



Approach to Store Design and Visual Merchandising Through Service Design

Case Ylhäisten Sisustustehdas

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Abstract

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The present Master's thesis discusses the main areas and ideas of store design and visual merchandising, and how to approach them with service design methods and tools. The desk research of the study reviews the challenges of future retail, the impact and help brought by technology and, after that, discusses what is required from retail in the 2020s, and how service design and visual merchandising together can support it.

The study presents a case in which the design of a store, Ylhäisten Sisustustehdas in Salo, was recreated using service design tools. The aim was to make the store's visual merchandising more experiential and the store's layout and design more functional. The goal of the case is to answer the main research question of the study: how different service design methods and tools can be used to develop store design and visual merchandising?

The case introduces all the used methods and tools: interviews, customer observation, money

mapping, and customer eye-tracking. During the study, four customers were interviewed, and the visit time of six different customers in the store were tracked. Three different imaginary personas, their empathy maps, and customer journey maps were created to study the customers and the functions of the store. As a result, the study presents a service blueprint and recommendation ideas, prototypes, and suggestions for the development of the store and its design.

The research shows that the retail industry can be supported by combining the two approaches, visual merchandising and service design. In addition, the study shows that service design methods and tools are beneficial for finding the multi-channel customer path required by consumers, especially in the future. Based on the results of the case study, service design allows to identify all the customer expectations and pain points of a store and it works well in combination with visual merchandising approaches to create an experiential store design.

Keywords

SERVICE DESIGN, VISUAL MERCHANDISING, STORE DESIGN, FUTURE RETAIL, CONSUMER EXPECTATIONS, OMNICHANNEL, DESIGN THINKING

Master's thesis — Turku University of Applied Sciences
Master's degree programme in Service design

Tiivistelmä

Myymäläsuunnittelu ja visuaalinen markkinointi palvelumuotoilun metodein

Tapaustudkimus Ylhäisten Sisustustehdas

Opinnäytetyö esittelee tapoja lähestyä myymäläsuunnittelua sekä visuaalista markkinointia palvelumuotoilun menetelmin ja -työkaluin. Aineistopohjaisessa tutkimuksessa tarkasteltiin tulevaisuuden vähittäiskaupan ongelmakohtia, teknologian tuomia haasteita ja apuja, sekä eri tekijöitä joita vähittäiskaupalta vaaditaan 2020-luvulla.

Tutkimuksessa esiteltiin tapausesimerkki, jossa Salossa sijaitseva myymälän, Ylhäisten Sisustus-
tehtaan, pohjaratkaisu sekä visuaalinen markkinointi uudistettiin palvelumuotoilun menetelmin. Tavoitteena oli tehdä myymälän visuaalisesta markkinoinnista houkutteleva, sekä myymälän ulkoasusta ja pohjaratkaisusta elämyksellinen. Tapausesimerkin tavoitteena oli vastata tutkimuksen pääkysymykseen: miten erilaisia palvelumuotoilun menetelmiä ja -työkaluja voidaan hyödyntää myymäläsuunnittelussa ja visuaalisessa markkinoinnissa?

Tapaustudkimuksessa esiteltiin käytetyt palvelumuotoilun menetelmät ja -työkalut: haastattelut, asiakkaiden havainnointi, Money mapping -seu-

ranta sekä asiakkaan silmien liikkeiden analysointi. Tutkimuksessa haastateltiin neljää eri asiakasta ja laskettiin kuuden eri asiakkaan vierailuaika myymälässä. Jotta kuluttajia sekä myymälän toimintoja voitiin analysoida ja tutkia, luotiin kolme eri kuvitteellista asiakaspersoonaa, heidän empatia sekä asiakaspolku -kartat. Tuloksena tutkimus esitti Service blueprint -prosessikaavion, sekä kehitysideoita, prototyyppejä ja ehdotuksia myymälän sekä sen ulkoasun kehittämiseksi.

Tutkimus osoitti, että vähittäiskauppaa voidaan tukea yhdistämällä kaksi eri lähestymistapaa, visuaalinen markkinointi ja palvelumuotoilu. Se osoitti myös, että palvelumuotoilun menetelmät ja -työkalut ovat hyödyllisiä kuluttajien vaatiman monikanavaisen asiakaspolun hahmottamiseksi etenkin tulevaisuudessa. Tapaustudkimuksen tulosten perusteella voidaan todeta, että palvelumuotoilu mahdollistaa asiakkaiden odotusten ja myymälän toimintojen kipupisteiden tunnistamisen. Se toimii myös hyvin yhdessä visuaalisen markkinoinnin kanssa elämyksellisen myymäläsuunnittelun luomiseen.

Avainsanat

PALVELUMUOTOILU, VISUAALINEN MARKKINOINTI, MYYMÄLÄSUUNNITTELU, TULEVAISUUDEN VÄHITTÄISKAUPPA, KULUTTAJAODOTUKSET, MONIKANAVA

Opinnäytetyö — Turun ylempi ammattikorkeakoulu
Palvelumuotoilun ylempi ammattikorkeakoulututkinto

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01

Introduction

The way people shop is fundamentally changing and the shopping activity cuts across geographic borders, online, mobile, and the physical world. Retail chains around the world are going under and retail companies are filing bankruptcy. Technology allows marketers to reach an audience with a single click and people expect convenience, instant access, and a level of personalization from shopping. They want products, services, and economic transactions to fit seamlessly into how they are living and experiencing life. (Business Finland, 2019.)

With new technology the world becomes easier in many ways, it also becomes more complex and people will have to make consumption choices daily. Consumers are told what to buy, where to travel, how to dress, and what to eat. Online giants like Amazon, which are visited by more than 600 million people every year, have had a very significant impact on retail. Retail is increasingly demanded and researchers report that companies that do not adapt to new customer needs and expectations online will become obsolete. (Business Finland, 2019.) What would help retail in the future when customer expectations are quick and easy availability? Retail has to follow different channels, producing events and experiences for customers. Maybe it should behave contrary to speed and ease, as retail should certainly be an experience. Visual merchandising and store design have

always been a crucial part of retail. This thesis introduces the main areas and ideas of store design and visual merchandising, and how to develop the areas using service design methods and tools. The main areas support sales and help to create the event-like store experience required from retailers now and especially in the future. The frame of reference of this thesis is presented in Figure 1. The frame outlines the main features of this study on how store design, visual merchandising, and service design together can help retail and the case store. As the confluence between service design and store design has not been studied extensively, the goal of this thesis is to close these research gaps and answer the main research question of the study: How can service design methods and tools be used to develop store design and visual merchandising?

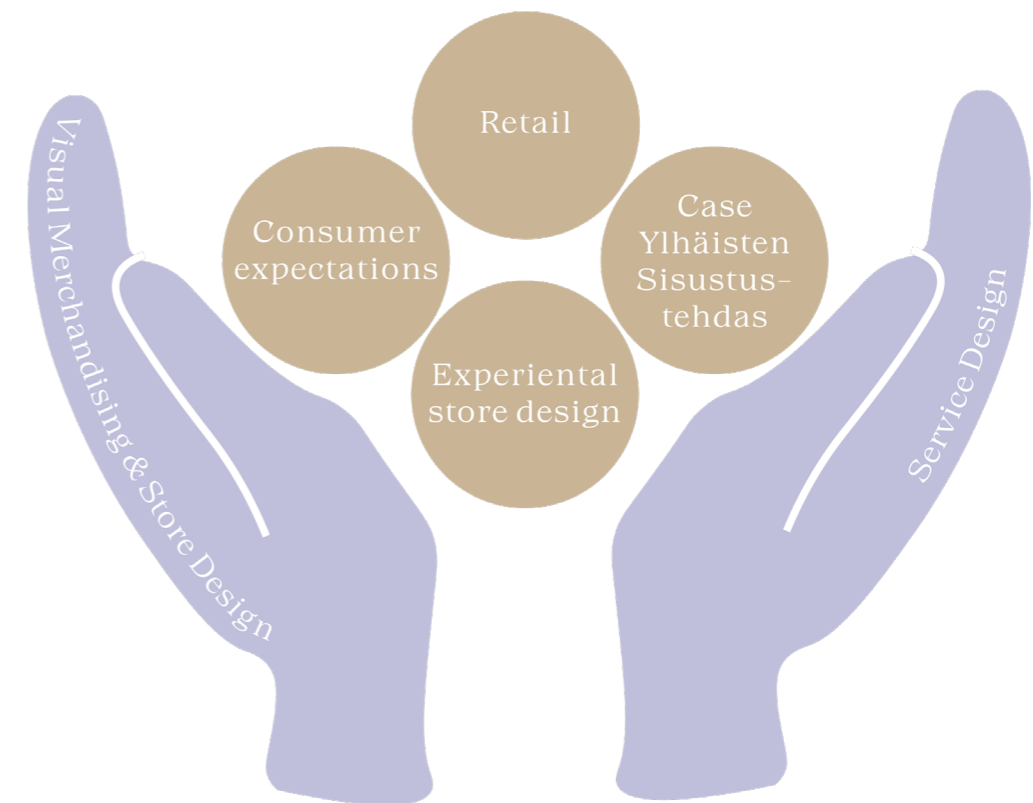


Figure 1. Frame of reference (Isotalo, 2021).

Research

16 The desk research of this thesis will first review the problems of future retail, the impact, and help brought by technology, then what is required from retail in the 2020s, and how service design and visual merchandising together can maintain it in the future. In this thesis, service design is a perspective, and the main objective of the visual merchandising approach to resolve customer-related challenges in the store and balance them with business drivers. Two specialists will be interviewed, Visual Merchandising Manager Anu Kattilakoski from Fiskars Corporation, and Chief Operating Officer Karri Koskelo from Lundia Oy. They are questioned about their insights, experiences, and opinions on visual merchandising, store design, and retail. The study will present a case example in which the design of a store, Ylhäisten Sisustustehdas in Salo, will be recreated using service design tools.

The store sells home design products, as well as carpets imported by the entrepreneurs Pasi and Marja-Leena Paakkonen. The research in the case example presents how service design methods and tools can be utilized effectively in store design and visual merchandising. The aim is to make the store's visual merchandising more experiential and to make the store's layout and design more functional. With different service design methods and tools, the research understands the store's operations, customers, and culture better. These various methods will also help to find the pain points and development areas in the store. The methods and values of visual merchandising and service design have the same principles, operating models, and values. They will run in parallel in the research of this thesis.

"The research results will be presented as recommendation ideas, prototypes, and suggestions for the development of the store and its design."

The case study will use the Design Council's Double Diamond model as a guideline for the process. The process model is shown in Figure 2. There are four phases in this modified Double Diamond: Research, Define and Clarify, Testing, and Present. The two diamonds express a process of researching the design challenge with wide-scale divergent thinking and then focusing on chosen actions with convergent thinking. It is a visual, understandable, and straightforward representation of the design process used widely in service design. (Design Council, 2015.) The introduction of the used methods and tools will begin with the interview of the commissioner and personnel. The research phase will introduce all the used methods and tools. Customer observation, money mapping, and customer eye-tracking will be the main customer research

methods in the study. Four different customers will be interviewed and the visit time of six different customers will be calculated. Three different imaginary personas will be introduced that are created to better understand and reflect the customer groups of the store. Also, empathy maps and customer journey maps are created for the personas to research the functionality and visual merchandising of the store. In the last part of the research, after the defining and clarifying phase, the study will present a service blueprint, created in a workshop with the commissioner. In addition to the service blueprint, the research results will be presented as recommendation ideas, prototypes, and suggestions for the development of the store and its design.

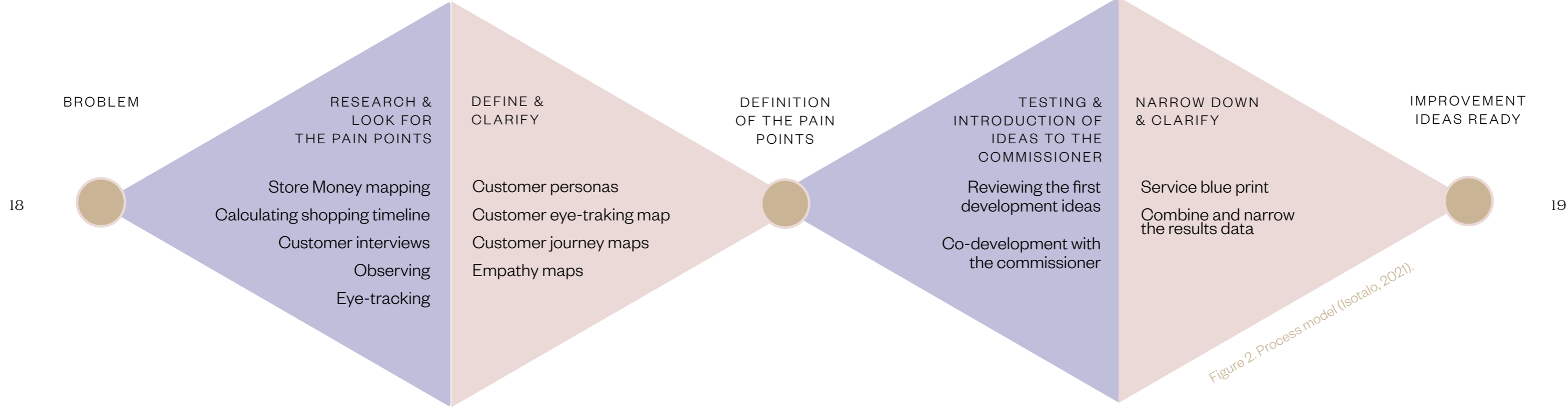


Figure 2. Process model (Isotalo, 2021).

02

Challenges in the future of retail

The global retail industry alone employs 1 out of every 10 working-age adults and involves roughly USD 23 Trillion in transactions annually. The overall global standard of living continues to rise, despite regional problems in some countries. Consumers have more disposable income and more people are moving to large cities. Technology guides more people to start businesses more easily. Still, leading retail companies are filing bankruptcy. For example, the British high-end retailer House of Fraser, which opened its doors in 1849, declared bankruptcy to be bought out in 2018. (Business Finland, 2019.) In the 2020's, one of the largest retailers in Finland, Stockmann, has also struggled. The retail sector will continue to be disrupted and the retail chains around the world are going under. (Business Finland, 2019.)

The Covid-19 pandemic, that began in year 2019, has changed retail and even during this thesis study, it has quickly grown in a technology-efficient direction and will continue to grow in that way. The coronavirus has forced, for example, omnichannel thinking to take big steps forward. Also, store layouts and store hygiene have forcibly changed and grown in a more carefully planned and thoughtful direction. Retail design might grow to be more creative in the use of space and how to integrate safety for customers. The future of retail in the post-pandemic period will see the next big transfer approaching e-commerce proposing the reinvention of the physical stores. Retailers will continue to face the challenge to produce individualized experiences through the integration of different technologies concentrating on media, Internet of Things (IoT), simulations, and new intelligence technologies in retail design. The retail design

can change into the direction of smaller store footprints with different services added like seen in the restaurant industry. Design might grow in a more modular direction to scale seamless shopping experiences mobilized anywhere. (Design:-Retail, 2020.) Figure 3. reveals how employable the retail industry is. Research conducted by software company Salesforces reveals that 75% of the customers expect an overall experience every time they engage with brands through mobile, social media, or in person. Medallia, a company focusing on Experience Management, has conducted a research that reveals 77% of the customers reporting they have chosen a service or product because of the positive recent experience they had with the company. The research also shows that another 65% of the customers said they avoided a specific brand because of a negative experience. (Business Finland, 2019.)

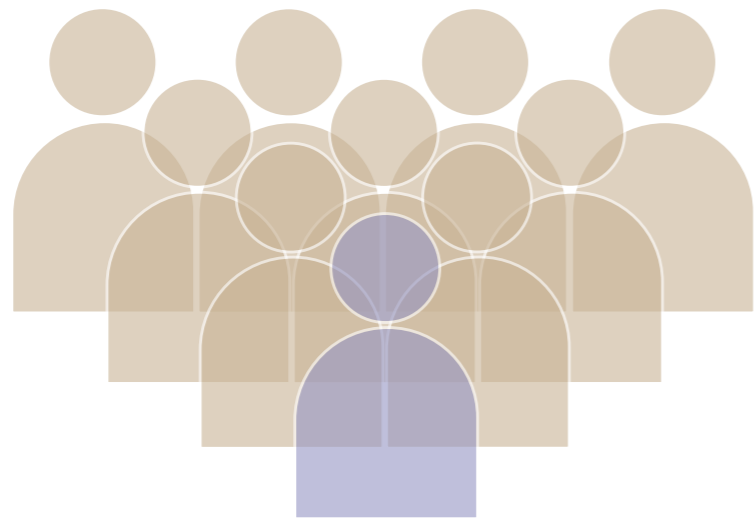


Figure 3. The global retail industry employs 1 out of every 10 working-age people (Modified: Business Finland, 2019).

2.1

Impact of technology and e-commerce

Having grown up with the technology, millennials and generation Z are constantly pushing the boundaries of what they expect from companies and brands. Businesses that understand how to cut through the complex purchase choices consumers are forced to make every day, will make it in the long run. Retailers are estimating how to create the same level of personalization in-store as it can be created seamlessly online, and how do they give the stores a digital voice so they can deliver more hyper-local experiences online? How do retailers support technology to provide the data produced from physical locations to put that data back to work in the context of the consumers' physical location? (Business Finland, 2019.)

Omnichannel is a multichannel approach to sales that focuses on seamless customer experience whether the customer is shopping online from a mobile device, a laptop or in a physical store. For retailers in the time of omnichannel shopping the way to ensure the best seamless shopping experience includes leveraging data on where consumers shop and how they engage with products in those scenes. Customers have grown more open to using apps on their smartphones that use location-based services to provide additional value to the customer, for example, location-based product recommendations and alerts on nearby events or campaigns. Smartphones enable customers to interact with the brand at various touch points seamlessly,

but companies need to keep their brands at the same level as their customers' expectations are. Websites should be optimized for smartphones and retailers in-store inventory should appear on each customer's screen that they can check to see if the product is in-stock before leaving from home to the store, as illustrated in the Picture 2. (Business Finland, 2019). Consumer decision-making, customer experience and visual merchandising have significant advances in communication technology, affecting brands and companies in a significant way. Marketers must focus their omnichannel influence and personalization methods, budgeting, connection building, big-data production, analytics, and micro-segmentation while venturing to operate in the moving target that is their continuously shifting seamless customer experience. (Lowenstein, 2014, p.2.) Anu Kattilakoski, Fiskars Corporation's Visual Merchandising Manager, also highlights omnichannel thinking in visual merchandising. Store and visual merchandising can accurately support e-commerce with the brand coherence, image world, look and display decorators. The online store and the retail store support each other and help to continue the customer journey. The full interview with Kattilakoski can be found in the appendices in Finnish. (Personal communication, 12.1.2021.)

Karri Koskelo, Chief Operating Officer of Lundia Oy, points out how important omnichannel thinking has become, especially during the pandemic. In Koskelo's opinion, customers should be able to move from one sales channel to another without any obstacles. Companies must therefore think of the customer paths in a multi-channel way and in addition to their own physical store and e-commerce, they must also study the resale of the company's products. Often customers do not consider where they are buying the product but they just want it as easily and quickly as possible. According to Koskelo, many companies still have a long way to go to create the perfect customer path, but the push in the right direction has started. The full interview with Koskelo can be found in the appendices in Finnish. (Personal communication, 26.3.2021.)

Kilian Wagner, a Swiss start-up entrepreneur, raised the idea in his TED talk that omnichannel is seemingly the future of retail. In the future, according to him, there will be no big gap between e-commerce and retail, but all the different channels of the customer will be combined into one customer journey. The seamless combination of different channels is the key. He resembles that retail is not disappearing, it should just be updated to meet the new technology and different channels. The big e-commerce giants, like Amazon, are building stores and showrooms to support their sales (Wagner, 2017). The ideology is best understood when thinking about the opposite - how retail supports e-commerce, not how e-commerce retail. Retail is the place to create the customers unforgettable experiences and events that strengthen brand loyalty and increase sales.

2.2 Seamless shopping

The streamlined, harmonized, agile, and effortless experience of commerce must be simple, fast and easy. Seamlessness draws customers in and friction drives them out. Seamless shopping is an experience that fuses content and commerce across the customer journey. It is engaging customers in this meaningful experience while building loyalty to the brand and business. Seamless shopping experiences highlight the fact that in the 2020's, and especially in the future, consumers expect more personalized offerings, faster delivery, and unique services to the place where they are at that moment. To provide a seamless shopping experience, retailers need to research the organizational and data defenses and to be able to have clarity into inventory across different areas. Those retailers that can help the consumers find what they want at that moment and use data and insights to personalize those shopping experiences will make it in the long run. (Business Finland, 2019.) Service and user experience design are essential tools for retailers at this point.

If enough customers shift from the brand because of negative press, a weak experience, or negative reviews, brands or companies are forced to change something. What creates the optimal shopping experience is continuously influenced by the changing expectations and behavior of customers. Customers want companies to adapt to their lives. (Business Finland, 2019.) In a traditional customer journey, consumers make decisions about products or services by moving through a series of linear points: awareness, consideration, purchase, maintenance, and support. In the 2020s, the customer journey is more complex, and it has already become familiar to service designers with its various layers. The lines between the linear points are disappearing as the overall customer journey blends into a more unified experience. The traditional customer journey map is still valid in the 2020s, for constructing the needed elements of a strong customer experience, still another framework is required to understand where the future is headed. (Business Finland, 2019.)



Figure 4. Seamless shopping experience (Modified from: Business Finland, 2019).

Figure 4. shows that seamless shopping is blending context, content, and commerce into one experience. Nearly every shopping experience is also a social event, so sometimes the context relies profoundly on who the customer is with or interactions between them daily. Those people affect the content customers consume and the way they engage in commerce. (Business Finland, 2019.)

Customers are making purchases directly through social media, setting these channels into search engines of their own. Studies reveal that 55% of online shoppers have bought a product directly through a brand's social media post. An omnichannel customer journey will continue to be the trend in 2021. The brand omnipresence and customer personalization will make the difference in retailers. Customer journeys will become increasingly non-linear and the change across platforms needs to be constant. This is particularly relevant if the ideal customer makes the purchase only after 2-3 interactions with the brand. For example when the customer browses a product catalog on Facebook page, then chooses to visit the website for more information, and finally completes the shopping activity in the mobile app. Customers need to be guided towards the purchase decision and not lose them as they change from one platform to another. Thanks to companies that collect customer data, retailers can identify the customer preferences and purposes better, and personalize marketing campaigns. Because of its omnipresence, messaging can be the key between customer touch points and that is why applications such as Google Business Messaging and Apple Business Chat are created. (HeyDay, 2021.)

Zalando Connected Retail

Company called Zalando has noticed that the contemporary fashion customers also demand a seamless shopping experience. They do not divide their shopping between online or offline. It is most important for the customers that they just find the product they want seamlessly. The company sells more than 700,000 fashion products from more than 3,500 brands. Zalando has noticed that to offer the shopping experience of the future, there has to be full access and availability of different products. Many products

are still only available in retail stores. Zalando's goal is to make the products available to customers, online or offline, and no matter the time or place. Zalando has created a Zalando Connected Retail platform that provides new ways for fashion retailers to join Zalando. Retailers can either connect their stock from warehouses and local stores or take over order fulfillment. Zalando therefore provides the platform, but the retailer packs and delivers the products to the customer. (Zalando, 2021.)

2.3

Expectations from retail stores

Retailers that can identify and recognize the complexity of consumer dynamics are also capable of developing and implementing omnichannel and effective strategies to maintain successful retail. To understand consumer expectations, retailers have to first understand who their customers are, what their attitudes, backgrounds, and genuine needs are in the store and retail. (Jacobsen, 2008, p.139.)

Retailers have to understand consumers, just like 100 years ago. The volume of opinions and expectations have changed, as 21st century customers have access to a large amount of information, with a single click. The pace at which consumer decisions are done retains. Every key hypothesis about customers is being questioned. In this quickly emerging consumption environment, the customer explores the changing behaviors, technologies, and expectations that companies need to understand to build and continue customer relationships. Companies have more data about the consumers than ever before, but the crushing truth is that the customer loyalty is lower. The most successful organizations are those that have either been collecting data from companies that are collecting customer values, or those that spend time figuring out themselves how to reach customers personally

in an impersonal age. Before the impression was that brand loyalty was the obligation of customers, but now the same thing is appearing on the retailer's side and the loyalty will be created on the customer's terms. (Kahn, 2015, p.11.) Company Amazon joins with the other e-commerce companies that have been opening physical stores as well. While going online to offline seems a step back into traditional retail, these e-tailers are reinventing the retail customer experience with smaller, more intimate, and personally created spaces, focusing on giving a unique customer experience in addition to displaying goods. There are many categories where the touch and feel of products is critical in the purchase process, for example, customers want to examine groceries before purchasing. (Kahn, 2015, p.30.) There is data that retail stores are not going away. Scientists, such as Peter Fader the Professor of Marketing at The Wharton School of the University of Pennsylvania, say that online stores need offline stores to succeed in the long run. "Companies that do not have a retail store presence are making a big mistake. It's vital for retailers to be everywhere a customer wants them to be," he says. Starting a store online is logical as start-up costs are low, but there should be a plan to finally open up retail stores. (Kahn, 2015, p.31.)

Shoppers operate in an omnichannel retail world where they go online to find products, check their mobile phones to compare prices even if they are physically in a competitor's retail store, view at social media recommendations, shop at physical stores to feel the products and to have an experience, and also watch TV commercials or read newspaper advertisements before they make a purchase. For retailers requiring to be in every channel that customers operate, finding the right balance between offline and online can be a continuous challenge. Consumers want

the omnichannel experience and coordination between the offline and online experience is going to be the new norm. The expectations are higher now in retail because customers have new norms about convenience and service. (Kahn, 2015, p.32.) For example, various online events have been built to support customer engagement, retail and e-commerce. The Picture 1. shows an example of the Stockmann Talks, a virtual talks show hosted by Marja Hintikka (Stockmann, 2021).

According to an article in Forbes magazine, a study that was produced by Tim Robinson, CEO of Doodle, involving 2,000 consumers says that 68 % of consumers use the click and collect option. But 85 % of those customers buy something additional when they visit the store to pick up their online purchase. (Forbes Magazine, 2019.) That is good insight into how physical stores and e-commerce can coexist. A retailer that regulates the omnichannel builds customer satisfaction, loyalty and increases brand knowledge. Retailers should constantly tune and update their methods as technology and consumer expectations proceed to change. (Kahn, 2015, p.33.)

There have been multiple studies combining levels of brand trust, engagement, and favorability with the economic value of the customer. These studies presume that the deeper the emotional engagement and commitment is, the greater the purchase rate levels of individual customers are. Satisfaction and loyalty are not enough anymore, engaging customers is proven to be the most desirable thing for e-tailers and retailers. "Brand" and the "branded customer experience" are important segments for retailers. Even before the customer relationship has been launched, or when a company is attempting to build or develop it, expectations are created. The customer has received these through advertising messages, packaging, promotion, and at the point of contact. A set of performance and value expectations have been gathered from customers' own research, that will eventually determine the customer's individual transactions, experiences, and impressions on a brand engagement basis. Trust and its related feelings and elements, such as authenticity, objectivity, credibility, transparency, and honesty, help to drive reputation and brand engagement. To create customer engagement, retailers have to show honesty and transparency also in the store design. (Lowenstein, 2011, p. 49.)

During PSFK's Retail Innovation Week at the 2021 future of retail event, Sarah DaVanzo (2021) from L'Oréal states that customer engagement and customer data collection is undeniably the trend also in retail. She tells her experience of how everyone is currently considering how to collect customer data that has been shared internally and externally during the last pandemic year of 2020 more than ever. According to what she says, currently, many UX designers are redesigning entire organizations, not just web platforms, also new e-commerce and omnichannel teams are established. Janet Galore (2021) from Amazon adds a comment that mobile phones are the way e-tailers work already now and in the future, this sums the idea up well.



Picture 1. Stockmann Talks, a virtual talks show hosted by Marja Hintikka (Stockmann, 2021).

Store design and Visual merchandising in support of retail

The careful, creative, and science-driven design of retail stores, in other words, visual merchandising, has become a success factor for retailers. In order to compete with store giants online, retailers need experiential visual merchandising and store design in retail more than ever. Research studies have shown that shoppers visiting the store make up to 80% of their purchase decisions right in the store. When entering the store, some consumers have a vague idea of what they want to buy before entering, others have decided on a particular product before. But the impulse buyers decide in a few seconds that they must have the product they have seen right here and right now. (Ebster & Garaus, 2015, p.2.)

Different motives for buying can be almost anything, but the fact that most purchase decisions are made on the sales floor makes the point of retail crucial and an ideal marketing tool. A store appeals to all the senses and through the right store design retailers can influence shoppers right where they make most of their impulse purchase decisions. (Ebster & Garaus, 2015, p.3.) People are changing the way they shop, the way they think about products, how they engage with brands and retailers, and the way they view themselves in connection with the products they purchase (Business Finland, 2019). It is increasingly difficult for retailers to differentiate themselves from their competition. Store design can be an effective tool to do that by creating memorable experiences for consumers, and creating delighted, store-loyal buyers. (Ebster & Garaus, 2015, p.3.)

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Anu Kattilakoski from Fiskars Corporation describes that the aim of visual merchandising is to create a functional and sales-promoting entity, as well as an atmosphere that encourages acquaintance and purchasing. Visual merchandising has to serve the customers with logical and clear order of products, easy purchase, excellence, and professionalism in service. A cozy store environment is created by interior design, display furniture, good product range, promotional materials, music, and presentation. These factors are important for customer enjoyment and entertainment in the store. They are creating experiences, buying impulses, and motives. Visual merchandising is improving and testing margin sales with changes in display presentation. The goal of these different actions is, at the same time, to increase sales. (Personal communication, 12.1.2021.)

Visual merchandising is a multifaceted field that aims to create a store space that encourages

buying. It is a field of research that gains insights mainly from users. The field is researching how consumers navigate the store, how they search products, and how the retailer can make them find, see, and buy the products he wants them to. It helps the retailer to influence shopping behavior through carefully selected design factors, such as floors, ceiling, and store fixtures. With visual merchandising retailers can understand why shopper confusion kills every sale and what are the most attention-grabbing and profitable ways to present the product. It researches how to appeal to shopper emotions and how to make the shopping experience memorable. (Ebster & Garaus, 2015, p.4.)

The physical environment has a significant influence on human behavior and stores can be designed to encourage specific behavior, unlike advertising, this marketing tool influences immediately and in a three dimensional way. Anu Kattilakoski has noticed over the years that the importance and appreciation of visual merchandising as one of the company's important competitive advantages has been increasingly recognized. Sales are promoted through accomplished visual merchandising and store design. The visual merchandising aspect plays a crucial role in retail. "We want to entertain the consumer, increase the time spent in the store, and just buying is no longer enough," Anu Kattilakoski sums up. Consumers are becoming more demanding and there are more choices than before. Consumer research has increased awareness of consumer behavior and needs. According to Kattilakoski, "Retail is constantly changing and the importance of department stores, the importance of specialty-stores in the field is decreasing, online shopping and hyper-buying are increasing." (Personal communication, 12.1.2021.)

Kattilakoski has noticed that consumers' concerns about consumption are changing, taking account of responsibility in everything they do. Consumers do not want to just buy products, they want experiences. Responsibility in the company's operations must also be visible in visual merchandising. Responsibility is also one of the biggest trends in store design and visual merchandising, for example in the selection of display furniture, display aids, and materials used in visual merchandising, as well as their reuse and recycling. Visual merchandisers have become experts in many areas as the task field has expanded from creating a single display decoration to understanding the whole picture from selection management, space management, commercialism, and events to PR. (Personal communication, 12.1.2021.)

Well-executed visual merchandising, store design, and customer orientation can be seen in the showcase of the Arabia brand at Stockmann Helsinki in Picture 2. A new product series was launched in the window display, but the space also served as a pop-up-shop and representation space. It has been designed by Pentagon Design, built by Event Design and Anu Kattilakoski from Fiskars Oy was also influencing this multifunctional space. (Personal communication, 12.1.2021.)

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Picture 2. Mainio-series from the Arabia brand launched in the window display (Stockmann, 2018).

3.1

Customer guidance to purchase decision

Designing a store layout is understanding and influencing how the consumers navigate and choose the routes when they walk through the store. Of course, all the traffic patterns in the store are not alike, they vary on the size of the store, and the type of customers. While walking behavior will vary from store to store, there are patterns that remain quite consistent. (Ebster & Garaus, 2015, p.9.)

First, the entrance of the store, called the transition zone, where customers need time to orient themselves to the new environment, the store. They need to adjust the stimuli inside the store, for example, lightning, temperature, the signs, the colors, and other customers (Ebster & Garaus, 2015, p.9). The entrance is the only zone of the store that every customer walks through. Customers' information-processing capabilities are occupied and they pay minimal attention to the details that surround them in this transition environment, since they are then adjusting to the environment and reaching their targeted destination in the store. This zone is not the place to display high-margin products or important information, it is the place to make a great first impression and place to attract passers-by into the store. (Ebster & Garaus, 2015, p.10.)

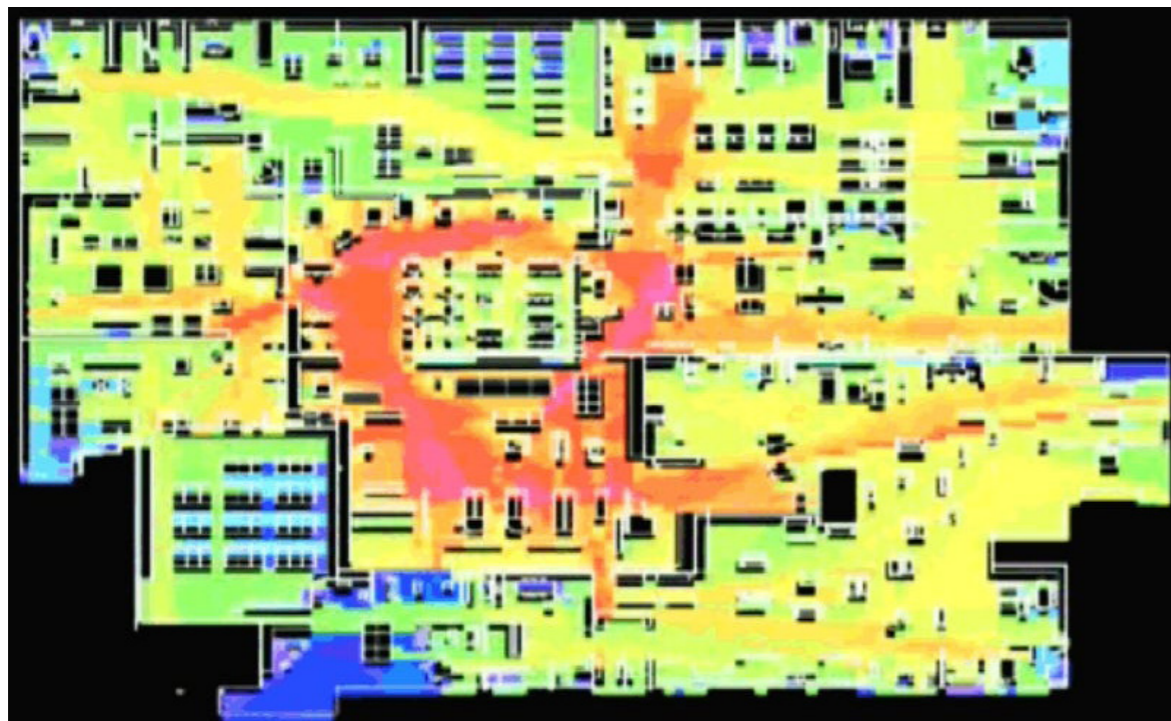
The customer creates a first impression of

the store or display in about five seconds. For example, in malls where stores compete with each other for customers, the store's output needs to be specially finished, as a passing customer should be attracted to the store in these five seconds. Service design can help with this, for example, by interviewing customers passing by and entering the store. They might be asked what they stopped to see, why the shop window was attractive, or why you did not go in? Customer eye tracking is also a useful method when examining store entry, the method is described more detailed in chapter 3.3.4 Customer eye movements (Heuss & Ward, 2020).

The second behavior pattern is the direction, usually counterclockwise, that customers will walk through the store. This is a pattern that many consumer researchers have noticed, but it has been also argued that customers tend to walk to the right because in many countries they drive on the right-hand side of the road. On the contrary, it is the store that makes customers walk to the right, since many stores have their entrance on the right-hand side of the storefront, for example in a grocery store Lidl. Customers are usually forced to walk first to the back of the store on the right and then turn left to get to the checkout area. (Ebster & Garaus, 2015, p.12.)

Customers avoid narrow aisles because they feel like their personal space is invaded, but this is not a universal occurrence. The need for personal space also depends on what culture the customers are from. In countries like Finland, where the personal space is large, customers like a wide middle aisle. (Ebster & Garaus, 2015, p.13.) One consistent behavior pattern is that customers avoid upper and lower floors and they prefer to stay on the floor where they entered the store. This is a good thing to keep in

mind when it comes to special customers such as the elderly. When possible, stores should be planned to occupy a single floor, like the concept of Tokmanni, a department store chain in Finland. When it is not possible for a store to occupy only one floor, the merchandise that attracts the most customers should be located on the first floor, for example, beauty and cosmetic products in Stockmann. (Ebster & Garaus, 2015, p.13-14.)



Picture 3. Heatmap of one customer's movements in the Ikea store (Penn, 2011).

Ikea, a pioneer in store design

Ingvar Kamprad, who started Ikea at the age of 17, has revolutionized how retailers operate. He started his business with stationery and stockings but then ended up building one of the world's biggest furniture companies. The layout of the Ikea stores has shown a new way for a more creative method of thinking about how to guide customers. With its layout, the store strives to ensure that customers take as many additional products as possible. They may have gone in thinking they will only buy a few items, but then find themselves coming out of the store with a shopping cart full of products. This is because of the layout's circular design and one-way aisles. Customers can not see what is coming next and they subconsciously worry that they will miss something they need if they do not continue along the planned path. Customers know it may be

difficult to come back to a particular item later, they are nudged to pick the product up when they see it and add it to their shopping cart. This customer behavior also guarantees that they touch the product, which generates a psychological sense of ownership over it and minimizes the possibility that the product will be put back down. Also, a subconscious sense of mystery is created when customers can not see around the next corner, it draws them constantly further into the layout of the store. Ikea's creative ability to use the unconsciousness of consumers is surely part of Ikea's success. Their store design has been an inspiration to many other retail companies. (BBC, 2018). Picture 6. presents a heatmap of one customer's movements in the Ikea store. It can be seen from the picture that the customer has gone through the store extremely well.

3.2

Store layouts

There are many possibilities to plan the optimal store layout, a certain type of model is recommended for certain products. Some layout models are more used than others. Next, the most common layout models, as well as an analysis of their benefits and problems are introduced.

Counter stores are familiar from history, in the 2020s, there are not many stores left that use a counter layout because this layout prevents the idea of self-service. There are some areas of retailing where counter service still operates great, pharmacies and small stores, such as newsstands, counters are the only functional layout. A counter layout (Figure 5.) can be beneficial in very exclusive stores where the customers expect a high degree of personal help from the sales personnel. While counter layouts are beneficial in these examples, they are regularly not so much used in modern retailing as they are labor-intensive and prevent impulse purchases. In the service world, the counter layout is extremely familiar, also in fast-food restaurants, for example in Hesburger, one of Finland's largest burger restaurant chains. (Ebster & Garaus, 2015,p.14.)

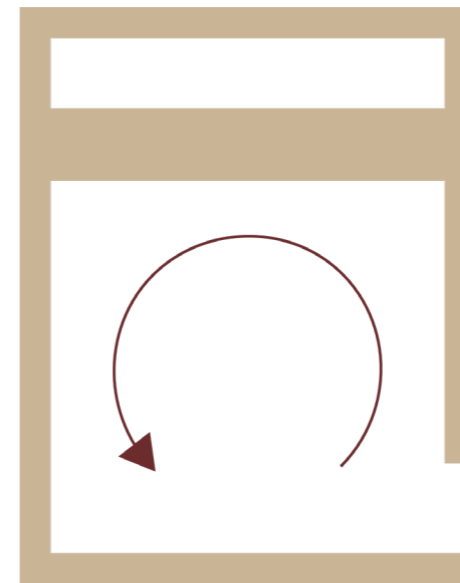


Figure 5. Counter layout (Isotalo, 2021).

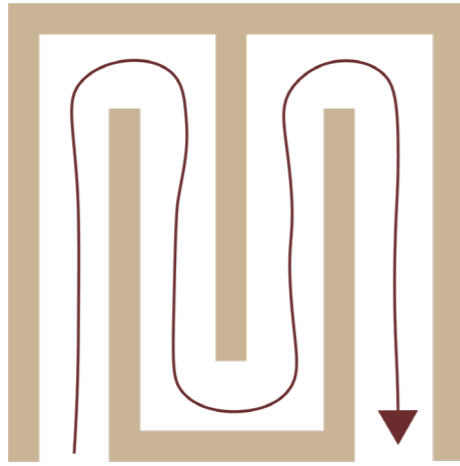


Figure 6. Forced-path layout (Isotalo, 2021).

A forced-path layout (Figure 6.) forces the customer to take a certain path through the store. The path that the customer takes is planned and the layout allows the retailer to plan the shopping experience more specifically. Once the customer has entered the store, he has to go through a predefined path completely to get to the checkouts and exit. Store design can use the information of what the customer will see next to influence customer behavior. Because the customer crosses through all the aisle in the store, product contact can be maximized, and this increases the possibilities for unplanned buying. This layout allows the retailers to set their products in the precise order they want customers to find

them and display customers to an extended selection of their product range. While the furniture giant, IKEA, has managed to take advantage of the forced-path layout model, they have also received a lot of criticism for this. Later, IKEA has added shortcuts from which the customer can straighten the path. Forced-path layout potentially maximizes product contact, it is also likely to maximize customer irritation. If a customer is not in a state to walk through the whole store and instead wants to reach the checkout after having selected a product quickly, the customer might omit it completely without going inside the store. (Ebster & Garaus, 2015, p.15.)

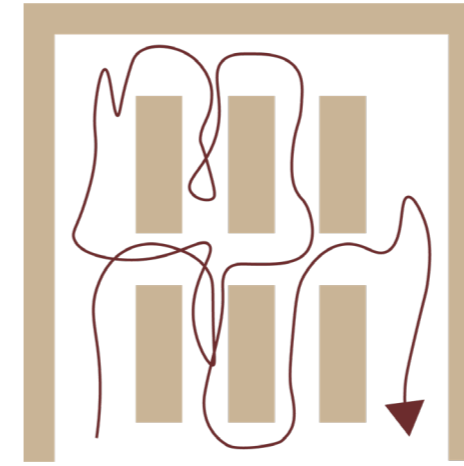


Figure 7. Grid layout (Isotalo, 2021).

In a grid layout (Figure 7.), aisles are organized in a continuous rectangular pattern. It is chosen by supermarkets, pharmacies, and hardware stores, because it withstands traffic-flow. The layout offers several advantages, as it enables customers to shop quickly. Standard accessories can be used to display the visual merchandise and the order helps to inventory. A grid layout is not especially attractive, aesthetically charming, unique, or exciting, it looks sterile and common. Because of the regularity of the aisle pattern, it is not that easy for customers to locate themselves in the store, therefore signs and cognitive maps of the store should not be forgotten. (Ebster & Garaus, 2015, p.17.)

Aisles, shelves, and displays can be placed in a free pattern instead of a grid, in an interesting free-form layout. The layout has various benefits, as it raises the atmosphere of the store and the shopping experience of the customer. Customers are encouraged and they are more likely to browse the products, they appear less hurried and are more likely to make impulse buying. The researchers have found out that in a free-form layout store, the customers park their shopping carts more frequently than customers in a store that uses a grid layout. They leave their shopping cart ignored to browse the products better. The researchers also noticed that these customers also buy more. (Ebster & Garaus, 2015, p.18.) There are different ways of using a free-form layout in a store. The boutique layout (Picture 4.), alcove, or shop-in-shop layout is the most broadly utilized free-form layout. It separates several types of products in a store. Each merchandise group is displayed in its own area, and in each of these areas, relevant visual merchandising is used to emphasize the theme of the area. For example, large department stores like Stockmann have their own areas for brands, each with its own theme designed to fit the brand. A successful and interesting brand theme designed with a boutique layout stimulates customers' curiosity and it creates a unique shopping experience. Retailers should think carefully about outsourcing the design of the bou-

tique to the brand. Researchers have noticed that in many department stores, the customers move from one branded boutique to another. The design of these individual boutiques may be excellent and favorable to buying, but the department store's identity can disappear. (Ebster & Garaus, 2015, p.18.)

One of the free-form layouts is the star layout, where aisles are ordered in a star-like pattern. This layout is usually used in cosmetics, fashion stores, and jewelry stores. Star layouts look sensational and are a good fit for experiential store design. Some customers have difficulties finding their way in a star layout. (Ebster & Garaus, 2015, p.20.)

In an arena layout, the higher shelves are placed further back in the store, and these shelves also may be located on a stand. The area layout enables customers to see a considerable section of the product range right at the beginning of the store. This free-form layout is used in book or record stores, and fashion stores. (Ebster & Garaus, 2015, p.20.)

Different layouts can be combined. For example, in large supermarkets, food supplies may be set quite boringly and clinically, while the specialty product side of the store is designed in a fun and interesting free layout. The clinically implemented part of the store also gives harmony and space to the products on the free layout side.



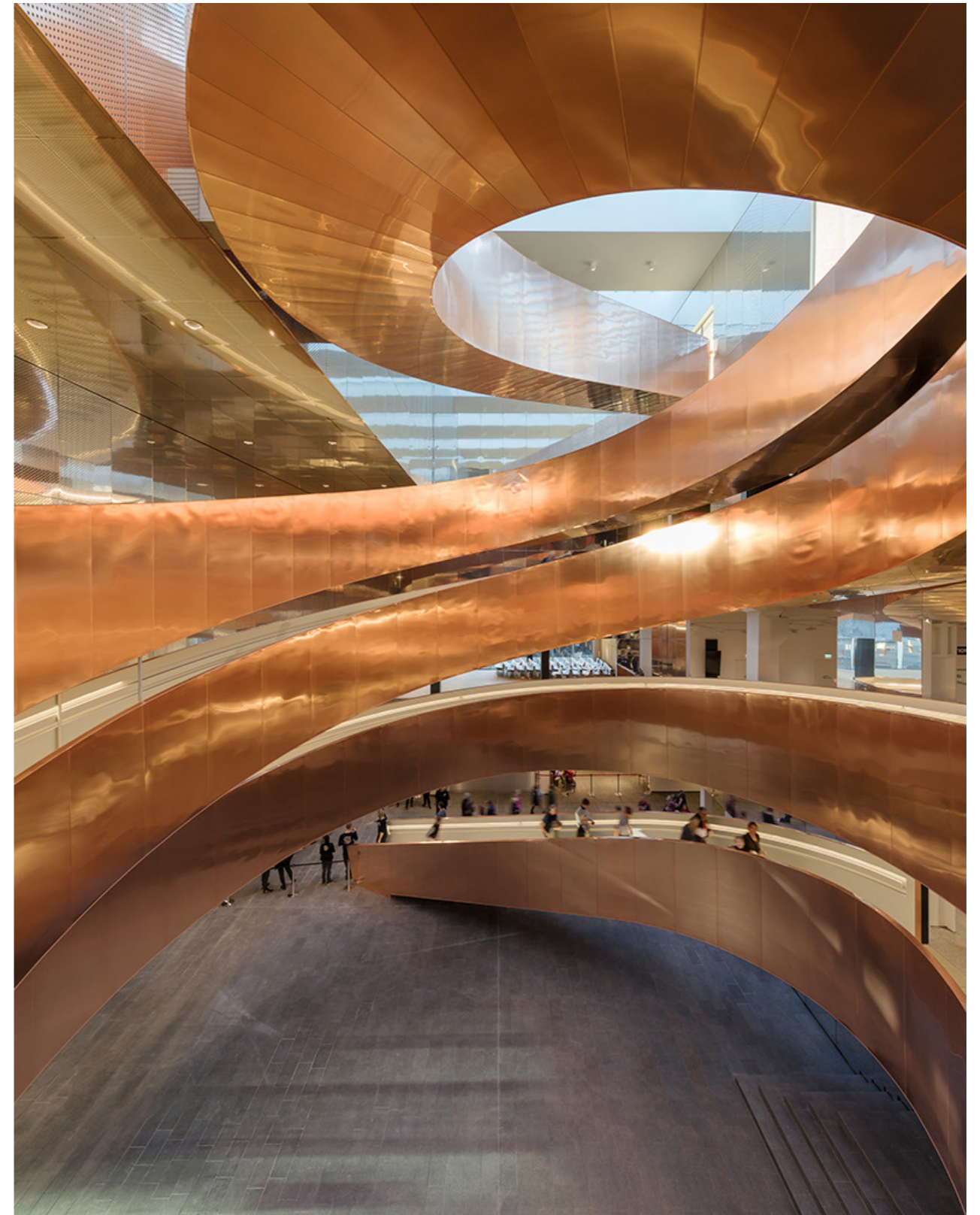
Picture 4. A boutique layout of a brand in the Selfridges department store (Gentle Monster, 2020).

3.3

Impact of trends and world events in retail and store design

History has shown how radical influences world events and diseases can have on spatial and store design. The styles of modern interior architecture were turned with a request to develop more hygienic spaces, driven by diseases like tuberculosis in the 1920's - 1930's. The style designed to treat the request, with importance on light, air, clearness, and safety of space and material, still guides the interior design in the 2020's. Covid-19 will also affect how to create space in many sectors, however, it can be most important in retail. This may influence the store's customer flow direction planning, the choice

of clean materials, and an excess of surfaces. Surface operations have come in for thorough examination during the pandemic. Studies have shown that the virus can live for up to 72 hours on generally used materials in stores such as plastic and steel. Researchers such as Bill Keevil, professor of environmental healthcare at the University of Southampton, have recommended a return to the use of copper since the virus can last on it for 4 hours. (Frame, 2020.) Picture 5. shows the creative utilization of copper in the science center Experimentarium's interior in Denmark (Cebra Architecture, 2021).



Picture 5. Antibacterial copper in science center Experimentarium in Denmark (Cebra Architecture, 2021).



Picture 6. Aesop store in Kuala Lumpur; the brand is well known for its store design. The impression is anti-selling, sterile, valuable, and elegant (Aesop, 2021).

”How to design a store without sinking into sterility, and still advancing key narratives, will be the future challenge.”

Low-touch retail design will remain a priority but companies are still careful with the clinical design because it can also have damaging consequences. How to design a store without sinking into sterility, and still advancing key narratives, will be the future challenge. Picture 6. shows an Aesop store in Kuala Lumpur with a stylishly executed clean-concept store design (Aesop, 2021). Some, such as grocery store Lidl, are using floor markings to define the customer distance, with merchandising support to fit this new layout. Some have used the forced path one-way systems to intentionally confuse shoppers' sense of direction. Will Broome, the CEO of Ubamarket believes that the coronavirus is bringing into focus several pre-existing problems with the way customers are shopping, such as complicated and constantly changing store layouts and con-

fusion about where products are. (Frame, 2020.) Air quality will be a key factor as consumers come to expect access to fresh air everywhere and all the time. This might create forms of advanced filtration systems to protect shoppers against airborne pollutants. In Dr. Jart+ store in Seoul, customers enter the skincare store via an industrial air-shower booth that blows off dust and bacteria collected in the outside world. For Betwin Space Design, the architects behind Dr. Jart+'s flagship store, the goal was to show customers that the space provides them with the cleanest air and water and protects them against pollution. The store employees wearing gloves and facemasks, no handling-signs on shelves, and check-outs cased in plexiglass have become the norm. (Frame, 2020.)

Amazon Go's just-walk-out retail system (Picture 7.) efficiently ensures an experience in which customers do not have to touch anything other than the items they are buying and taking with them. To visit the Amazon Go store, the customers need an Amazon account, the Amazon Go application, and an iPhone or Android phone. When they arrive at the store, they scan the QR code from their phone at the store gate to enter. Then they can take products off the shelf and pack them in their bags, and once they are ready with the shopping, they can leave the store, since the technology automatically detects when products are taken from the shelves or returned. It keeps track of the products in a virtual shopping cart. (Amazon, 2021.)



Picture 7. Amazon Go Grocery store in Seattle (Amazon, 2021).

The Covid-19 pandemic has taught consumers to desire the exact opposite, no more mass events in stores, no exciting and touchable surfaces, no dusky and especially fragrant spaces. During the pandemic, retail design seeks to speed up the time a customer spends in the store, whereas before the coronavirus, it attempted to delay the time a customer spent in the store. Customers are learning a full set of new behaviors, and low-density shopping, the '1.5 meter economy' might hold as the form of shopping. Researchers found out that UK retail collapsed by 75.1% in the week beginning 22 March 2020 and by 81.4% the week after that. Physical retailers have to accept that their customer base is going to digital channels. US e-commerce marketplaces grew a 14% increase in volume from March 23 to March 30, according to the Forster Global Merchant Network. E-customer accounts

have been created, addresses and banking details handed over making it seamlessly easy to return to e-commerce. Retailers will have to figure out how to bring a feeling of structure to new hyper-hygiene-conscious consumers. (Frame, 2020.)

Anu Kattilakoski from Fiskars Corporation also points out how the coronavirus has affected store design and visual marketing. Looser facilities, hygiene, antibacterial surfaces, hand washing and disinfection options, and plexiglass checkouts are the new norm. Buying from an online store is growing, so the functionality of the Pick-up from the Store area has to be carefully considered and designed. Private events in stores are also one rising trend that also increases customer engagement. (Personal communication, 12.1.2021.)

3.4

Customer attention capture

In an ideal retail world, sales personnel would help the customers, keep them satisfied, and in a buying mood from the entering of the store to the exit. In reality, it is economically impossible for retailers to keep the number of staff required to achieve all these customer service goals. The store design can not entirely replace qualified salespeople, but the right store design can lead customers through the store, give them information, entertain them, and sell products. Well designed stores will assist the sales personnel. In

addition to the personnel, the physical store makes trade as well. It is essential to a successful customer experience, that customers can easily navigate in a store, and the sense that they are controlled by the store environment, will make them feel frustrated and annoyed. Retailers want to engage the customers and them to spend as much time as possible in a store because they thrive there and make impulse purchases, not because they do not find the merchandise they want. (Ebster & Garaus, 2015, p.51.)

3.4.1 – Signs

Signs have to be visible and stand out as they are only helpful to customers if they can be easily seen. Placing signs too high is one of the most common mistakes in the retail stores, signs must be placed at a relevant height that the customer's eye catches them. Less is more in signage, using too many signs can lead to information overburden. The limit of the number in sign is ideally one message per sign. Too many signs scanned at once may confuse rather than guide the customer. Therefore the message on the sign must also be easy to read. Serif fonts are more suitable in books than in-store

signs, but sans-serif fonts are proven to work on signs. A mixture of capitals and lower-case letters is more readable than all caps. Thus, for single word signs, all caps work well. Also, the color of the font and the background impact readability, and high contrast between them is vital. Color-coding is another method used to make signs more understandable as different colors help to identify different areas of a store and highlight selective signs. For example, many signs leading to the exit are color-coded in green. (Ebster & Garaus, 2015, p.43.)

3.4.2 – Product displays

If there are too many products in the store, the customer may experience feelings of anxiety that limits the customer from touching products, which prevents impulse purchases. The customer forms a worthless image of the extreme amount of goods, while a minimalist product presentation forms a valuable image from the brand and the store. (Heuss & Ward, 2020.)

Visual merchandising is displaying products in the most visually appealing way. Visual merchandising is how a retailer communicates with the customers through product presentations. With a carefully thought-out visual merchandising strategy, products will sell themselves. The strategy can lead to great results by directing shoppers' awareness to particular products, triggering impulse purchases, and establishing an experience-giving picture of the store. The

product displays and presentation will provide the overall image of the store and the brand. It is essential that the proper visual merchandise strategy combines all the elements of the store design to present a harmonious overall image. (Ebster & Garaus, 2015, p.84.)

Product displays aim to provide a clearly understandable picture of the store. Customers should easily find what they are looking for. It is beneficial to keep visual merchandising presentations simple and avoid complexity as simple visual information can be processed more easily. It is more comfortable to process a clearly structured, symmetrical product display that includes few products from one brand than a more confused display containing a variety of different products and brands.

A merchandising prop is used to define the function of the sold product or to tell a story about that merchandise by creating concepts. Props are essential tools to be used for one main purpose of visual merchandising, attracting customers across a long distance, inside the store, and from the street. Colors and lighting effects together can be used to make product presentations appealing. In grocery stores, blue light can be used in the fish section and red light in the meat section, for example. The props can not outshine the product, if a little package of raisins is displayed on a mountain of sand with palms, the attention of the customer will be attracted to the props and not the product as size draws attention. (Ebster & Garaus, 2015, p.92.)

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People identify objects based on their experience and this can be used to create rhythm. Products should be arranged by starting with the brightest color and end with the darkest color. Rhythm can be created by using lines that can differentiate sections of a store, notify customers to wait in the checkout line, or guide them through the store. Lines can also be used in product displays to effectively highlight a particular product. (Ebster & Garaus, 2015, p.108.) One important, some say the most important, characteristic that always contributes to how people evaluate visual elements is proportion. The proportion of the ubiquitous golden section is exactly 1:1.62. When a bouquet of flowers, a product display, an advertisement, a poster, or a building have the same correct proportions, they are observed as more aesthetically appealing. In-store graphics, tables, shelves, or other visual merchandising elements should match the given proportions of the golden section as well. (Ebster & Garaus, 2015, p.109.)

3.4.3 – Customer eye movements

Customer attention has been commodified, becoming more valuable and scarce every day. Consumers live in an attention economy where all companies have to struggle for the limited resource of consumer engagement. There has not been before a more full scene of content and products, retailers, websites, apps, and media for the consumer to choose from. Retailers also need to conduct research that interprets how to capture the interest of the consumers. Traditional customer interviews and surveys are useful tools, but they rely entirely on customer responses and are therefore easily led to bias, misremembering, and incapability to explain underlying decision drivers. Eye-tracking is an effective research tool that shows what is capturing the customer's eye: they are viewing an advertisement or looking at a product display. Several decisions of people are made subconsciously, making it challenging to explain and discuss behaviors. Eye-tracking

is a precise way of accurately reporting what drives the customers to make the decisions and behaviors during the customer journey. (Tobii-Pro, 2021.) Consumers' eyes are constantly scanning the scene for new visual data. The person is practically blind and any information is not registered when the eyes are in the move. Humans do not notice this because of the speed the eyes are moving. Saccades remain for 20 to 40 milliseconds. Customer researchers are interested in the eye fixations because the brain will process data collected by the eyes when they remain still for at least ¼ to ½ second. Measuring these fixations allows researchers and retailers to conclude which are visual stimuli in the store that attract and catch the customer's awareness. All the customers do not look at the same spots in a store when shopping as the customer differences and interests control which stimuli they pay attention to. (Ebster & Garaus, 2015, p.24.)

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Eye-tracking offers visually engaging evidence of conscious and subconscious behavior that can not be observed or captured otherwise, as shown in Figure 8. (Heuss & Ward, 2020). There are some points in the store where eye-tracking works particularly well. For example, in the Impact Zone, which is the front of the store. It gives the customer the first impression of the store and creates an image of the brand and the company. It is a critical area in shopping malls and shopping streets as its purpose is to attract customers inside the store. Thus, passing customers can also be traditionally interviewed and require what they noticed, why they stopped, or why they didn't go inside. In addition to eye movements, customer expressions can also be observed in the face coding method. The faces of the customers can be interpreted to notice what caused the emotional reaction in the store and what the reaction was like (Heuss & Ward, 2020). Products that are placed at the shoppers' eye level and touch level in-store sell notably better than products placed at other heights because products at eye level draw more attention from the customers. The place of products on sepa-

rate vertical shelf areas does not only influence perception, the researcher has noticed that consumers also evaluate products differently depending on the place on the shelf. Products that are placed either above or below eye level or touch level, receive less attention. Also, these two areas differ concerning how positively customers estimate the brands they find there. Brands placed on a higher level are estimated to be better than brands placed on a lower level. Customers may give more attention to the middle of a shelf but it depends on where in the store the shelf is located and from which direction customers approach it. (Ebster & Garaus, 2015, p.26.) Shoppers search products from the shelves horizontally as the majority of eye muscles are made for horizontal movement. To utilize the customers' search patterns in visual merchandising, the same range of products should be placed in horizontal areas and not in vertical. If product areas are placed vertical, shoppers might have difficulties finding the product they are searching for with their horizontal search movement. (Ebster & Garaus, 2015, p.29.)

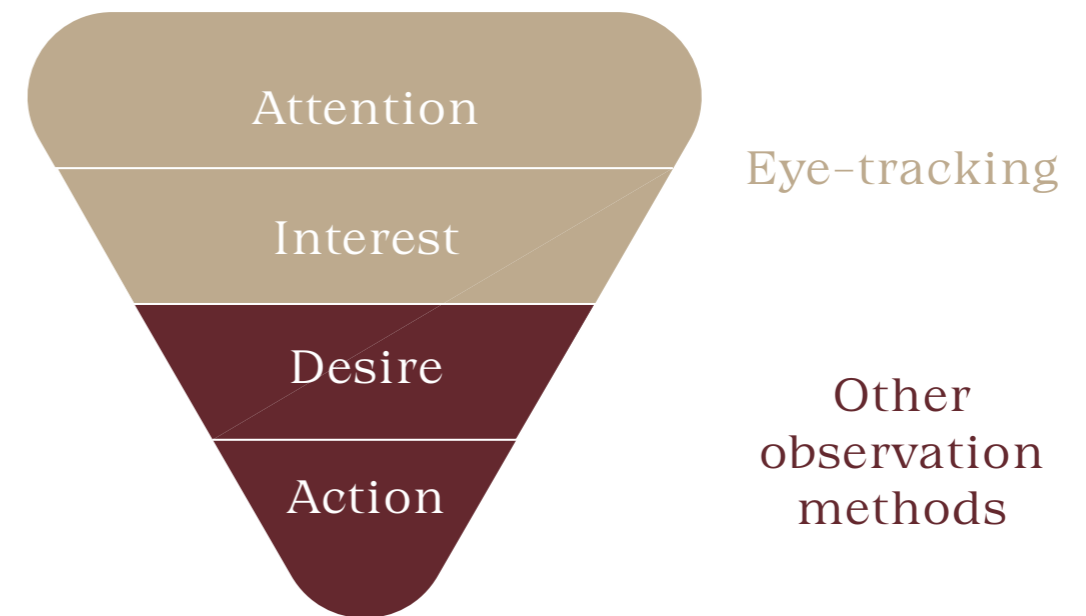


Figure 8. Eye-tracking reveals hidden customer attention and what is capturing their interest (Modified from: Ebster & Garaus, 2015).

3.5

Utilization of customer senses and associations

Eyesight is the most powerful sense through which customers collect information. Customers also attend to touch products before purchasing them as touching helps them make an emotional bond with a product. Seeing is believing and touching is feeling. The softness of the cashmere product, the secure handle of a smartphone, and the sense of sitting on a soft armchair are good emotional reasons for the customer to buy the product. Giving the customer a chance of feeling the products is a significant advantage that physical retail stores have over e-commer-

ce. (Ebster & Garaus, 2015, p.85.)

Materials evoke emotions in the customers through the senses. The potential of influencing customer behavior through their five senses is well known by visual merchandisers. When discussing how to influence customers through senses, retailers use the term atmosphere. Retailers follow this term to influence the buying behavior of their customers. (Ebster & Garaus, 2015, p.117.) As shown in Figure 9., the materials have a high impact on the general atmosphere that evokes emotions.

Figure 9. Material associations (Modified from: Ebster & Garaus, 2015).



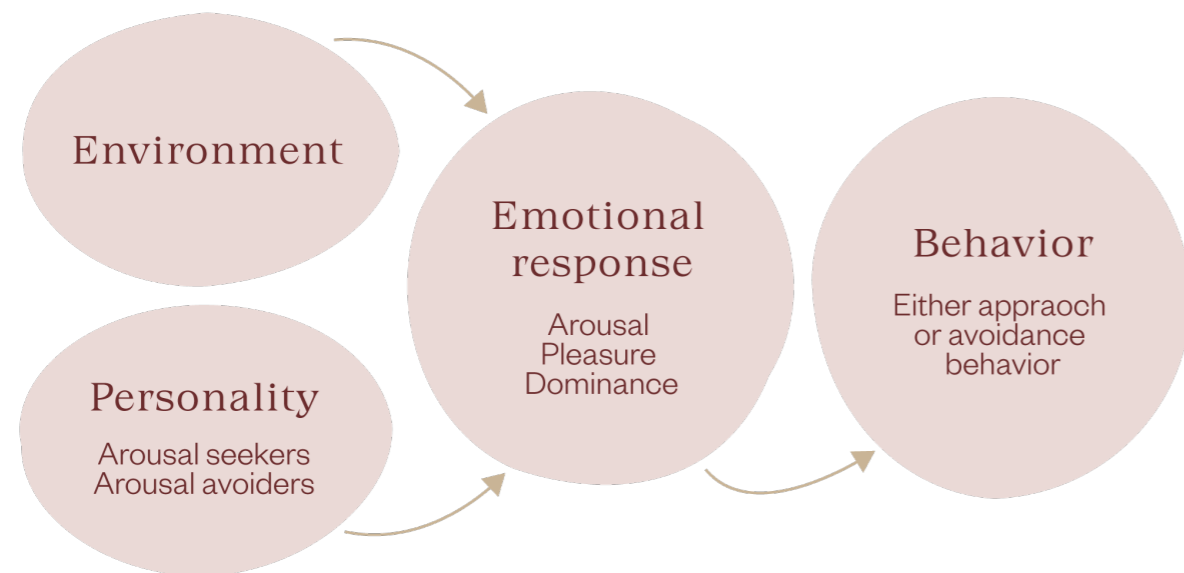


Figure 10. The Mehrabian-Russell model (Modified from: Ebster & Garaus, 2015).

Particular beneficial outcomes to store atmosphere can be evoked by the use of music, scent, lighting, and color. To use the store atmosphere to improve purchase rates and customer engagement, two environmental psychologists, Mehrabian and Russell, developed a model that explains how individuals respond to a particular environment. The basic hypothesis of the model is that a customer's behavior is affected by the environment. The effect on behavior is not direct, since the environment influences a

customer's emotions and feelings, which in turn influences the shopper's behavior. As shown in the figure 10., there are two determinants of emotional responses: the customer's personality and the environment, they both lead to emotional responses. It depends on a customer's personality type whether that person will observe the information rate as being high or low, in general, consumers can be either arousal seekers or arousal avoiders. (Ebster & Garaus, 2015, p.118.)

3.5.1 — Scents, lights and music

Environmental stimulus can be sorted by its arousal and its pleasure level, arousal refers to feelings of excitement and pleasure describes enjoyable feelings. Retailers aim their store to be pleasurable and achieve an optimal arousal level, they have different ways to reach the customer through the senses, such as music, scent, and illumination.

Music

Service businesses and retailers use mostly music to provoke a specific behavior in their customers. Music played in a store can push customers to different beneficial reactions. There are different possibilities for music in the store. It can be played loud or soft, fast or slow, and it can be vocal or instrumental. Music can be also played as background or foreground music. Guiding customers to stay longer is one goal in a retail setting, the longer the customers stay in the store, the more association they will have with the products, which in turn appears in higher purchase rates. Slow music is a useful tool to gain customers to spend more time in a store. (Ebster & Garaus, 2015, p.127.) Music positively impacts the consideration of product quality or service quality. The music style and the music genre produces this outcome. With classical music, quality is more highly estimated if the music is fast rather than slow. Research shows that

customers will estimate products and the store service, higher when they like the music that is played. With music, retailers can affect not only the image of quality but also price perceptions as classical music sends a prestigious, exclusive, and high-priced image; if TOP-40 music is played, customers expect lower-priced products. Retailers can also affect the depth of conversation among salespeople and customers by playing both slow-tempo and low-arousing music instead of high-tempo and arousing music. The readiness of customers to communicate to salespeople can be improved by playing music, especially soothing music. Music can be used to evoke engaging information and memories for customers, as Caribbean music in a travel agency might make customers remember memories of their last holiday, or playing fitting music in a fashion store can get customers to remember their last party. (Ebster & Garaus, 2015, p.128.)



Figure 11. Responses to different scents (Modified from: Ebster & Garaus, 2015).

Scents

There is one stimulus that has a stronger effect on customer feelings than music. This sense has the strongest impact on emotions, as the olfactory bulb, that senses smells, is directly connected to the limbic system, which is creating instant emotional reactions. Scents can be diversified according to their affective quality, their arousal level, and their intensity. An average person is capable of smelling 10,000 different odors. (Ebster & Garaus, 2015, p.132.) Retailers utilize scents mainly to brand their stores and to make the store unique and differentiate it from the competition. For example, the Samsung flagship store has a signature smell, a scent of honeydew melon. Scents evoke strong emotional responses, feeling of being more relaxed, lively, or nostalgic. Through their strong impact on feelings, they can have beneficial effects on customer behavior. Scents can improve customer mood which might make them do more purchases but it is not enough to use a pleasant smell, the ambient scent has to be harmonious with the store. Some scents are more appealing than others, by addressing these scents to customers stores also can attract them inside. For example, the smell of fresh-made bakery products from a bakery store encouraging customers to enter. It is more useful to use a scent that is a fit for the

scents. Responses to different scents can be seen in Figure 11. Empirical studies have shown that simple scents guide to increased cognitive processing and this leads to positive emotions, which in turn lead to higher sales. For example, the smell of lemon is a simple and easy scent as a blend of lime, orange, grapefruit, and lemon is a more complex citrus scent. (Ebster & Garaus, 2015, p.134.) Still, during the current pandemic period, retailers need to consider whether the most sterile, clean and pure fragrance would be beneficial.

There is a tight bond between taste and smell, and scientists are discovering that olfaction mixes also with the other senses in surprising ways. Consumers are constantly barraged with information from all the senses at once. Researchers have found out that consumers process odors variously depending on the other sensory inputs they receive at the same time. When customers see a photograph of a rose while smelling rose oil, they consider the scent more pleasant than they do if they inhale rose oil while looking at a picture of, for example, a peanut. Visual inputs influence customers' sense of smell, as odors affect their capacity to process visual stimuli. (American Psychological Association, 2021.)

Lights

Store lighting is also an essential determinant of store atmosphere and design. When entering a store, the first reaction is often influenced by the available light. For example, discount stores are regularly brightly lighted, to make their customers purchase efficiently, department stores use lower light levels to create a more relaxed feeling to the customer. Lighting is a part of the overall store atmosphere and it has a significant influence on customer behavior, mainly because it controls the customer's arousal level. Light can influence impulse purchases as a bright light setting will increase an individual's level of arousal. A certain level of arousal should not be passed, otherwise customers can avoid it. Bright light also raises honesty, as it has proven in research, when a room is more brightly lightened, people attend to be more honest. Lighting has a positive effect on how products are handled, and how attractive these products seem to customers. Research has shown that customers spend more time in front of a lighted display than in front of an unlighted display. Retailers can create beneficial optical illusions with lighting, for example, a store can appear to be larger by projecting light on the walls. (Ebster & Garaus, 2015, p.137.)

3.5.2 — Effect of colors

Colors can have remarkable effects on human behavior. In stores, colors can be utilized in different ways: to position the store and differentiate it from the competition, to evoke associations to the store, and to influence the customers' behavior. Different colors evoke different associations and those can be assigned to the store. Color associations are influenced by culture, the definitions of colors shown in Figure 12. exist in Western nations, for example in Finland. In other parts of the world, many definitions are different, color associations also differ across various target groups, for example, culture or religious groups. (Ebster & Garaus, 2015, p.142.) Color perception is affected by a person's age, mood, and mental well-being. For example, abnormal color perception has been noticed in several patients with schizophrenia. Young children who learn to identify colors from each other tend to prefer red or orange. Psychologists believe that studying a person's opinions about colors provides information about their mental state of mind. (Coloria, 2021.)

Colors can be characterized according to their wavelengths: blue colors are considered cool

colors, as they are characterized by a short wavelength, and red-tone colors have a long wavelength so they are understood as warm colors. Warm colors create excitement, while cool colors generate peace and relaxation. Bright colors are regularly seen as attractive, dull colors might be recognized to be shady. In the store environment, it is beneficial to use short-wavelength colors. As an exception, in some cases, a red environment will also boost sales. It has been noticed that a product is seen as more trendy if it is presented in a red environment. Green is a suitable color for a situation where a lower customer activation level is required, such as waiting in check-out lines. Sometimes it's more meaningful to the brand to build a pleasant store atmosphere instead of pushing to heighten the impulse purchase sales. For example, in exclusive jewelry stores, it is more relevant to use blue rather than red, as blue evokes pleasurable emotions in customers. Because of color overstimulation, color overuse will lead to avoidance instead of approaching behavior. Colors and all the other store design factors have to be in harmony with each other. (Ebster & Garaus, 2015, p.143.)

Color – Associations for customers

White – Purity, cleanliness, refinement, coldness

Black – mourning or unhappiness, elegance,
high quality, power, masterfulness

Yellow – Cheer, freshness, vitality, comfortable atmosphere

Green – Nature, hope, calmness, relaxation, freshness, health, freedom

Blue – Calmness, prettiness, security, harmony,
friendship, helpfulness, comfort, authority

Red – Excitement, stimulation, love, passion, anger,
vitality, activity, novelty, strength

Orange – Power, affordability, informality

Brown – Stability, security, everyday life,
domesticity, wood, trees, earth

Figure 12. Color associations (Modified from: Ebster & Garaus, 2015).

Consumers appreciate colors of teal (blue-green), azure (sky blue), and red. Impulse buyers easily buy products packed in deep blue, black, or red-orange packaging. Pastel shades appeal best to customers who rarely change their shopping habits. Buyers who have a budget are most appealed by light blue, pink, teal, and navy blue packaging. Green, brown, and red are suitable in food packages, as in the OA-branded coffee package in Picture 8. (Coloria, 2021.)

Emotions can be influenced by atmospheric determinants, such as scents, music, and colors, but also by in-store graphics. Pictures provide a more enjoyable shopping experience. Some pictures are special and touch deep into the customer's mind and request networks of related associations in the mind of the customer, into those specific emotional experiences that are shared by a large number of consumers. There are three types of schema-invoking pictures that have a special effect. First, the archetypes and pictures leading to biologically programmed reactions, the second type are the pictures evoking culture-specific schemas, and the third type is target group-specific pictures. (Ebster & Garaus, 2015, p.103.)

Many researchers are concentrating on imagery, trying to understand the process of how consumers create and process visual images. This is particularly relevant outside store advertising, where some advertisements with lower visual components cause customers to use imagery to envision the product described. Some researchers are trying to fully understand the role of color, there are only the two main connections between color and concepts: red and blue being connected to excitement and focus, respectively, but others mainly have not yet been discovered. The interaction between colors and shapes is also being examined. In the corresponding way, as the color red and the octagon shape are processed as a stop sign, other combinations of colors and shapes are design concepts in-store environment. (Aradhna, 2013, p.164.)



Picture 8. OA Coffee package colored in green and brown shades (OA Coffee, 2021).

3.5.3 —Storytelling

To provide the means to help consumers write the stories of their lives, retailers need to be storytellers for their brands. Loyalty marketers now operate in a scene of omnipresence. Retailers know that the brand is not just the words and pictures; the brand is really about the total delivery of a commitment to consumers. Archetypal stories provide a solid foundation for retailers to tell to their customers. Shakespeare noted that there are only six archetypal stories that people have told to each other through the centuries. The job of the artist, or in this case the retailer, is to tell those six stories with different structure details and characters fresh and alive in the minds of the audience, the customers. The world's most successful brands are "storytelling" brands. For example, Harley-Davidson, one of the world's enduring brands, the midlife crisis brand. A Harley-Davidson marketing executive once famously declared that "the ability of a 43-year-old accountant to dress in black leather, ride through small towns and have people be afraid of him, that is what we sell." This example attends to explain that the best brands are story-telling brands. Therefore also the store design must go hand in hand with the story and with the brand. (Leventhal, 2006 p.383.)

Theming and storytelling is one important expe-

riential visual merchandising technique used by many stores, malls, and service businesses. In themed stores and environments, most of the components are designed to tell a story in which the customer performs a part. The physical characteristics of the environment, such as layout, colors, and architecture, all emotional and cognitive stimuli: sound, scents and light, the employees, and the products should be part of the theme and story. Out-of-the-ordinary artificial worlds and experiences are created through these stories in which customers can engage. Theming presents the institution, unique meaning, differentiates the store from the competition, and of course, it also makes it more engaging and interesting in the eyes of the customer. (Ebster & Garaus, 2015, p.172.)

Anu Kattilakoski from Fiskars Corporation highlights the importance of stories. Kattilakoski points out that stories and brand credibility are excellent ways to make a customer stay in the store longer. Comprehensive solutions, inspiration, and experiences create a story for the store. This scene creates a pleasant and comfortable store environment for the customer, from where the customer also wants to buy products. (Personal communication, 12.1.2021.)

04

Case Ylhäisten Sisustustehdas

Ylhäisten Sisustustehdas, founded in 1987, is a store located in Salo that sells home design products, as well as carpets imported by the store's entrepreneurs Pasi and Marja-Leena Paakkonen. The store is an old industrial building that exudes history. The two-story store draws in many products. For example, customers from further afield make day trips to the store by tour bus. The locals know the business and the entrepreneurs well, and there are also customers from the nearby bigger city of Turku. (Personal communication, 29.10.2021.) The store has seen some years, and the entrepreneurs want to maintain and develop the store design, as well as its functionality. The starting point was that the project makes the store's visual merchandising more functional, and this is expected to affect the brand, the overall look, and sales.

4.1

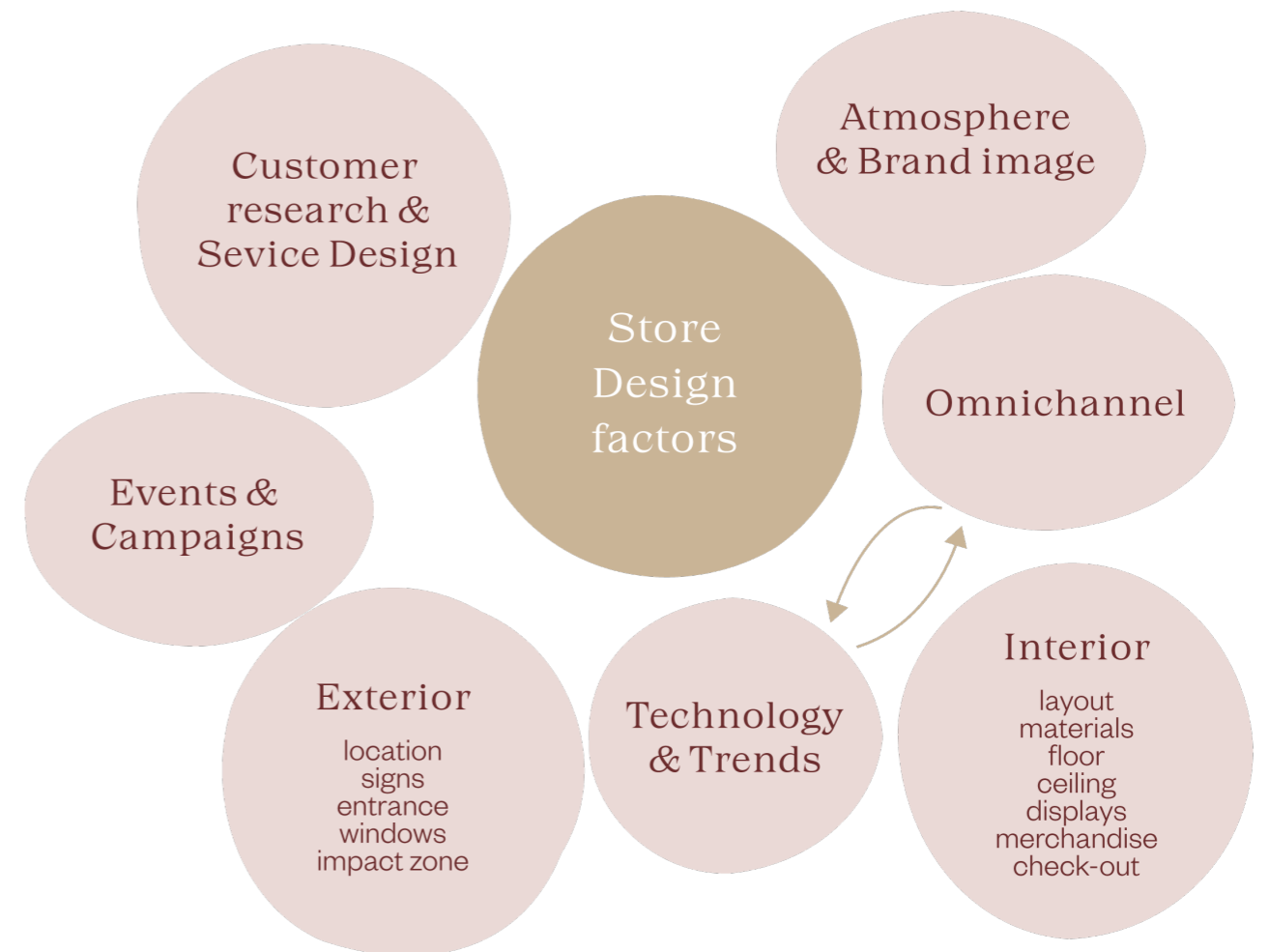
Service Design in support of store design and visual merchandising

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Service design is an evolving approach that combines different methods and tools from various disciplines. Service Design focuses on creating a well thought through services using a combination of intangible and tangible mediums (Stickdorn & Schneider, 2011, p.15). Services, just like stores, have become multi-channel. They are experienced and consumed in person, online, or offline. Design thinking is also a beneficial approach to designing spaces that work for people. It contributes powerful insights, methods, and case examples to help design, implement, and measure multichannel customer experiences that impact businesses and society. (Polaine, Løvlie and Reason, 2013, p.14.)

Service design combines various practical design and research methods, design thinking, and various visualization techniques, combining

them with different stakeholders' viewpoints during the service or purchase process. Service design is concretizing abstract content into ideas that can be easily shared, explained, discussed, and prototyped with the commissioner. Service design supports trying and failing in the early stages as it is learning by practice. Service design is proved to be a practice that allows industries to design and deliver their services with a human-centered approach. It produces a contextual and cultural perception that offers possibilities for new solutions, developing the user experience and customer satisfaction. This human-centered approach produces new innovations with its methods and tools. The case example shows how these tools and methods can be concretely used when creating a store design. (Miettinen, 2017, p. 21.)



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Figure 13. Design Factors in a retail store (Isotalo, 2021).

4.2

Service Design methods and tools

Holistic solutions require the involvement of a wide range of creative methods and tools, and as many people as possible making the creative process. Reflection allows the solutions to be produced into prototypes, and tested against the insights. (Stickdorn, M. and Schneider, J. 2011, p.64.) Although in Figure 10., service design is only a small part of the influencing factors, in reality, and in this case example, its impact is considerable. Figure 13. shows the extent to which different factors have an impact on store design.

The study includes a mixture of research methods and tools to level out potential biases. Tools are solid models, such as customer journey maps, and empathy maps. They regularly follow a specific structure or are built on ready provided templates. While methods are special procedures to accomplish or approach some point of view, such as conducting contextual interviews. Tools outline “what” is used and methods normally explain “how” to create and work with tools in service design projects, such as interviewing and prototyping (Stickdorn, Hormess, Lawrence and Schneider, 2018, p.36). All the methods and tools used in this study are shown in Figure 14.

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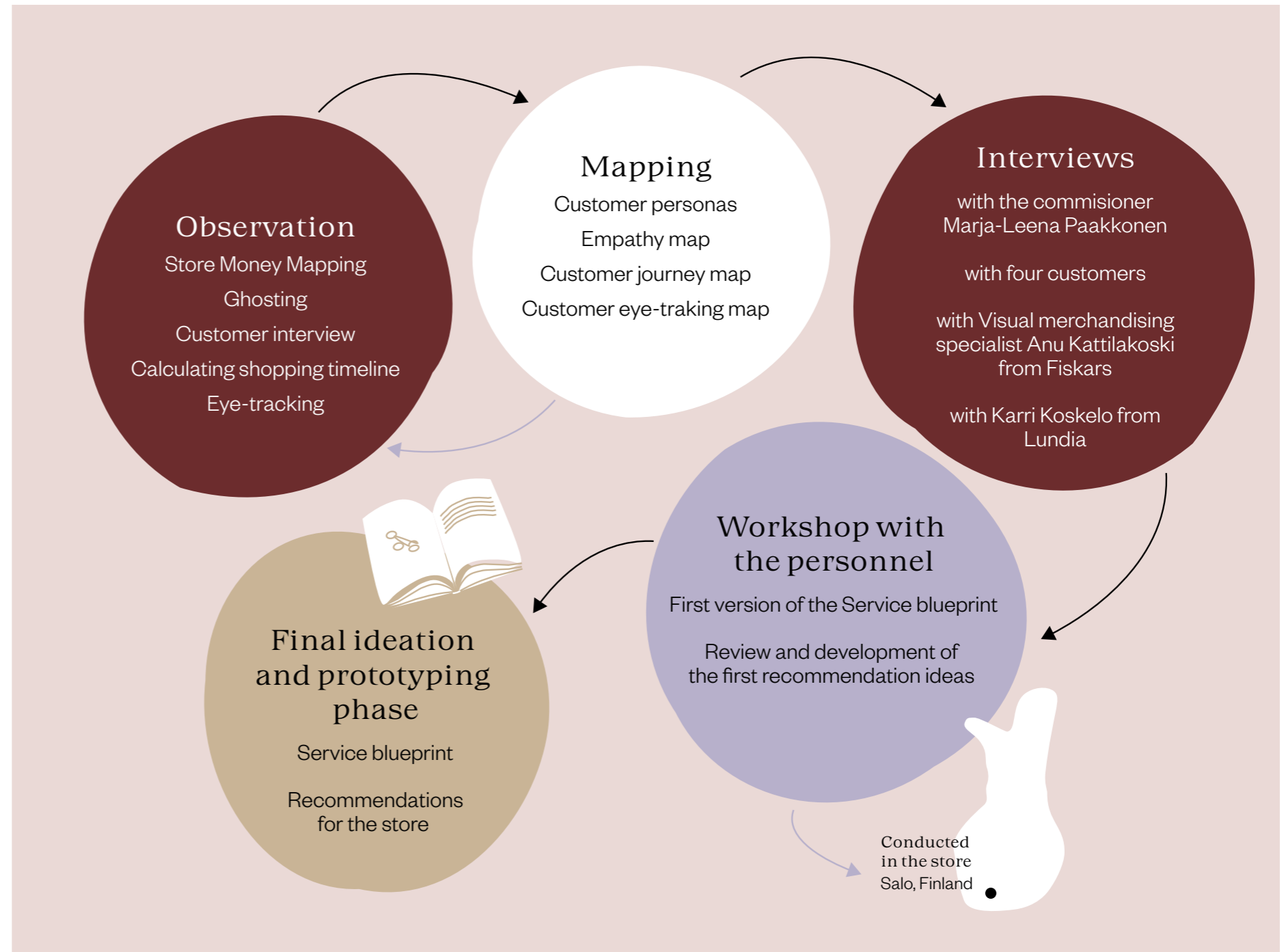


Figure 14. Mix of methods and tools used in the research phase (Isotalo, 2021).

The project started with two different depth interviews with the commissioner Marja-Lee-na Paakkonen. The second interview was also attended by the store's interior design salesperson. The interview clarified the situation and helped set the starting point. A Money Mapping analysis was conducted in the store, where the customers movements were traced in the store. After the money mapping method, a customer observations, where they were listened to carefully. The method particularly observed what customers were looking for, did they find it, what raised questions, and what they ended up buying. All the comments were written up and coded afterward. After the Observation and

Money Mapping study, the rest of the methodology began to clarify and the first steps helped to move on forward to create imaginary customer personas, their empathy maps, a customer journey map, as well as calculating customer visit timelines in the store. Tracking customer gazes was the next useful method. The eye-tracking visit to the store also included customer interviews, which provided new insights and ideas. In the final stages of the study, a co-develop workshop was organized among the store's employees. The last step before presenting the development ideas identified through the research, was creating a service blueprint utilizing the previous defining phase.

4.2.1 – Depth interview with commissioner

One of the most productive methods of data gathering in store design is interviews. This ethnographic technique allows the interviewer to observe the behavior they are curious about at the same time (Stickdorn, M. and Schneider, J. 2011, p.71). Depth interviews are usually long-drawn, in-context interviews that are structured. Interviews are an inspirational and fruitful way of gathering insights from individual customer's perspectives, behaviors, and requirements. They are also suitable for revealing values, opinions, specific and hidden information, interactions, and idea creation. Interviews are usually conducted by a theme, and they provide an event to explore important issues in-depth with participants. Interviews are a practical way to engage with people in their context and enable them to define how they see the things discussed (Polaine, Løvlie and Reason, 2013, p.50). Interviews are a productive way of gathering insights into an individual's perceptions, behaviors, and needs. Interviews are usually guided by a theme, in this case, visual merchandising, and they give a chance to explore relevant issues with participants, inquiry and document what they respond to, and achieve consensus on what interviewees mean. (Polaine, Løvlie and Reason, 2013, p.51.) The interviews with the entrepreneur and sales-

man were the first part of the case project. Two different depth interviews were held in the store (10/29/2020 and 12/3/2020), so it was easy to identify with the space and show the products and places discussed. Participants were asked questions about the company, the layout of the store, and opinions about the loyal customers. It turned out that the company also has its online store and another physical retail store in Vantaa. Both, the entrepreneur and salesman, also practice interior design and project sales in the company. Entrepreneurs at the Ylhäisten Sisustustehdas, are multidisciplinary actors and have a passion for doing and entrepreneurship. The interview revealed for example, that there is a sewing shop at the back of the store, and there is a large Outlet-section, as well as a colonial-style section on the third floor. A great number of topics were discussed during the interviews, mostly subjects about the customers of Ylhäisten Sisustustehdas. It was analyzed together what kind of loyal customers they have and what they usually come to purchase from the store, and how they feel satisfied in the store. These interviews gathered insights for creating the imaginary customer personas, their empathy maps, as well as building the customer journey map.

4.2.2 – Money Mapping and observation

Money Mapping is a customer observation tool and a qualitative research technique that is useful to follow customer behavior, for example, in-store environments. In the method, real-life situations are observed (Think Design, 2019). The purpose of the mapping was to understand the store better and to find the pain points of the shopping experience from the customer's point of view. The money mapping method is analyzed by drawing the layout of the store and then marking down the places where the customer went and spent most of the time in the store (12/11/2020). Transparent sheets and permanent markers were used as it made it possible to stack all the four customer behavior journeys on top of each other (shown in the figure 16.). The maps showed where the store customers visited the most, were the least, and wondered why this was and how it might be changed. Although individual customer paths are the most important for the study, stacking all customer paths on top of the store layout allows examining points where no customer visited. At the same time as the mapping, all the four customers were observed and listened carefully to what they were looking for, what raised questions, and what they ended up buying. In addition to the customer path mapping, the reason for the visit, the estimated age of the customer, the time of the visit, and the products purchased were recorded. The result received from the mapping and observation were later used in the

recommendation phase. Observing allows those problems, which the personnel or customers involved may not even recognize to be documented. Spending time in the store or in a service environment is sometimes the only way to uncover a correctly holistic view of the stores or services operations. It is a useful technique for identifying the moments where customers say one thing and act another. (Stickdorn, M. and Schneider, J. 2011, p.68.) Spending time in the store is also essential to meet the customers, understand their needs, and listen to their insights. It is important to observe how they receive or refuse the merchandise in the store, and understand why (Jacobsen, 2008, p.127). Exploring the paths of the customers in the store (Figure 15. and 16.), can be noticed that there is no specific journey in the store and the customers seem to be lost. The customers rarely moved the same route compared to each other, which can be an insight of a concern. Three of the customers first left toward the store's outlet section, on the left-hand side, not right like usual, which is not the store's most representative area, nor highest-margin. It was found that all the areas with small home furnishings products were stayed by the customers the longest. The fabric department received less attention as its department that cannot create impulse purchases. Customers touched on products in the store, as mentioned earlier, also leads to an easier purchase decision.

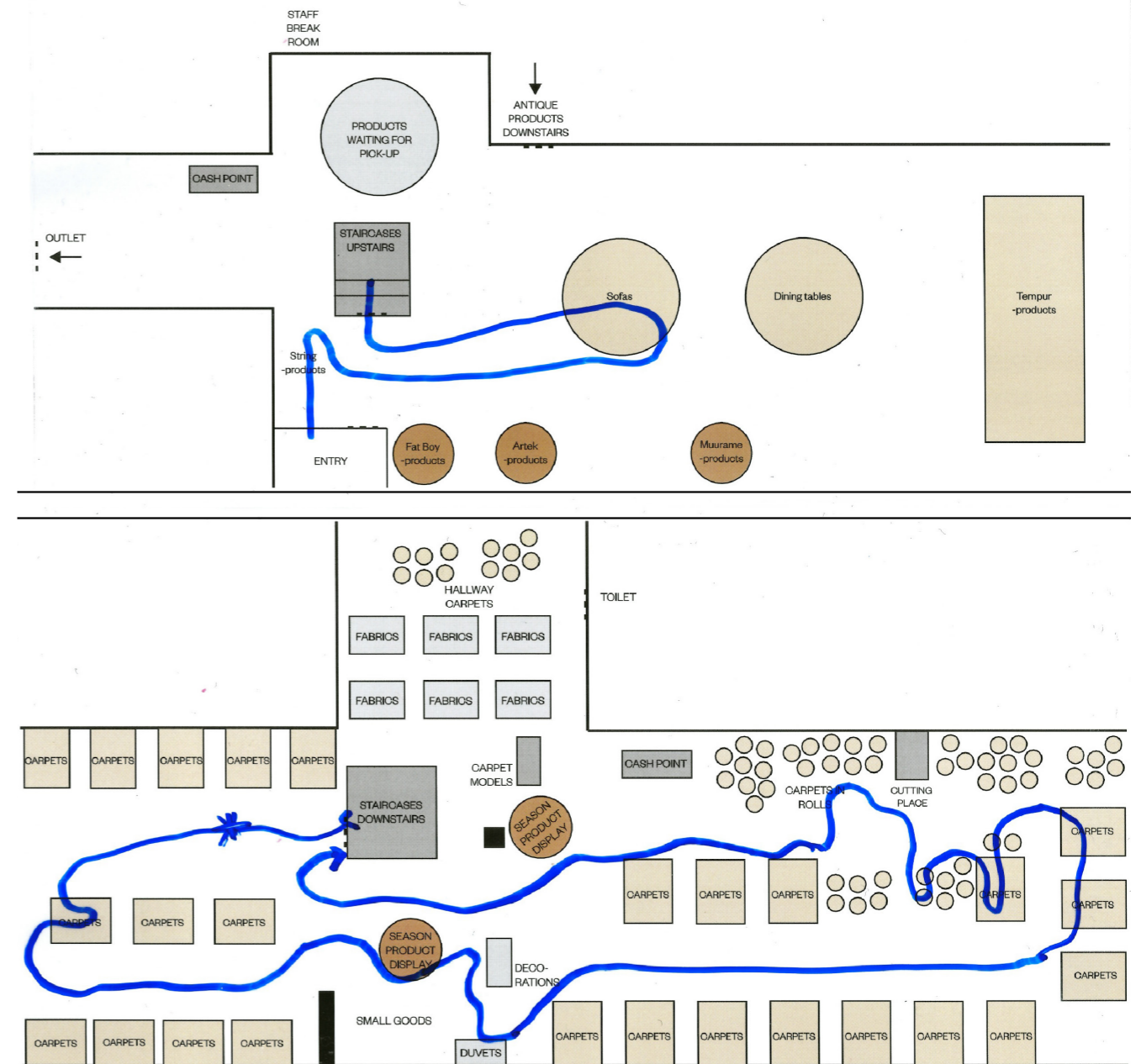


Figure 15. The path of a 50-year-old female customer in the store, upstairs, and downstairs. The customer just wanted to see the products and did not want any help from the salesperson. From the customer's stores, it can be noticed that she is not looking for any particular product, as the customer walks the most commonly seen path in the store. She first circles downstairs along the largest aisle, after which she quickly circles upstairs as well. (Isotalo, 2021.)

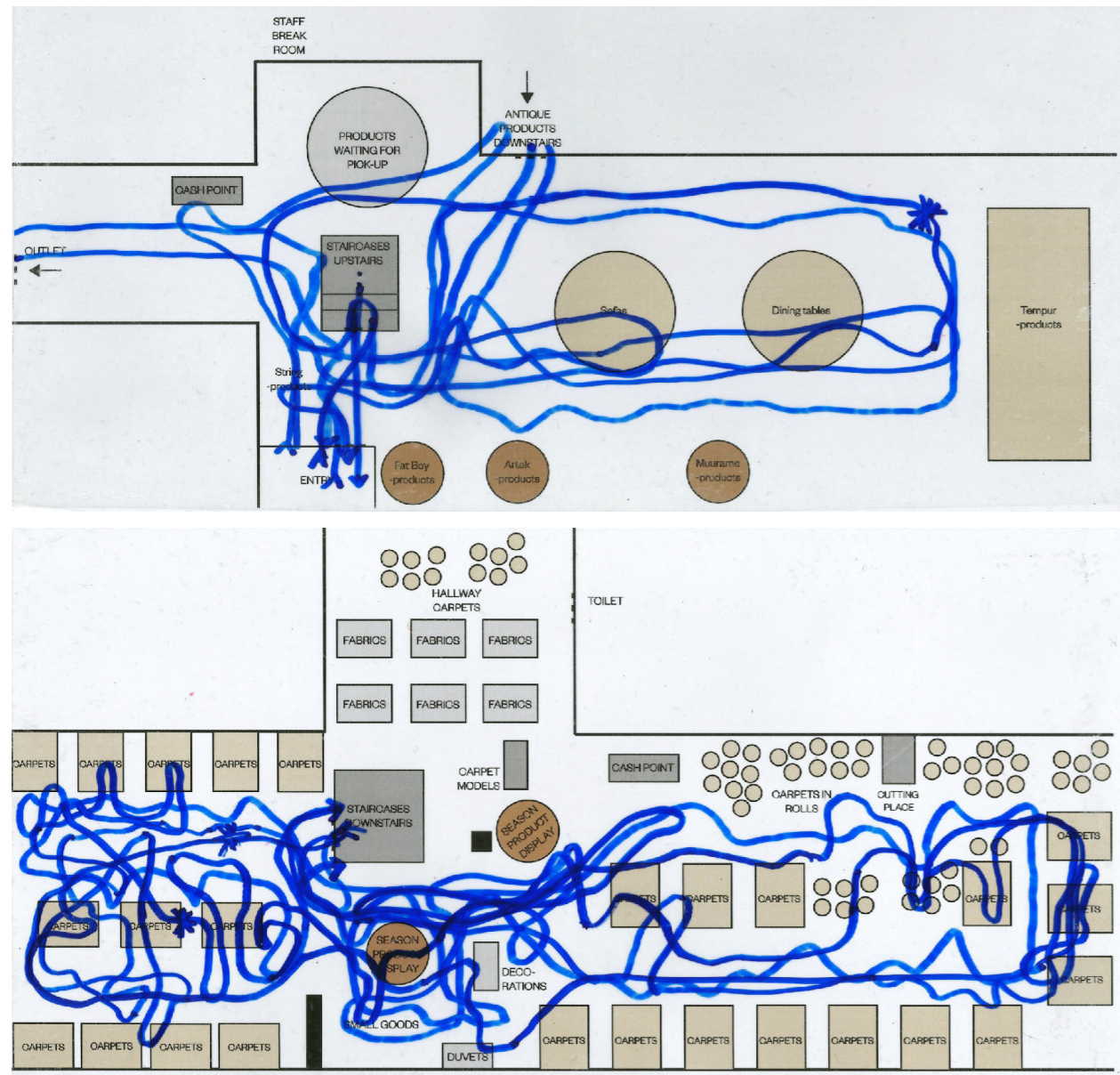


Figure 16. The paths of all the four observed customers in the store (Isotalo, 2021).

”Transparent sheets and permanent markers were used as it made it possible to stack all the four customer behavior journeys on top of each other. The maps showed where the store customers visited the most, were the least, and wondered why this was and how it might be changed.”

4.2.3 — Personas and empathy maps

Persona is a fictional character and a tool for retailers and service designers to engage in an important target group. A persona should be engaging, and a wide range of techniques from visual designs to detailed profiles should be used to bring these characters to life. Personas can give a variety of diverse perspectives on a retail service, allowing to define and engage the different groups in the target market. The personas are fictional but the motivations and reactions they present are real. (Stickdorn, M. and Schneider, J. 2011, p.79.) The personas in this project got their character from the insights collected during the first commissioner interview and the money mapping. The personas were created by researching the insights into common-interest customer groups, which were formed into usable characters.

Three different customer personas were created for the project. Interviews, as well as the observation in the store, clarified the personalities of the personas and their customer groups. The first persona (Figure 17.) is a young woman who is interested in interior design. In this case, she is named Lotta. Lotta is looking for small interior items in the store, as she lives in a studio apartment. She will probably buy bigger products from the store in the future.

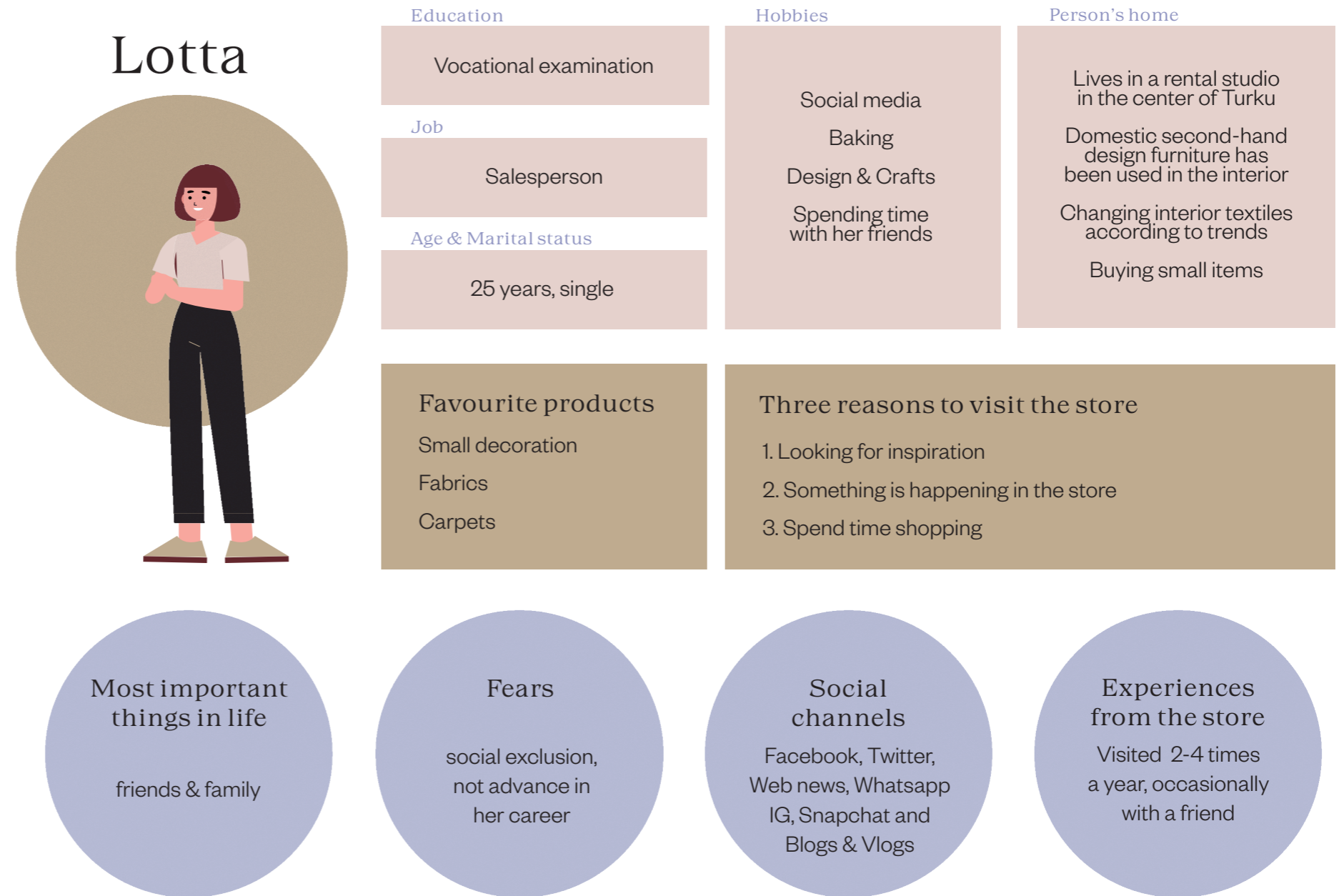


Figure 17. Customer persona called Lotta (Isotalo, 2021).

The second persona is a couple (Figure 19.), named Jenna and Niko, who live in peak years. They are building their own house, career, and family. For them, the most important thing is time and help is valuable and welcomed. The third persona is also a couple (Figure 21.), named Tarja and Lauri. They belong to the most common customer group. They are local, family-oriented, and middle aged. Each persona has its own customer journey map, that shows the basic information about them, as well as some of their thoughts. This service design tool especially helps to deepen the customer's store, as well as product expectations. The maps show the age of the personas, marital status, hobbies, work, and education, as well as some information about their home interior. The map also shows information about the personas favorite products in the store to research and think about the order of the products. There are three different reasons why personas visit the store. It also has collected their most important things in life, their fears and previous experience of the store. The map also shows all the social channels used by the personas.

Each persona has also its own empathy map. An empathy map is a tool used that is used while collecting data about loyal customers to better understand the target customer base. Similar to a user persona, empathy maps visualize customer needs, condense customer data into a brief chart, and help to consider what customers want (Amaresan, 2019). Each persona was created with its own empathy map that supports the character of the persona and the customer group behind it. Empathy maps show the character of each persona by sorting out how the persona says things, thinks things, knows things, and does things conversely. Lotta's empathy map can be seen in Figure 18. The map shows her appreciation for design products, even though she may not have space or opportunity to buy them right now. The map also shows her interest in the home interior.

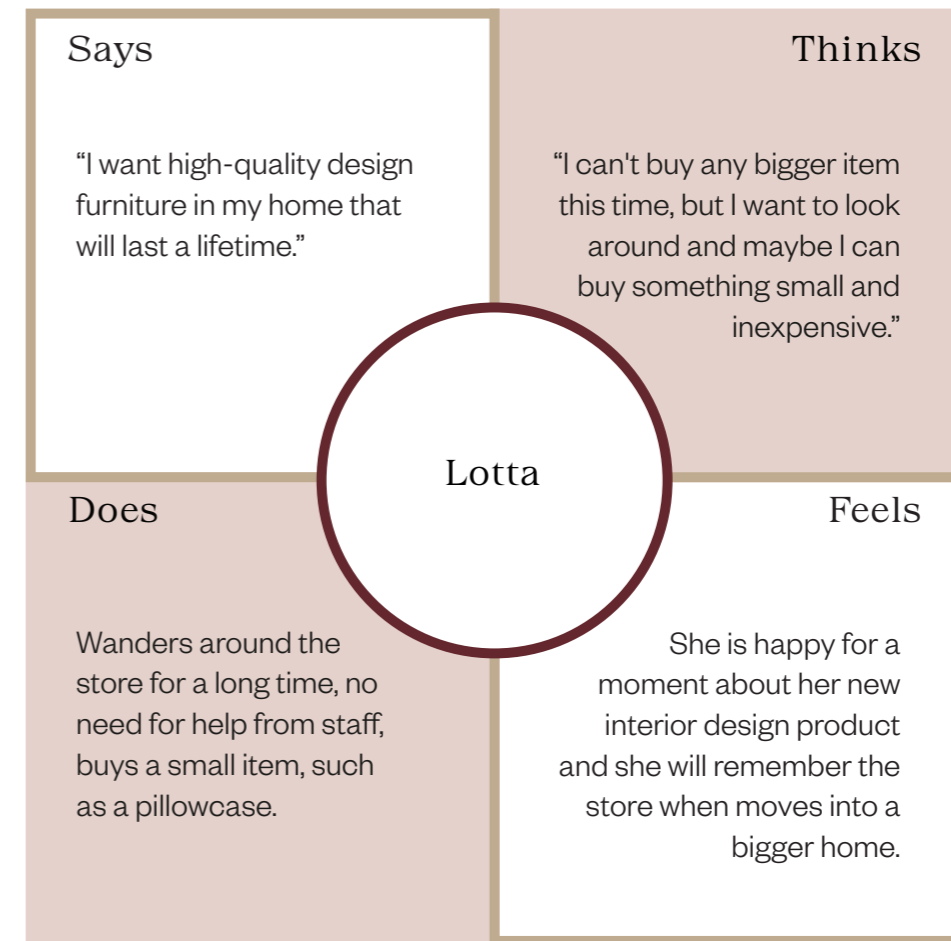
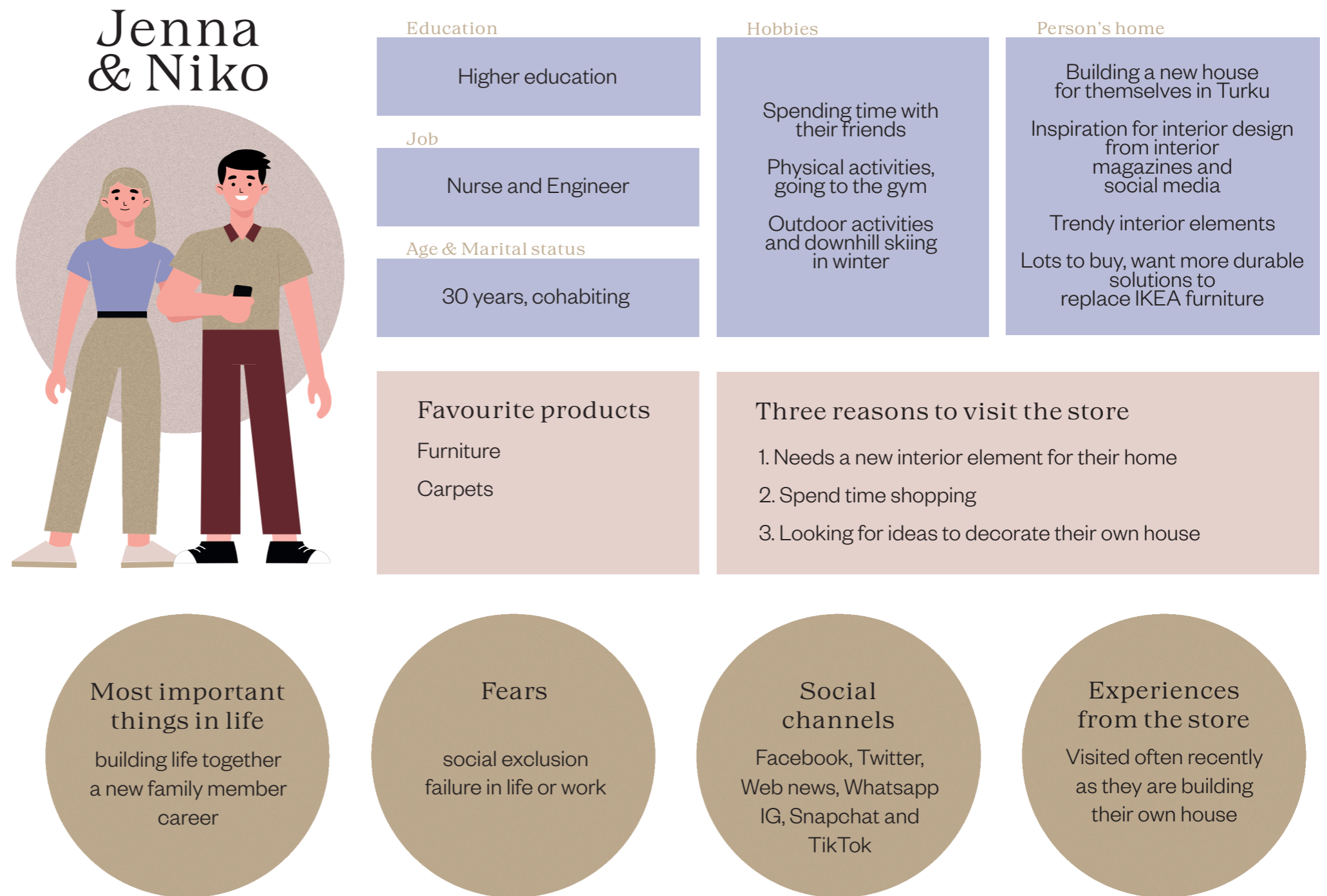


Figure 18. Lotta's empathy map (Isotalo, 2021).



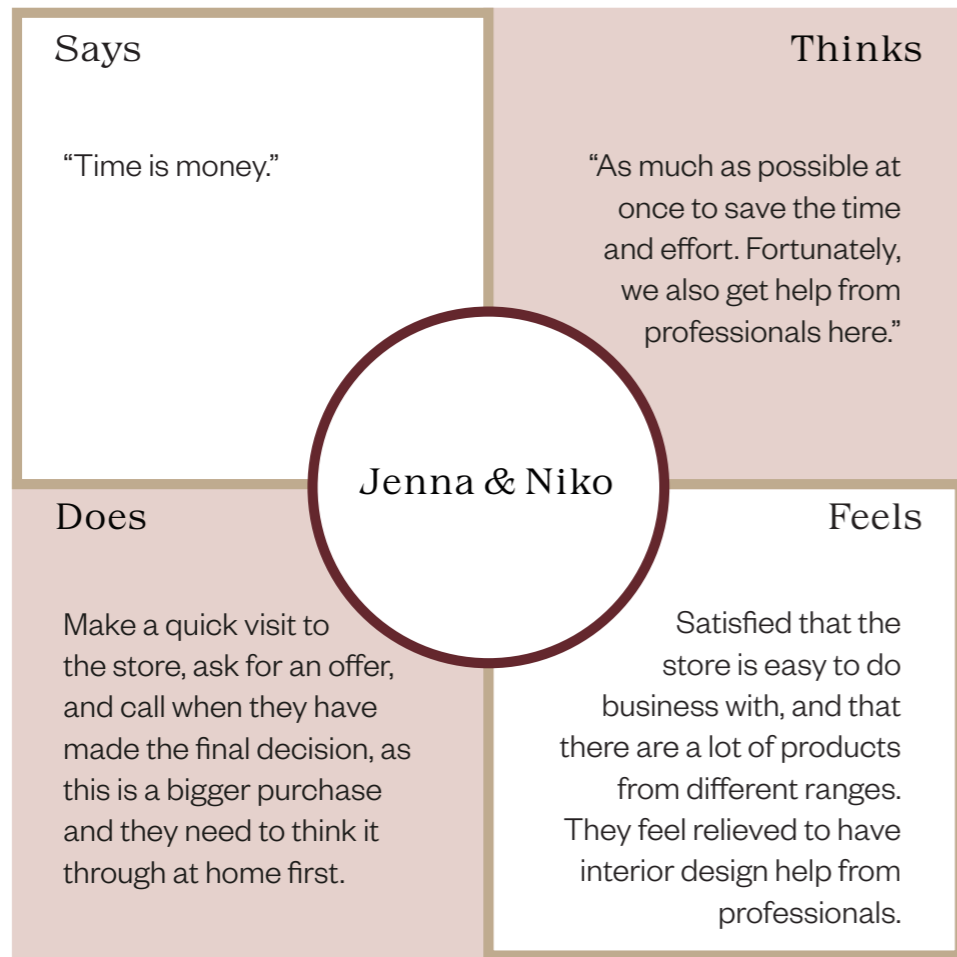


Figure 20. Jenna and Niko's empathy map (Isotalo, 2021).

Jenna and Niko's empathy map is in Figure 20. Their map shows their busy lives and how time is money for them. They are the performers who measure efficiency in everything. Tarja and Lauri's map is in Figure 22. Their map exudes life and how they support locality. They are stable and experienced in life, and they are not hampered by small things.

Tarja & Lauri



Education

Vocational examination

Job

Agricultural entrepreneurs

Age & Marital status

55 years, married

Hobbies

Spending time in their summer house

Taking care of their children and grandchildren

Outdoor activities and skiing in winter

Person's home

The house was built in the 1950s

Domestic furniture has been used in the interior

Seasonally changing interior textiles

Buying quality items that last for a decade

Favourite products

Carpets

Finnish furniture

Curtains

Three reasons to visit the store

1. Needs a new interior element for their home
2. Spend time shopping with their children
3. Something is happening in the store

Most important things in life

family

Fears

diseases
social exclusion

Social channels

Facebook
Whatsapp
newspaper

Experiences from the store

Visited 1-2 times a year, as locality is important to them

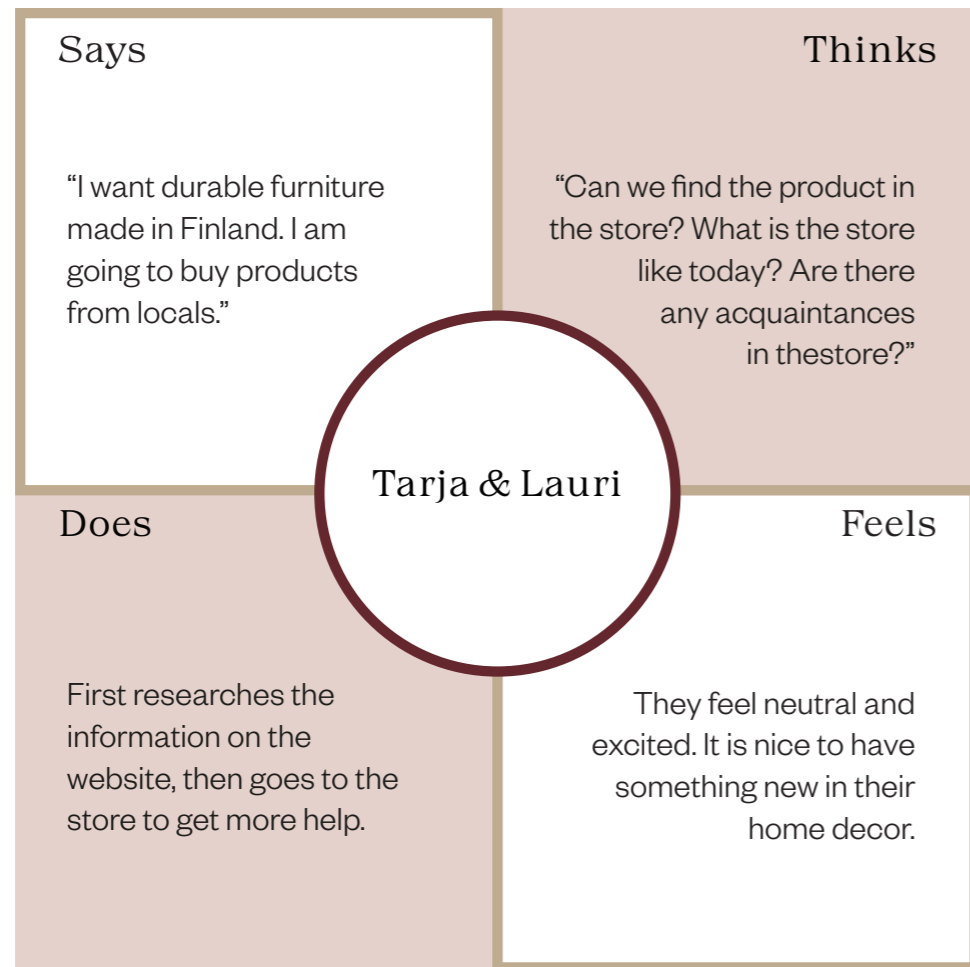


Figure 22. Tarja and Lauri's empathy map (Isotalo, 2021).

4.2.4 – Customer journeys

A customer journey map presents structured visualization of a customer's experience. The touchpoints where customers interact with the service are used to construct a journey, in other words, the journey is composed of touchpoints, where the customer interacts with the service. The map provides an overview of the factors influencing the customer's experience. The map allows the description of both problem areas and opportunities for ideas. Concentrating on particular touchpoints allows the journey to be broken down into stages for further study. (Stickdorn, M. and Schneider, J. 2011, p.69.)

The study presents the customer journey maps of all three different personas, step by step moving through all the different contact points that the customer experiences during the purchase experience. Factors influencing the contact point are also posted on the map. Lotta's customer journey is presented in figure 23., where she ends up buying one decorative pillow as well as candles. Jenna and Niko's journey in figure 24., they have a real need for interior design help and they buy a lot at once. Tarja and Lauri's customer journey can be found in figure 25., it shows that they are loyal customers and this time they are buying a carpet and a lamp. Later in this thesis, Tarja and Lauri's customer journey map has also been utilized in creating the service blueprint. Lauri and Tarja were chosen, as they are the most influential customer group locally and according to the commissioner, very descriptive of a specific customer group that the store has. (Personal communication, 29.10.2021).

Lotta's customer journey

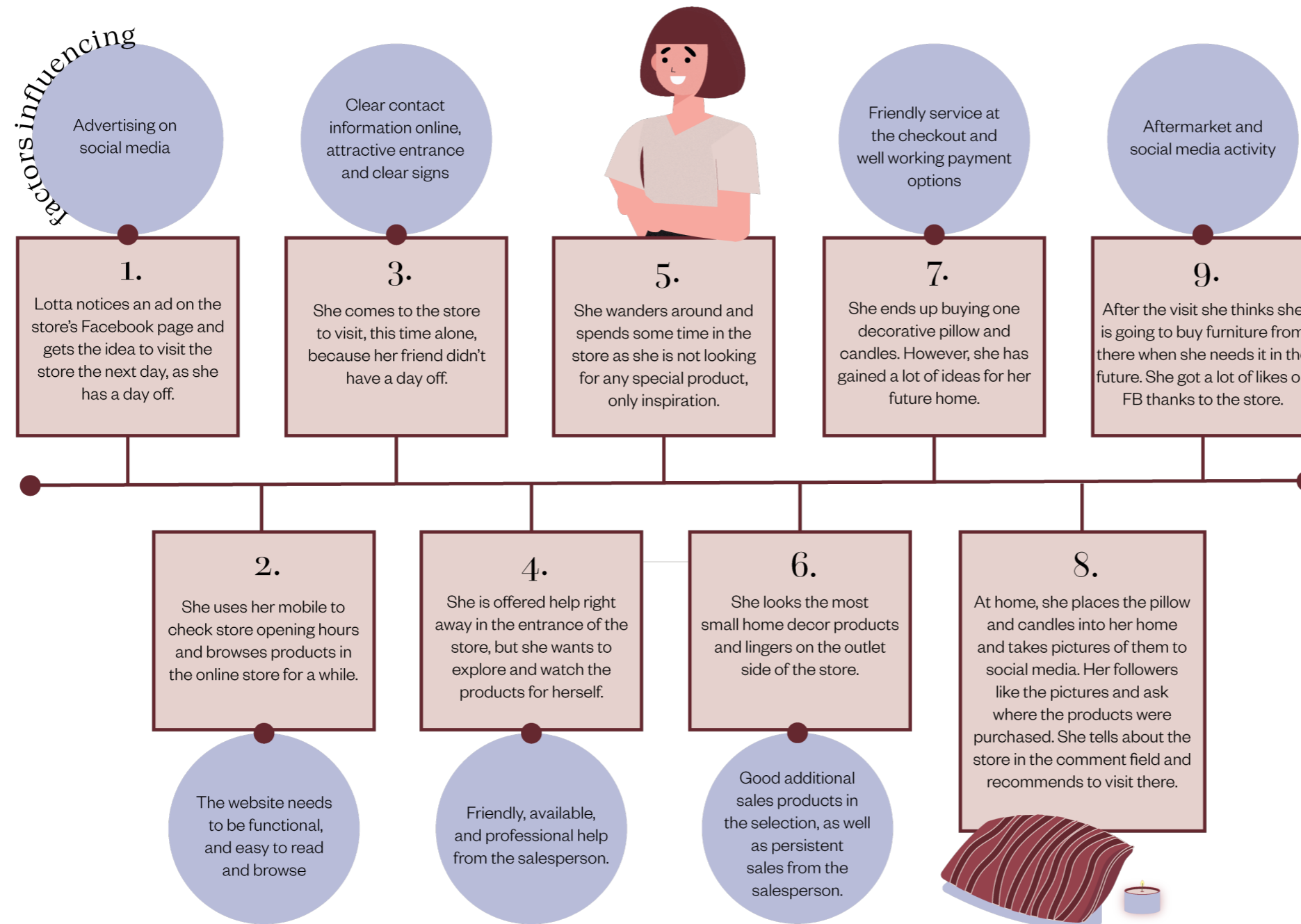


Figure 23. Customer journey map of Lotta (Iso-talo, 2021). Lotta's customer journey shows the importance of multichannel and social marketing. Lotta may not be buying anything valuable from the store right now, but she is a good future customer. Through her social media, the store would get a lot of attention from her age group, which may not yet know the store even exists.

Jenna and Niko's customer journey

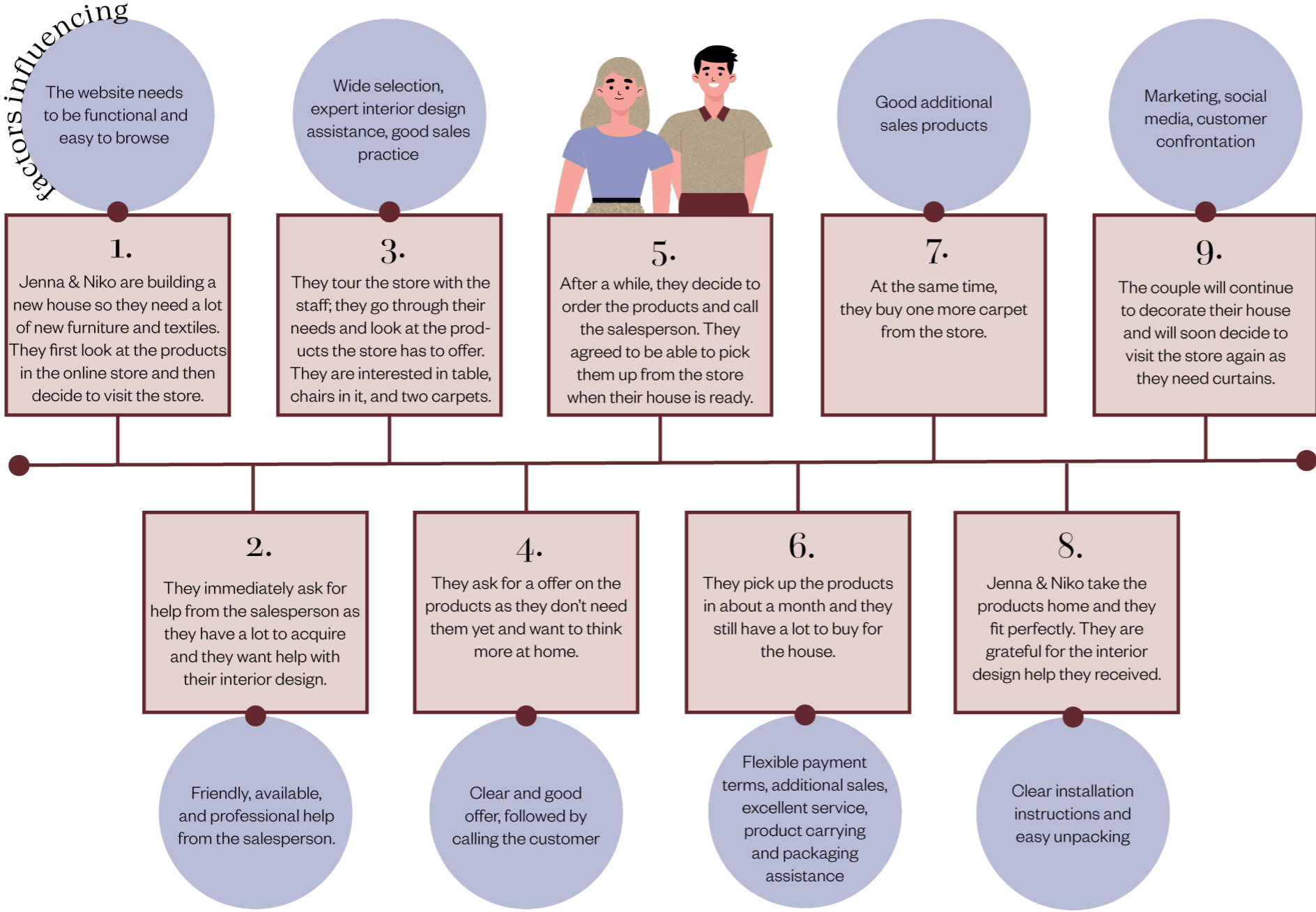


Figure 24. Customer journey map of Jenna and Niko (Isotalo, 2021). Jenna and Niko buy a lot at once, so they are margin-raising customers. They are building a house in Turku, which is the nearest bigger city to the store. The store, therefore, needs to reach customers in Turku, and with the help of Jenna's and Niko's recommendations, this is possible.

Tarja and Lauri's customer journey

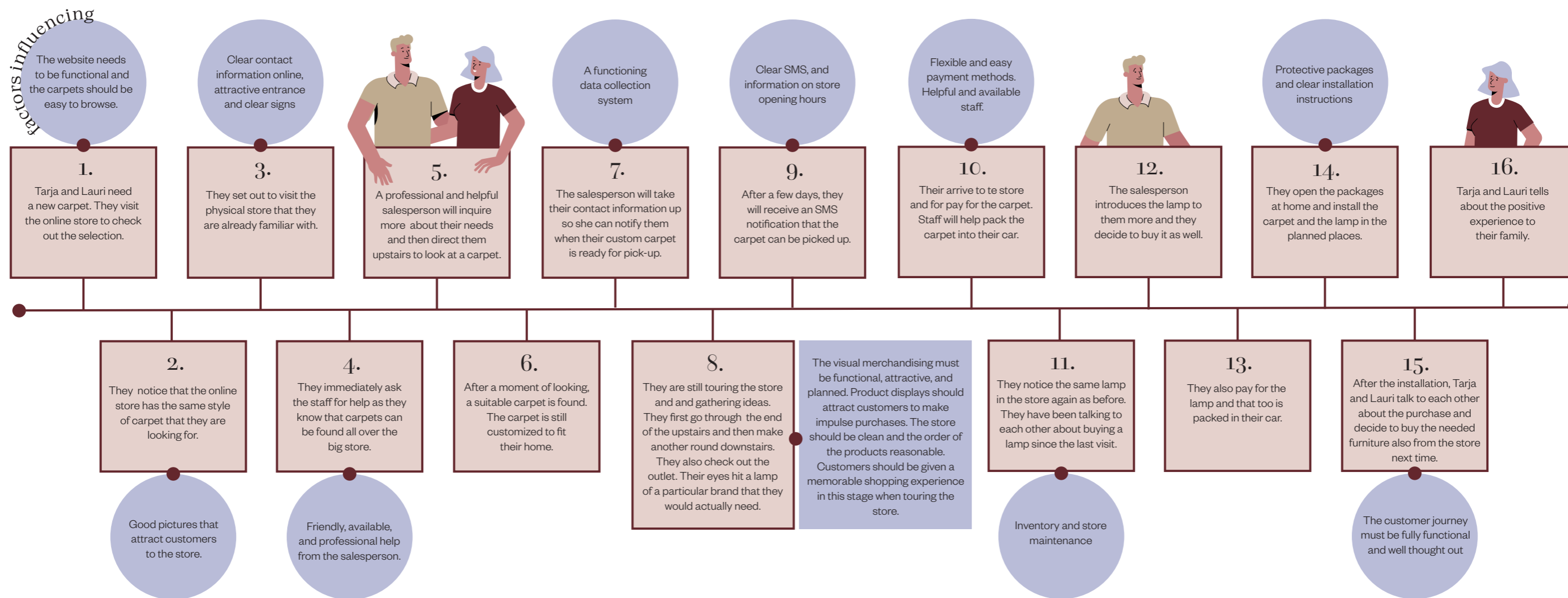


Figure 25. Customer journey map of Tarja and Lauri (Isotalo, 2021). Tarja and Lauri are an example of the most common customer group, and they also live in Salo, so they are local customers. Their experience of the store is beneficial in building a local reputation. They ask for help and some reflection time, but also they are willing to do a small multi-channel research about the products themselves.

4.2.5 —Customer timeline

Customer visit time was observed to discover what potential requirements the store has. If a customer visit is very short, customers usually demand clarity, speed, and immediate service. If customers are visiting for a longer time, it should be considered whether there is a need for potential seating, toilets and catering, or maybe even a café, to make customers feel as comfortable as possible. A long visit does not in itself mean customers will buy more, but it does mean that the retailer has made them feel comfortable, and that is what future retail will certainly demand. (TobiiPro, 2021.)

The visit time of six different customers was counted in the study. Customer visit time was calculated with a timer, and all customer visit times were averaged (12/11/2020). In this case, the store was visited for a long time, an average of 40 minutes. This is a good result, as the time to create an experience for the customer is much longer than, for example, in a bakery where customers just deviate to pick up a single bread.

4.2.6 —Customer eye movements

As mentioned before, eye-tracking is a precise way of accurately reporting what drives the customers to make the decisions and behaviors during the customer journey (TobiiPro, 2021). Eye-tracking offers visually engaging evidence of conscious and subconscious behavior that can not be observed or captured otherwise (Heuss & Ward, 2020). Tracking the customer's eye movements is familiar from both fields, visual merchandising, and service design.

There are several different ways to implement the eye-tracking method. Some eye movement tracking glasses use a wireless network to produce eye movement data. There are also cameras that are coded to track only eye movements, as well as helmets that can be fitted with a camera that follows the customer's gaze. (Ebster & Garaus, 2015, p.24.) The method can also be implemented by walking with the camera behind the customer. In larger stores, it is challenging to gather the data where the customer looks at during the customer journey in the store, but the camera is useful to track the trajectories of the customer's head. (TobiiPro, 2021.)

In this case study, a pre-agreed customer was followed in the store (12/29/2020). The customer was followed during her journey and movements of her head were monitored with a camera. She was first instructed to do a free journey in the store, after which she was asked to look at certain areas. After the monitored journey, the customer was interviewed extensively. She was required if she noticed certain elements and

what she remembered the best from the journey. She was also asked general questions about the layout and store design. Eye-tracking research and traditional observation of customers have provided useful insights into what attracts customers attention. It turned out that in addition to the products, the customer's gaze immediately hit the trash, empty cardboard boxes, exclusive products, and unclear areas. A map of the customer's eye movements was made by utilizing the same store layout used in the Money Mapping -method. The Picture 25. shows the points where the customer's gaze stayed the longest were marked on the map with a red dot. The bigger the dot on the map is, the longer the customer's gaze remains on it. The points can be used to define which specific products and items the customer paid attention to in the store. Some of the products were completely ignored, while antique products, oriental rugs, and the products of the brand Artek caught her attention. The points that the customer did not pay any attention to, such as the entire fabric department, need to be redesigned and considered how customers could notice these in the future. The tracked customer represented a specific customer group, which was also reflected in her gazes and interests in products. Her interest in Artek brand products is also shown in Picture 26., where you can find more detailed points of glances from her one gaze pointed to the product presentation.

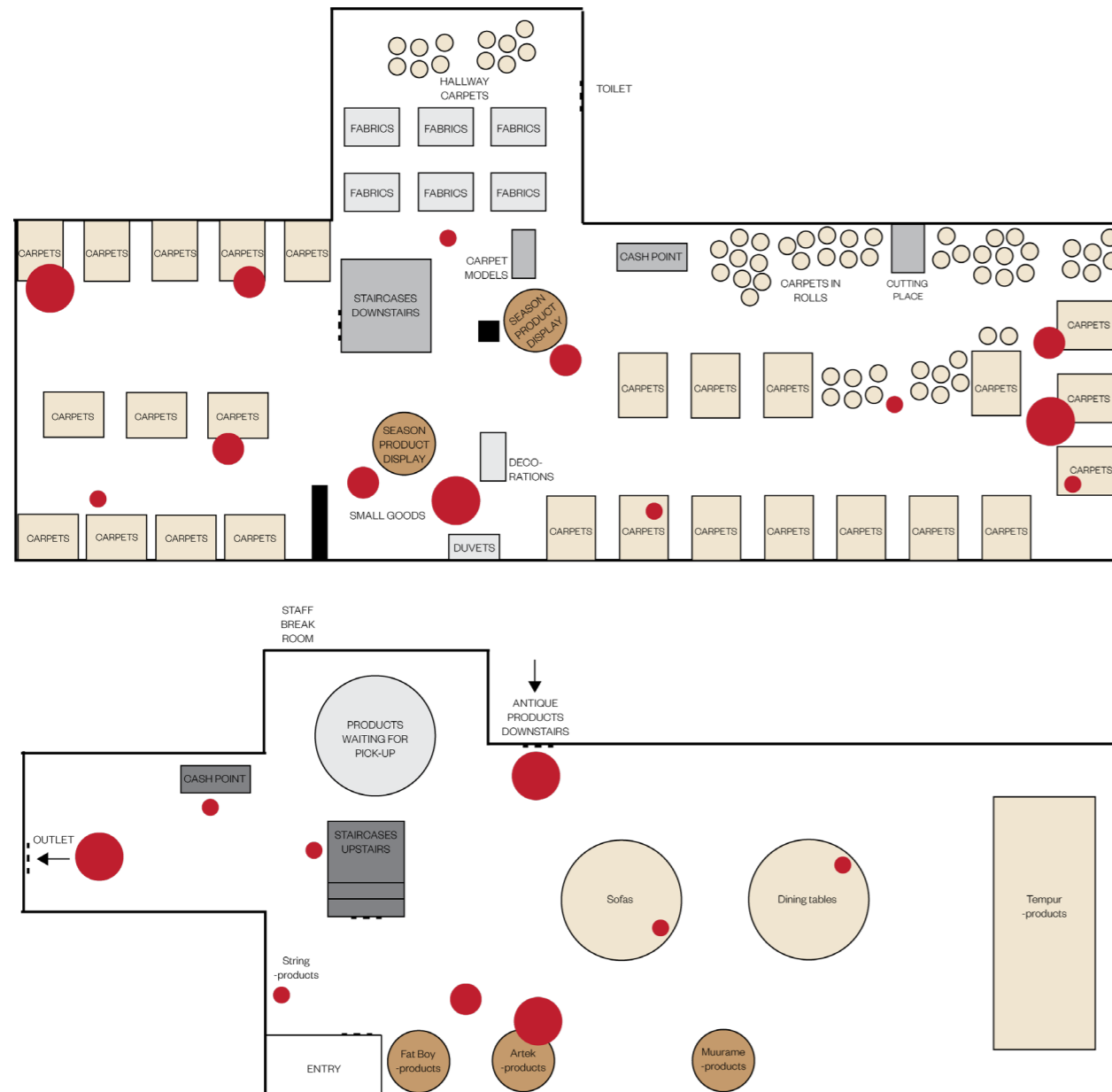


Figure 26. The points where the customer's gaze stayed the longest. (Isotalo, 2021).



Picture 9. Screenshot of the video that followed the customer's eye movements. In the picture is an area next to the entrance that is popular with other customers as well. Customer's gaze found certain design classics from Artek. (Isotalo, 2021.)

4.2.7 — Customer interviews

Interviews are the most practical way to engage with customers in their own context. Customers give good suggestions, and usually, they notice the well-functioning sides more easily than the retailer, the points that are not worth starting to change. Interviewing customers in pairs works in some cases. For some people, a one-to-one interview can feel imposing and customers may say what they think the interviewer wants to hear from them. Customer interviews held in pairs can be helpful as the subject and answers of the attendees feeds each other and builds the conversation on. (Polaine, Løvlie and Reason, 2013, p.52.) Most customers are also more comfortable giving their thoughts when discussing in a familiar environment (Stickdorn, M. and Schneider, J. 2011, p.71).

The second customer interview in this thesis case example was held in pairs, and a notable amount of insights was gathered during this particular interview. The interview, like other customer interviews, were recorded on a tape recorder. From all four interviews (12/29/2020, 11/3/2020 and 1/14/2021) with customers, the most raised topics and insights were collected on paper. Customers were randomly selected from the store. Customers raised points such as the importance of the history of the store, the

experiences brought by the store, and several things about individual products and their location in the store. Certain products, such as carpets, came up frequently, and some customers wanted more small interior products to the store. During the interviews, customers were asked for comments on the visual merchandising of the store, for example, whether they noticed certain things and what kind of image they had about some product displays. For example, one of the customers had a poor quality picture of rolled up carpets. New customers wondered why they had not heard of the place before, and customers who were already familiar with the place told stories and experiences about the place, as well as the products they bought there. Interviews quickly revealed that the place is undeniably special for all customers. Customers liked the diversity of the store and the fact that they can also make discoveries there that can not be bought elsewhere. Customer stories showed that they feel comfortable in the store and want to be there for a long time. Customers would like the idea of having a cafe and various events in connection with the store. Also, the store's entrepreneurs are cared for by the customers and their expertise was highlighted.

4.2.8 — Workshop

Co-creation is one of the terms used in service design. The value of services or purchase experiences is being co-designed with the stakeholders or commissioners. Co-design opens up new possibilities for designing and researching user experiences. Co-workshop is an innovative service design method that gives a scope for developing the service design process. Workshop is in a credible way collecting user data through creative means, it has a visual as well as participatory nature. Co-design workshops are creative and data-collecting events hosted by the facilitator. (Koivisto and Miettinen, 2009, p.65.) In co-design and workshop processes, it is essential that the right people are recruited to participate and that everyone knows the purpose and mission of a particular workshop (Miettinen, 2017, p. 23).

Before the co-workshop of the case study, a word cloud, shown in Figure 12., was collected from the development ideas already aroused in the observing and interview. The development ideas were reviewed together with the commissioner. The word cloud serves as a map that has been collected without filtering ideas that have come up during the study. The ideas that were not suitable for development were removed, and the ideas everyone preferred, were developed more together. The co-workshop attended by the commissioner and one store employee was held in the store (3/10/2021). The goal of the workshop was to gather insights and ideas. The workshop was structured in three different phases, in the beginning the first version of the service blueprint was co-developed on large paper with the help of post-it notes. After that, the

entire service blueprint was refined on smaller paper, which was based on the already printed Tarja and Lauri's customer journey map. During the development process, the various stages of the customer's shopping experience were examined. In the next phase of the co-workshop, the attendants filled out question forms and a wall-mounted service blueprint base, with help of post-it notes. In the third phase of the workshop the printed word cloud, which introduces the first development ideas, was filled with more ideas, and dysfunctional ideas were removed. For example, not all carpet rolls can be moved to the same location in the store due to their remote cutting location, even though this was one suggestion in the word cloud. Some ideas were further developed and some were ready.

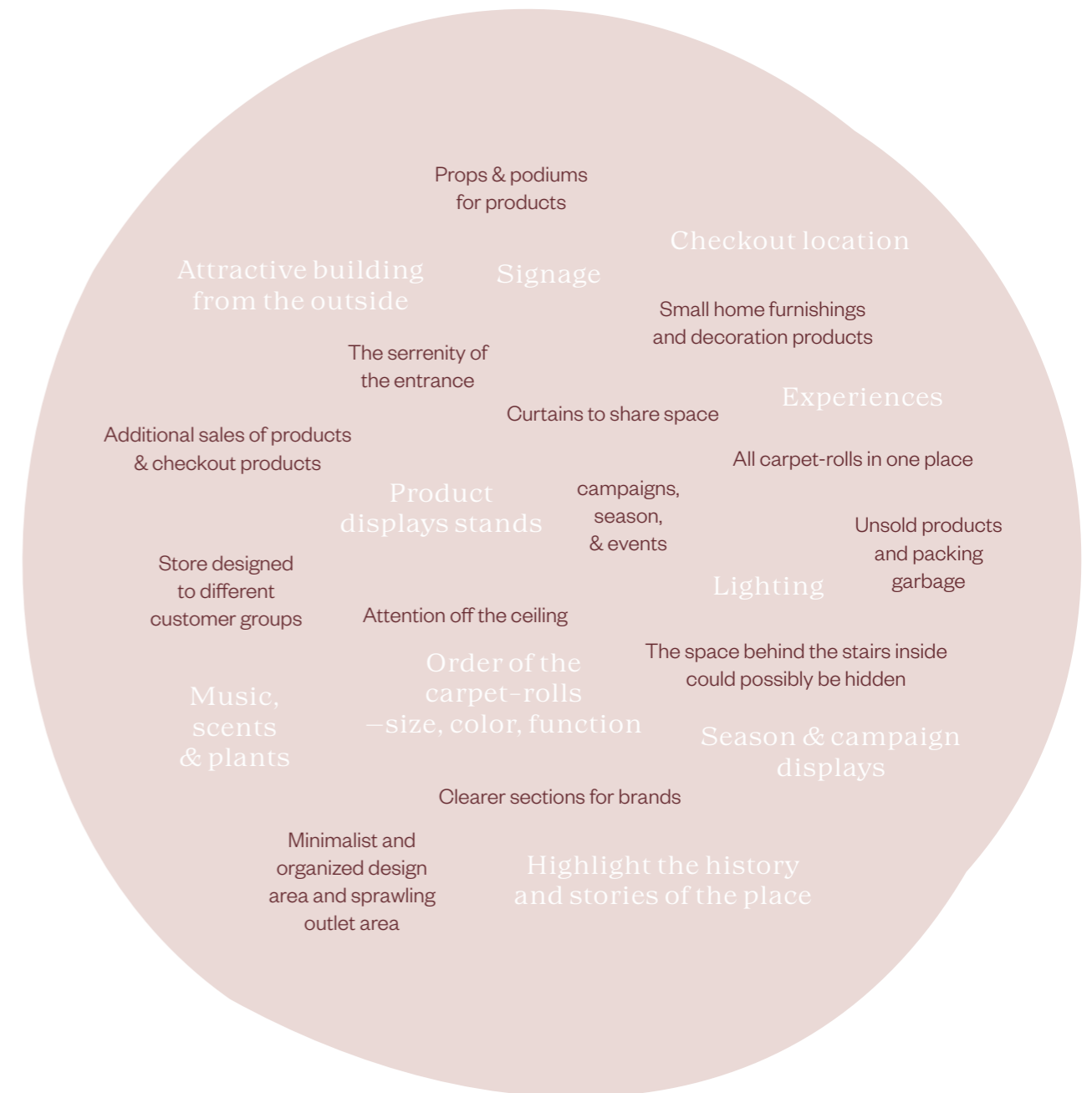
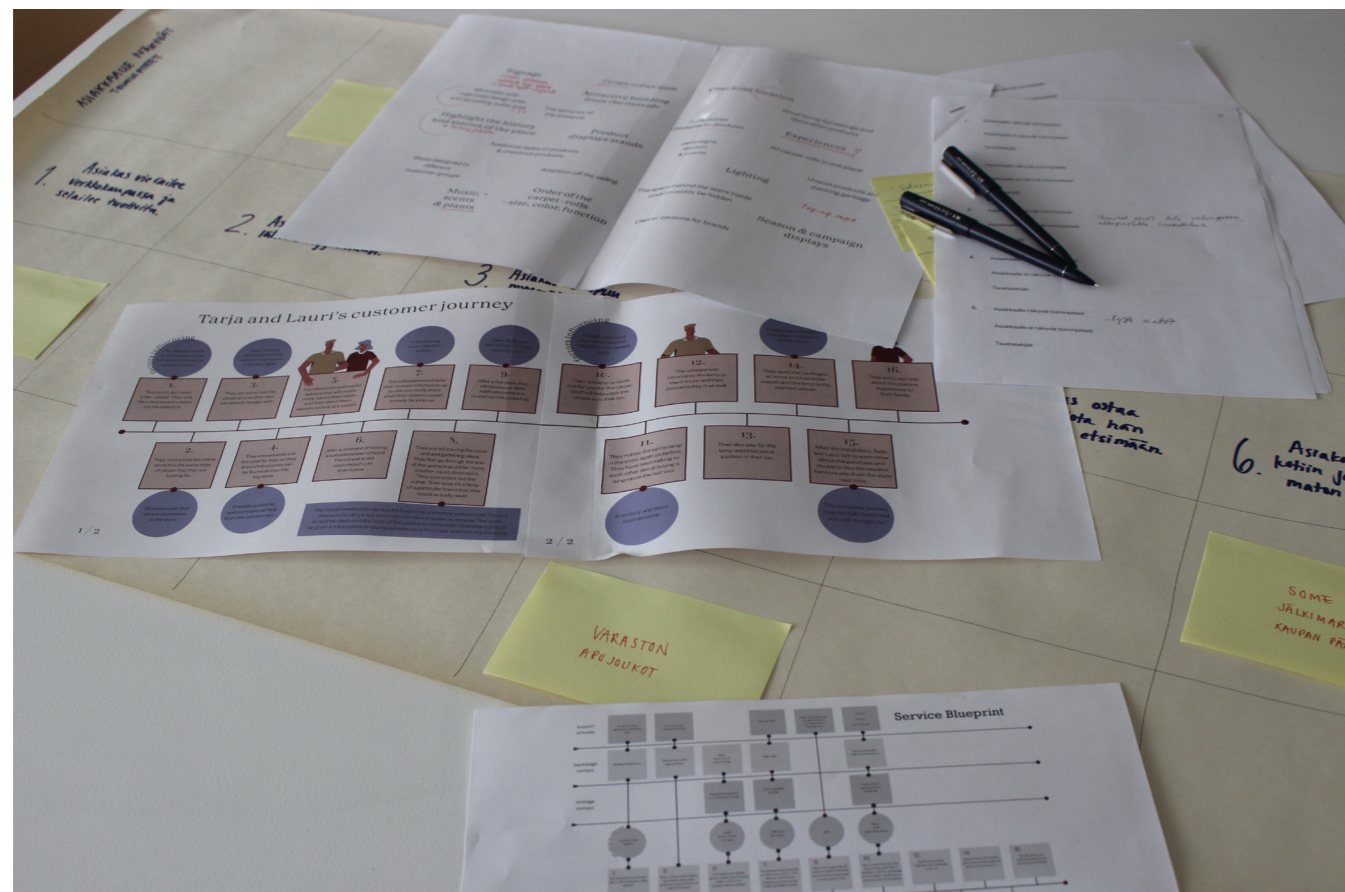


Figure 27. A word cloud of initial recommendations was gathered during the case research phase without filtering any ideas (Isotalo, 2021).



Picture 10. The workshop was organized in the store and was attended by one employee of the store in addition to the commissioner. It was not difficult to get participants involved, and the facilitator worked mainly in the background. The workshop was an intimate idea-developing moment of three people. When brainstorming ideas, the facilitator

4.2.9 –Service blueprint

Blueprint allows examination across the user and channel lines. Each one of the retail service phases can be seen as a column that contains the customer experience across all of the touchpoints through to the backstage of stakeholders and actions that are assigned to them. (Polaine, Løvlie & Reason, 2013, p.121.) Service blueprint is a detailed specification of every aspect of the service. This map shows details in every touchpoint of the customer journey from the perspectives of the user, the designer, and other relevant parties. It is a way to specify and detail each one's aspect of a service. The perspectives of both the customer and the service provider and other relevant parties that may be involved, are described. By describing all of these, the blueprint allows the most crucial points to be identified or highlighted. (Stickdorn, M. and Schneider, J. 2011, p.92.) When creating a service blueprint, it is crucial to understand that the journeys are relationships between providers and customers and that there are extremely complex relationships inside and outside the organization. The personnel that interact with customers are themselves users and providers of internal services. (Polaine, Løvlie and Reason, 2013, p.36.) Service blueprints need to be experiences of mixing multiple touchpoints and noticing how these experiences flatten over time and context. Service design uses theatrical comparisons in the blueprint, such as backstage, and experience prototyping could be called as theater. The parable allows the participant to act

in situations that are not real but gives a credible experience as a result. (Polaine, Løvlie and Reason, 2013, p.140.)

As mentioned before, the first version of the service blueprint was created in draft form in the co-workshop. The draft, as well as Tarja and Lauri's customer journey map, gave the blueprint a good foundation. The final version was created based on them. The service blueprint presents the results of the research conducted with the help of service design methods and tools. The map (Figure 28.) shows the physical evidence of the customer path and its various stages. At each stage, the map jumps into the service provider's (salesperson) boots and shows all the functions onstage (visible to the customer) and backstage (do not appear to the customer). The last vertical column at the edge of the map shows what are the different supporters at each stage of the customer path.

Lauri and Tarja visit the online store first, and then they go to the physical store to see and feel the carpet they are aiming to buy, and then they end up ordering it in a custom size. They later pick up the custom carpet from the store and at the same time also buy a lamp as an impulse buying. In the end, they share the experience with family and friends. Their customer path has many factors that can influence their opinion of the store. They go through the store twice, so the store has several opportunities to get Tarja and Lauri to take products with them.

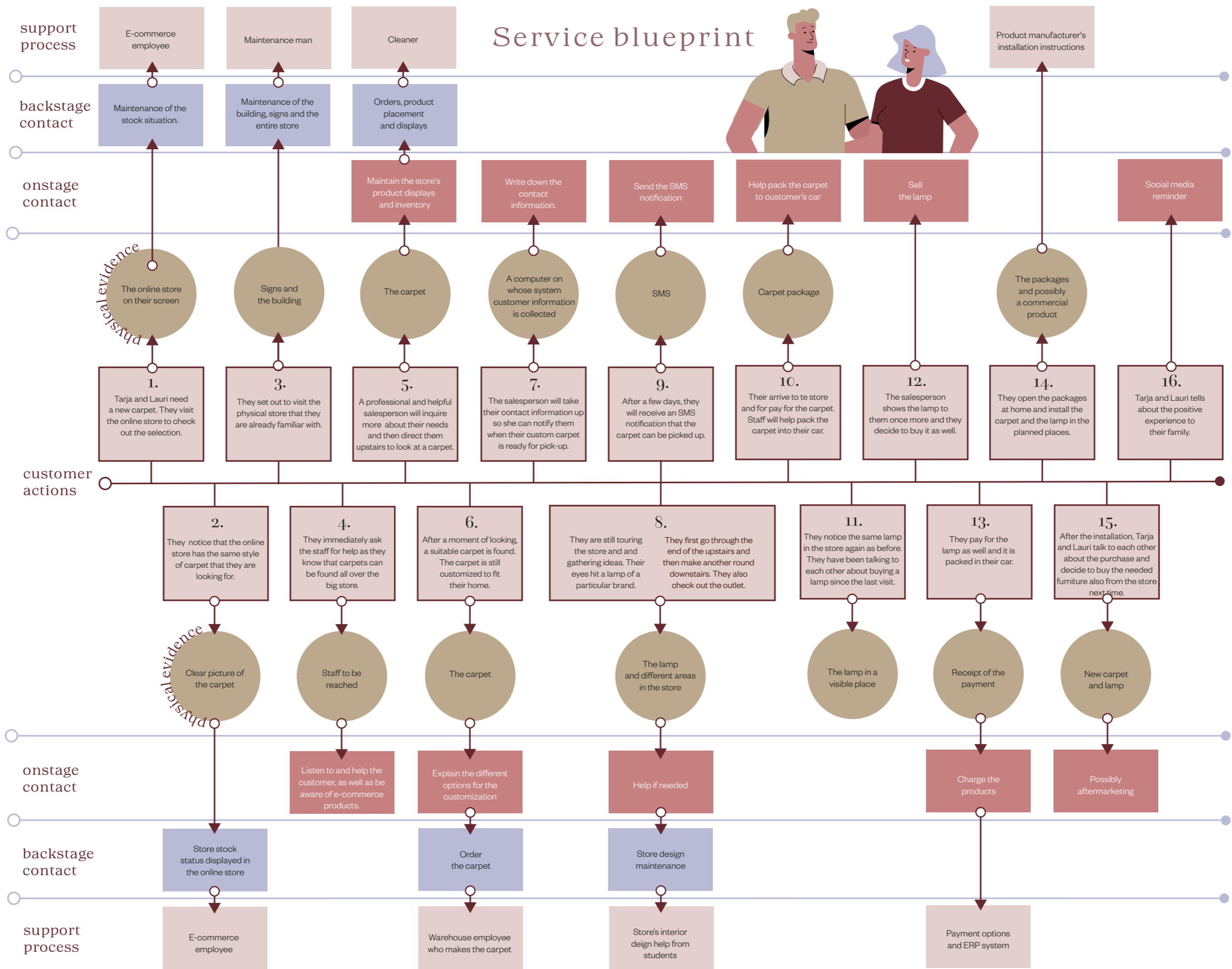


Figure 28. Service blueprint (Isotalo, 2021).

4.3

Prototypes and Recommendations

In this case, the prototyping stage was reached when the insights from the research were defined, and there was a desire to present and test the functionality of the recommendations ideas. The prototyping phase should always look for ways to improve the ideas, not finding them non-existent, therefore the ideas were first reviewed at an early stage with the commissioner, already in the earlier described co-workshop. The final stage was to present the finalized development ideas and prototypes to the team of Ylhäisten Sisustustehdas. They set out to implement some of the ideas immediately and some prototypes were further developed. The use of props, a new layout, and the proposal for the new signage aroused interest. The following sub-chapters introduce the development ideas and prototypes that are the results of the study conducted at Ylhäisten Sisustustehdas. Development ideas present solutions to problems found in pain points.

4.3.1 – Recommendations for store design

The study focused most on store design and how it can be made more harmonious through visual merchandising. Service design methods were a reliable way to highlight problems and pain points. They were used to find the recommendation ideas, that support the overall impression, visual appeal, and experiential atmosphere of the store. These all have a positive impact on the company's income and brand. Development ideas for the downstairs are presented first, then upstairs and exterior, and in the next chapter the other general functions of the store.

The building is large and the customer base is extensive, which is why it would be advisable to think about designing the store for different customer groups. Design brands are sold in the store downstairs, which works well as a store representative area near the entrance. Particular attention should be paid to this area, as these products require space and clarity around them. The customer group that buys design products has high expectations not only for the products, but also for the store, as well as presence and quality from the presentation. The outlet area in the store can remain a bit unsettling and complex, as customers who visit there expect to make findings from the outlet by tapping and searching. Particular customers arrive at the store to look just for carpets and for this reason a sign should be placed immediately at the entrance directing them upstairs to the carpets. Even if customers go straight upstairs, it does not mean they will not go around the downstairs afterward and browse the products it offers.

As mentioned earlier, the entrance of a store should be loose so that the customers are provided to process the new space for a while as they enter. It is a good idea to keep a tempting product presentation on the middle step of the stairs, as it is far enough from the entrance and the first thing the customer sees.

The downstairs (Figure 29.) is an oppressive space, so it should be broken and made more rhythmic through curtains and product displays. For product presentations, it should be considered whether podiums lifting certain products would be helpful. The podiums would help the desired products to stand out, and it would also break the rhythm of the space. High curtains should be placed in connection with the podiums and throughout the store, which would raise the impression of the height of the space, divide the space, and distract attention from the ceiling. One problem was that customers move to the left side of the store when entering, and this was not liked, as the outlet section can be found there and it is not as representative as the design product area on the right. For this reason, it is recommended that the location of the cash desk would be moved to the right side of the stairs. A thick movable curtain should also be placed behind the cash desk so that products waiting to be picked-up in the background, as well as goods that easily expand in the background of the stairs, are hidden. The spotlights already found downstairs should be placed towards the displays and curtains. It would be desirable to bring props and plants to the store to generate the atmosphere and experientiality.

Also, definitely relaxing slow and cheerful music in the background so that customers can relax in the store while spending a long time in there and this way they will spend even longer there and feel able to talk to the salesperson more easily as well. The choice of music genre should take into account all the different customer groups, so it should not be too marginal. It would be advisable to bring small home decor products next to the checkout that would be easy to sell as additional sales products. Also, it would be advisable to take more small interior products downstairs and build an area in front of the outlet section. The same group of customers who visit the outlet also usually want to buy small items, so the product area would make sure they do not leave the store empty-handed.

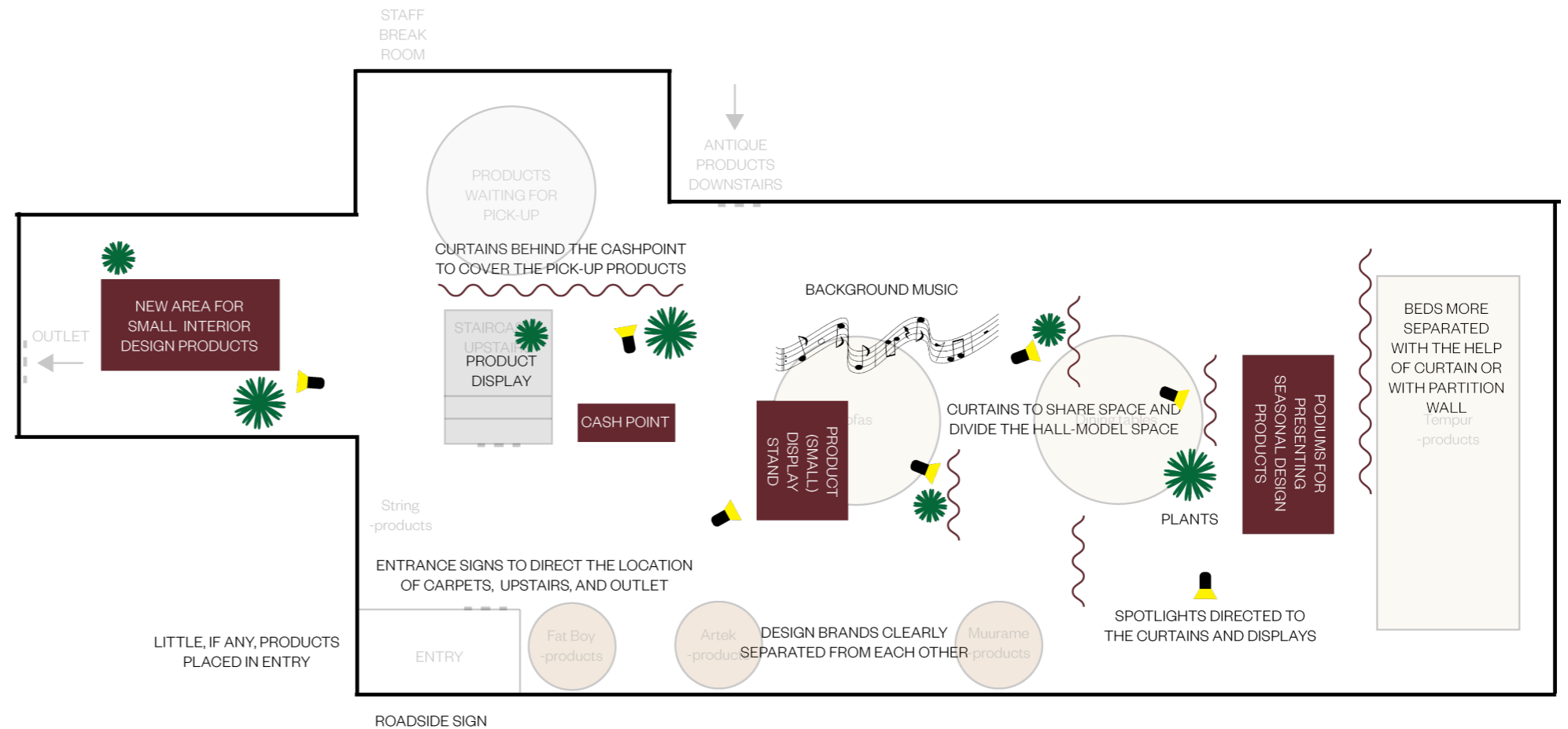


Figure 29. Downstairs layout recommendation (Isotalo, 2021).

Upstairs (Figure 30.), attention should also be paid to the displays, although there are already well-functioning ones. Upstairs should focus most on carpets and their displays. A few carpet displays should be built in the middle of the store, as well as at the other end of the carpet area on the left side. Presentation podiums should be decorated with plants, curtains, and spotlights. The Money Mapping research showed that customers rarely operate in the fabric area, so a display with fabrics in the form of curtains and pillows should be built as an attraction in the back of the area and its lighting should be taken into account. Also, a clear aisle should be organized to the fabric area, for this reason, it should be considered whether the location of the carpet-model shelf should be moved. It is advisable to add seating places upstairs for the customers, due to the long visit-time. In connection with the seating, it could sometimes consider maintaining a pop-up café, for example.

The attractiveness of the store should also be considered from the exterior of the store. For this reason, it is recommended that the roadside sign is renewed, and the terrace is well thought and decorated. Due to the distant location of the store, customers rarely accidentally get lost in there, but the building is majestic and exudes history, it is hard to go past it without wanting to know what is inside.

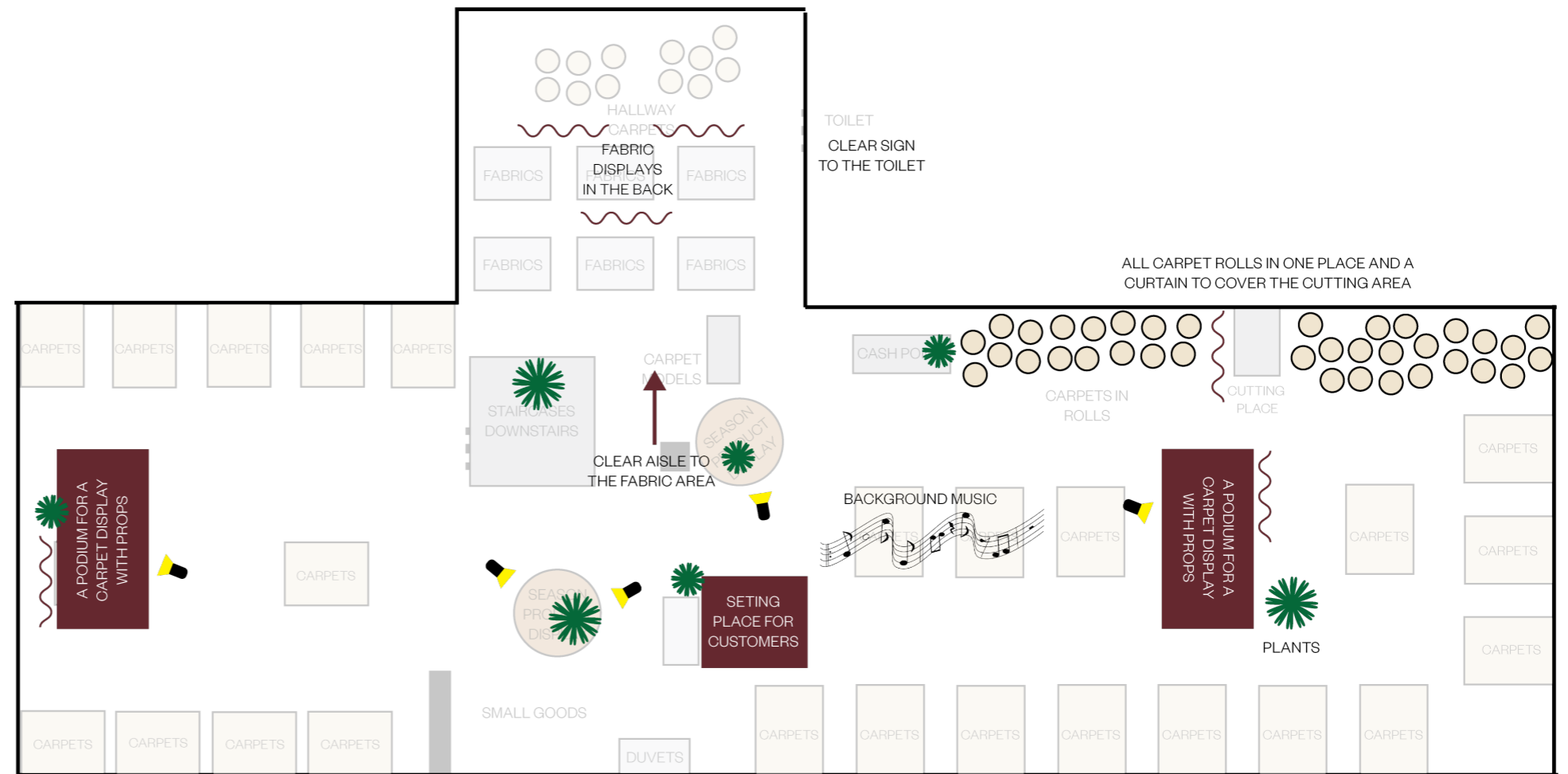


Figure 30. Upstairs layout recommendation (Isotalo, 2021).

4.3.2 —Additional recommendations for other operations of the store

- 118 Because of the majestic building, the first additional idea is to bring out the history of the building. The gorgeous old bread factory deserves to be showcased and at the same time, this also creates a great selling story for customers and serves their engagement. History can be presented, for example, on a display board, with old objects used in the factory, or brochures. It is recommended that the store organizes as many campaigns and events as possible, which are advertised especially on social media. For example, a product-removal discount campaign, which would help easily to get rid of unsold products hanging downstairs, and at the same time, it would help the design area become more attractive and more valuable with its minimalism. It would be advisable for the store to pay special attention to the seasons, as the products sold in
- the store belong to a group that is very efficiently sold seasonally. Customers could be given over-the-counter products or free samples to engage them, as they could get to know those products and cherish their good experience at home after the purchase. In order to provide customers with a memorable experience, pop-up cafes, a colonial-style days campaign, or a curtain campaign are good ideas. During a coronavirus pandemic, the store should host private events. Also, omnichannel thinking should not be forgotten and for this reason, signs could be placed in the store stating that this product can also be found in the online store. It could be also considered to build a store pick-up area visible to customers, that they could in the future link the e-commerce and the store under the same company.

05

Conclusions

As the desk research of this thesis has shown, in the 2020's, retail operates by blending digital, physical, and communications. Retailers aim to create insight-led, holistic experiences across interactions, products, and services that meet together the customer needs and expectations. Multi-channel experience design solutions that inspire engagement on a deeper, more emotional level is the goal of the comprehensive customer journey.

An omnichannel customer journey will continue to be the trend in 2021. The brand omnipresence and customer personalization will make a difference in retailers and customer journeys will become increasingly non-linear. Thanks to data collecting companies, retailers can identify the customer preferences better and personalize marketing campaigns and visual merchandising. Customer engagement and customer data collection is undeniably a trend in retail.

While going online to offline seems a step back into traditional retail, these e-tailers that do so, are reinventing the retail customer experience, focusing on giving a unique customer experience by displaying goods also physically. There are many categories where the touch and feel of products are critical in the purchase process, and lots of data that retail stores are not going away. Retailers need to be everywhere a customer wants them to be. They need to be in every channel that customers operate, finding the right balance between offline and online should be a continuous task. Store planning and especially visual merchandising have to be taken into account also in an omnichannel way as the impact of store design on retail operations is indisputable.

A physical store appeals to all the senses and through the right store design retailers can influence shoppers right where they make most of their impulse purchase decisions. For that reason, visual merchandising has become a success factor for retailers. The physical environment has a significant influence on human behavior and stores can be designed to encourage specific behavior, unlike advertising, this marketing tool influences immediately and in a three-dimensional way. The store design can not

entirely replace great salespeople, but the right store design can lead customers through the store, give them information, entertain them, and sell products. Store design and visual merchandising techniques can be used to influence price perceptions, and to keep customers in the store longer. Stores can be designed to encourage unplanned purchases. Retailers should consider every possible way to make shopping more seamless for their customers.

Service design is an approach that combines different methods and tools from various disciplines. The case study determined that the methods and tools of it work equally well also in the store design. Service design focuses on creating a well-thought-through experience using a combination of intangible and tangible mediums. Service design is proved to be a practice that allows industries to design and deliver their operations with a human-centered approach.

The main research question in this thesis asked how service design methods and tools can be utilized effectively in store design and visual merchandising. The research target was the case study of Ylhäisten Sisustustehdas. Service design and store design are resembling design approaches. As the confluence between service design and store design has not been studied extensively, the goal of this thesis was to close these research gaps and answer the main research question of the study. The goal of this thesis was to apply a combination of visual merchandising and service design approaches to improve the physical store space and its functions. The aim was to make the store's visual merchandising more experiential and to make the store's layout and design more functional.

Answering the main research question, it is possible to conclude that service design can be effectively utilized in store design and visual merchandising with design thinking and by using different methods and tools. Research has shown that by combining visual merchandising and service design, it is possible to support the entire retail industry. The study showed that service design methods and tools are useful to find the multi-channel customer path required by consumers, especially in the future. Based on the results of the case study, service design approaches allow to find all the customer expectations and pain points of a store, and it works well in combination with visual merchandising approaches to create an experiential store design. With different service design methods and tools, the research understood the store's operations, customers, and culture better. The case example showed that the Design Council's Double Diamond model, common from service design, fit well as a guideline for the process and worked well also in visual merchandising and store design. The research phase introduced all the used methods and tools, such as customer observation, money mapping, and customer eye-tracking. The imaginary customer personas were created to reflect and understand the different customer groups of the store. Also, different maps and tools, for example, customer journey maps, were created to research the functionality and visual merchandising of the store. All methods supported the design and the maps helped to create a service blueprint based on the results of the research. These methods also pointed out that a dialog between customers and providers is consistent and that the existence of touchpoints is a necessary term for the achievement of store design projects.

In the last part of the research, after the defining and clarifying phase, the study presented the service blueprint, including all stages of the customer path of a persona belonging to the most common customer group. In addition to the service blueprint, the research results were presented as recommendation ideas, prototypes, and suggestions for the development of the store and its design. Some of the results were presented as a new store layout. The results found in the study, the improvement recommendations, can also conclude that the service design methods worked well as an approach in store design and visual merchandising. The commissioner, Ylhäisten Sisustustehdas, was grateful and satisfied with the recommendation ideas but surprised at how well all dysfunctions and pain points were found by using the different methods and tools. According to the commissioner, the solutions to the pain points were clear, well thought, and easy to implement. Service design is known for its various methods. In the future, the research may present the methods and tools more broadly, as they are the most beneficial areas of service design in visual merchandising and store design. This work presented the most used methods and tools, but in the future, it would be beneficial to research which of the methods are most relevant and why. In the future, it would be good to highlight how important the method and tools of service design are to find the multi-channel customer path, as the desk research has stated: omnichannel is the future.

The use of design thinking allows the creation of new tools and ways of thinking to combine existing approaches to better fit the needs of the future. COVID-19 will and already does affect how to create space. Recreating layouts will affect many sectors but might be most important in retail, where there is a maximalist season currently underway seeking its experiences. It affects the store's customer flow direction planning, the choice of clean materials, and an excess of surfaces. Future will show how much it impacts on how to combine the experiential, mass-gathering campaigns that people seek from retail to the desire that everything is clean and disinfected. Mass event campaigns have become exclusive private sales meetings during the pandemic. While many physical retail stores have been in trouble in recent years, especially during the last pandemic year 2020, physical retail will always have its place. Multichannel and experiential thinking and the use of new technologies must be taken into practice directly. Several products cannot be purchased without seeing, touching, or trying. The location of the stores will become even more important and possibly the popularity of the pick-up warehouse will also increase. No one can tell yet how long the coronavirus will be present and how strongly it will affect the operation of store design and visual merchandising. It is viable and exciting to look forward to which direction retail is moving and developing as a result of the COVID-19 pandemic, new technologies, and trends such as environmental concerns.

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Appendix

Specialist interviews

Participants: Interviewee Anu Kattilakoski and interviewer Janita Isotalo
Interview in Finnish on 12 January 2021

1. Miten koet visuaalisen markkinoinnin muuttuneen ja kehittyneen vuosien varrella? Vaaditaanko siltä nykyään ja erityisesti tulevaisuudessa enemmän?

“Visuaalisen markkinoinnin merkitys ja arvostus yhtenä tärkeänä yrityksen kilpailuetunanon huomattu yhä paremmin. Myyntiä edistetään taitavalla visuaalisella markkinoinnilla. Visuaalisen markkinoinnin osa-alueet ovat tulleet erittäin tärkeään rooliin retailissa. Kuluttajaa halutaan viihdyttää, lisätä myymälässä olo aikaa, pelkkä ostaminen ei enää riitä. Halutaan sitouttaa kuluttaja. Kuluttajatutkimukset ovat lisänneet tietoisuutta kuluttajakäyttäytymisestä ja tarpeista. Kuluttajat ovat yhä vaativampia ja valinnan vaihtoehtoja on paljon enemmän kuin aikaisemmin.” “Somistajista on tullut visuaalisen markkinoinnin osaajia. Tehtäväkenttä laajentunut kokonaisuuden ymmärtämiseen (valikoiman hallinta, tilanhallinta, kaupallisuus, tapahtumat, PR), yksittäisistä somistuksista.”

“Kuluttajien huoli kuluttamisesta muuttuu, otettava huomioon vastuullisuus kaikessa tekemisessä. Ei haluta ostaa enää tavaraa (Konmaritus) vaan toivotaan elämyksiä. Vastuullisuus yrityksen toiminnassa tulee näkyä myös selkeästi visuaalisessa markkinoinnissa.”

2. Mitkä ovat mielestäsi visuaalisen markkinoinnin tärkeimmät osa-alueet?

1. Asiakkaan palveleminen

- tuotteiden looginen ja selkeä järjestys, sekä helppo ostaminen
- huippuunsa viety palvelu ja ammattitaito

2. Katteellisen myynnin parantaminen

- esillepano muutokset, myynnin jatkuva seuraaminen

3. Viihtyisän myymälämiljöön luominen

- sisustus, kalustus, tuotevalikoima, mainosmateriaalit, musiikki, esillepano tapa

4. Asiakkaan viihtyminen ja viihdyttäminen myymälässä

- elämykset, osto impulssit ja virikkeet

Kaiken tekemisen tavoitteena on myynnin kasvu.

- toimivan ja myyntiä edistävän kokonaisuuden luominen
- luotava tutustumiseen ja ostamiseen kannustava ilmapiiri

3. Oletko käyttänyt palvelumuotoilun työkaluja tai metodeja visuaalista markkinointia suunnitellessa?

- Autoetnografinen-menetelmä: selvitettäessä myymälässä toimivien visualistien tarpeita esillepano-ohjeistusten parantamisessa. Havainnointi, kyselyt ja yhdessä tekeminen.
- Moodboard-menetelmä: Selventävä kollaasi visuaalisesta tahtotilasta esimerkiksi kattauksen fiilis, tapahtuman fiilis tai ikkuna esillepanojen fiilis.
- Persoonan luominen -menetelmä: Selvittää kuka ja minkälainen on kohderyhmä, sillä VM-tapa muuttuu sen myötä, jos kyseessä esim. pop-up asiakas, Flagship-asiakas tai outlet-asiakas.

4. Miten visuaalinen markkinointi yhdessä palvelumuotoilun kanssa voisi mielestäsi auttaa retailia menestymään paremmin tulevaisuudessa?

“Kontaktipisteiden havainnointi myymälässä ja koko palvelukokemuksen, sekä asiakasprofiilin selvittäminen avaavat paljon erilaisia mahdollisuuksia hyödyntää visuaalista markkinointia retail-ympäristössä.”

5. Tuleeko mielesi jotain erityisiä VM-tempauksia tai kokeiluita, joihin olet törmännyt tai joita olet ollut mukana toteuttamassa?

“Stockan ikkunassa Arabian Mainio-sarjan lanseeraus (2018). Ikkuna toimi ikkunaesillepanona, että myyntipisteenä. Tilassa järjestettiin myös esimerkiksi vaikuttaja-illallinen.”

6. Näkökö visuaalisessa markkinoinnissa tai myymäläsuunnittelussa megatrendit tai maailman tapahtuman? Tuleeko jokin erityinen tapahtuma mieleen? Esimerkiksi koronavirus on varmasti vaikuttanut myös litalan ja Arabian myymälöiden suunnittelussa.

“Vastuullisuus on yksi suurimpia trendejä. Vaikuttaa suuresti myymäläsuunnittelussa kalusteiden, VM:ssä käytettävien esillepano propsien materiaalien valintaan, uudelleenkäyttöön ja kierrätykseen.”

“Korona virus on vaikuttanut tilojen väljyyteen, hygieenisyyteen (esim. antibakteeriset pinnat, käsien pesu/desifointi mahdollisuudet), kassoille on tullut pleksit ja verkko-ostaminen sekä nouto myymälästä -tilojen muutokselle on herännyt tarve. Private-ostotapahtumat ovat suosiossa.”

7. Oletko seurannut kuluttajakäyttäytymistä myymälässä? Jos olet, millä keinoin?

“Asiakaskierto-tutkimus remonttien, muutoksen jälkeen. Money mapping -tutkimus eri myymälässä olevien kalusteiden/tuotesijoittelujen toimivuudesta”

8. Oletko suunnitellut erilaisia myymälä layouteja? Jos olet, millaisia ja millä tavoin olet seurannut niiden toimivuutta?

“En ole tutkimuksen tasolla.”

9. Miten myymälässä asiointi voisi olla asiakkaalle vielä mutkattomampaan tulevaisuudessa?

“Digitaalisuuden käyttöönotto vielä paremmin mukaan myymälään. Lisäselvitykset, tilaukset ja inspi-raatio siitä miltä tuote näyttää asiakkaan kotona.”

10. Oletko huomannut jotain erityisen toimivia keinoja, joilla saada asiakas viipymään myymälässä?

- Myymälän kokonais layoutin ajattelu huomioiden esimerkiksi kahvilan, kahvipisteen, loungen, kalusteiden sijoittelun ja tilan muodon
- Musiikki, tuoksut, värit, kalusteet - kokonais tunnelma
- Palvelun miellyttävyys ja ammattitaito, kokonaisvaltaiset ratkaisut, yksilöllisyys esim. Private-myyntitapahtumat
- Inspiraatio, elämyksellisyys
- Tarinat, brändin aitous
- Valikoiman mielenkiintoisuus, ajankohtaisuus, sesongit, sekä vastuullisuus

Mitkä ovat mielestäsi hyviä tapoja saada asiakas tekemään enemmän ostopäätöksiä kivijalassa?

- Bränditunnettuus, markkinointi
- Kokonais tunnelman luominen
- Asiakasuskollisuus kampanjat, -tapahtumat, -palkkiot ja sen myötä heidän sitouttaminen
- Erikoistuotteet
- Tarjoukset
- Palvelu
- Lahjapaketointi
- Tapahtumat

11. Miten myymälä tai visuaalinen markkinointi voi tukea verkkokauppaa?

“Omnichannel-ajattelu, jossa verkkokauppa ja myymälät, brändin yhteneväisyys, kuvamaailma, so-misteet ja muut tekijät tukevat kaikki toisiaan ja jatkavat kuluttaja polkua.”

12. Kuinka kampanja painotteisena näet visuaalisen markkinoinnin? Olisiko mielestäsi hyödyllistä ajatella joskus toisin päin niin, että jokin visuaalisen markkinoinnin osa-alue tai palvelumuotoilun työkalu olisikin lähtökohtana kampanja rakennukselle?

“Kampanja esillepanot ovat osa visuaalista markkinointia. Visuaalinen markkinointi käsittää ikkuna esillepanot, opasteet, tavan esittää tuotteet ympäristössä, opasteet, POS-materiaalit, hintamerkinnot eli myymälän kokonaisnäköalaa.”

Participants: Interviewee Karri Koskelo and interviewer Janita Isotalo

Interview in Finnish on 26 March 2021

1. Kuinka tärkeää monikanavainen ajattelu on Lundia Oy:lle?

“Hyvin tärkeää. Asiakkaiden tulisi pystyä hyppäämään myynti kanavasta toiseen ilman esteitä. Omnichannel-ajattelu on noussut erityisen tärkeäksi Covid 19-viruksen aiheuttaman pandemian myötä. Asiakkaille on pitänyt kehittää pienessä ajassa tapa päästä mutkattomasti haluamalleen ostokohtaan.”

2. Koetko asiakastarpeiden muuttuneen viimeisen 5 vuoden aikana?

“Ehdottomasti. Asiakastarpeet muuttuvat koko ajan ja tulevat varmasti aina muuttumaan. Monilla yrityksillä on tähän vielä matkaa, mutta heidän tulisikin taukoamatta kehittää toimintonsa asiakastarpeiden mukaisiksi.”

3. Miksi monikanavainen ajattelu on tärkeää myös B2B-myyntissä?

“Usein asiakkaat eivät ajattele mistä, tai keneltä ostavat tuotteen, tästä syystä myös jälleenmyynti-ketjujen tulee olla suunniteltuja ja yhteentoimivia muiden kanavien kanssa. Asiakkaat haluavat tuotteen helposti ja nopeasti, harvoin miettien keneltä sen ostavat.”



Janita Isotalo — Master's thesis — Service Design
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