commented. "Adding the right scent, at the right time and place, that is consistent with the sights, sounds and textures of a business, can make a difference in the bottom line." **ddi**