

Unconventional Retail

To remain competitive, retailers need to create a business model that focuses on the consumer, and create an environment that interacts with the body's six senses.

James Medefind

Approximately 28 percent of the population in the United States are a part of the millennial generation, meaning that they were born between 1982 and 2004. Millennials are now the largest consumer group in the country. These technological titans grew up investing their savings in the latest video game system, then spending their Saturday afternoon saving the world from extinction while playing Halo 3. Nothing is impressive to this ever-growing generation, and retailers are finding it more and more difficult to attract them to their brick-and-mortar locations. For years, retailers have been asking themselves: how do we snag the millennial shopper?

Omnichannel – the convergence of online shopping with brick-and-mortar locations – has been the go-to strategy over the past decade as a way for traditional retailers to form a competitive edge against online retailers. A customer can order online and pick up in-store. The goal is to make shopping quick and convenient, allowing access to a product faster than if you were to order from an online retailer.

Now that we are in 2017, omnichanneling has become less and less effective. With Amazon Prime, Prime Now, and a multitude of other same day delivery services available to any consumer with a smartphone, the advantage brick-and-mortar stores once had is not as applicable. Retailers need to go one step further and lure customers in to their stores by providing an experience that cannot be replicated by the dozens of online options available to today's consumer. They need to invest in an experience that utilizes technology and efficiency to capture the impatient consumer.

IKEA, the Swedish furniture giant, is said to be exploring new ways to provide customers with an experience they cannot receive anywhere else. Its approach is to

utilize virtual reality and allow customers to choose different options and color combinations within a room so that they can see the finished product prior to delivery. Leveraging technology like virtual reality is something that has not been attempted by any other home furnishing company. The planned result is to cement IKEA's brand as a modern, hip retailer who has cutting edge technology.

Nike is also utilizing technology in its growth strategy. Nike's new flagship store in the SoHo neighborhood of New York City opened last year, setting a new standard for how the fitness and apparel industry can turn their retail locations into must-stop shopping destinations. In an attempt to dampen the rising trend of buying shoes and apparel online, designers installed a wall of high definition televisions that allow shoppers to test out running shoes on their favorite track or trail before they buy them. Other features of this experience-driven store include an indoor athletic field and basketball court and touch screens throughout. The most impressive, experience-driven aspect Nike has implemented at this store is a shoe bar, where customers can customize their own pair of shoes using laser engraving and embroidering that is completed in-store.

Best Buy is the first retailer to implement robots as part of its in-store experience. In Manhattan, the retailer installed a robot named Chloe. Chloe retrieves any one of more than 10,000 items from its shelving system and hands them to shoppers. Such an interactive experience is reported to have attracted visitors from around the world. Best Buy's robotic sales associate is able to assist customers even after the store is closed, filling the void for immediate access to games, movies, electronic accessories and more while other retailers are closed. While cutting edge experienc-

es are in demand, shoppers still want personalized service. Chloe helps make the transition to artificial intelligence easier by introducing herself when you walk up to the control screen and turning around to flash a smile on her LCD screen as she is retrieving your item.

Baby Boomers are the nation's second largest consumer group with 74.9 million people totaling more than 23 percent of the population. Although technology is one of the driving forces behind millennial shopping trends, Baby Boomers are also play a role in a retailer's strategy for attracting customers.

While Baby Boomers appreciate the experience that technology can create, their needs are different. Studies have found that Baby Boomers require more social interaction and have a need to be pampered. Luxury retailers and malls across the country are throwing parties with champagne, wine and hors d'oeuvres to get key clientele in the door. Many of these events are invite-only and provide consumers with the special attention and exclusive experience that they desire. At these parties, customers have access to new releases, discounted merchandise, designers and celebrities.

To remain competitive, retailers need to create a business model that focuses on the consumer and creates an environment that interacts with the body's six senses. In order to remain relevant and competitive, retailers will be tasked with the challenge of creating an experience to remember.

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