

The physical space as a brand channel

A new model for a relational and
experience-based approach to retail

by **Bettine Ortmann and Sofia Viholt**

Come in



**WE'RE
AWESOME**

04 What will the future of physical retail look like?

08 The new role of physical stores

12 Ways to use the physical space

14 The DEAL Model

34 Create experiences worth talking about

What will the **future** of **physical retail** look like?

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**Consumers will have a ball,
because to survive as a
physical retailer, you'll have
to make a real effort**

Partner & Creative Director, Peter Bur Andersen, BriqGroup

NEW CONTEXTS CLOSER TO THE CONSUMERS

In the future, physical stores will be much more than a space for transactions. They will become scenes for the physical meeting. Scenes where stories, emotions and experiences will be created, expressed, and shared in interaction with the consumer. However, they will also provide a setting for a digital presence and the starting point for any good story. Thanks to Shopify, Wordpress and Wix, anyone can open an online store today. The entry barriers to retail have been eliminated, and competition has increased—not only from other Danish retailers but from all over the world. The rules of the game have changed drastically. Consumer inboxes and SoMe feeds are booming with digital offerings. Branding in the physical space can be what separates losers from winners.

THE MORE DIGITAL WE BECOME, THE GREATER THE DEMAND FOR THE PHYSICAL SPACE WILL BE

Covid-19 has left its mark on physical retail and presents a huge challenge right now for those who want to create relevant physical experiences. While focus is sharpening on hygiene within the four walls, which have traditionally formed the framework for the physical store, the meeting between retailer and customer will increasingly take place in completely different surroundings and formats. This may be in the form of mobile devices which follow the customers wherever they go but also meetings in the open air. The physical stores of the future will no longer be limited to a stationary space with a focus on transactions. Rather, they will unfold in new contexts, closer to and together with the target group. Even if by a magic stroke, we have jumped 10 years forward into our digital lives; still, we hunger for physical experiences and meeting other people.

We have investigated how a retailer and brand may create a special experience in the physical space. We interviewed 28 retailers, all of whom do something special for their physical presence, along with a large number of experts, about their experiences of branding themselves in the physical space. We asked about their views on tomorrow's retail, the use of new technology, the relationship between technology and people, and how best to create experiences in the physical space.

The conclusion is clear. There is a growing need to find other places and new ways to meet the consumer. New ways to create lasting relationships for one's brand. The more digital the business model is, the greater the need for physical presence will be. This is why we see many of the so-called "pureplayers"—brands and companies that are born digital—throw themselves into the physical space in an attempt to stage their brand through experiences. An example is Barons, a digitally-based shirt company. They opened a physical "pop-in" in Septem-

ber 2020 in the watch company About Vintage's store. And the Danish fashion brand and "pureplayer" Shaping New Tomorrow proclaimed in May 2020 (even after the break-out of Covid-19), that they plan to open up physical stores (Finans.dk). Another example is the beauty brand RazSpa. They regularly market themselves online through video recordings from their physical store in Torvehallerne in central Copenhagen. Here, the physical store serves as the stage for the physical meeting and the scenery for digital marketing. There is live streaming from the store, and customers are offered online consultations.

In the future, there will still be retailers who focus exclusively on competitive prices in a battle that primarily takes place online. But brands that want a special place in the consciousness of the consumer—and the possibility to ask for a higher price—can utilise the physical space to strengthen their business and cultivate their brand value—irrespective of the line of business or the category. It is these retailers and brands we address with this article in an attempt to inspire them to use the physical space as a brand channel.

STAND OUT, BUILD RELATIONS AND CREATE MORE TRAFFIC TO THE ONLINE CHANNELS

The future is not a question of digital or physical. It is about both. The retail of the future is omnichannel, which means that customers expect seamless experiences and services across channels. If the physical space is to be relevant to consumers in future, it must be able to do something special that sets it apart from the digital space. If it is to be relevant for the retailers, then it must serve as the starting point for the digital presence and focus on branding. As we become more and more digital, and our inboxes and feeds are filled with digital offers, it becomes increasingly difficult for retailers and brands to penetrate the online clutter. This is where the physical space may offer an opportunity to stand out and be something special and, not least, increase the flow of traffic to the online channels (Jones & Kim, 2010).

In future, consumers will expect a special meeting or a special experience when they walk into the physical space. And there will be a demand for new methods and insights in how to change your focus from transactions to relations. If you want to survive as a retailer in future, the physical space must be used to increase awareness and build relations. It must be used as a brand channel.

This article is a retailer's introduction to how to use the physical space to strengthen their brand and business. We have developed the DEAL model, which may serve as a guide and checklist when it comes to branding yourself in the physical space.

WHAT WILL THE FUTURE OF PHYSICAL RETAIL LOOK LIKE?



PR foto

Barons stage their shirts as a "pop-in" with watchmaker About Vintage, Stroegat, Copenhagen



PR foto

RazSpa life-stream from their physical store at Torvehallerne to market themselves

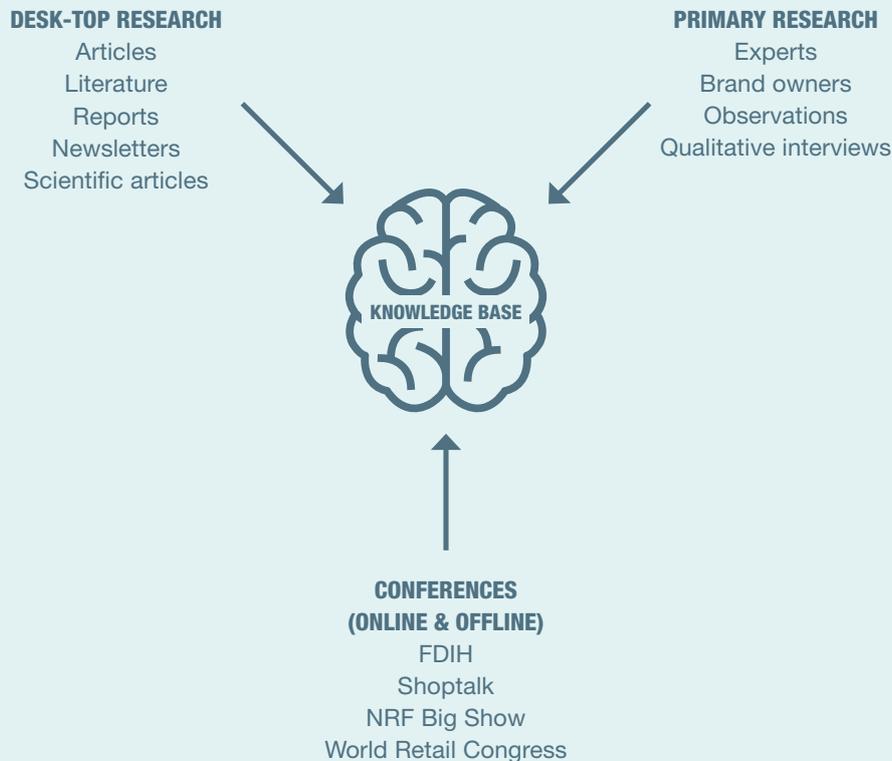
METHOD

The physical space is analogous and restricted to a given context, a particular place or time. Therefore, it was relevant to include both, place branding and experience design in the development of the DEAL model. Our work has mainly been based on the theories developed by Pine & Gilmore, Keller and Kavaretti. In addition, the book *Experiential Marketing—Consumer Behavior, Customer Experience and the 7E's*, 2019 by Wided Batat has been a great inspiration, as have reports, articles and newsletters from leading market data providers and trend forecasters such as Euromonitor, WGSN and others.

The students in KEA's programme in Entrepreneurship and Design (ED19) have contributed with desk-top research and qualitative interviews. Based on a semi-structured questionnaire, they interviewed the companies Wood Wood, Louise Roe, Arla, Paustian, B&O, Stalks & Roots, Rains, Mikkeller, Staedtler, Royal Unibrew, Henrik Vibskov, Tuborg, Casall, RazSpa, 13z Café & Studio, Han Kjøbenhavn, Take Off CPH, Salon, Volvo, Nørrebro Bryghus, Wally & Whiz, Kims Chips, Sticks'n'Sushi, Red Bull, Nova Møbler, Hornsleth and Mod. All interviews were

recorded on audio files and subsequently transcribed. Insights were gained and mood boards were prepared for all the cases. We have subsequently analysed and compiled these interviews. We also interviewed retail experts Peter Bur Andersen from the design agency BriqGroup in Copenhagen and Melissa Gonzalez from the New York-based agency The Lioness Group, retail specialist Robert Erichsen from Reshape Retail, international brand strategist Allan Kruse, who works for Johannes Torpe Studio, among others, and Bastian Lind, Partner and Marketing Specialist at the "pureplayer" Barons, who have just launched their brand in the physical space. Their thoughts and their practical experience have been significant input.

The world's largest retail conference, NRF, held in New York 2020, was also a significant source of information and insights. Besides contributions from leading retailers and experts, we observed how retailers stage their brands in practice in one of the world's largest metropolises. Furthermore, we participated in various online conferences by FDIH, Shoptalk, Advice, Retail Institute Scandinavia, among others.



Figur 1
Overview of the project's
knowledge base - own version

The new role of physical stores

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The tides are shifting. Right now, we are experiencing an elimination race.

Robert Erichsen, Reshape Retail (Erichsen, 2020)

E-commerce is growing. In Denmark, we traded for DKK 146 billion in 2019, corresponding to 20 billion euro, and our online purchases continue to increase. In the first half of 2020, e-commerce increased by 5% compared to the first half of 2019 (FDIH, 2020). Total turnover for European e-commerce is expected to increase by 12.7% and reach 717 billion euros by the end of 2020 (FDIH, 2020, July). Society is increasingly going digital, and the popularity of online shopping among consumers has reached new heights. In recent years, we have seen a decline in customer traffic flow to the physical stores, and more and more physical retailers have had to shut down due to lack of turnover. Covid-19 has not slowed this development. Quite the contrary. The supply of vacant stores is now at its highest level in 17 years (Persson, 2020). However, online sales only amount to approx. 12% of total sales to private consumers (Danish Chamber of Commerce, 2019). The vast majority of consumers still prefer the physical stores. Even in the category of clothes, shoes and accessories, which is the largest when it comes to online purchases measured by the share of transactions, it is still only approx. every third consumer who prefers to shop online. 80% of those who prefer the physical stores say they want to see and feel the goods before buying them (FDIH, 2020). The physical stores have a *raison d'être*, also in future—but the shape of them is undergoing drastic transformation (Mitchell et al., 2020).

A good example is the interior design store Louise Roe, which reminds you more of a gallery than a traditional store. In Louise Roe's physical store, Louise Roe Gallery, at Vognmagergade 9, Copenhagen, there is only one or a few products on display in an artistic and aesthetic set-up. An ice-cream machine and a café invite customers to stay a little longer. Another example is the sports brand Casall. Casall have a strong focus on inspiring their customers within healthy lifestyle, they often uses pop-ups in different contexts closer to the customers. The energy drink Redbull has almost exclusively built their brand on extreme physical events in close interaction with the customers in surroundings far away from a traditional store set-up.

In the future, physical retailers can only hope for a place in the market if they really make an effort to create experiences and build customer relations. This applies to chain stores, such as Spejdersport, Babysam, and Imerco as well as department stores such as Magasin. The same goes for smaller independent stores such as Louise Roe, 13Z Café, and Stilleben. All of them are retail brands that primarily make a living from curating and selling other

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I believe physical stores will always be there. There is a certain tactility that comes with sensory and emotional experiences that cannot be digitized.

Kevin Kafesu, PR- & Marketing Manager, Wood Wood

people's brands. It also applies to product brands typically found on other retailers' shelves, or product brands which have their own stores or a combination of these such as Wood Wood, Staedtler, and Casall. They all own the entire value chain from design and development to in-store sales.

Within FMCG, there have been several examples in recent years of retailers using the physical space actively for branding initiatives with their own stores, and where it is about much more than transactions. Kim's Chips, for instance, opened a physical store in Odense based on their well-known visual universe, while Wally & Whiz stage their gourmet wine gums in their own store in Magasin at Kongens Nytorv, Copenhagen. Wine gums usually only available online. Naturlí, which sells plant-based foods, has its own store in Saxogade, Vesterbro. With their 'Pleasure Stores' and pop-up collaboration with clothing brands, for instance, ice-cream maker Magnum has turned the otherwise relatively simple act of buying an ice cream into a completely different experience than the one we know from the supermarkets. The examples are many, and we are convinced that more will follow.

Sticks'n'Sushi and other successful restaurants have been doing this for years—i.e., created a special experience in the physical space. With "Mad&Glæde" ("Food&Joy") IRMA has even managed to get more than 10,000 customers to pay admission to be in the company of the supermarket chain and their suppliers. More food brands and supermarket chains will soon follow.

Relationships are important building blocks for any brand and a prerequisite for a transaction. A strong brand is characterised by strong relations between target group and brand. Retailers and brand owners will still want transactions, but the transactions will increasingly take place online, while the physical space will be used for branding. In future, we will see many more stores primarily serving as showrooms for their online channel, and more stores which will be filled with experiences rather than items. In future, the physical stores will increasingly be facilitators of a community.

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When we opened up in London, we created a multi-purpose space dedicated to store activities and brand activations as it was important for us to have a sense of community within the space.

PR- og Marketing Manager Kevin Kafesu, Wood Wood

The primary reasons for working with branding in the physical space is the desire to:

- Increase knowledge of the brand
- Build trust in the brand
- Improve the perception of the brand
- Create stronger relationships
- Facilitate communities
- Create content for the brand’s online channels
- Test new ideas
- Gain insight into the target group
- Achieve increased customer traffic in the brand’s online store or sales through other channels

The connection between physical presence and online traffic should not be underestimated.

According to a report by McKinsey, online customer traffic increases by 37% the following quarter after a new physical location has opened (Briedis, et al., 2020).

One of the benefits of physical presence is the ability to interact with the target audience. The physical space is the place where brand and people meet, and where brand owners have the opportunity to listen to and interact with the target audience in a way that is not possible online or in the traditional mass media landscape (Senthil, et al., 2012).

The physical space covers more than a physical store. The physical space is where a physical meeting can take place. A meeting between people and between people and brands. Unlike the digital space, the physical space offers a “here and now” experience that cannot be moved or recreated in time and space. Experiences in the physical space are unique, individual, time-specific moments. The physical space can be indoors and outdoors and may therefore be limited by four walls, like an ordinary shop, or blending in with the surroundings. Mikkeller invites to beer tasting events or events at their running club, Nørrebro Bryghus organizes Beer yoga, and Arla invites to Eco-days at farmers. These are all examples of branding in the physical space.

As the boundaries of the store become fluid, the context becomes more and more crucial. The context consists of the surroundings in which the brand is located as well as any other brands that the brand might appear with. The stores of the future will concentrate on target group-specific areas with a sharp profile: A pedestrian street, a shopping street, or a shopping mall, or simply an area with special characteristics that appeal to a specific target group. It will make demands on property landlords and shopping malls wanting to continue to be of interest to retailers and brands. They must increasingly be able to offer relevant and exciting contexts, rather than customer traffic. They must be able to offer a clear connection between the physical and digital space. Furthermore, they must be even more open to temporary contracts with pop-up stores rather than long-term contracts, and entirely new KPIs must be considered when drawing up contracts (Chochrek, 2020).

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The key may lie in ceasing to think about the STORE, and starting to focus on SPACE instead. The term ‘space’ encompasses two key changes – function and location. The space will do a lot more than selling.

InsiderTrends, 2019

A brand must be prepared to adapt to different contexts: outdoors or indoors, in different cities or countries, in different constellations or partnerships. A given context will always have a spill-over and reinforcing effect on the brand, as the context is very often a brand in itself. The alley leading from Guldbergsgade to Copenhagen School of Design and Technology (KEA) in Nørrebro, Copenhagen is a curated mix of special retail brands of small and sustainable concepts, which together help give the place a special image and make it a brand in itself (Andersen, 2020).

As the physical store takes on a new role, new ways must be found to measure the efforts. Silo thinking must be stopped. New cross-channel KPIs will be needed. In future, KPIs must be approached holistically.



Foto: Bettine Ortmann

Soap displayed as cheese by the soap brand Lush. Photo from their store in Palo Alto, USA



PR foto

The megatrend Health also embraces the mental benefits from 'being together' and things that are less healthy

Ways to use the physical space

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We wanted to provide an experience value. We had an idea with this store. We were not going to make a store. We were going to create a place to experience - and shop.

Birgitte Boye, Head of Global Marketing & Public Relations, Paustian

There are various ways of using the physical space as a brand channel, depending on the extent to which the retailer wants to focus on transactions or storytelling, and the extent to which the consumer comes in to buy something or to have an experience, cf. figure 2 below (Kozinets, 2008).

A brand can work with several physical spaces, each with their own focus area. One example is the global Italian food chain Eataly. With Fico Italia, they have opened an experience mecca north of Bologna, Italy, where you can come and learn the whole story of Italian food. Watch it grow, from field to table. You can attend workshops and learn how to make your own pasta or a genuine Italian pizza. They offer hotel and accommodation, and enough experiences for several days. Fico Italia is located in the upper right-hand corner of the figure and may be described as a Brandscape. Visitors are happy to pay money to take part in the experiences offered by Fico Italia. Eataly also has supermarkets and eateries in a number of major cities around the world. Customers come to buy Italian specialties, either to eat on site or to take home. The decor of the stores is authentic, and everywhere from New York to Berlin you can smell and taste Italy, which is the essence of the brand. All the stores are located in the city centre. Customer traffic and turnover are important to Eataly, but there is no compromising on storytelling and storydoing. This type of store will be placed in the lower left-hand corner of the figure and referred to as Brandstores.

Brandplaces are typically stores located in central locations where consumers come to shop, while brand owners take extra pains over storytelling and branding. They are also called Flagship stores and are located in the top left-hand corner of the figure. Paustian's store on Strøget in

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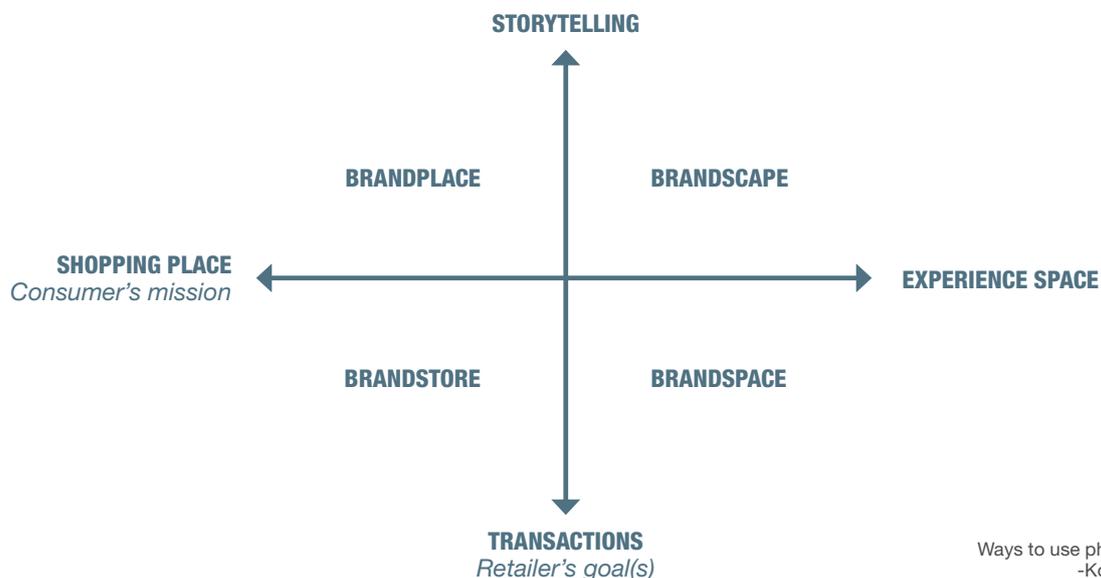
The space of the future will have a range of jobs to do – from instant fulfilment and convenience to full experience, education and community.

InsiderTrends, 2019

Copenhagen placed in a former bank with its pompous arches and marble floors still intact, is a good example of a Brandplace, where a lot has been done to create experiences and references to the brand. Storytelling has been central to the development of the store. But at the same time, consumers can still satisfy their need to buy something to take home (Boye, 2020).

Henrik Vibskov's artistic shop at Gammelmønt in central Copenhagen is an example of a store whose physical space can be defined as a Brandspace. Many customers only come to experience the very special Henrik Vibskov spirit and the aesthetic and artistic shop. The customers are interested in culture and frequent visitors to The Museum of Art and Design or similar places (Vibskov, 2020).

When experiences and retail merge in future, more Brandscapes will emerge. Places where consumers may even be willing to pay to be with their favourite brand, perhaps as an alternative to a trip to a museum or theatre.



Figur 2
Ways to use physical space
-Kotzinets 2008

The **DEAL** Model

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As brands change, spaces need too: “How has the purpose of the brand changed? The role of the store should be a reflection of that shift in purpose.

We developed the DEAL model as inspiration for all retailers and brands wanting to stage themselves in the physical space. It is a method for working with branding in the physical space, and if you follow it, you will cover all the essential aspects.

The DEAL model consists of four phases: DEFINE, EXECUTE, ACTIVATE and LEARN as illustrated in the figure below.

Branding in the physical space is a process in constant development. The brand will change and develop under the influence of the context and the people taking part. The process is therefore not linear, with a start and an end. Rather, it is circular and continuous. In each phase, there

is a number of interdependent focus points that need to be addressed before moving on to the next phase. Typically, you start with the DEFINE phase, but if you have already defined your brand, your participants, the context and the framework, you can jump right into the EXECUTE phase. Conversely, you may have to take a step back into the LEARN phase. The dotted arrow between LEARN and DEFINE shows that decisions about brand, context, participant and framework are connected to and dependent on the current relationship, the brand's own identity, the culture the brand taps into and experience from previous activities—ROE (Return on Experiences).

Below, the four phases are described in more detail.



Figur 3
The DEAL model – own version

DEFINE

1. BRAND STORY

If you are already working with branding and have your brand, be it a product brand or a retail brand, well defined, then you can probably already answer the following questions:

- Who are you? What is your story and heritage?
- What is your passion and your purpose?
- Which mental space would you like to own?
- Which culture do you take part in?
- Which values will you never compromise on?
- Which should your customers spend time and money with you?

If not, it may be an idea to spend some time defining your brand and formulating an active brand story that goes beyond specific products and services, focusing on emotional characteristics such as history, culture, and values (Batat, 2019). This ensures a solid foundation for further work.

Formulating a strong brand is crucial, as it helps set the direction for all subsequent decisions in the process of branding oneself in the physical space—from storytelling to storydoing. It may be decisions about themes, the creative universe, colours, materials, and sensory tools and techniques. If you have a strong brand, it will be ea-

sier to make the right decisions in the EXECUTE phase. To define your brand story, we recommend that you go back to the LEARN phase and take a closer look at the identity and self-perception of the brand, the relations you have with your potential participants today, and the culture you take part in as a brand.

Once the right brand story has been defined, we recommend that you prepare a number of brand guidelines and summarise them in a brand manual. The brand manual draws up the guidelines for the use of images, fonts, colours, logos, etc. Together with the final brand story, it is an important work tool in the further process, as it may be used to ensure that all activities, collaboration, etc. support and strengthen the brand that you want to be.

For some retail brands, it is the strong personality of their founder that makes the brand. He or she is like a living brand manual, and their personality is reflected in the brand. Two good examples are Henrik Vibskov or RazSpa. They always have a strong and recognisable expression. Nevertheless, the process of defining one's brand is also important in such cases. A clearly defined brand makes it easier to scale and communicate across contexts.



PR foto

At Mikkeller's, the target group becomes a participant - and the experience can be brought home

2. THE PARTICIPANTS

An experience depends on the person who is to experience. The target group must be transformed into participants. If you want to be successful in branding yourself in the physical space, then you must be able to involve and activate the people you want to cater for. It is one of the basic premises of the experience design that the target group must be active participants rather than passive spectators (Bouchet, et al., 2011).

You must create a clear overview of who the participants are, where they are, and a deep insight into what matters to them.

Rather than describing the participants solely on the basis of traditional demographic characteristics, we recommend describing them on the basis of a set of values, a life situation, or a lifestyle. Find out how you can help them (Holm-Henriksen, et al., 2019). Perhaps you can help them avoid Pains (problems) or achieve Gains (benefits). Can we eliminate some issues or offer something positive that our participants want to achieve? (Osterwalder & Pigneur, 2018). As an example, in the health- and beauty chain Matas, senior citizens can get a free flu shot during flu season. For years, Magasin and other traditional department stores have provided their visitors with the offer to get a free skin analysis as well as having their their make-up done by professionals or using their in-house stylist.

Good old-fashioned business acumen, you may think. But it takes more than that. We must be prepared to think outside the box and beyond our own immediate and perhaps narrow range of products and services, and beyond traditional industry boundaries. We must help our participants with some very specific problems. We must help them with something that means something to them. Ultimately, we must be able to offer them a transformation of their lives. Only then will we be able to create deep, genuine and long-lasting relations.

It can be incredibly difficult to find out what you can help with—and often the participants have a hard time expressing in words what they would like help with. But do not give up. Be extremely curious. Observe, ask, and listen. (Mattelmäki, 2001).

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Every place has a message, a story and a heritage. It is a question of uncovering the story.

Partner and Creative Director Peter Bur Andersen,
Briq-Group

3. CONTEXT

The context is the cultural, geographical, and temporal context a brand must be part of. It will be crucial for the brand, where it unfolds physically, but also with whom and when.

The choice of context should therefore be carefully considered in relation to the physical space you would like your brand to be a part of. The context adds an extra dimension to the brand and must therefore be in harmony with the desired brand story. It is no coincidence that the shoe brand ECCO, which wants to be associated with comfortable walking, chooses to organise Walkathons, where participants are invited for a huge collective walk in favour of the Danish Heart Foundation. Or when Barons, the first time they open the doors to a physical store, choose to do so as a "pop-in" at the watch brand About Vintage, which they share both values and participants with. The halo effect, i.e., where consumers' perception of one brand may spill into another, should not be underestimated (Nisbett & Wilson, 1977).

If you are a retailer with a fixed physical location, then the context is given. This also carries over to the brand. It may be worth considering whether to stick to this, find a new context, or carry out supplementary branding activities in other contexts.

Context is a strategic choice. In addition to being in tune with the defined brand story, the context also depends on where the participants are, both physically and mentally. The closer we can get to them the better. Tuborg is a good example of a brand that thinks in both context and participants' needs. Tuborg's Corner at Roskilde Festival is a physical space where the participants are offered a free shave, cold beer, and a timeout (Bach, 2020).

Only few manage to survive as real destination retailers—retail brands you do not mind travelling far to experience. Most often, it will require some very large budgets. It is much easier and cheaper to merge into the context in which the participants already are.

4. FRAMEWORK

Before you decide which experience parameters to execute, you must consider the following six important framework factors:

1. The experience domain
2. The creative universe
3. The time dimension
5. Goal
6. Budget

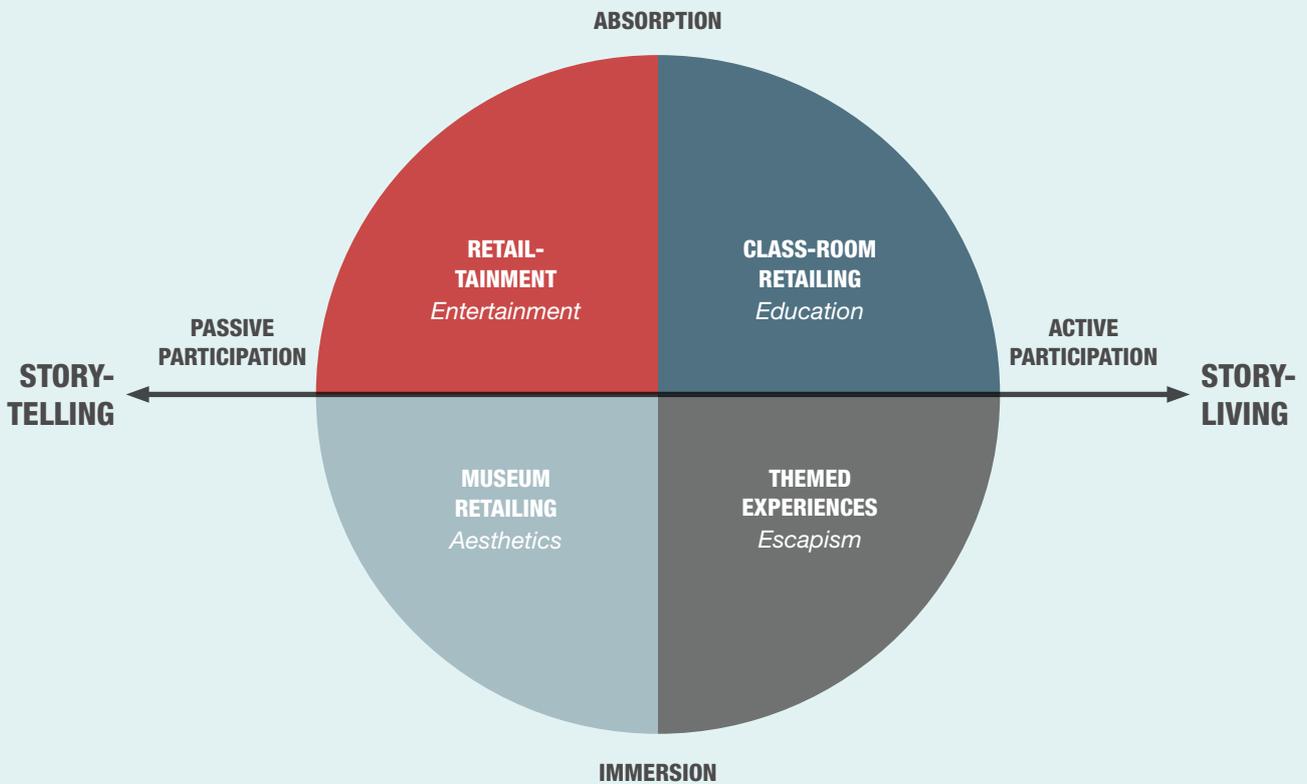
The six factors form the framework and set the boundaries, but they also serve as springboard for experience parameters which should or could come into play in the EXECUTE phase.

The experience domain

The experience domain describes the type of experience you want to offer. You can work with various experience domains, depending on whether the experience is going to educate, entertain, seduce or transform the participants into another universe—perhaps offer a combination of several different types of experiences, cf. figure 5 below (Pine & Gilmore, 1998).

Retailtainment (Group, 2019) is when brands combine retail and entertainment. When the sneaker store Take-off CPH invites to a Friday bar with music, or the suitcase brand Away invites to inspirational lectures about traveling in their stores. Retailtainment focuses on entertainment. The participants are spectators rather than co-creators. The participants are absorbed in and aware of the experience but not entirely immersed. Entertainment in retail is something that especially the shopping malls have excelled in in an attempt to attract customer traffic. It is only a question of budget and imagination. But in relation to branding in the physical space, it is not just about entertainment for the sake of entertainment, but more about finding relevant entertainment. In other words, something that creates relevant and memorable experiences that match one’s brand value.

Classroom retailing is a concept often used about retail brands that invite customers in to learn how to become better at using the brand. For example, when Lululemon, who sells athletic clothes for yoga, uses their physical stores for gyms outside opening hours, or when the American outdoor chain REI offers courses in "How to ride a



Figur 4
Retail formats and the four experience domains
- own version based on Pine & Gilmore 2008

PR foto



Naturli stages their plant-based products in their own store in Saxogade, Copenhagen

bike” or an “Introduction to Map & Compass Navigation” so that customers can become more skilled at using the products available in the store. Classroom retailing requires active participation as well as engaged and attentive participants.

Museum retailing (Cammareri, 2019) is when brands use many aesthetic tools and combine commerce and art. The physical spaces appear very Instagram-friendly and invite the participants to photograph and share what they see on social media. Take Henrik Vibskov as an example. But also retailers and brands like Campers, whose shoe store in Melbourne used more than 30,000 red laces as decoration in the ceiling (Mairs, 2015) or Lush, which sells soaps, shampoos, bobble bars and the like, where the products themselves are artistically designed as food, and the set-up in the store provides a visual experience of being inside a cheese or other food store rather than a store that sells personal care products (Lush, 2020).

Participants are absorbed in the experience, which invites to immersion but does not require active participation. Usually this is about the WOW factor. Several retailers are creative in the use of tools and techniques, and the product itself is part of the aesthetic experience.

Themed experiences is when a recurring theme invites active consumer participation. An example is the American toy brand American Girl. Their dolls have been thematised in various eras and historical events, and they invite you to come in and spend time and play with the dolls in the stores. You can throw a birthday party for your doll, go to the hairdresser’s and much more in the stores. Themed experiences are very much about escaping from everyday life and into another universe regardless of time and place. This may happen in the traditional store, but also in other settings, for instance, when Red Bull invites you to “Conquer Rosenholm Castle”, or Staedtler invites you to “Worlds Kids Colouring day”. In Themed experiences, the participants immerse themselves in the brand, and are active co-creators. We move away from Storytelling to Storyliving.

The creative universe

The creative universe must be based on the defined brand story and the context. It must be relevant to the participants and unique in relation to the competitors. The creative universe must stretch beyond the product and be about the emotional advantages and values associated with the brand.

The core narrative associated with the brand must unfold and be brought to life.

The design agency Johannes Torpe Studio chose to create a creative universe around the theme Modern Monastery, when in 2018 they were to design a combined retail space / showroom / lab / headquarters in Lyngø for the bicycle brand United Cycling, which distributes and sells high-end racing bikes (Kruse, 2020). The showroom became the ‘chapel’, the cafe the ‘dining hall’, the workshop the ‘smithy’, etc. With a design focus on tranquillity, harmony, clinically clean lines and high ceilings, an award-winning concept was created where the bicycles were elevated to something almost divine. They did not just create a beautiful store; they created an entire universe, which serves as a destination in itself, where cycling enthusiasts from near and far can meet and cultivate their common passion at events, workshops, etc.

The time dimension

A decision must be made as to how long you want to offer the experience. Should the experience be of a permanent nature, or perhaps take the form of an event or a pop-up within a shorter time frame? The advantage of the former is that, all things equal, you can invest more in a lasting experience. However, it will not have the “news value” and sense of urgency that a more temporary activity has.

Goal

Most retailers measure on Key Performance Indicators (KPI’s) such as traffic, sales per M2 and basket size. Such KPIs are closely linked to sales. If you are an online retailer, it is easier to set specific conversion goals and follow the sales in real time. In the physical universe, however, it

is more complicated. Many retailers struggle to find good arguments for spending time and money creating unique experiences in the physical space if they cannot document a direct and positive return-on-investment within a limited period of time. Unfortunately, you cannot use traditional KPIs exclusively. When the physical space serves as more than just a place for transactions, new KPIs will be needed.

Goals depend on purpose. As a retailer, it is a good idea to start by deciding whether you want to use the physical space as a Brandstore, Brandplace, Brandspace or Brandscape, cf. figure 2, ways of using the physical space. You have to decide to what extent you want to work with storytelling and experiences vs. sales. We recommend that you start by defining the purpose of the physical execution. Goals and KPIs are then adjusted accordingly.

The objectives for branding in the physical space must be formulated explicitly. Goals must be measurable and possible to follow up on. Since it is about branding, the goals should primarily be long-term and strategic and not just some tactical goals with a focus on immediate sales. This requires great visions and patience. On the other hand, the benefit is that in the long term, the tactical activities will be much more effective when the sender is a strong brand (Keller, 2009). The brand must be measured on its strengths and values as well as the relationship you build.

With a focus on tranquility, harmony, pure lines and high ceilings, Torpe Studio created this award-winning design concept



Foto: Alastair Philip Wiper



Foto: Alastair Philip Wiper

Monastery theme as a combined retail space/showroom/lab/main office in Lyngø, for the bicycle brand United Cycling

In addition to long-term goals, there is also a need for more short-term benchmarks. Good benchmarks for branding in the physical space could be how many people participate, physically but also through participation and sharing on social media. In the short term, online traffic on the website can be measured as well as the connection between participation and purchase— the latter by handing out special discount codes to people who have participated.

Budget

You have to decide how much you want to invest. For a given execution, there will be a budget. Together with the other requirements, it limits your opportunity to execute. The budget must not just be fixed on the basis of “whatever we can afford” but should be considered in relation to the specific goals you want to achieve. The budget is an investment, not an expense. It is an investment in the brand and in future customer relations.



PR foto

Artistic and aesthetic display of products by Louise Roe



PR foto

EXECUTE

In the EXECUTE phase, the brand must be brought to life and become present through a relevant experience design. Experience design is about putting together the right experience parameters to support the goal and purpose of branding in the physical space.

CHOICE OF EXPERIENCE PARAMETERS

Based on the brand, the context, the participants and the framework for the execution, a decision must be made on the four experience parameters People, Rituals, Mood Creators and Smart Technology.

People, Rituals and Mood Creators correspond to the 3 extra P's in the Marketing Mix: People, Processes and Physical Evidence (Hansen, 2016). They are essential to strengthening relations. To this we have added Smart Technology, as technology deserves its very own attention in interaction with, and in addition to, the more analogue experience parameters.

“

It is often underestimated how important it is to invest in staff. And they are the most important touchpoint in the store.

CEO & Founder Melissa Gonzalez,
The Lioness Group

People

The people who represent the brand in the physical space are paramount to the experience. In a traditional store set-up, one would call them sales staff. But when it comes to branding in the physical space, they need to be able to do much more than “just” sell. In fact, they do not necessarily have to sell anything. But they must be able to represent your brand so well that they seem convincing in terms of being able to transfer core values and build lasting relations. The people need to be able to “Walk-the-talk”. They must be the physical evidence of your brand. They must be brand ambassadors (Batat, 2019).

“

**“A Juicer” is not a machine!
We focus 100% on people.**

Joe & The Juice

Joe & The Juice, The coffee and juice chain” is an excellent example of someone who has really managed to work with people as an important part of their brand activation. If you visit their stores and their website, there is no doubt about who they are and what types of people they want to attract. They write on their website: “We want to be a family of life lovers, nutrition fanatics, coffee aficionados, hardworking idealists, and adventurers joining ties within our discipline of work, experiencing personal growth and professional development” (Joe & The Juice, 2020).



At Joe & The Juice, the brand is lived out by the people behind the desk.



Wally & Whiz stages their gourmet wine gums in their own shop in Magasin on Kongens Nytorv

“

No matter how much you do to the physical space, at the end of the day it's all about employee motivation. You can't execute unless your staff is equipped to do so.

Kristian Them Hansen, CEO of Wally & Whiz

The people who are to represent your brand do not just have to be motivated. They have to be engaged. It is a question of recruitment, education, training, rewards, delegation of responsibilities and technology. Technology can help support and implement the various elements that will build your corps of brand ambassadors (Brito, 2018). Atobi is an example of a Danish-designed App that can help convert sales staff into brand ambassadors through ongoing training and motivation (Atobi, 2020). Another tool for measuring and following up on employee engagement is Employer Engagement Surveys offered by e.g., Custominsight. (Custominsight, 2020).

The ability to understand and mirror emotions, needs, moods and situations as well as act on them is crucial in relation to being able to create a credible experience and lasting relations with the participants (Batat, 2019).

Although technology is becoming more important in the physical space, it is people who can make you stand out from your competitors.

The fear of Covid-19 keeps people at home, away from any physical meetings. But still, the people behind the brand play an important, if not even more important, role. There are several examples from Denmark and abroad of brands that offer virtual meetings with the physical store as the backdrop and framework for the meeting between the people behind the brand and the potential customers. Matas has hired 15 new employees who will give customers a more personal experience and advice with the store as the starting point. (Petersen, 2020), and many other companies as well have implemented online live chat with “real” people directly from the physical stores.

“

Surprise your consumers! Many people are busy doing user surveys. But if you just give the user what they want, they will not be surprised.

Brand strateg, Allan Kruse

Rituals (Processes)

Rituals are the way in which a given experience or service is performed or delivered at the moment of the performance/delivery. This may be the way the participant (customer) is invited in, or the way the dialogue between the staff and the participant is initiated. Perhaps customers are always offered coffee, or perhaps a dialogue will not be initiated until after five minutes. All customers who visit Lagkagehuset, a danish bakery chain, together with a child are offered a free kiddie bun, and at the menswear company MOD, customers are greeted with a handshake when they walk in the door and offered a cup of coffee

(before Covid-19). At A.C. Perch's Thehandel, Scandinavia's oldest teashop, the assistants wear classic uniforms that match the store's original wooden fittings, and they use the more formal and traditional language, when addressing the customers. Rituals are like a script. They will always be relatively standardised to ensure a fairly uniform experience. However, the rituals will always depend on the person performing them—in other words, the people who represent the brand. They must never be too tight, and we recommend a set of values defined by the brand rather than a tight script.



PR foto

Wood Wood creates entertainment and transparency by inviting designer Louise Lyngh Bjerregard to be part of their store, so that customers can see how the clothes are made

TO FIND GOOD RITUALS, DO THE FOLLOWING:

STEP 1

Brainstorm relevant rituals that may help support the defined brand story and the chosen theme. Then sort them into two piles:

1. "What-the-competitors-do" and 2. "Never-seen-before".

STEP 2

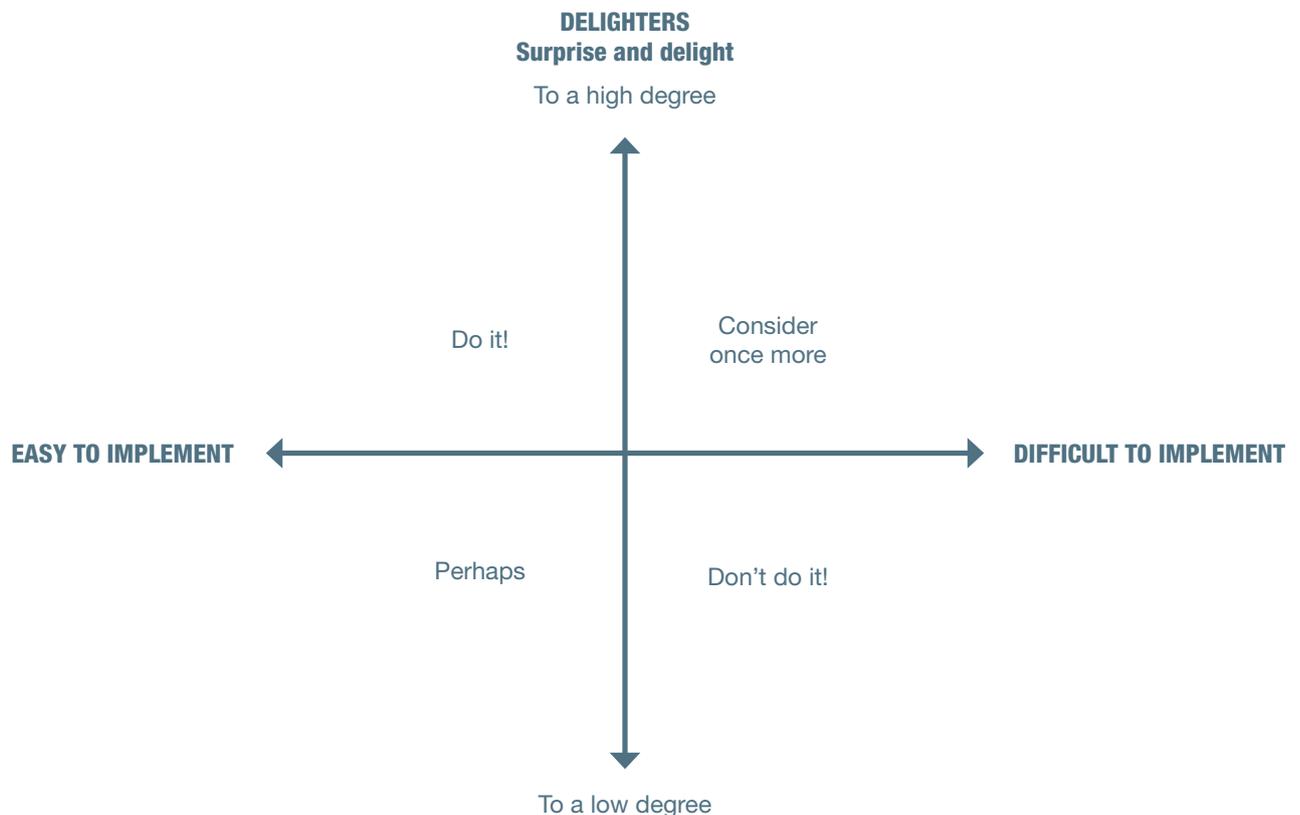
Now sort Pile 1 "What-the-competitors-do" in two piles: 1. "Might-have" and 2. "Need-to-have". "Need-to-have" is what has become so widespread that customers expect it, and, if lacking, dissatisfaction will arise.

STEP 3

Pile 2 from step 1; "Never-seen-before" is then sorted in four piles, depending on the degree to which they can surprise and delight, and how easy they are to implement. By easy is understood how resource-demanding they are in relation to time and money. Rituals that can surprise and delight can also be called Delighters: all that can help create extraordinary satisfaction among the participants (Jobber, 2017) .

STEP 4

Prioritise all rituals that can create the greatest joy and which are the easiest to implement, cf. the upper left-hand corner of figure 6 below, and make sure to implement "Need-to-have".



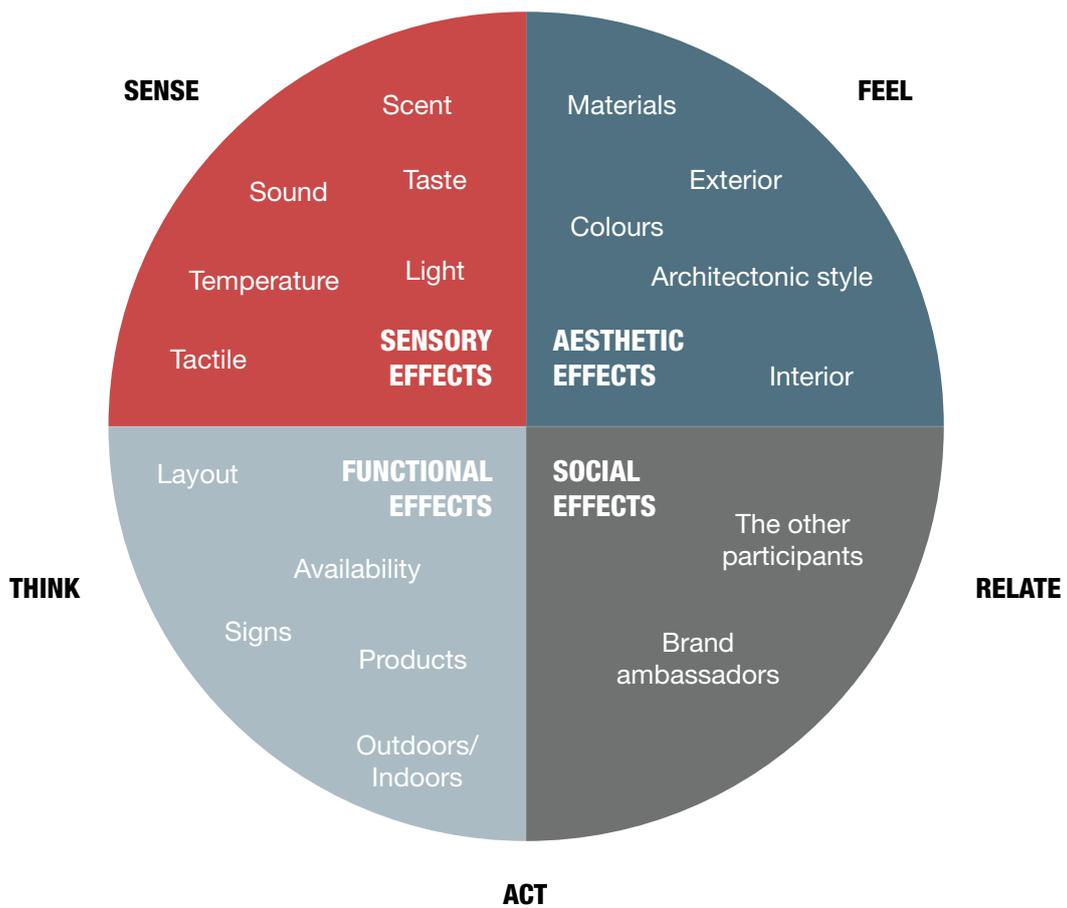
Figur 5
Choice of rituals - own version

Mood creators (Physical evidence)

Mood creators cover all the effects that can help create the right mood. They set the stage and support the brand. The mood creators make it possible to leave a memorable and lasting impression. Several studies show that there is a clear connection between the use of mood creators and brand perception as well as the consumer’s willingness to accept a certain price (Spence, et al., 2014). Together, they create a holistic experience where the participant senses, feels, thinks, does and relates—all at the same time. All five are important elements that must be activated before an experience has been created (Schmitt, 1999).

Figure 7 below is an overview of the mood creators. The mood creators can be divided into four different categories (Larsen, 2016).

All selected effects must represent the brand and help create the right relations and desired interaction with the participants. The choice of specific mood creators should be based on the holistic experience you wish to involve the participants in (Alencar de Farias, et al., 2014).



Figur 6
Mood creators - own version

SENSORY EFFECTS

Sensory effects appeal to one or more of our senses: sight, sound, taste and smell— but also, a 6th sense, which is everything ‘in between’—that which cannot immediately be explained, but which arises as an extra layer beyond the immediate.

Many retail brands choose to serve a drink as part of the brand experience. Several choose to open a genuine café or restaurant, either as an integral part of a physical store or as an independent entity.

AESTHETIC EFFECTS

Aesthetic effects, such as materials and choice of colour, help to emphasise a particular style. It can be outdoors or indoors, say, an architectural style that may characterise the physical space in which you unfold your brand.

FUNCTIONAL EFFECTS

Functional effects help make it easy, simple and safe to be part of the experience. Store layout, use of signs, information and way-finding are examples of functional effects. Whether the brand should be activated indoors or outdoors falls under the same category. It is also about the products and their availability. You must decide whether they should be part of the physical space and to what extent.

SOCIAL EFFECTS

The social effects deal with the other people involved in the physical space— employees and other participants. It is important that the participants can mirror themselves in the community present in the physical space.

For many retailers, in particular the social effects are becoming increasingly important. Brands and retailers become facilitators of a community that help give the brand relevance, but they also use this relevance in their own personal branding and storytelling.

“

With a thriving digital landscape, brick and mortar retail spaces should adapt to becoming community hubs. When you arrive at a store you meet up with like-minded people, and you share ideas, both expanding your network as an individual, while the community around the space grows.

Kevin Kafesu, PR- & Marketingmanager, Wood Wood

The American FMCG Brand, Recess, is an example of a brand that has managed to become a success through targeted use of Mood Creators in the physical space. Recess is water with soda and the addition of hemp and a variety of adaptogens. It is available in three different flavours and promises balance, calm and extra energy. The brand started out as a “pureplayer” without a physical distribution network and with only a single online store as its sales channel. A pop-up store in New York, which invited potential customers to experience the brand through light, colour, taste, guided acupuncture sessions, and other wellness initiatives contributed to their success. Today, the brand has over 72,000 followers on Instagram and is sold through more than 40,000 physical retail outlets across the United States. (Duff, 2019).

The combination of Mood creators depends on how the participants are to be activated. The extent to which they must think, sense, feel, relate or act, cf. figure 7. Again, it is a question of the experience domain being worked with, cf. figure 5.

Some brand owners may take advantage of customer insights from the web to make choices about the mood creators in the physical space. Take Wholly & Whiz, for instance. They use purchase and usage data from their website to create the optimal shopping experience for customers in their store. With the help of online data, they can see what flavours people are interested in and which wine gums they choose in combination with others. Then they use this information to set up the store or give employees more knowledge about how they can make customers more interested in their products (Hansen, 2020).



Wood Wood launches their collaboration with Timberland at an event and photo exhibition

SMART TECHNOLOGY

Smart technology covers technologies such as Artificial Intelligence, RFDI Tags, Virtual Reality, Magic Mirrors and other digital screens and more, cf. figure 8 below.

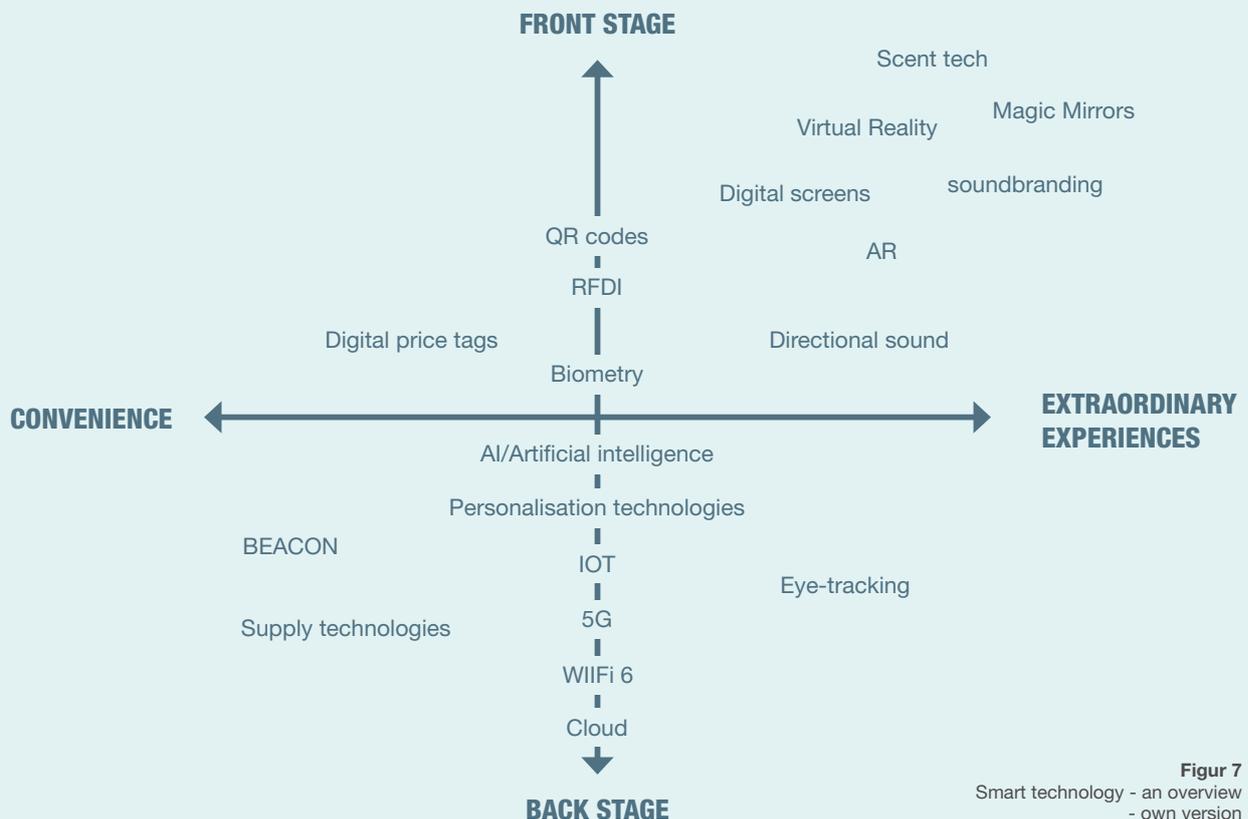
Smart technology is not always visible to participants. Sometimes the technology is invisible, yet necessary in terms of being able to create just the right experience. This will typically apply to technologies such as Eyetracking or Beacons. At other times, the technology is visible and helps create a special experience and an important element in staging the brand. A good example is Burberry’s Flagship store in Regent Street, London. It is packed with front-stage technology, such as concept screens, magic mirrors, etc. The use of new technology appeals to a younger target group and helps stage Burberry as an innovative brand in the 21st century.

Augmented Reality and Biometrics are some of the technologies expected to grow the most in the coming years. Augmented Reality combines the physical and virtual worlds by adding a virtual layer on top of what can physically be seen. When IKEA, via the app IKEA Place, offers customers the opportunity to see what an IKEA sofa looks like in their home (Apple, 2020), or when the sneaker brand Airwalk created an invisible pop-up store in Washington Square Park in New York and via an App allowed

people who were interested to see and shop a selection of the sneaker brand’s products which were exhibited in the park (The Store Front, 2019).

Biometrics is technology that can recognise the individual person based on various parameters such as fingerprints, voice and face recognition, or similar, (Korolov, 2019). This technology enables ”touch-free” in payment situations, which is in great demand and has become widespread after Covid-19 (World Retail Congress, 2020). It may also be used to provide a special customer service, offering purchase suggestions based on the customer’s individual preferences and behaviour. Biometric marketing is a new but growing concept in marketing which entails extreme personalisation. In future, personalisation will also take place via 3D scans of our physical bodies, so that all the clothes we buy will always fit perfectly. FIT: MATCH is one of the providers of the technology, which may render changing rooms superfluous in future (Gonzalez, www.marketscale.com, 2020).

The digital elements play a more and more important role in the physical space, but they must never come before the brand. Integration of new technology must be a means of working with branding and experiences, not an end in itself.



Figur 7
Smart technology - an overview
- own version



Foto: IKEA.com

Through the IKEA Place app, IKEA offers customers the opportunity to see what a sofa looks like in their particular home



PR foto

Using a downloaded app, customers can view and shop a selection of Airwalks Sneakers at Washington Square Park in New York

ACTIVATE

The ACTIVATE phase is about participation and dialogue. In this phase the target group is actually transformed into a participant and should never be underestimated (Kavatzis & Hatch, 2013).

Branding in the physical space should be seen as content that needs to be planned and published. For each new execution, the participants must be activated.

INVITE

Participants must be invited inside the brand universe. The execution must encompass all potential participants, whether physically present or not. This will typically be done through a mix of traditional marketing and PR activities, word-of-mouth, as well as via digital media (Gonzalez, 2016).

Unless it is a temporary pop-up space with an ultra-short 'lifespan', it is essential to ensure continuous interest in the concept over a longer period of time. Once the novelty value is declining, it is time to think again about how to continue to make yourself relevant to the participants—those who are physically present as well as those who participate online.

Important tasks are:

- Identify relevant influencers, press and social media
- Make a content plan with a countdown to the launch
- Identify the right keywords and a good hashtag
- Develop content that creates expectations and sparks curiosity about what is going to happen
- If necessary, prepare special offers or events that may create a desire for participation

“

We feel like it is vital to have that connection one-to-one because we want to be able to see and feel and hear how the customer is changing within the landscape. And the best way to do that is to have a face to face dialogue with the consumer.

Kevin Kafesu, PR- & Marketingmanager, Wood Wood

“

Companies that see social media as marketing, and which think that this is the way you market yourself, are going to fuck up because this has nothing to do with marketing. The make cool things and create the right content only to plaster it all over the different channels they have.

COO, Jacob Gram Alsing, Mikkeller



PR foto

Photo from the suitcase brand Away, where the products help to create a special visual experience

SHARE

Share is about sharing the experience over time and place. It may be the brand itself or the participants who share their experiences with other potential participants via social media. Brands have always wanted to create "Talk-of-the-Town" via word-of-mouth. Social media is the "word-of-mouth" of the new marketing era, and here you have the opportunity to spread the brand's messages to a wider circle. Sharing can take place through own channels or via paid influencers. However, the best thing is getting the participants to share via their channels. This may happen when participants can use the experience in their own storytelling.

“

You can't just think you'll open the door and then they will come.

CEO & Founder Melissa Gonzalez, The Lionisque Group

But SHARE is also about participants who share the experience with themselves over time. You bring something home which will allow the experience to live on, and which reminds you of the experience and the brand. As a brand, you can facilitate this sharing by making various things available (Pine & Gilmore, 1998). Memorable effects which may either be free or, if the brand is strong enough, which the participants are typically willing to pay for. One example is Starbucks Coffee, which sells coffee mugs with a “look & feel” of a specific capital city. Another is Henrik Vibskov, who works with stuffed salamis sold in favour of P.I.G. These salamis make the experience live on at the customers home. P.I.G. is short for (P) ractical (I) ntelligent (G) enius and is a foundation that supports creative talents (Henrik Vibskov, 2020).

LISTEN

Always listen to your customers. The meeting in the physical space provides a unique opportunity to get a first-hand impression of how the participants react and interact with one's brand. This can be through observation, but also in dialogue or as interviews. As a brand owner, it is important to be open to what you see and hear, and to seize the opportunity to adjust and adapt every day.

Do not underestimate staff as an important source of information. They are in the front line, so to speak—witnesses to the participants' interaction with the concept in everyday life. Be sure to have a continuous dialogue with the brand's ambassadors on the shop floor, and possibly set up a system for regular reporting.

CUSTOMISE

Continuous adjustment will always be necessary. If you wish to plan every little detail in advance you might not get to actually executing anything. Therefore, press the start button, get started and adjust continuously, depending on the reactions you see and experience from the participants.

“

You not only get those who actually attend the event, but also those who see it online, who share it and who were inspired by your event, whether they physically attended or not.

Marketing specialist Brittney Botelho, Staedtler



PR foto

Staedtler invites to World Kids Coloring day

LEARN

The LEARN phase includes a follow-up on the goals as well as reflection on the development that the brand has gone through. The crucial thing is to follow up and learn from the activities you have executed, and that you adjust in relation to your brand. The LEARN phase is just as much a starting point for new activities. This is where you get wiser through reflection and follow-up. Brands and their participants are constantly evolving together with the outside world and the experiences they create and which they are a part of.

We recommend that you take a closer look at four important areas when you want to learn and reflect: 1 Identity, 2. Culture, 3. Relation and 4. ROE (Return on Experience).

IDENTITY

Identity is about the shared understanding of what the branding in the physical space has meant to the company itself. Has our self-perception been changed? Have our employees gained a different and perhaps stronger connection with the brand? Have they become prouder? More committed? Or has the activity made the employees feel alienated from the company? If the employees feel

that the activity deviates from the values they attach to the brand, there is a risk of a so-called brand gap, which is harmful to the company and which should be taken extremely seriously (Hatch & Schultz, 2008).

Branding in the physical space can really help strengthen the brand's own perception. The internal effects of the external branding activities in the physical space are extremely important, as the employees play an important role in future executions.

“

It was all about creating some culture and using our physical store to create some culture.

Senior Art Director, Dennis Petrus Nguyen, Han Kjøbenhavn



PR foto

Han Kjøbenhavn creates space for culture in the city

CULTURE

Brands can be creators of culture, just as well as they can be influenced by the culture of which they are a part. Through interaction and a sharing of values with the participants, new cultural communities can be tapped into or created. This dimension can be difficult to measure but should be observed and identified to a greater extent. It consists of a collection of myths, rituals, values, and beliefs prevalent among a large or small group of people. Lacoste is an example of a brand that has created—and was created—by a strong culture closely associated with tennis and the culture of this sport (Batat, 2019).

The culture of which brand and participant are a part is constantly influenced by the time we live in. Right now, it is hugely impacted by Covid19, and some key trends and moods dominate, e.g., the feeling of going from being in control to not being able to control everything, from individualism to community, from abundance to consumption with care, from heroes in pop culture to everyday heroes, etc. The cultural changes help influence the way the brand is defined (PwC, 2020).

An example of brands tapping into a trend is when Nørrebro Bryghus arranges Beer-Yoga or when Mikkeller facilitates a running club. Then they tap into an essential trend under the megatrend of health—of health being much more than diet and exercise. Health is also inclusiveness and community and room for things that are a little less healthy such as beer. Health is about balance and enjoyment. Another example is when IKEA invites you into the "Home of Tomorrow"—a new store concept for customers who want to live a zero-waste lifestyle. Customers are given inspiration to give everyday waste new life: How to use coffee grounds as compost or make candles from cosmetics. Furthermore, there is a zone where they can repair their old furniture, and another where they can learn how to prepare vegetarian dishes. (Neira, 2020). Here, IKEA is tapping into a Sustainability trend. They are inspired by the culture of the trend, and at the same time they help create it.

“

The retail experience should be one that feels less like a path to purchase and more like a first date that went really, really well.

Muccino & Buchholtz, 2020

RELATIONAL

Creating strong relations will always be an essential and ultimate goal of branding in the physical space. Strong relations are the prerequisite for loyalty. Loyalty is based on a

number of requirements: presence of knowledge and trust as well as a positive perception of the brand (Keller, 2009).

The relation can be measured on four different dimensions:

- **Share of Wallet:**

How often and to what extent is Brand X bought?

- **Share of Heart:**

To what extent is Brand X perceived as something special?

- **Sense of Community:**

To what extent do you feel you have something in common with other users of Brand X?

- **Engagement:**

To what extent will you spend time on Brand X over and above the actual purchase and use situation? Do you want to receive a newsletter, attend events held by the brand, seek out knowledge and distribute knowledge about the brand? Do you want to create and share new content?

If branding in the physical space has been a success, other things being equal, more people will feel a stronger relationship with the brand than before. Measurement can be a combination of questionnaire analysis and by looking more closely at the brand's own analysis systems, such as ERP, Marketing Automation systems, and access to Facebook Insights.

RETURN ON EXPERIENCE (ROE)

No investment without financial goals. ROE equals Return on Experience. It is about being able to assess whether there is a financial gain from implementing Branding in the physical space.

Customer lifetime value is a widespread goal in online commerce. Customer lifetime value covers the average customer's value to the company over time. A new customer can be of great value to the company if there is a strong relation, which results in the customer buying a lot and over a longer period of time.

We therefore suggest that ROE should be calculated as follows:

$$\text{ROE} = \frac{\text{CUSTOMER LIFETIME VALUE X NUMBER OF NEW CUSTOMERS}}{\text{INVESTMENT IN BRANDING IN THE PHYSICAL SPACE}}$$

It may prove a challenge to estimate a customer lifetime value and to isolate the new customers gained as a result of the specific branding activity in this physical space. Most online retailers today already work with the concept of customer lifetime value as the starting point for their tactical marketing. The number of new customers as a result of the branding activity may possibly be identified by collecting the e-mail addresses and / or special discount codes which have been handed out to the participants in the physical space and subsequently make them identifiable in the online store.

Create experiences worth talking about

“

We've never bought old-school advertising space. Instead, we have created something worth talking about. In other words, we've been creative in a different way.

Henrik Vibskov

A new era is underway in retail and marketing. The marketing of the future is relational and experience based. In the physical space, relations take precedence over transactions. The use of traditional media such as advertisements and TV commercials will be downgraded to the advantage of experiences in the physical space. Several of the successful brands we have mentioned have never spent a penny on traditional advertising. Instead, they invested massively in either the physical stores or other experience spaces where customers have gone from being passive recipients to becoming active participants in the brand.

Covid-19 has set certain limits when it comes to creating experiences in the physical space. The focus has shifted from touching and feeling to "touch-free". Smart technologies such as VR and AR will gain momentum at a rapid pace (Euromonitor, 2020). Covid-19 has changed the rules of the game and digitalized many physical experiences. Now the physical space serves as the stage for the physical meeting and the setting for digital marketing.

Whether you are a retailer with just one store, or part of a large chain, you need to get started now. Start rethinking

and reinventing yourself. Most have been busy with a digital transformation in 2020. Some are newcomers, others have been hard at work expanding their online position. But it is in the physical space, a retailer and brand can create genuine, long-lasting, and valuable relations with their potential customers. This is where you can stand out from the competition. This is where you can create experiences that appeal to all the senses and that are worth talking about.

The model has been tested together with students from KEA at 3rd semester of KEA's programme in Entrepreneurship and Design, the students have worked with the model and tested it in collaboration with the companies Barons, Yogamood, CamCam Copenhagen, Lampemesteren, Son of a tailor, and EDIE. They are all companies that primarily market and sell their products online today. If you would like to know more about our experiences or if you would like to share your experiences do not hesitate to contact us at beor@kea.dk or sovi@kea.dk.



PR foto

At Henrik Vibskov's store is created a museum-like WOW experience through colors and aesthetics

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Copenhagen, January 2021

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