Experience Trends

Introduction

Visual merchandising is defined as the retail practice of developing floor plans and three-dimensional displays in order to maximize sales. Products are displayed to highlight their features and benefits to consumers, motivating them toward making a purchase. This can include elements of spacing, lighting, color and design. The term applies to both in-store merchandising and online merchandising.

Each year we welcome new trends, see a few re-emerge from the past and learn which ones have staying power by continuing to dominate the retail landscape. This white paper will take a closer look at the top trends that will captivate our attention in 2019.

Bringing the Natural Environment Inside

Top photo image companies like Adobe Stock and Getty/iStock predict a visual trend in 2019 that includes an abundance of natural subjects. This is likely due to concerns over global warming and climate change. It may also reflect our collective desire to reduce the hold technology seems to have over so many aspects of our lives these days.

Gardening — which has become a millennial pastime — in particular is expected to be an activity that’s highlighted both in retail settings and in media advertisements. It demonstrates the simple appeal of connecting with the earth, and is in direct contrast to spending time with high-tech gadgets.

And we can’t forget that Living Coral was selected color of the year for 2019. According to Pantone, this hue “is a nurturing color that appears in our natural surroundings and at the same time, displays a lively presence within social media.”

Involving All of the Senses

Physical retail stores have a significant advantage over online shopping sites because they can engage more than just sight. In 2019, retailers will continue to push the boundaries of how to engage all five senses. From store layout to display fixtures, look for more innovations that will entice and attract shoppers, and encourage them to stay longer.

- **Smell** — Scent has such a powerful impact when it comes to enhancing consumer behavior in terms of emotion, evaluation, willingness to return to a store and purchase intention, as noted by Ad Age. Think warm cookies or fresh citrus. Or create your own unique scent!

- **Sound** — We’ve come a long way from generic Muzak. Just like scent, sound can affect our moods and emotions too. Our actions tend to mirror the tempo of the music being played, so choose slower-paced songs to encourage browsing and purchases.
**Touch** — Being able to feel a product satisfies our curiosity and allows us to better understand its quality and function. This level of interactivity is critical for certain new or hard-to-explain items.

**Taste** — From free samples to live demonstrations, giving consumers the opportunity to taste a food product increases the likelihood they’ll take the leap from try to buy.

Making Everything More Experiential

Sometimes it’s not all about the product; it’s the experience. This year we expect to see retailers introduce more initiatives that deliver sensory experiences consumers want to share via social media channels. The more limited and exclusive, the better — as we’ve seen with the pop-up shop or flash retailing concept.

In contrast to the efficiency and speed of online shopping, retail stores have the ability to differentiate themselves by creating one-of-a-kind scenes, not unlike theatre stage scenes, that can’t be duplicated. These experiences are encouraged to be shared on social media too, generating interest and building brand value.

From basic cardboard cutouts to elaborate displays, make your retail setting a must-visit destination.
con·ven·ience [kənˈvēnyəns]
Noun: The state of being able to proceed with something with little effort or difficulty.

Evolving “Store-Within-a-Store” Concept to Curated Merchandise

In 2019, we’re likely to see more kiosks and small shops spring up within existing stores. Brands and retailers are collaborating to offer customers curated merchandise in a convenient setting. It’s a win-win situation because brands can give their products exposure to captive shoppers who crave new trendy items. According to self-dubbed pop-up expert Stephen Brooks, this concept can help malls survive the ongoing “retail apocalypse.”

Case in point: Pop-In and Pop-In@Nordstrom available on Nordstrom’s website and stores. Both showcase curated...
merchandise — often exclusive — selected based on a theme or from a select brand. The key is rotating products on a regular basis to keep the experience fresh, enticing consumers to return again and again.

It’s not just high-end retailers who are applying this concept. During the holiday season, Target dedicates space for their holiday gift and décor merchandise in their Wondershop. What’s more convenient than being able to cross a few presents off your list while doing your weekly run for standard items during the busiest time of the year?

Moving Beyond “Sale” Signs to Informational Guidance

Retail can sometimes get stuck in a rut, like posting a traditional “sale” sign to draw attention. However, there’s a new trend toward informational signage to drive shopper interaction and engagement. These signs are much more creative and communicate things like product recommendations or potential uses for an item.

Taking a cue from Amazon’s practice of displaying additional products based on a visitor’s browsing habits or a customer’s shopping history, signs can also predict preferences. Arrange a display with two sections: one with a popular product shoppers will be familiar with and another with a new offering you’re promoting. Include a sign that says: If you liked that, you’ll love this!

Make a product more appealing by demonstrating its versatility, like Kohl’s. The department store has signage that shows how a garment can be worn different ways for various situations (i.e., workplace, casual weekend, evening). When displaying a new product whose use isn’t immediately obvious, signage can help explain that, at a much lower cost than requiring staff to communicate this multiple times a day.

Blending Brick-and-Mortar with Online

Internet shopping has certainly had an impact on malls and independent stores, but it’s becoming increasingly more common for the lines between these two channels to blur. The biggest factors influencing this trend are rising shipping costs and consumer preference for easier returns.

Many online retailers are losing money because of the abundance of customer returns, says Bob Phibbs, the Retail Doc. He believes the distinction between brick and mortar or online is vanishing; it is no longer an either or but an AND. To offset the cost of returns, look for more partnerships — like the one between Amazon and Kohls — where returns from the online retailer can be made at physical store locations and Kohls now sells Amazon-enabled smart home products.
Using Mobile Apps to Connect, Not Just Sell

It’s no surprise shopping apps from Amazon, Walmart and Groupon are hugely popular, but be on the lookout for retailers to offer features that go beyond products and discounts. Educational content, interactive gaming and social communities all provide opportunities to build brand and foster loyalty.

While not available in the United States, consider the virtual store Starbucks launched in December 2018 in China. It takes social gifting to another level. In addition to purchasing a digital gift card, customers can also add on a physical gift or choose to use a delivery service to have a handcrafted beverage within 30 minutes ... all within a single app.

Implementing Artificial Intelligence (AI) and Virtual Reality (VR)

While we haven’t quite achieved the level of technology envisioned in the movie Minority Report, we’ve certainly made advances. And that trend shows no signs of slowing down. User experiences are being shaped by AI and data-driven algorithms. Retail websites are using virtual reality to help consumers envision products in a personalized way.

These high-tech applications are helping companies overcome some of the limitations inherent with shopping online. Last year, Original Stitch debuted Bodygram, a system that gives accurate, full-body measurements based on using just two photos (front and side views) of your body. If your custom shirt isn’t right, you can return it.

Virtual reality is also being used by Wayfair, one of the world’s largest online destinations for the home. Visitors to their website can now see how furniture and decor will look in their homes using a first-of-its-kind, mixed-reality shopping experience.

Embracing the Internet of Things (IoT) for Retail

As a retailer, if you don’t consider data one of your most valuable assets, you may be left behind. The IoT for retail is fueled by data, which is more available than ever thanks to loyalty and rewards programs.

Retailers are able to have closer engagements with customers through internet-connected devices like phones, tablets and watches. Additionally, devices such as beacons and smart shelves are helping retailers achieve greater efficiency by ensuring staff are fully utilized, according to industry experts.
Recent research cited by retail thought leader Tony D’Onofrio certainly supports the importance being placed on IoT. Of retailers surveyed globally:

- 70 percent say they agree the IoT will drastically change the way companies do business in the next three years.

- 70 percent are ready to adopt IoT to improve customer experiences.

- 63 percent believe IoT provides more opportunities to drive sales/profits through closer engagement with consumers via internet-connected mobile devices.

About Taylor Communications

Taylor Communications is a go-to-market subsidiary of Taylor Corporation. Leading businesses across North America trust Taylor Communications to be their partner in meeting the complex challenges of communicating in today’s omnichannel world. Our client-driven team of experts leverages technology across the industry’s broadest network of solutions to help them strengthen customer experience, enhance business efficiencies and drive revenue.